

Agenda – Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad: I gael rhagor o wybodaeth cysylltwch a:
Ystafell Bwyllgora 3 – Y Senedd Fay Bowen
Dyddiad: Dydd Llun, 18 Chwefror 2019 Clerc y Pwyllgor
Amser: 13.15 0300 200 6565
SeneddArchwilio@cynulliad.cymru

(Rhag-gyfarfod)

(13.15–13.45)

1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau

(13.45)

2 Papur(au) i'w nodi

(13.45)

2.1 Archwiliad o Berthnasoedd Cytundebol Bwrdd Iechyd Prifysgol Caerdydd a'r Fro ag RKC Associates Ltd a'i Berchennog: Gohebiaeth gan Maria Battle, Cadeirydd y Bwrdd (6 Chwefror 2019)

(Tudalennau 1 – 25)

3 Caffael Cyhoeddus – Y Camau Nesaf: Sesiwn dystiolaeth gyda Llywodraeth Cymru

(13.50 – 15.20)

(Tudalennau 26 – 97)

Papur briffio gan y Gwasanaeth Ymchwil

PAC(5)–05–19 Papur 1 – Papur Llywodraeth Cymru ar yr Adolygiad o'r

Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru

PAC(5)–05–19 Papur 2 – Ymateb gan Gomisiynydd Cenedlaethaur Dyfodol Cymru

PAC(5)–05–19 Papur 3 – Ymateb gan Partneriaeth Cydwasanaethau GIG Cymru

PAC(5)–05–19 Papur 4 – Ymateb gan Dr Jane Lynch Prifysgol Caerdydd

PAC(5)–05–19 Papur 5 – Ymateb gan Gymedeithas Llywodraeth Leol Cymru



PAC(5)-05-19 Papur 6 – Ymateb gan Gonsortiw m Pwrcasu Addysg Uwch Cymru HEPCW

PAC(5)-05-19 Papur 7 – Ymateb gan Cyngor Caerdydd

Andrew Slade – Cyfarwyddwr Cyffredinol, Economi, Sgiliau ac Adnoddau Naturiol, Llywodraeth Cymru

Marion Stapleton – Dirprwy Gyfarwyddwr, Tîm Strategaeth Gwasanaethau Trawsbynciol, Llywodraeth Cymru

Jonathan Hopkins – Dirprwy Gyfarwyddwr Masnachol a Chaffael, Llywodraeth Cymru

4 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y busnes canlynol:

(15.20)

Eitemau 5, 6 & 7

5 Caffael Cyhoeddus – Y Camau Nesaf: Trafod y dystiolaeth a ddaeth i law

(15.20 – 15.45)

6 Craffu ar Gyfrifon 2017–18: Trafod yr adroddiad drafft

(15.45 – 16.30)

(Tudalennau 98 – 171)

PAC(5)-05-19 Papur 8 – Adroddiad drafft

7 Adroddiad Archwilydd Cyffredinol Cymru: Paratoi ar gyfer Brexit

(16.30)

PAC(5)-05-19 Papur 9 – Adroddiad Archwilydd Cyffredinol Cymru



Bwrdd Iechyd Prifysgol
Caerdydd a'r Fro
Cardiff and Vale
University Health Board

Ysbyty Athrofaol Cymru
University Hospital of Wales
UHB Headquarters
Heath Park
Cardiff, CF14 4XW

Eitem 2.1

Parc Y Mynydd Bychan
Caerdydd, CF14 4XW

Eich cyf/Your ref:
Ein cyf/Our ref: MB-JTF-02-7278
Welsh Health Telephone Network:
Direct Line/Llinell uniongychol: 02920 745684

**Maria Battle
Chair**

06 February 2019

Mr Nick Ramsay AM
Chair Public Accounts Committee
National Assembly for Wales
By email: SeneddPAC@assembly.wales

Dear Mr Ramsay

Audit of Cardiff and Vale UHB's contractual relationships with RKC Associates Ltd and its Owner

I write further to your recent correspondence with an update on progress with the remaining actions and a copy of the final action plan.

Action plan progress

At the time of last writing, 3 of the 26 actions contained within the action plan provided to the Committee were outstanding.

- **Development of an internal protocol providing a system for senior leaders to raise concerns** – Further to previous detail on the internal protocol I am pleased to confirm that Raising Concerns was launched from the 22nd October – 26th October. This was after approval of the process at the Hospital Services Management Board and the Local Partnership Forum.

The launch was multi-faceted and included communications from the Chief Executive through 'CAV You Heard' (copy attached) the UHBs weekly newsletter and the launch of an animation which explains easily how you follow the process and who the key contacts are if you wish to raise a concern. The animation is regularly played on monitors throughout the UHB and can also be viewed on the intranet and You Tube via the following link:

<https://www.youtube.com/watch?v=oNWL42hp8ic>

The working group responsible for the launch continues to meet on a regular basis and a further launch will be undertaken in March 2019. The Group are fully aware of the need to continually remind staff of the process.

- **Circulation of a bulletin to the UHB Board and throughout the UHB reinforcing the Nolan principles of Good Governance** – The Nolan Principles are displayed on the UHBs website and can be viewed by the Board or indeed all staff at any time. In addition to this the Board are regularly reminded to review the Nolan Principles to ensure they abide by them. A link to the website where they are held is at the following: <http://www.cardiffandvaleuhb.wales.nhs.uk/governance-nolan-principles>

- **Standing Financial Instructions and Standing Orders** – An all Wales approach is being undertaken by the All Wales NHS Board Secretaries Network. Work is ongoing with the updating of this document through the All Wales approach however, in addition to this the UHB has undertaken a full review of the Standing Orders and Scheme of Delegation which will be approved by the Board on 31st March 2019.
- **Implement a no purchase order, no payment system to prevent the processing of manual payments** – Although this was a completed action from August 2018 I felt it was important to update you on the progress which has been made by the UHB. The Finance Committee held on 30th January 2019 received an update on the 'No Purchase Order No Payment' process and reported excellent progress in compliance rates which demonstrated C&V UHB with a compliance rate of 98.4% for January 2019 compared to an All Wales rate of 90.7%.

The Internal Audit Review of contracts has been completed but not yet issued. The draft report has an assurance rating of 'reasonable assurance' and once the management responses are completed and have been reported to Audit Committee I will send you a final copy. The NHS Counter Fraud Service Wales investigation into the two contracts referred to it has also been concluded and closed with no action from the CPS.

A closure report with the completed action plan will be presented to the February Audit Committee and March Board and a copy of the same is attached. You will see that within the report it is recommended that the Audit Committee regularly receive a report on the action plan to ensure that compliance is sustained.

Within your recent correspondence you also asked for a comment on the news regarding the £100,000 in legal fees which the UHB paid in relation to an employment tribunal. This was in relation to the successful defence of a claim for unfair dismissal brought by Alice Casey, the UHB's former Chief Operating Officer. The UHB's legal fees for defending the claim were in the region of £100,000 plus VAT. The UHB recovered £20,000 of this by way of a costs award made by the Employment Tribunal, which is the maximum costs award which a Tribunal can make. The legal fee also included two earlier discrimination claims, which were withdrawn by Ms Casey.

Should you require any further assurance please do not hesitate to contact me.

Yours sincerely



Maria Battle
Chair

Encs:

- CAV You Heard
- Report to Audit Committee and Completed Action Plan



[View email in browser](#)

Chief Exec CONNECTS



This week Len talks about the launch of the recently updated raising concerns video, transformation and improvement through our Learning Alliance and encourages staff to have their flu jab.

This week the first meet the Executive Team session was held at Barry Hospital and Len thanks staff for attending and sharing their views.

Chief Exec Connects

More Health Board News



Capital, Estates and Facilities are launching a new campaign to encourage staff to use the postal system more efficiently



Addressing health inequality through English lessons for speakers of other Languages



Prof. John Gregory receives award for excellence in paediatric endocrinology



Cardiff and Vale UHB's flu campaign off to a flying start



**Paediatric Diabetes Team wins
at a prestigious national
diabetes awards**



CAV on Social Media



BE POST SAVVY!
Be smart - think before you post



- 1. Stop** Can the item be sent via internal mail? Check the list of internal mail delivery sites
- 2. Check** If the address is not the internal list, follow our Good Practice guidelines to ensure all external mail is suitable for our franking machines.
- 3. Send** Prepare the item for distribution via the external or internal mail

This message reached 2,324 people on Facebook!

Charity News





Cardiff & Vale Health Charity recently held its first glittering Blue Tie ball at Cardiff City Stadium raising a fantastic £14,000 for the PROP Appeal.

Nearly 400 people attended, all with the sole intention of raising money for the PROP Appeal, which supports those suffering from brain injuries at Rookwood Hospital.

PROP Appeal Ball

Cardiff & Vale
HealthCharity
Elusenlechyd
Casalydd a'r Pro

**Jump for Joy this Christmas at
Cardiff & Vale Health Charity's
Children's Disco Trampoline Party**

Bring your child along for two hours of
disco bouncing and a party buffet

Dress up in Christmas fancy dress or Christmas jumpers/T-shirts
All money raised will go to the Community Child Health Department.
There will be a lucky dip and raffle on the night

Llanishen Cardiff
Tuesday 27th November
5pm – 7pm

**Tickets
£7.50**

www.justgiving.com/fundraising/snugglethebear
Trampoline socks are included in price

www.healthcharity.wales

Cardiff & Vale Health Charity
registered charity no 1056544.
Call us: 029 2184 1802

Tickets
Jump for joy this Christmas

Tudalen y pecyn 5

Hospital Llandough is organising a Christmas gift bag collection for the homeless.

Christmas Appeal for the animals owned by people who are homeless.

Gift bag collection

Pet gift collection

Health and Wellbeing News and Events



**Wellbeing
AT WORK**

FREE SESSIONS FOR STAFF
Relax and unwind during your working day with:

- free massages from trained masseurs
- DIY massage equipment and chairs
- relaxing music and free refreshments

12:00 - 14:00 at the following locations:

- 26th Sept - Global Link
- 3rd Oct - UHL, Chapel/Quiet Room
- 12th Oct - Barry Hospital, Mary Lennox Room/Canteen
- 19th Oct - UHW, President Room/Jubilee Room
- 24th Oct - Cardiff Royal Infirmary
- 22nd Nov - St. David's Hospital, Board Room
- 28th Nov - Cardiff Royal Infirmary
- 30th Nov - Barry Hospital, Mary Lennox Room/Canteen
- 5th Dec - UHL, Chapel/Quiet Room
- 12th Dec - Global Link

Logos: Cardiff & Vale HealthCharity Eluseniechyd, GIG NHS, Cardiff & Vale University Health Board, UNISON Health Branch

Tudalen y pecyn 6

Alcohol Brief Intervention (ABI) Training 2018

Free 2
Hour
Course

Monday 19th November, 10.00-12.00
Wednesday 21st November, 13.30-15.30

Aim: to increase your confidence in raising the issue of alcohol use and motivating and supporting individuals to change their drinking behaviour through brief intervention.

The course will increase your :

Understanding of the alcohol problem in Wales across the life course.

Knowledge of how to use the tools & techniques of brief interventions.

Skill to successfully deliver brief interventions.

For more information or to book a place, please contact Caroline.Mullins@wales.nhs.uk
or call Cardiff and Vale Public Health Team on **029 21 832 122**



Are you a painter, printer, photographer,
ceramicist or textile artist?

We're currently considering submissions
in all media forms for display in our Winter
Open Exhibition at the Hearth Gallery,
which will run throughout December, over
Christmas and New Year.

If you'd like to submit your work for
consideration, please email our Exhibition
Coordinator, Melanie Wotton.

email: melanie.wotton@wales.nhs.uk



Oriel yr Aelwyd
HEARTH GALLERY

Winter Open Exhibition

Staff, Visitors and Patients are invited to submit artwork
Artworks in all media accepted

December 12th 2018 - January 3rd 2019

Delivery of work to The Hearth Gallery on 6th December.
Please contact melanie.wotton@wales.nhs.uk to express your interest in
exhibiting and for further information

Open Daily 9am-8pm
Ground Floor, University Hospital Llandough,
Penlan Road, Llandough, CF64 2XX



Tudalen y pecyn 8



This week's featured artists is Molly May
Lewis.



Molly May Lewis is a printmaker and fine artist who has been working with Cardiff and Vale UHB for several years.

Molly May Lewis



English for Speakers of Other Languages

Working with Cardiff and Vale College, Public Health Wales and Velindre, Cardiff and Vale UHB has developed an innovative suite of health-specific English language courses for speakers of other languages (ESOL).

The new courses will allow those for whom English is not a first language to learn and use terminology that will enable and empower them to have effective conversations with English-speaking NHS health professionals, be able to vocalise their symptoms, be more aware of free national screening programmes, and engage with preventative health promotion messages (such as the benefits of quitting smoking or doing more physical activity) that are so key to a healthy life.

life, or if there are any training needs we need to respond to.

Your responses will be anonymous and no identifiable information will be kept. Your participation in this survey is entirely voluntary.

Children's Charter Survey

Spaces are available at this year's Welsh Public Health Conference.

Grand round Junior Doctor Case Presentation Competition

Register today for the Welsh Public Health Conference

Grand Round

Reminder - Urine Sampling

Unison AGM Topic for Discussion

Unison election nomination form 2019

Unison Election Notice 2019

Unison AGM Agenda

Job of the Week

Tudalen y pecyn 11

JOB OF THE WEEK

Staff Nurse Band 5 - Sam Davies Ward

£23,023 to £29,608 per annum pro rata

Ref: 001-NMR277-0818-A



Contact: Linda Edwards, Ward Sister, Sam Davies Ward on 01446 704 164

Closing date: 1 November 2018

Do you want to work with an award winning team in providing high quality care?

Are you an enthusiastic, dynamic and innovative nurse?

Are you passionate about the care of older people?

If you are, our team is exactly what you are looking for. We are a 23 bedded ward providing patient centred holistic care. We include music therapy and use of digital technology supported by a local school. We are supporters of the Johns Campaign and open to new ideas.



Band 5 Staff Nurse - Sam Davies Ward

WE ARE HIRING RYDYM YN CYFLOGI



If you are a self-motivated, enthusiastic and hardworking individual, this is your chance to join our team.

POSITION AVAILABLE: BUSINESS ADMINISTRATION APPRENTICE

CLOSING DATE SUNDAY 4TH NOVEMBER 2018

Do you have a passion for learning and the motivation to succeed?

If yes, then we have the ideal opportunity for you. We are currently looking to appoint an apprentice who will work in Cellular Pathology Administration. The successful candidate will join our Apprenticeship Programme and will gain invaluable workplace experience, whilst achieving a nationally recognised Apprenticeship qualification in Business Administration.

For further information please contact Emma Bendle on 02920 744337 or email at apprenticeshipacademy.cav@wales.nhs.uk
#TRAINWORKLIVE

Kind and caring
Caredig a gofalgar

Respectful
Dangos parch

Trust and integrity
Ymdiriedaeth ac uniondeb

Personal responsibility
Cyfrifoldeb personol

Cardiff and Vale University Health Board is an inclusive organisation and welcomes diversity in the work place.



Apprenticeship opportunities
for existing staff

Thank You!

I just wanted to note my thanks to your wonderful staff on A1 Link, who looked after me during a recent admission. The care I received was both efficient and compassionate in often very testing circumstances, a couple of nurses in particular were absolutely brilliant including Catrin, Mabel and Rhiannon, and the wards HCSW Jayne was a complete ray of sunshine, who brightened up difficult days for myself and other more elderly complex patients. The entire staff were so friendly and caring that it was a pleasure to be in contact with them.

patients. The catering staff were also fabulous, ensuring that we were fed and watered, and there was always a smile, and care.

Being a patient for the first time brought home to me the harsh realities of the pressurised and often at times insurmountable jobs we have in the NHS, and the difference a smile, some good food, and good care can bring a tired, anxious and frightened patient, as I was all of those things.

I'd be very grateful if you were able to pass on my thanks to the staff on A1 Link

Kind Regards, Emily Warren

Compliments on the Web

Training and Development

Acknowledging and Reducing Harm:
Sex Work Awareness Training.

Reducing harm

Applications close soon for Skills to Manage. If you would like to apply for this development programme, please make sure your application is submitted to LED by 2nd November. Applications received after this date will not be considered.

Skills to manage



Kind and caring | Respectful | Trust and integrity | Personal responsibility

Have you got a success story, a tale to tell or do you just want to shout about something?
Contact the Communications Team by calling 46381 or email us at news@wales.nhs.uk.

Our Partners



Connect with us



Tudalen y pecyn 14



This email was sent from
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Report Title:	Closure Report - Audit of Cardiff and Vale UHB's contractual relationships with RKC Associates Ltd and its Owner						
Meeting:	AUDIT COMMITTEE					Meeting Date:	26.02.19
Status:	For Discussion	✓	For Assurance	✓	For Approval	✓	For Information
Lead Executive:	DIRECTOR OF CORPORATE GOVERNANCE						
Report Author (Title):	DIRECTOR OF CORPORATE GOVERNANCE						

SITUATION

The report of the Auditor General for Wales regarding the UHB's Contractual Relationships with RKC Associates Ltd and its Owner was published in July 2017. It identified a number of serious concerns in relation to the awarding of the consultancy contracts to RKC Associates Ltd, the management of the recruitment process to appoint the replacement Director of WOD, and the way in which information was relayed to the UHB Board and its Remuneration and Terms of Service Committee

REPORT

BACKGROUND

A report was provided to the Board on 27 July 2017 where it was agreed that the Audit Committee would monitor the progress of actions and provide the Board with the assurances required. A further report was received by the Board on 28th September 2017 updating members of the Board on progress against the action plan.

ASSESSMENT

The UHB, in conjunction with its colleagues in Procurement and Human Resources / Workforce, developed a comprehensive action plan to make the necessary improvements required to ensure no similar incidents of this kind occurred in the future. The action plan (attached at the appendix) contained 26 actions and these are now all considered to be complete therefore provides the Audit Committee with the assurances it requires to sign off the plan as complete.

It will be important that the actions within the action plan are sustained going forward and it is therefore recommended that the Audit Committee receive an assurance report from the Director of Corporate Governance on an annual basis to confirm that the UHB is still compliant.

ASSURANCE is provided by:

- Discussion at Management Executive Team on 11th February 2019.

RECOMMENDATION

The Audit Committee is asked to:

- **Review** the attached action plan in relation to UHB's Contractual Relationships with RKC Associates Ltd and its Owner
- **Recommend** closure of the action plan to the Board on 31st March 2019
- **Receive** an assurance report from the Director of Corporate Governance on an annual basis to ensure ongoing compliance and sustainability of actions in the future.

Shaping our Future Wellbeing Strategic Objectives

This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report

1. Reduce health inequalities	✓	6. Have a planned care system where demand and capacity are in balance	✓
2. Deliver outcomes that matter to people	✓	7. Be a great place to work and learn	✓
3. All take responsibility for improving our health and wellbeing	✓	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	✓
4. Offer services that deliver the population health our citizens are entitled to expect	✓	9. Reduce harm, waste and variation sustainably making best use of the resources available to us	✓
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time	✓	10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	✓

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant, click [here](#) for more information

Prevention		Long term	✓	Integration		Collaboration		Involvement	
Equality and Health Impact Assessment Completed:	Not Applicable								



Action Plan in Response to the Wales Audit Office Report in Respect of Cardiff and Vale University Health Board's Contractual Relationships with RKC Associates Ltd and its Owner

Conclusion 1 - The way in which the Cardiff and Vale University Health Board (UHB) procured and managed HR consultancy contracts awarded to RKC Associates fell well short of the standard that the public has a right to expect of a public body

- Tudalen 18 o 19
- a) The UHB failed to comply with its own procurement procedures when it awarded consultancy contracts to RKC Associates in November 2014 and June 2015 and in consequence both the contracts and payments made under them are potentially unlawful.
 - b) The award of consultancy contracts to RKC Associates breached public procurement rules.
 - c) The UHB failed to undertake due diligence checks of RKC Associates resulting in the UHB being exposed unnecessarily to financial and reputational risk.
 - d) The UHB was in breach of its own Standing Financial Instructions when it agreed contracts with RKC Associates which had been drafted by the owner of RKC Associates.
 - e) The UHB appointed the owner of RKC Associates to deliver consultancy projects, but the UHB utilised her as a senior member of staff and, in consequence, was potentially over-claimed VAT amounting to £58,162.
 - f) As the Officer who signed the contracts with RKC Associates in November 2014 and June 2015, the UHB's Chief Operating Officer had a duty to ensure proper process had been followed. The failure to do so has cast doubt on whether the decisions to award these contracts were based entirely on valid considerations.
 - g) The UHB did not exercise effective financial monitoring of its contracts with RKC Associates, with payments exceeding the contracted value and contractual expenses not being verified.

UHB Response to Conclusion 1

Following publication of the Wales Audit Office report, a full report was received at the UHB's Board meeting on 27 July 2017 and discussion conducted in the public session of that meeting. In addition, the report has been raised at the meetings of our Management Executive (ME) and Health Systems Management Board (HSMB), and discussed with Senior Trade Union / Staff Side representatives and at our Local Partnership Forum (LPF).

As acknowledged by the Wales Audit Office, the UHB has a number of detailed policies and procedures covering this area. These have been developed to standardise processes based on best procurement practice and set out the governing principles for public procurement, for example, the Scheme of Delegation, Standing Orders, Standing Financial Instructions and Financial Control Procedures. Regrettably, these processes were not followed on this occasion, and there was no reference to the UHB's Head of Procurement as provided for in our Scheme of Delegation.

The Procurement Guide for Staff which was developed in conjunction with NHS Wales Shared Services Partnership Procurement Services, and approved through the All Wales Directors of Finance Sub Group in 2015, is provided to UHB staff as part of the training delivered by the UHB Procurement Department and will be further reinforced throughout the UHB.

Prior to the Wales Audit Office report, a review of our processes was already in train in response to changes to the IR35 legislation¹ relating to off-payroll working in the public sector. In addition, the process around requesting approval of contracts has been changed, a procurement checklist that sets out a defined approval hierarchy has been implemented to ensure compliance with Standing Orders and EC Regulations and that more than one signatory is obtained. All external consultancy contracts are now signed off by the CEO.

The UHB, in conjunction with its colleagues in Procurement and Human Resources / Workforce, has developed this action plan to make the necessary further improvements to ensure no similar incidents of this kind occur in the future. The Action Plan will be presented to the UHB Board on 28 September 2017 and its Audit Committee on 26 September 2017 and will thereafter be monitored by the Audit Committee. The Action Plan has also been shared with Wales Audit Office.

¹ Her Majesty's Revenue and Customs (HMRC) introduced the 'intermediaries legislation' commonly known as IR35 or off-payroll rules in April 2000. This legislation is intended to combat tax abuse by an individual who would be treated as an employee were it not for the fact that they provide their services via their own company, called 'disguised employees' by HMRC. From April 2017, where a public sector organisation engages an off-payroll worker through their own limited company, that organisation will become responsible for determining whether the rules should apply, and, if so, for paying the right tax and National Insurance Contributions.

Conclusion 1 Action Plan	Lead	Completion	Update	Status
Training				
1. Provide training for all Board members on the law, rules and regulations relating to employment and procurement at the August Board Development Day.	Director of Corporate Governance	Aug 2017	Complete Training delivered on 31/08/17.	
2. Cascade the training provided at Clinical Board senior management teams and throughout the organisation to Directorate Management level.	Executive and Clinical Board Directors	Oct 2017	Complete Discussed at ME on 04/09/17 & cascaded.	
Review				
3. Undertake review of external consultancy categories in the purchase to pay system for period 2014-2017 to ensure compliance with procurement rules.	Head of Procurement	Aug 2017	Complete Reports received by CEO and Director of Finance.	
4. Review the Procurement Guide for Staff and revise to reflect process changes connected with the IR35 legislation.	Head of Procurement	Sep 2017	Complete	
Process				
5. Provide the Procurement Guide for Staff to the Management Executive Team meeting for cascading to Clinical Boards, and Corporate Departments.	Director of Finance	Sep 2017	Complete Approved by ME on 25/09/17	
6. Publish the Procurement Guide for Staff across the UHB and place on intranet and internet for ease of staff access.	Director of Corporate Governance	Oct 2017	Complete	
7. Implement a no purchase order, no payment system to prevent the processing of manual payments.	Head of Procurement	June 2018 (original date set was Mar 2018)	Complete The NHS Wales Shared Services Partnership have been working with Health Boards to implement an all Wales no purchase order no pay policy. Initially implemented from June 2018 and fully adopted from September 2018.	
8. Develop and cascade process guidance for off-payroll working.	Head of Procurement	Aug 2017	Complete Approved by ME on 14/08/17, taken to HSMB on 17/08/17 for cascading by Clinical Board Directors.	

Conclusion 2 - The way in which an HR consultancy contract was awarded to RKC Associates in February 2016, along with the actions of key decision-makers, compromised the integrity of the procurement process

- a) The UHB embarked upon a procurement process for a contract and invited and evaluated tenders for that contract, despite the fact that RKC Associates had been engaged in advance of the tender process.
- b) The robustness and integrity of the advertised procurement process was compromised in several key respects and the UHB's Chief Operating Officer participated in the process despite knowing that RKC Associates had already been engaged in advance of the procurement process commencing.
- c) The Procurement Department failed to keep adequate documentation of the procurement process.
- d) The UHB delayed seeking formal written approval for the fixed-term appointment of a new Director of Workforce and Organisational Development, resulting in the UHB incurring unnecessary expenditure on a consultancy contract.

UHB Response to Conclusion 2

The UHB has taken steps to strengthen its existing processes and extend training at all levels to reinforce the requirements in relation to these areas.

We recognise however that policies / procedures and training, whilst the foundation of good practice, are part of a bigger picture that includes a culture of sound behaviours and values, adherence to the rules at all levels of the organization, checks to ensure this is happening and an environment that enables individuals to confidently highlight departure from any rules no matter how senior those involved. As part of the communication with the UHB following receipt of this report, the CEO has asked staff to share any concerns they may have with him and provided assurance that anything raised will be explored to provide reassurance regarding our systems / processes and decisions made.

Procurement compliance reports are already presented to the UHB's Audit Committee outlining for example Contract Extensions and Single Quotation or Single Tender Actions. Steps are also being taken to put in place more vigorous checks around our processes to flag potential issues and to achieve more robust oversight and business scrutiny by our Management Executive Team, Board and its Committees.

We are committed to utilising temporary employment contracts rather than consultancy contracts wherever possible.

Conclusion 2 Action Plan	Lead	Completion	Update	Status
Training 1. Develop and deliver an enhanced training programme for procurement staff focusing on the conclusions of the Wales Audit Office report.	Head of Procurement	Sep 2017	Complete All training complete, refresher sessions will continue.	
2. Obtain quality management accreditation for the Procurement Department in respect of its tendering processes.	Head of Procurement	Mar 2018 (original date set was Nov 2017)	Complete Audit took place 15/02/18 & full ISO Accreditation awarded with no findings of non-compliance.	
3. Develop a Procurement flowchart for use by Board and Senior Managers.	Head of Procurement	Oct 2017	Complete Flowchart considered by ME on 11/12/17 & agreed that Executives will cascade through Management Structures.	
Audit 4. Enhance existing audit processes within the Procurement Department to verify compliance with contract procedure.	Head of Procurement	Sep 2017	Complete Forward programme for audit planned & training of Clinical Boards & departments to continue.	
5. Review Internal Audit Programme to include audits relevant to the issues highlighted in this report and to test compliance with new processes.	Director of Finance	Nov 2017 (original date set was Sep 2017)	Complete Specific audit included in 2018 plan, to look at overall progress of action plan & review in detail a sample of actions.	
Assurance 6. Enhance the statutory compliance report provided at each Audit Committee to include our compliance with and exceptions to recruitment requirements, Standing Orders and Standing Financial Instructions.	Directors of Finance and Workforce and Organisational Development	Sep 2017	Complete Standing agenda item with first report received at Audit Committee on 26/09/17.	
7. Review the Terms of Reference for the Remuneration and Terms of Service Committee to include a requirement to report any Executive level secondments and Consultancy appointments for approval to this Committee.	Director of Corporate Governance	Jan 2018 (original date set was Oct 2017)	Complete Review approved by Board on 30/11/17. Amendment made to note at the next meeting of the Remuneration and Terms of Service Committee.	

Conclusion 3 - The process followed by the UHB that led to the appointment of the owner of RKC Associates to the position of Director of Workforce and Organisational Development in April 2016 was fundamentally compromised, lacked transparency and was poorly documented.

- a) It is unclear why the UHB decided to proceed with a recruitment process for a Board level position with only a single candidate who had not applied for the position when it was originally advertised.
- b) The recruitment process was poorly documented and, as a consequence, it is not clear when the person who had been overseeing the recruitment exercise became a candidate.
- c) The integrity of the recruitment process was compromised because the sole candidate had access to some of the assessment questions in advance of being interviewed for the position.
- d) The information provided to the Board and its Remuneration and Terms of Service Committee regarding the appointment was inaccurate, incomplete and inconsistent.

UHB Response to Conclusion 3

High level appointments are not as frequent as other positions within the UHB and are often challenging to recruit due to small numbers of applicants with the relevant skills and experience.

As a result of this report, the UHB has looked at how these senior appointment processes are conducted and how the office of the Chief Executive and Director of Workforce and Organisational Development can work better together to ensure compliance with processes and that satisfactory documentation is maintained.

We also recognise that we can better support our Independent Board Members in relation to their Committee roles, to equip them to confidently scrutinise decisions and hold us to account.

Yudalen y Bebyn 23

Conclusion 3 Action Plan	Lead	Completion	Update	Status
Review 1. Review the procedures used to recruit Executive Directors and other Senior Managers.	Assistant Director of Workforce and Organisational Development	June 2018 (target date set Jul 2017)	Complete Relevant documents have been revised and approved by the UHB's Strategy and Delivery Committee on 28 th June 2018.	
2. Review the quality of information and its presentation to the Remuneration and Terms of Service Committee.	Chair and Director of Corporate Governance	Mar 2018 (target date set Sep 2017)	Complete New process introduced in January 2018 whereby all papers are assured by Chair & Director of Corporate Governance prior to publication. Checklist formulated to support this scrutiny.	
Process 4. Revise the Executive recruitment process to include a clear defined role for the Director of Workforce and Organisational Development which can be delegated to their Deputy or Director of Corporate Governance if circumstances require or a conflict arises.	Chief Executive	Aug 2017	Complete Process revised & now to be reflected in the updated Recruitment and Selection Policy & Procedure.	
Training 4. Arrange training for Independent Board Members, including those sitting on the Remuneration and Terms of Service Committee, covering their roles and responsibilities. This should also provide them with example questions they may wish to ask and the minimum information they may require to assist them in discharging their role.	Director of Corporate Governance	Aug 2017	Complete Included in the programme for the August Board Development Day.	
5. Provide legal and governance training for all Board members on their roles and responsibilities at the October Board Development Day.	Director of Corporate Governance	Oct 2017	Complete Included in the programme for the October Board Development Day.	
Additional Improvements				

Action Plan	Lead	Completion	Update	Status
Whistleblowing 1. Review current Procedure for NHS Staff to Raise Concerns which includes whistleblowing to ensure it is fit for purpose and easy for staff to raise any concerns regarding non-compliance.	Director of Workforce and Organisational Development	Jan 2018 (target date set Oct 2017)	Complete All Wales Procedure adopted, Working Group established to re-launch Procedure, agree underlying process & improve culture.	
2. Develop an internal protocol providing a system for senior leaders to raise concerns, with clear lines of reporting should a concern relate to the Chair, Vice Chair or Chief Executive.	Director of Corporate Governance	October 2018 (target date set Oct 2017)	Complete Raising concerns was launched during the week 22-26 October along with communications from the CEO and an animation played throughout the UHB	
Governance and Accountability Framework 3. Revise the UHB Governance and Accountability Framework to reflect any amendments by the Directors of Finance All Wales Group to the Standing Financial Instructions and Standing Orders.	Director of Corporate Governance	March 2019 (target date set Mar 2018)	Complete Model Standing Orders reviewed and being presented to the Board on 31 st March 2019 for approval	
Review and revise the UHB's Scheme of Delegation.	Director of Finance	Feb 2018 (target date set Oct 2017)	Complete Review presented to Audit Committee on 27/02/18 & Scheme of Delegation revised to include off-payroll working.	
5. Circulate a bulletin to the UHB Board and throughout the UHB reinforcing the Nolan principles of Good Governance and duties of probity / candour and the Values and Standards of Behaviour Framework.	Directors of Corporate Governance and Communications	Feb 2019 (target date set Oct 2017)	Complete Nolan Principles added permanently to website for all Board Members to access	
Communication 6. Communicate openly and transparently with staff about the findings of this report, the actions being taken by the UHB and their progress. This will include public meetings of Board / Audit Committee and meetings of LPF, Clinical Board Directors, HSMB and publishing of the action plan on the intranet for access by all staff, supplemented by other communication bulletins.	Chief Executive and Chair	Oct 2017	Complete Reports at Board, ME, HSMB, LPF. Continued dialogue with Senior Trade Union / Staff Side representatives, CEO communication placed on intranet and internet. Action plan monitored by Audit Committee.	

Tudalen y pecyn 25

Eitem 3

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon

Adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru

1. Cyflwyniad

- 1.1 Cyhoeddwyd yr adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru ym mis Medi 2017 gan Ysgrifennydd y Cabinet dros Gyllid.
- 1.2 Diben yr adolygiad oedd llunio cynigion sefydliadol ar gyfer defnyddio gwariant caffael blynyddol y sector cyhoeddus o £6 biliwn er mwyn sicrhau'r llesiant economaidd, cymdeithasol, amgylcheddol a diwylliannol gorau i genedlaethau'r dyfodol ledled Cymru.
- 1.3 Cynhaliwyd yr adolygiad mewn cydweithrediad â'r sector cyhoeddus, busnesau a phartneriaid cymdeithasol er mwyn datblygu'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru yn fodolau gwasanaeth sy'n mynd i'r afael â gofynion presennol rhanddeiliaid a'u gofynion yn y dyfodol.
- 1.4 Cyhoeddwyd casgliadau'r adolygiad ar 5 Medi 2018 gan Ysgrifennydd y Cabinet dros Gyllid. Ysgrifennodd yntau, hefyd, at Gadeirydd y Pwyllgor Cyfrifon Cyhoeddus i roi'r wybodaeth ddiweddaraf am y Datganiad Ysgrifenedig (Atodiad 1) a'r gwaith a wnaed i gyfleu sut yr oedd yr adolygiad wedi ceisio ymateb i faterion a drafodwyd ar 5 Mawrth 2018 yn ystod sesiwn y Pwyllgor Cyfrifon Cyhoeddus.

2. Canfyddiadau o'r Adolygiad

- 2.1 Sefydlodd Llywodraeth Cymru dîm bach i reoli a chydgyssylltu proses yr adolygiad. Roedd tîm yr adolygiad yn cael ei arwain gan Ddirprwy Gyfarwyddwr a oedd yn annibynnol ar y swyddogaethau caffael. Cafodd y trefniant hwn ei groesawu gan rhanddeiliaid.
- 2.2 Cafodd cylch gorchwyl drafft ei lunio gan Lywodraeth Cymru a'i rannu gyda rhanddeiliaid a oedd â diddordeb yn yr adolygiad. Gofynnwyd i rhanddeiliaid enwebu cynrychiolwyr i weithio gyda Llywodraeth Cymru i gyflawni'r adolygiad. Cyfrannodd amryw o swyddogion o Lywodraeth Leol, GIG Cymru, Addysg Uwch, yr Heddlu a'r sector Tân ac Achub at y broses adolygu. Yn ogystal â hynny, cymerodd Ffederasiwn Busnesau Bach Cymru a Chomisiynydd Cenedlaethau'r Dyfodol ran yn yr adolygiad.
- 2.3 Cafodd cynnydd yr adolygiad ei fonitro gan Fwrdd Trosolwg Llywodraeth Cymru. Cafwyd ymgysylltiad allanol drwy Grŵp Rhanddeiliaid. Yng nghyfarfod cyntaf y Grŵp Rhanddeiliaid, cynigiodd yr aelodau y dylai'r gwaith manwl gael ei wneud gan Grŵp Cyflawni a fyddai'n cynnwys ymarferwyr caffael ac arbenigwyr o feysydd allweddol megis gofal cymdeithasol ac adeiladu, er mwyn ymgymryd â'r gwaith o ddatblygu'r cynigion, gyda'r Grŵp Rhanddeiliaid yn parhau i gadw trosolwg.
- 2.4 Eglurodd y Rhanddeiliaid yn gyflym nad oedd y bwriad gwreiddiol o gyflawni arbedion drwy'r Gwasanaeth Caffael Cenedlaethol bellach, yn eu barn hwy, yn brif

flaenoriaeth a bod angen dulliau gwahanol o gyflawni yn erbyn amcanion llesiant cenedlaethol.

2.5 Er mwyn galluogi rhanddeiliaid i ymgysylltu'n llawn, Llywodraeth Cymru a ddarparodd yr ysgrifenyddiaeth ar gyfer yr adolygiad, gan ddarparu'r data, yr wybodaeth a'r adnoddau er mwyn galluogi'r opsiynau i gael eu harchwilio.

2.6 Llwyddodd yr adolygiad i gasglu safbwyntiau gonest gan rhanddeiliaid a ymgysylltodd â'r adolygiad o ran eu canfyddiadau o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru:

- Daeth yn amlwg yn ystod yr adolygiad nad ailffocysu'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru oedd y rhanddeiliaid allweddol am ei weld;
- Roedd teimladau cryf iawn ymysg y rhan fwyaf o rhanddeiliaid o ran y Gwasanaeth Caffael Cenedlaethol. Roedd materion megis rheoli perthynas a'r gwasanaethau a ddarparwyd cyn yr adolygiad wedi cael effaith negyddol ar lefel yr ymgysylltiad cadarnhaol â'r gwasanaeth;
- Roedd llawer o'r rhanddeiliaid o'r farn bod y Gwasanaeth Caffael Cenedlaethol wedi mynd y tu hwnt i'r briff gwreiddiol, wedi cyflwyno twf graddol o ran ei gwmpas ('scope creep') er mwyn cynyddu'r ardoll i'r eithaf a, hefyd, wedi dod yn asiant i Lywodraeth Cymru yn hytrach na'r corff annibynnol a ddiffiniwyd yn yr achos busnes gwreiddiol;
- Credai rhai rhanddeiliaid nad oedd y Gwasanaeth Caffael Cenedlaethol wedi bod yn llwyddiant gan nad oedd wedi cyflawni'r manteision a nodwyd yn yr achos busnes gwreiddiol;
- Roedd consensws cryf ynghylch statws Gwerth Cymru. Roedd y rhan fwyaf o'r rhanddeiliaid am weld Gwerth Cymru yn cael ei dynnu o strwythur y Gwasanaeth Caffael Cenedlaethol er mwyn rheoli achosion o wrthdaro buddiannau tybiedig a sicrhau mwy o eglurder o ran atebolrwydd;
- Roedd gofynion rhanddeiliaid o ran Gwerth Cymru yn cynnwys datblygu polisi caffael cenedlaethol newydd a chymorth o ran cyflawni a meithrin galluogrwydd a chwasiti, yn arbennig ym meysydd y sector sylfaen megis gofal cymdeithasol ac adeiladu;
- Teimlai rhai rhanddeiliaid fod hanfodion wedi newid ers sefydlu'r Gwasanaeth Caffael Cenedlaethol. Ymddengys fod y galw am gontractau cenedlaethol wedi'i gyfyngu i'r meysydd hynny lle y gallai contractau Cymru gyfan sicrhau'r gwerth gorau;
- Dywedodd y rhan fwyaf o rhanddeiliaid na ddylai contractau cenedlaethol nad ydynt yn cyflawni polisi Cymreig gwahanol neu nad ydynt yn darparu unrhyw werth ychwanegol i Gymru ddyblygu Gwasanaethau Masnachol y Goron, neu gontractau eraill y DU-gyfan;
- Roedd rhai rhanddeiliaid o blaid dulliau caffael mwy rhanbarthol a lleol, ac roedd eraill o'r farn bod dulliau cenedlaethol yn dal i fod yn bwysig;

- Byddai gwaith i ddatblygu proffesiynoldeb yn y maes caffael ar draws y sector cyhoeddus o fudd i gynorthwyo rhanddeiliaid i ehangu eu galluogrwydd a'u capasiti a galluogi sefydliadau i gadw'r gweithlu medrus sydd ganddynt;
- Roedd cwsmeriaid am gael sicrwydd y byddai strategaeth gaffael ddigidol yn y dyfodol yn gweddu i ddatblygu polisi a rhaglenni meithrin galluogrwydd. Amlinellwyd bod prosesau caffael digidol yn rhan annatod o gydweithredu, y gallent symleiddio mynediad i gyflenwyr a darparu'r data a'r wybodaeth i lywio polisi a phenderfyniadau yn y dyfodol; ac
- Er mwyn gwella cyfranogiad busnesau brodorol ym maes caffael, roedd llawer o randdeiliaid yn galw am gymorth wedi'i gydgyssylltu er mwyn llenwi bylchau cyflenwi busnesau a gwella galluogrwydd cwmnïau cydweithredol a chydfuddiannol a'r sector cyhoeddus i gyflawni contractau a gwasanaethau cyhoeddus.

3. Sicrwydd Mewnol

- 3.1 Cyflwynodd Uwch Swyddog Cyfrifol y rhaglen adolygu ddulliau sicrwydd mewnol, ar wahanol adegau yn ystod yr adolygiad, gan gynnwys Adolygiad Gateway.
- 3.2 Cadarnhaodd y dulliau hyn mai ychydig iawn o ddiben oedd i geisio aildrefnu strwythur presennol y Gwasanaeth Caffael Cenedlaethol. Gwnaeth y rhanddeiliaid gais i waith y Gwasanaeth Caffael Cenedlaethol a oedd yn cael ei werthfawrogi barhau, gyda gweddill y cytundebau yn cael eu dirwyn i ben.
- 3.3 Oherwydd canlyniad yr adolygiad, nad oedd wedi'i fwriadu i gynhyrchu cynllun gweithredu manwl, ni chafodd adroddiad ffurfiol gydag argymhellion ei lunio.

4. Datganiad Ysgrifenedig

- 4.1 Roedd safbwyntiau rhanddeiliaid, a gasglwyd yn ystod y broses, yn ategu'r angen am adolygiad o'r maes gaffael. Roedd yr adborth hwn yn llywio'r cyfeiriad newydd arfaethedig a nodwyd yn y Datganiad Ysgrifenedig, a gyhoeddwyd ar 5 Medi gan Ysgrifennydd y Cabinet dros Gyllid, sydd i'w weld yn Atodiad 1.
- 4.2 Gaiff gwell dealltwriaeth, a dealltwriaeth fanylach, o'r gwariant caffael blynyddol o £6 biliwn ei ddatblygu er mwyn canfod tueddiadau a chyfleoedd yn y dyfodol er mwyn cynyddu i'r eithaf y gwerth ychwanegol, megis cyflogaeth a hyfforddiant drwy fuddion cymunedol. Bydd mwy o synergedd gyda Chynllun Buddsoddi Seilwaith Cymru o gymorth i wireddu'r cyfleoedd hyn.
- 4.3 Roedd y datganiad yn egluro y bydd y Gwasanaeth Caffael Cenedlaethol yn symud i uned contractau lai a fydd yn goruchwylio ac yn rheoli portffolio llai o gontractau cenedlaethol. Bydd y portffolio llai hwn yn gofalu am y cytundebau hynny a fydd yn sicrhau'r gwerth cenedlaethol gorau posibl ar gyfer cyfran sylweddol o'r sector cyhoeddus ac ni fydd yn cyfaddawdu ar flaenoriaethau llesiant rhanbarthol na lleol.

- 4.4 Mae cynlluniau ar gyfer symud i uned gontractau lai yn cael eu datblygu ac, er mwyn amharu cyn lleied â phosibl, cânt eu datblygu dros y misoedd nesaf mewn cydweithrediad â chwsmeriaid a chyflenwyr.
- 4.5 Bydd ymgysylltu agosach â Gwasanaethau Masnachol y Goron a sefydliadau prynu cyhoeddus eraill, yn galluogi sector cyhoeddus Cymru i ymgysylltu'n llwyr â datrysiadau'r DU-gyfan, lle nad oes unrhyw fudd o weithredu cytundebau cenedlaethol yng Nghymru.
- 4.6 Bydd swyddogaeth genedlaethol newydd ar gyfer datblygu a chyflawni polisi yn cael ei sefydlu i weithredu ar wahân i swyddogaeth gontractio genedlaethol lai. Bydd hyn yn osgoi unrhyw wrthdaro buddiannau, canfyddedig neu fel arall.
- 4.7 Y swyddogaeth datblygu polisi fydd yn arwain ar y gwaith ymgysylltu â rhanddeiliaid gyda dylanwad strategol i lunio strategaeth gaffael gydweithredol yn y dyfodol sy'n cydnabod cyrff cyhoeddus ac yn eu galluogi i gyflawni blaenoriaethau cenedlaethol, rhanbarthol a lleol drwy gaffael, yn unol ag amcanion Deddf Llesiant Cenedlaethau'r Dyfodol.
- 4.8 Bydd cymorth i gyflawni'r polisi yn cynnwys canolbwyntio ar feithrin galluogrwydd caffael yn y sectorau sylfaen allweddol, sef adeiladu a gofal cymdeithasol.
- 4.9 Bydd dull newydd, ehangach tuag at ehangu galluogrwydd caffael a phroffesiynoldeb yn y maes yn cael ei sefydlu mewn cydweithrediad â rhanddeiliaid ledled y gwasanaeth cyhoeddus. Bydd y rhaglen galluogrwydd hon yn galluogi cyrff cyhoeddus i gydweithio'n fwy effeithiol a sicrhau cyflenwad o dalent yn y dyfodol er mwyn helpu i leddfu effaith gwahaniaethau cyflog ar draws sector cyhoeddus Cymru.

5. Ymchwiliad y Pwyllgor Cyfrifon Cyhoeddus i Gaffael

- 5.1 Yn ystod gwaith y Pwyllgor Cyfrifon Cyhoeddus ar gaffael yn gynharach eleni, trafodwyd amrywiaeth o ystyriaethau, gan gynnwys capasiti a meithrin galluogrwydd, ymgysylltiad y Gwasanaeth Caffael Cenedlaethol a chyflenwi; ac alinio strategol.
- 5.2 Eglurodd yr adolygiad nifer o flaenoriaethau a chyfleoedd o ran meithrin galluogrwydd nawr ac ar gyfer y dyfodol. Bydd y wybodaeth hon yn llywio'r gwaith o ddatblygu rhaglen newydd o sgiliau caffael a gwirio addasrwydd caffael a gaiff ei datblygu'n gydweithredol ac a fydd yn cefnogi'r broses o gyflawni'r strategaeth gaffael yn y dyfodol.
- 5.3 Yn y cyfamser, mae gwaith wedi cael ei wneud i ddarparu adnoddau sy'n galluogi'r sector cyhoeddus i nodi blaenoriaethau datgarboneiddio a chanfod a chofnodi amcanion llesiant ehangach fel rhan o'r dull o ganfod buddion cymunedol. Mae Dangosfwrdd Datgarboneiddio wedi cael ei ddatblygu er mwyn galluogi'r allyriadau carbon sy'n gysylltiedig â gwahanol gategorïau o wariant i gael eu mesur a chael

gaelodlin iddynt. Bydd y gwaith hwn yn canfod categorïau o allyriadau uchel o ran carbon er mwyn eu dadansoddi ymhellach a bydd yn helpu i lywio'r gwaith o ddatblygu canllawiau datgarboneiddio, offerynnau a chymorth cyflawni ar gyfer y sector cyhoeddus ehangach ledled Cymru.

- 5.4 Ymhellach i'r Datganiad Ysgrifenedig, bydd rhanddeiliaid, busnesau a phartneriaid cymdeithasol yn ymgysylltu er mwyn cynnal adolygiad o gyflenwad contract y Gwasanaeth Caffael Cenedlaethol. Bydd y gwaith hwn yn llunio portffolio llai o gontractau cenedlaethol yn y dyfodol.
- 5.5 Cydnabyddir y bydd angen i botensial caffael gael ei wireddu drwy ei alinio â pholisi strategol. Mae'n rhaid i'r cyfeiriad ar gyfer y dyfodol gael ei lywio gan amcanion y Cynllun Gweithredu ar yr Economi, y nodau a gaiff eu gosod gan y nodau datgarboneiddio a chanfyddiadau'r Comisiwn Gwaith Teg.
- 5.6 Mae'r dull o archwilio cyllid cyhoeddus yn drylwyr yn cael ei ddatblygu. Bydd rhaglen gaffael y dyfodol yn cael ei halinio i'r adolygiad strategol ehangach hwn.

6. Argymhellion Swyddfa Archwilio Cymru

- 6.1 Drwy'r broses adolygu a gweithgareddau 'busnes fel arfer' ar draws swyddogaethau Llywodraeth Cymru, mae llawer o'r argymhellion o'r adroddiadau ar gaffael, a gyhoeddwyd gan Swyddfa Archwilio Cymru (SAC) yn 2017 wedi cael eu cwblhau. Caiff statws presennol yr argymhellion ei amlinellu yn Atodiad 2.
- 6.2 Roedd y Datganiad Ysgrifenedig yn cyhoeddi cyfeiriad newydd ar gyfer timau'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru. Felly, awgrymir bod yr argymhellion hynny sydd heb eu cyflawni yn cael eu cau, gan fod digwyddiadau, i bob pwrpas, wedi mynd yn drech na hwy. Byddent, fodd bynnag, yn helpu i lunio manylion rhaglen gaffael y dyfodol a gaiff ei llunio gennym mewn trafodaeth â SAC.

7. Manifesto'r Prif Weinidog

- 7.1 Roedd manifesto arweinyddiaeth y Prif Weinidog yn cynnwys nifer o ymrwymïadau yn ymwneud â chaffael, gan gynnwys datblygu galluogrwydd; defnyddio hyblygrwydd o ran rheolau caffael; ehangu cyfranogiad Cymru ymhellach a defnyddio grym caffael i sicrhau canlyniadau gwell ac ehangach i bobl Cymru a gwasanaethau cyhoeddus Cymru.
- 7.2 Mae'r ymrwymïadau hyn yn llywio'r gwaith o ddatblygu cynlluniau caffael y dyfodol, sy'n cael eu datblygu'n gyflym ac sy'n caniatáu ar gyfer ymgysylltu'n llawn â rhanddeiliaid allweddol, gan osgoi'r risg o wneud gormod o addewidion o ran yr amser.

8. Y Camau Nesaf

- 8.1 Mae cynlluniau wrthi'n cael eu datblygu i symud y Gwasanaeth Caffael Cenedlaethol i uned gontractau genedlaethol lai a sefydlu uned ddatblygu a darparu polisïau.
- 8.2 Pan gaiff y gwaith cychwynnol hwn ei gwblhau, bydd rhanddeiliaid profiadol sydd â diddordeb (gan gynnwys ymarferwyr) yn ymgysylltu i ddatblygu'r manylion a dull o ddarparu strategaeth gaffael ehangach y dyfodol. Mae swyddfa Comisiynydd Cenedlaethau'r Dyfodol yn rhan o'r broses, ac yn rhoi safbwynt defnyddiol o ran y dulliau sy'n cael eu datblygu.
- 8.3 Cydnabyddir effaith bosibl Brexit, ac mae risgiau a chyfleoedd cychwynnol wedi cael eu nodi. Mae cysylltiadau gwaith agos gyda Llywodraeth y DU wedi cael eu sefydlu, a chaiff y rhain eu cynnal wrth inni ddod i ddeall mwy am effaith lawn Brexit.



Llywodraeth Cymru
Welsh Government

DATGANIAD YSGRIFENEDIG GAN LYWODRAETH CYMRU

TEITL Adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru

DYDDIAD Medi 2018

GAN Mark Drakeford AC, Ysgrifennydd y Cabinet dros Gyllid

Fis Medi diwethaf, cyhoeddais adolygiad o waith y Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru. Mae'r datganiad hwn yn rhoi manylion am ganlyniadau'r adolygiad a'r camau nesaf i'w cymryd.

Bwriad yr adolygiad oedd cadarnhau blaenoriaethau'r rhanddeiliaid er mwyn manteisio i'r eithaf ar y £6bn o wariant caffael blynyddol ar draws Cymru ar adeg pan fo pwysau na welwyd ei debyg o'r blaen ar wasanaethau cyhoeddus ac wrth i'r DU baratoi i ymadael â'r Undeb Ewropeaidd.

Ers cyhoeddi'r adolygiad, mae Pwyllgor Cyfrifon Cyhoeddus y Cynulliad Cenedlaethol wedi lansio ei ymchwiliad ei hun i gaffael, ac rwyf wedi dilyn yr ymchwiliad hwnnw gyda diddordeb. Heddiw fe ysgrifennais at gadeirydd y pwyllgor i nodi sut y ceisiodd yr adolygiad hwn ymateb i ymrwymadau a wnaed yn ystod yr ymchwiliad ac i ddatganiad am gaffael cyhoeddus yn y Cyfarfod Llawn ar 2 Mai.

Bu amrywiol rhanddeiliaid, gan gynnwys arweinwyr sector cyhoeddus, swyddogion caffael, busnesau a'r Comisiynydd Cenedlaethau'r Dyfodol yn cymryd rhan yn yr adolygiad.

Maent wedi dweud wrthym nad yw newid pwyslais y Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru yn ddigon. Dangosodd yr adolygiad bod angen edrych mewn manylder ar ein ffordd o ddefnyddio cyllid cyhoeddus i helpu i ddarparu gwasanaethau cyhoeddus a meithrin twf economaidd ar draws pob rhan o Gymru.

Drwy'r broses adolygu, mae rhanddeiliaid wedi cadarnhau nifer o flaenoriaethau ar gyfer caffael yn y dyfodol, gan gynnwys:

- Canolbwyntio mwy ar sicrhau cytundebau caffael ar y cyd yn unol â blaenoriaethau rhanbarthol a lleol. Yn ogystal â chaniatáu'r mynediad gorau posib at gyflenwyr Cymru, byddai dull gweithredu o'r fath hefyd yn ategu'r nodau yn y *Cynllun*

Tudalen y pecyn 56

Gweithredu Economaidd, y rhaglen ddatgarboneiddio a'n hymdrechion i wneud Cymru'n Genedl Gwaith Teg drwy arferion caffael a gwariant cyhoeddus;

- Sicrhau nifer llai o gontractau cenedlaethol lle gall systemau ar draws Cymru gyfan, mewn meysydd fel llogi cerbydau, ddarparu'r gwerth gorau am arian i gyfran fawr o sector cyhoeddus Cymru;
- Ystyried, gyda Llywodraeth y DU, sut y gallwn gryfhau ein perthynas â Gwasanaeth Masnachol y Goron er mwyn cymryd rhan yn llawn pan fo'i waith yn gyson ag anghenion a blaenoriaethau Cymru.

Wrth edrych tua'r dyfodol, bydd uned cymorth cyflawni a datblygu polisi cenedlaethol yn helpu gyda'r gwaith hwn.

Byddwn yn gweithio'n agos gyda rhanddeiliaid er mwyn datblygu strategaeth gaffael newydd, sy'n egluro model gweithredu'r dyfodol ac yn galluogi gwerth llawn y caffael i gael ei wireddu'n genedlaethol, yn rhanbarthol ac yn lleol.

Dywedodd rhanddeiliaid y dylai'r polisi cenedlaethol hwn geisio darparu cefnogaeth newydd mewn gofal cymdeithasol ac adeiladu, gan annog cysondeb a gallu wrth gomisiynu a chaffael y meysydd hanfodol bwysig hyn o ddarparu gwasanaethau cyhoeddus.

Rhaid i drefn gaffael effeithiol gael ei hategu gan raglen datblygu sgiliau. Bydd rhaglen sgiliau a gallu newydd felly yn cael ei llunio er mwyn i swyddogion caffael ddysgu am dechnegau masnachol modern ac er mwyn cynhyrchu llif o dalent ar gyfer y dyfodol i geisio mynd i'r afael â phrinder sgiliau a bylchau sy'n cael eu creu gan wahanol strwythurau cyflog a thâl.

Mae'r rhanddeiliaid hefyd wedi dweud yn glir bod angen strategaeth gaffael ddigidol flaengar yn y dyfodol er mwyn cydweithio, symleiddio mynediad i gyflenwyr a darparu data a gwybodaeth ar gyfer gwneud polisiau a phenderfyniadau yn y dyfodol. Byddwn yn gweithio gyda'n cwsmeriaid a'n rhanddeiliaid i ddatblygu hyn.

Er mwyn cefnogi'r gofynion hyn, rwy'n cyhoeddi y bydd y Gwasanaeth Caffael Cenedlaethol yn raddol ddod i ben ar ei ffurf bresennol. Mae'n amlwg nad yw darparu swm uchel o fframweithiau cenedlaethol bellach yn flaenoriaeth i gwsmeriaid, ac fe welir hyn yn lefel y gyfranogaeth yn fframweithiau'r Gwasanaeth Caffael Cenedlaethol, sy'n llai na'r hyn a ragwelwyd yn yr achos busnes.

Bydd y newid hwn yn cael ei reoli er mwyn sicrhau parhad busnes mewn perthynas â chontractau fframwaith sy'n cael eu defnyddio ar hyn o bryd gan gyrrff cyhoeddus, ac i roi sicrwydd i gyflenwyr sy'n rhan ohonynt.

Bydd gweithrediad llai yn cael ei sefydlu i reoli portffolio llai o gontractau cenedlaethol lle bo'n amlwg bod trefniadau o'r fath yn cynnig gwerth am arian ar draws mwyafrif sylweddol o sefydliadau sector cyhoeddus Cymru.

Byddwn yn ymgynghori â thîm y Gwasanaeth Caffael Cenedlaethol ac yn eu cynnwys wrth ddatblygu ffordd ymlaen. Bydd y rhai nad ydynt yn rhan o'r swyddogaeth gontractio genedlaethol yn cael cynnig cyfleoedd i fod yn rhan o'r gwaith o gyflawni blaenoriaethau rhanbarthol a lleol, yr uned gymorth cyflawni a datblygu polisi cenedlaethol neu raglen fasnach a chaffael Llywodraeth Cymru, neu weithgareddau tebyg.

Mae'r dystiolaeth a gasglwyd drwy'r adolygiad wedi dangos bod angen i'n polisi caffael a rhaglenni caffael cenedlaethol/rhanbarthol yn y dyfodol gael eu rheoli a'u cyflawni ar wahân fel elfennau allweddol o raglen waith strategol, trawsbynciol sydd â mwy o bwyslais ar adeiladu cyfoeth cymunedol ar draws Cymru.

Ein nod yw manteisio i'r eithaf ar wariant caffael yng Nghymru, gan ddefnyddio'r £6bn o wariant caffael blynyddol i gefnogi swyddi a thwf cynaliadwy; gwaith ac arferion gweithio teg; buddsoddi mewn seilwaith ac adeiladu; defnyddio asedau cyhoeddus a chryfhau busnesau lleol a'u cymunedau.

Mae adborth yr adolygiad wedi dangos yn glir bod rhaid i ni hefyd weithio i sicrhau cysylltiad clir rhwng caffael a nodau llesiant cyrff cyhoeddus ar draws Cymru, a sicrhau bod modd i'r cyflenwyr gymryd rhan yn well mewn prosesau caffael cyhoeddus.

Bydd fy swyddogion yn cydweithio â phartneriaid sector cyhoeddus i ddatblygu cynlluniau i symud y gwaith hwn yn ei flaen.

Caiff y datganiad hwn ei gyhoeddi yn ystod y toriad er mwyn rhoi'r wybodaeth ddiweddaraf i Aelodau'r Cynulliad a'r diwydiant. Os bydd Aelodau'r Cynulliad eisiau i mi wneud datganiad pellach neu ateb cwestiynau ynglŷn â hyn pan fydd y Cynulliad yn dychwelyd, buaswn yn hapus i wneud hynny.

Adroddiad Swyddfa Archwilio Cymru - Caffael Cyhoeddus yng Nghymru

Teitl yr adroddiad	Argymhelliad	Dyddiad targed	Cynnydd	Camau i'w cymryd
<p>Caffael Cyhoeddus yng Nghymru</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen y pecyn 59</p>	<p>A1 Rydym yn argymhell bod Llywodraeth Cymru yn annog cyrff cyhoeddus i adolygu cywirdeb y data maent yn ei ddarparu ar gyfer y prosiect Dadansoddi Gwariant ar y Cyd, gan ystyried y materion a nodwyd yn ystod ein gwaith; ac yn archwilio â'r sector addysg bellach a'r cyrff a noddir gan Lywodraeth Cymru sydd ar goll pam nad ydynt yn cymryd rhan yn y prosiect Dadansoddi Gwariant ar y Cyd.</p>		<p>Bydd Llywodraeth Cymru yn adolygu ei chanllawiau ar gyfer cymryd rhan yn y prosiect dadansoddi gwariant ac yn tanlinellu ei bod yn bwysig i'r cyrff sy'n cymryd rhan gadarnhau bod eu data'n gywir.</p> <p>Mae dadansoddiad o wariant 2017-18 yn mynd rhagddo eisoes. Gwahoddwyd y sector Addysg Bellach i fod yn rhan o'r prosiect. Trefnir i ymgysylltu â'r sector er mwyn egluro'r cyfleoedd i golegau elwa o'r gwaith dadansoddi data. Ystyrir cyfleoedd i ymgysylltu â chyrff a noddir gan Lywodraeth Cymru fel rhan o'r prosiect.</p> <p>Fel rhan o'r gwaith sy'n mynd rhagddo gyda darparwr gwasanaeth y prosiect Dadansoddi Gwariant, ac i ddatblygu'r gwaith ymhellach, cymerwyd nifer o gamau sy'n ymdrin ag argymhelliad 1.</p> <p>Mae gwaith yn mynd rhagddo ers Mehefin 17 a Medi '17 gyda darparwr y gwasanaeth (Atamis) sydd wedi cysylltu â'r holl gyrff sy'n aelodau. Nod y gwaith hwn oedd:</p> <p>Datblygu a gwella ymgysylltiad a deall manteision y system dadansoddi gwariant. Rhoi gwybodaeth a chyingor ynghylch system Atamis i ddefnyddwyr a thrafod y nodweddion newydd, ychwanegol.</p> <p>Trafod a chwblhau gwaith dilysu data ar ran y cyrff sy'n aelodau..</p> <p>Sicrhau ei bod yn haws cyflwyno data i Atamis, a hynny'n amlach, er mwyn ei uwchlwytho ar systemau lleol a system ranbarthol y GCC.</p> <p>Gwnaed hyn drwy wahodd pob corff a oedd yn rhan o'r prosiect i weminar ragarweiniol i ddangos iddynt sut i ddefnyddio'r</p>	<p>MAE'R ARGYMHELLIAD WEDI'I GWBLHAU</p>

Tudalen y pecyn 60			<p>nodweddion newydd, dilysu data, ac addasu eu system yn ôl eu hanghenion nhw, os dyna'u dymuniad.</p> <p>Ar y cyd â'r gwaith hwn, aeth darparwr y gwasanaeth ati i wella ansawdd a maint y data a ddsbarthwyd yn systemau'r cyrff lleol, gan geisio annog cyrff i sicrhau bod y dosbarthiadau'n cyd-fynd â'u dealltwriaeth nhw o'u data.</p> <p>Cafwyd ymarferion drwy gyfrwng system mapio awtomataidd mewn perthynas â Data Tŷ'r Cwmnïau ac ymchwilio/dilysu â llaw.</p> <p>Mae'r gwaith a gwblhawyd hyd yma wedi hybu gweithgareddau sydd wedi arwain at gynnydd yng nghyfran y gwariant a ddsbarthwyd o fewn system ranbarthol y GCC. Yn benodol, mae llawer mwy o fanylion dosbarthu ar gael ar draws y prif sectorau. O ganlyniad, cafwyd gostyngiad o 2% mewn gwariant heb ei fapio o'i gymharu â lefel y gwariant a ddsbarthwyd yn y system. Cynyddodd cyfran y gwariant a ddsbarthwyd o 96.5% i 98.5% yn ystod blwyddyn ariannol 2016/17.</p> <p>O ran Addysg Bellach a chyrff a noddir gan Lywodraeth Cymru, ac er mwyn gwella ymgysylltiad, y data a ddarperir a'i ddsbarthiad ar gyfer y sectorau hyn, bwriedir cymryd nifer o gamau ddechrau 2018.</p> <p>a. Yn gyntaf, caiff dogfen ganllaw symlach ei chynhyrchu, gan ddefnyddio terminoleg Addysg Bellach a chyrff a noddir gan Lywodraeth Cymru, a hynny er mwyn annog rhagor i gyfranogi.</p> <p>b. Yn ail, mae darparwr y gwasanaeth yn barod i ystyried cynnal mwy o ymweliadau â safleoedd a mwy o sesiynau hyfforddi ar gyfer grwpiau, a hynny er mwyn ceisio ymgysylltu eto â'r cyrff hynny nad ydynt yn cyfranogi eto.</p> <p>c. Defnyddir y cyfleoedd hyn hefyd i ddeall pam nad yw rhai cyrff yn cyfranogi ac i ddysgu sut i'w hannog i wneud hynny.</p> <p>ch. Bydd Llywodraeth Cymru hefyd cysylltu â phob corff yn uniongyrchol yn y Flwyddyn Newydd i annog rhagor o gyfranogi ac i fod yn rhan o'r gwaith.</p>	
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<p style="text-align: center;">Tudalen y pecyn 61</p> <p>Caffael Cyhoeddus yng Nghymru</p>	<p>A2 – Llywodraeth Cymru i nodi'n glir, ar ei gwefan, y strwythur atebolrwydd a llywodraethu ar gyfer caffael cyhoeddus yng Nghymru. Gwahodd cynrychiolwyr cyrff a noddir gan Lywodraeth Cymru, Swyddfa Comisiynydd Cenedlaethau'r Dyfodol a chyrrff cyhoeddus yng Ngogledd Cymru i fod yn rhan o'r cynlluniau i uno.</p> <p>Arweinydd – Jonathan Hopkins</p>	<p>30 Mehefin 2018</p>	<ul style="list-style-type: none"> • Ar 5 Medi 2018, cyhoeddodd Ysgrifennydd y Cabinet dros Gyllid Ddatganiad Ysgrifenedig gan ddod â'r Adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru i ben. • Mae'r Datganiad yn cadarnhau y bydd uned cymorth cyflawni a datblygu polisi cenedlaethol yn helpu gyda'r gwaith hwn yn y dyfodol, gan gynnwys sefydlu strwythur atebolrwydd a llywodraethu newydd, a chaiff hyn ei gyhoeddi ar y rhyngwrdd. 	<p>Cynnig: Fel rhan o'r uned cymorth cyflawni a datblygu polisi, bydd trefniadau llywodraethu / cynrychiolaeth yn cael eu pennu'n electronig a byddant ar gael yn electronig.</p> <p>Sicrhau bod y corff newydd yn tynnu sylw at ei drefniadau llywodraethu ar ei wefan ac yn cynnig cynrychiolaeth gynhwysfawr ar gyfer yr holl randdeiliaid allweddol.</p>
<p>Caffael Cyhoeddus yng Nghymru</p>	<p>A3 –bod cyrff cyhoeddus yn adolygu eu strategaethau a'u polisiau caffael bob blwyddyn i sicrhau eu bod yn adlewyrchu newidiadau deddfwriaethol ehangach .</p>	<p>31 Hydref 2018</p>	<ul style="list-style-type: none"> • Fel y nodir uchod - Ar 5 Medi 2018, cyhoeddodd Ysgrifennydd y Cabinet dros Gyllid Ddatganiad Ysgrifenedig gan ddod â'r Adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru i ben. • Mae paragraff 11 o'r Datganiad Ysgrifenedig yn cadarnhau y byddwn yn gweithio'n agos gyda rhanddeiliaid er mwyn datblygu strategaeth gaffael newydd, a fydd yn rhoi darlun clir o'r modd y bydd y system yn gweithredu yn y dyfodol, ac yn sicrhau y caiff gwerth llawn y trefniadau caffael yn cael ei wireddu'n genedlaethol, yn rhanbarthol ac yn lleol. 	<p>Cynnig: Fel rhan o'r gwaith o ddatblygu strategaeth gaffael newydd i Gymru gyda rhanddeiliaid, bydd cyrff cyhoeddus yn cael cymorth i adolygu'r strategaethau presennol i sicrhau eu bod yn adlewyrchu newidiadau deddfwriaethol ehangach.</p>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen y pecyn 62</p>	<p>Arweinydd – Jonathan Hopkins</p> <p>A4 – sicrhau y cynhelir Archwiliadau Ffitrwydd i Gaffael yn gyson i ganiatáu trefniadau meincnodi mwy effeithiol;.</p> <p>Rhoi arweiniad i gyrrff cyhoeddus ynglŷn â'r disgwyliadau o ran asesiadau dilynol.</p> <p>Gweithio i ddadansoddi'r canlyniadau i wella ymhellach</p> <p>Asesu sefyllfa cyrff cyhoeddus o ran argymhellion y datganiad polisi caffael – er enghraifft, McClelland (un gweithiwr caffael proffesiynol i bob £10 miliwn o wariant)</p> <p>Arweinydd – Jonathan Hopkins</p>	<p>31 Hydref 2018</p>	<ul style="list-style-type: none"> Fel y nodir uchod - Ar 5 Medi 2018, cyhoeddodd Ysgrifennydd y Cabinet dros Gyllid Ddatganiad Ysgrifenedig gan ddod â'r Adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru i ben. Mae paragraff 12 yn nodi bod rhanddeiliaid wedi dweud y dylai'r polisi cenedlaethol hwn geisio sicrhau bod math newydd o gymorth ar gael ym maes gofal cymdeithasol ac adeiladu, gan hybu cysondeb a gallu wrth gomisiynu a chaffael mew perthynas â'r agweddau hanfodol bwysig hyn ar wasanaethau cyhoeddus. Bydd uned cymorth cyflawni a datblygu polisi cenedlaethol yn datblygu'r gwaith hwn yn y dyfodol. Bydd rhaglen sgiliau a gallu newydd yn cael ei datblygu er mwyn i swyddogion caffael ddysgu am dechnegau masnachol modern ac er mwyn creu cyflenwad o dalent ar gyfer y dyfodol a cheisio mynd i'r afael â'r prinder sgiliau a'r bylchau a gaiff eu creu oherwydd strwythurau cyflog a thâl gwahanol. 	<p>Cynnig:</p> <p>Fel rhan o'r rhaglen sgiliau a gallu newydd i ddatblygu sgiliau, mae archwiliadau ffitrwydd i gaffael ac asesiadau o aeddfedrwydd trefniadau caffael yn debygol o gael eu cyflwyno'n raddol.</p> <p>Caiff canllawiau eu paratoi ar gyfer asesiadau dilynol .</p> <p>Caiff y canlyniadau eu dadansoddi a'u defnyddio i wella ymhellach.</p> <p>Mae'r datganiad polisi caffael presennol yn debygol o gael ei ddiweddarau pan gaiff y strategaeth newydd ar gyfer Cymru ei datblygu.</p>
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<p>Caffael Cyhoeddus yng Nghymru</p> <p>Tudalen pecyn 63</p>	<p>A5 - Diweddaru'r pecyn offer budd cymunedol, gan gynnwys ystyried Deddf Llesiant Cenedlaethau'r Dyfodol ac adeiladu ar y gwersi a ddysgwyd o arfer gorau gan ddefnyddio hyrwyddwyr budd cymunedol</p> <p>Arweinydd – Jonathan Hopkins</p>	<p>30 Mehefin 2018</p>	<ul style="list-style-type: none"> Cwblhawyd Mae'r pecyn offer budd cymunedol yn awr wedi'i ddiweddaru i adlewyrch Deddf Llesiant Cenedlaethau'r Dyfodol a'r gwerth cymdeithasol ehangach. Rydym yn ymgysylltu â'r gymuned arfer gorau ac mae cynlluniau peilot ar waith. 	<p>Llwyddwyd i wneud mwy na'r hyn a argymhellwyd ac rydym yn bwriadu trafod y syniad o gau'r argymhelliad gyda Swyddfa Archwilio Cymru.</p>
<p>Caffael Cyhoeddus yng Nghymru</p> <p>Tudalen pecyn 63</p>	<p>A6 – Archwilio effaith strwythurau tâl gwahanol i staff caffael mewn sectorau gwahanol ac ystyried atebion posibl i'r broblem</p> <p>Arweinydd – Jonathan Hopkins</p>	<p>31 Hydref 2018</p>	<ul style="list-style-type: none"> Ar 5 Medi 2018, cyhoeddodd Ysgrifennydd y Cabinet dros Gyllid Ddatganiad Ysgrifenedig gan ddod â'r Adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru i ben. Bydd yr argymhelliad hwn yn cael ei roi ar waith fel rhan o'r gwaith ehangach o ddatblygu cynnwys y Datganiad yn ei gyfanrwydd. 	<p>Cynnig: Bydd gwaith ehangach yn creu cyflenwad o bobl dalentog i helpu i fynd i'r afael â'r prinder sgiliau a'r bylchau a gaiff eu creu oherwydd strwythurau cyflog a thâl gwahanol.</p>
<p>Caffael Cyhoeddus yng Nghymru</p>	<p>A7 – Gwneud mwy i annog cyrff cyhoeddus i ddefnyddio SQuID ac asesu ei ddefnydd fel rhan o'r archwiliadau ffitrwydd</p>	<p>30 Ebrill 2018</p>	<ul style="list-style-type: none"> Wedi'i gwblhau. (Mae Dogfen Gaffael Sengl Ewropeaidd (ESPD) newydd hefyd ar gael ar GwerthwchiGymru, ac mae canllawiau ar ddethol cyflenwyr wedi'u paratoi hefyd). Caiff ei ddefnyddio fel rhan o'r Archwiliadau Ffitrwydd i Gaffael yn unol ag A4 uchod. 	<p>Cwblhawyd. Mae'r Ddogfen Gaffael Sengl Ewropeaidd (ESPD) yn disodli SQuID ac mae ar waith ar hyd a lled Cymru, fel rhan annatod o GwerthwchiGymru . Cynnig: Caiff aeddfedrwydd trefniadau</p>

	i gaffael. Arweinydd – Jonathan Hopkins			caffael eu hasesu fel rhan o'r cynllun gweithredu. Gweler y naratif ar gyfer A4 uchod.
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Adroddiad Swyddfa Archwilio Cymru – Y Gwasanaeth Caffael Cenedlaethol

Teitl yr adroddiad	Argymhelliad	Dyddiad targed	Statws	Camau i'w cymryd
<p>Y Gwasanaeth Caffael Cenedlaethol</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen y pecyn 65</p>	<p>A 1</p> <ul style="list-style-type: none"> Nodi'r rhesymau pam mae aelodau'n dewis defnyddio sefydliadau prynu lleol neu gyhoeddus. Datblygu cynllun gweithredu i egluro manteision defnyddio GCC Ystyried a allai fframweithiau a chontractau ymrwymo mwy i feintiau, a mesur faint o awydd sydd ymhlith aelodau i ddatblygu manylebau ar y cyd <p>Ystyried y posibilrwydd o greu mwy o fframweithiau rhanbarthol i roi mwy o gyfleoedd i fusnesau bach a chanolig– bydd gwaith yn dilyn</p> <p>Holi aelodau, a rhai nad ydynt yn aelodau, yn flynyddol i gasglu eu barn am y gwasanaeth</p> <p>Arweinydd – Jonathan</p>	<p>30 Medi 2018</p>	<ul style="list-style-type: none"> Ar 5 Medi 2018, cyhoeddodd Ysgrifennydd y Cabinet dros Gyllid Ddatganiad Ysgrifenedig gan ddod â'r Adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru i ben. Mae'r datganiad yn cadarnhau y bydd y Gwasanaeth Caffael Cenedlaethol yn dod i ben, dros gyfnod, ar ei ffurf bresennol. Mae'r Datganiad Ysgrifenedig yn cadarnhau y caiff uned lai ei sefydlu i reoli portffolio â llai o gytundebau. Rydym yn ymgysylltu â rhanddeiliaid y GCC i hwyluso'r broses o newid y gwasanaeth. Rydym wedi ymgynghori â chwsmeriaid y GCC i ddatblygu dulliau newydd o gyfathrebu, i sicrhau ei bod yn haws gweld cytundebau'r GCC ac i ddatblygu astudiaethau achos sy'n dangos manteision defnyddio cytundebau'r GCC. Mae'r wefan yn awr yn esbonio'r manteision sydd ynghlwm wrth ddefnyddio cytundebau'r GCC a hynny drwy ddefnyddio negeseuon symlach. 	<p>Gan fod y Datganiad Ysgrifenedig yn cadarnhau y bydd y GCC yn dod i ben, dros gyfnod, ar ei ffurf bresennol, cynigir bod y Datganiad hwn yn awr yn disodli'r argymhellion hyn ond cânt eu hystyried wrth fwrw ymlaen â'r gwaith.</p> <p>Cynnig: Sicrhau bod yr uned lai, newydd yn rhoi sylw i'r themâu yn argymhelliad 1 (fel ag y bo'n briodol) wrth iddi ddatblygu.</p>

	Hopkins			
Tudalen y pecyn 66	A 2 – Adolygu'r broses optio allan i sicrhau ei bod yn glir ac yn gyson. Arweinydd – Jonathan Hopkins	31 Mawrth 2018	<ul style="list-style-type: none"> Trafodwyd y broses optio allan gyda chwsmeriaid fel rhan o bob fframwaith. Drwy ddeall gofynion y cwsmeriaid yn well, mae dull mwy anffurfiol a hyblyg o optio allan wedi'i fabwysiadu. Ar 5 Medi 2018, cyhoeddodd Ysgrifennydd y Cabinet dros Gyllid Ddatganiad Ysgrifenedig gan ddod â'r Adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru i ben. Mae'r datganiad yn cadarnhau y bydd y Gwasanaeth Caffael Cenedlaethol yn dod i ben, dros gyfnod, ar ei ffurf bresennol. 	Cynnig: Sicrhau bod yr uned lai, newydd yn rhoi sylw i'r themâu yn argymhelliad 2 (fel ag y bo'n briodol) wrth iddi ddatblygu.
	A 3 – cytuno ar drefniant ariannu cynaliadwy i roi sylfaen ariannol gref i'r GCC . Arweinydd – Marion Stapleton	30 Medi 2018	<ul style="list-style-type: none"> Ar 5 Medi 2018, cyhoeddodd Ysgrifennydd y Cabinet dros Gyllid Ddatganiad Ysgrifenedig gan ddod â'r Adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru i ben. Mae'r datganiad yn cadarnhau y bydd y Gwasanaeth Caffael Cenedlaethol yn dod i ben, dros gyfnod, ar ei ffurf bresennol. 	Cynnig: Sicrhau bod yr uned lai, newydd yn rhoi sylw i'r themâu yn argymhelliad 3 (fel ag y bo'n briodol) wrth iddi ddatblygu.
	A 4 – adroddiadau blynyddol: cynnwys crynodeb o'r union wariant drwy fframweithiau'r GCC. Arweinydd – Jonathan Hopkins	31 Ionawr 2018	<ul style="list-style-type: none"> Mae'r argymhelliad wedi'i roi ar waith. Ar 5 Medi 2018, cyhoeddodd Ysgrifennydd y Cabinet dros Gyllid Ddatganiad Ysgrifenedig gan ddod â'r Adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru i ben. Mae'r datganiad yn cadarnhau y bydd y Gwasanaeth Caffael Cenedlaethol yn dod i ben, dros gyfnod, ar ei ffurf bresennol. 	Cwblhawyd
	A 5 – Y GCC i sicrhau bod ei aelodau'n fwy ymwybodol o'r	Yn parhau	<ul style="list-style-type: none"> Ar 5 Medi 2018, cyhoeddodd Ysgrifennydd y Cabinet dros Gyllid Ddatganiad Ysgrifenedig gan 	Cynnig: Sicrhau bod yr uned lai, newydd yn

	<p>darpariaethau y mae'n eu gwneud, drwy ei amrywiol sianeli adrodd i gynorthwyo BBaCh.</p> <p>Arweinydd – Jonathan Hopkins</p>		<p>ddod â'r Adolygiad o'r Gwasanaeth Caffael Cenedlaethol a Gwerth Cymru i ben. Mae'r datganiad yn cadarnhau y bydd y Gwasanaeth Caffael Cenedlaethol yn dod i ben, dros gyfnod, ar ei ffurf bresennol.</p>	<p>rhoi sylw i'r themâu yn argymhelliad 5 (fel ag y bo'n briodol) wrth iddi ddatblygu.</p>
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**Future
Generations
Commissioner**
for Wales

9 November 2018

Dear Nick

Public Accounts Committee: further response to procurement inquiry

Many thanks for this further opportunity to contribute to the Public Accounts Committee inquiry into public procurement. As I highlighted in my evidence to the Committee earlier this year, and in subsequent discussions and correspondence with the Cabinet Secretary, I believe there is a significant opportunity to transform the way procurement is undertaken in Wales to deliver much wider economic, social, environmental and cultural benefits in line with the requirements of the Well-being of Future Generations Act.

In my [evidence to your Committee](#) I highlighted a number of concerns but also suggested areas for improvement including:

- a need to clarify what outcomes procurement could deliver across the public sector in Wales by looking through the lens of the Well-being of Future Generations Act, and I would expect these to be included in the proposed five-year Programme for Procurement;
- The current Wales Procurement Policy Statement should be updated to reflect all four elements of well-being;
- Using spend analysis to prioritise where procurement can deliver wider benefits / outcomes;
- Addressing the ongoing tension between lowest cost and achieving wider outcomes because value for money (lowest price) is still seen as the key driver;
- Need for clearer leadership at all levels.

Following the Cabinet Secretary's announcement of a review into the National Procurement Service and Value Wales (back in September 2017) I was pleased to be involved in the Stakeholder Reference Group that was established to support this review. The first meeting took place in February and the group met on a monthly basis until June.

The review was initially focussing on the National Procurement Service and seeking the views of procurement practitioners on what type of service they wish to see in the future; once this was done the review would move on to consider the wider procurement landscape, what the vision for procurement is for the long-term and Value Wales' role to support implementation. Whilst I appreciate the need to deal with the uncertainty around the future of the NPS I emphasised several times, both to Welsh Government officials and to the Cabinet Secretary, how important it is to ensure that we take a **root and branch look at procurement policy** in Wales as well as the infrastructure that supports it. I was concerned that focussing on the NPS model before looking at the wider landscape risked creating another service which is not fit for purpose today or in the long-term and therefore if it was felt essential to carry out this work first I sought assurance that further work on the vision and strategic policy context for procurement would be undertaken very quickly afterwards, and that any new arrangements for the NPS are sufficiently flexible in being able to respond and deliver against this new vision.

Indeed, I welcome the Cabinet Secretary's recognition of this; his statement on the outcome of the review states that through involving stakeholders they have also highlighted that refocusing NPS and Value Wales is

not enough and that there is a “need for an in-depth examination of how we use public funding to support public service delivery and to build economic growth across all regions of Wales”

I have consistently emphasised the need for the **Well-being of Future Generations Act** to be the **starting point** and **overarching framework** within which Welsh Government’s work (on developing the vision and new delivery models) should be delivered. Although I felt the review was making progress, I still had some concerns as outlined in a letter to the Cabinet Secretary (on the 19 June 2018). Whilst I welcomed references to the Act in the review’s Terms of Reference - *“The overarching objective of the Review is to develop organisational proposals for using the public sector’s £6bn annual procurement spend to maximise the economic, social, environmental and cultural well-being of future generations in every part of Wales”* - I felt that further work was needed to ensure all those involved in the process had sufficient understanding of the Act to make sure this will be delivered in reality. In terms of the outcome of the review I have yet to see clear evidence of these proposals.

As you recognised in your statement on 2 May, with which I agree: “The Committee believe there is much to be gained by maximising the potential of the annual £6 billion public sector procurement spend and by transforming public procurement in the context of the Well-being of Future Generations (Wales) Act 2015. It is clear to the Committee that this potential is some way from being realised fully for a number of reasons and that some significant development work and consensus building is required to move forward in a collaborative way and respond to some of the concerns that have been raised about the approach taken by NPS to date.”

In developing a new procurement system that is fit for the future and delivers wider value it is important that **stakeholders outside of procurement** and related professions are being engaged. We have encouraged Welsh Government officials to seek wider engagement from outside the sector, and I have suggested bringing in others with a different perspective. We have made a number of suggestions over the last few months including bringing in external innovation and challenge, widening membership of the stakeholder group to include economic/business development, skills, supply chain, innovation - areas where procurement can demonstrate its potential to support wider organisational objectives. I feel there is a lot more that they could do on this, and that wider engagement is critical to find innovative solutions.

There are also opportunities to learn from approaches elsewhere - e.g. Preston where they have increased local spend by £200 million over six years - and see what could work here in Wales, whilst also having a greater focus on the opportunities available through considering procurement as an investment opportunity through the lens of the Act. I am pleased that following an introduction by my team Welsh Government are now exploring a piece of work with Neil McInroy, Chief Executive of the Centre for Local Economic Strategies (CLES) who was closely involved in the Preston work.

In his response to my letter the Cabinet Secretary confirmed that my concerns would be addressed as part of the review, including raising awareness of the opportunity and benefits of looking at public procurement from a different perspective following the Act’s five Ways of Working. I am aware that a wider strategic review of procurement is now underway, and that Welsh Government are developing a new vision for procurement that will be supported by an implementation plan. My team is aware of this work but have not yet been involved in taking it forward. As a member of the Stakeholder group for the review I have not received any formal communication to clarify the next steps following the review.

As the Cabinet Secretary's statement on the review outlines, stakeholders have confirmed a number of future priority actions for procurement including:

- Greater focus on delivering collaborative procurement agreements aligned to regional and local priorities: I would agree with taking a collaborative and integrated approach, however we need to ensure that all five ways of working are applied with a view to delivering local well-being objectives (to maximise contribution to the seven national well-being goals);
- Delivery of a smaller number of national contracts where Wales-wide solutions, in areas such as vehicles and fleet hire, provide the greatest value for a large proportion of the Welsh public sector: again we need to ensure that national contracts seek to deliver wider well-being outcomes and benefits;
- Exploring with the UK Government how we can strengthen our relationship with the Crown Commercial Service, to fully engage where its work is aligned with Welsh needs and priorities: the focus has to be on seeking to deliver wider benefits against all four pillars of well-being.

I welcome their commitment to work closely with stakeholders to develop a new procurement strategy, which will “clarify the future operating model and enable the full value of procurement to be realised”. I am aware that a series of stakeholder events were due to take place in July but were cancelled and have not yet been rescheduled. They need to ensure that this engagement is comprehensive and meaningful, and also that significant progress is made quickly to ensure that stakeholders continue to remain engaged. I will continue to request that a much wider community of stakeholders are involved in this work going forward.

I welcome their proposal for a new capability and capacity programme to develop a skilled workforce – again critical to ensure that understanding of the Well-being of Future Generations Act, and the wider benefits that can be achieved through procurement, is a key component of this work. It is clear from my work across a range of policy areas and sectors to date that simply revising policy and guidance is not enough. The Government must allocate resources to embed awareness and understanding of new requirements and support the capacity to change if we are to see a system which genuinely embeds the new ways of working set out in the Act.

I agree with the conclusion that future procurement policy and collaborative procurement programmes should have greater emphasis on driving up community wealth-building across Wales, “to support sustainable jobs and growth; fair work and employment practices; infrastructure and construction investment; use of public assets and improve the resilience of local businesses and their communities”. However I would point out that it is essential that ALL of the aspirations of the Wellbeing of Future Generations Act are embraced and that policy does not focus solely on the economic benefits that can be driven from procurement without considering social, environmental and cultural well-being too. I am still yet to see evidence of exactly how Welsh Government are proposing to do this.

The statement concludes by saying “we must provide a clear link between procurement and the well-being goals of public bodies across Wales”; I have been calling for the need to ensure procurement supports delivery of the well-being objectives of public bodies (which in turn maximise contribution to the seven national well-being goals) and will continue to work with Welsh Government to ensure this happens.

Through my office's Art of the Possible programme, which seeks to set out a vision of what is possible for each of the seven well-being goals, we have recently launched our “Simple Changes” which are practical ideas for



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Public Bodies to show how they are contributing to the goals. Procurement has emerged as a cross-cutting theme across all seven goals, so in addition to the simple changes we will continue to develop a more comprehensive Journey Checker, in partnership with stakeholders, to illustrate how Public Bodies can progress so they are 'leading the way'. Further information on the simple changes as well as case-studies is available at: <https://futuregenerations.wales/simple-changes/all-themes/procurement/>

My team are also working with individual Public Bodies and Public Services Boards to support their efforts to embed the Act into their procurement activities and will continue to engage with a wide range of stakeholders on this agenda. Although I am frustrated by the lack of tangible progress over the last 12 months we will also continue to provide support to Welsh Government to develop a procurement system which is fit for future generations.

Yours sincerely

*Future Generations Commissioner for Wales
Comisiynydd Cenedlaethau'r Dyfodol Cymru*



☎: 01443 848550

Gofynnwch am / Ask for: Neil Frow

E-bost/Email: Neil.Frow@wales.nhs.uk

Dyddiad/Date: 9th November 2018

Mr Nick Ramsay AM
Chair
Public Accounts Committee
National Assembly for Wales

Dear Mr Ramsay,

PUBLIC PROCUREMENT

Thank you for your recent correspondence dated the 23rd October, regarding the above and in particular seeking the views of the NHS on the review findings announced in the Cabinet Secretary for Finance Statement of the 5th September 2018.

I am happy to confirm that the Welsh NHS Procurement Service was one of a range of stakeholders who had been asked by Welsh Government to contribute as part of the review process and we are broadly content and supportive of the review findings including the high level principles that have been set out in the statement.

Clearly, there is still a lot of detail that Welsh Government needs to work through with stakeholders following the initial review especially in terms of the priority areas for action and how these will be underpinned by a national policy development and delivery support function. I think it is important to recognise that the public sector procurement landscape is different across Wales with organisations and sectors at different points and without this further detailed work it is difficult to comment on how this will potentially directly impact NHS Procurement at either a strategic or operational level.

The statement also refers to officials working "collaboratively with public sector partners to develop plans to move this work forward". It is not clear how this is going to be taken forward and it would be helpful to have a timeline in terms of the development of this detail around the future operating model, the engagement approach and of particular

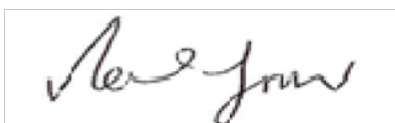
necessity is the agreement of an underpinning collaborative digital procurement strategy as a number of central support systems are reaching the end of the current contractual arrangements.

We fully support the idea of setting up a smaller operation to manage a reduced portfolio of national contracts as going forward we believe there will still be a particular need for a central mechanism to take advantage of collaborative working at a national level. For those organisations that are using the existing NPS frameworks and contracts the management of any transition period together with ensuring business continuity will be an important area to monitor. An example of the "detail that needs to be worked through" is there is still a question over what range of procurements will be covered once NPS changes and although the statement refers to a focus on the delivery of agreements to meet regional and local priorities it will be important that any lessons learned and recommendations from the NPS review are taken into account during this process.

We welcome any investment in helping support the wider skills and capabilities challenge which all organisations face. Creating a future talent pipeline, sharing of best practice and taking advantage of more collaborative procurements will be a key driver in creating the required public procurement function of the future.

On a more general note given that a more collaborative approach to procurement within NHS Wales through the NHS Wales Shared Services Partnership (NWSSP) has shown significant benefits within the health sector it is disappointing that the introduction of the NPS has not realised similar wider benefits for the Welsh public sector as a whole. That said, we do recognise that the public procurement landscape across Wales is different and that priorities of customers change over time and have ultimately been reflected in the take up and use of the NPS.

We look forward to seeing the next stage of the work of the PAC in taking this forward.



Neil Frow
Managing Director
NHS Wales Shared Services Partnership

Public Procurement in Wales

FAO: Nick Ramsay, AM Public Accounts Committee
Dr Jane Lynch 18/11/18

Following the Public Accounts Committee inquiry, please find my responses below to the statement published by the Cabinet Secretary 05/09/18.

The review was designed to clarify stakeholders' priorities to help maximise the value of the £6bn annual procurement expenditure across Wales at a time of unprecedented pressures on public services and as the UK prepares to leave the European Union.

I am disappointed that the Gateway Report is not available due to the confidential and sensitive nature of the evidence collected during the review period. This makes it difficult to fully respond to the statement. The participant responses could have been coded to protect anonymity but still enable access to information presented during the review period.

Since announcing the review, the National Assembly's Public Accounts Committee launched its own inquiry into procurement, which I have followed with interest. I have today written to the chair of the committee setting out how this review has sought to respond to commitments made during the inquiry and to a statement about public procurement in Plenary on 2 May.

It was not made clear why the National Assembly Public Accounts Committee was responsible for this review. I expected a review of this scale and importance to be audited by a third party, based outside of Wales.

They have told us that simply refocusing NPS and Value Wales is not enough. The review has revealed the need for an in-depth examination of how we use public funding to support public service delivery and to build economic growth across all regions of Wales.

I concur with this finding, though raise concerns about the timing of this and the length of time a full examination will take all during this uncertain period as the nation prepares for Brexit.

Future priority actions proposed for procurement:

Greater focus on delivering collaborative procurement agreements aligned to regional and local priorities. Such an approach will not only afford maximum access to Welsh suppliers, it will also complement the aims set out in the Economic Action Plan, the decarbonisation programme and support our drive to make Wales a Fair Work nation by leveraging fair work outcomes from public spending and procurement practice;

In principle this sounds feasible, but without a mandated consistent and structured approach for managing the collaboration we are at risk of transferring the same problems to a different structure. This has already been evidenced through a knowledge transfer partnership project

whereby local authorities in a region have different strategic priorities, financial pressures and capabilities. This creates barriers when trying to move towards collaborative agreements.

Delivery of a smaller number of national contracts where Wales-wide solutions, in areas such as vehicles and fleet hire, provide the greatest value for a large proportion of the Welsh public sector;

There is a trade-off to consider between better supporting local businesses and reducing overhead administrative costs in procurement. Companies stand to learn much through collaborative arrangements. Larger contracts may have been more successful if the support was in place to help suppliers and buyers manage the collaboration, i.e they did not fail due to the procurement structure. Welsh Government needs to invest considerably more on implementation.

Exploring with the UK Government how we can strengthen our relationship with the Crown Commercial Service, to fully engage where its work is aligned with Welsh needs and priorities.

This is an important development as we approach Brexit on March 29th 2019 and will expose procurement professionals in Wales to other UK practices. Secondment activity would accelerate the learning process both ways and strengthen our relationship.

Going forward, this approach will be informed by a national policy development and delivery support function.

Is there is clear project timeline for this, who is involved and importantly, what support is offered to assist with the delivery?

We will work closely with stakeholders to develop a new procurement strategy, which clarifies the future operating model and enables the full value of procurement to be realised nationally, regionally and locally.

How are the stakeholders determined, and what is the timeline for developing the procurement strategy? Brexit and the recent resignation of the Commercial Director means that we need to enforce some stability and ensure clarity in terms of guidance and support.

Stakeholders have advised that this national policy approach should aim to deliver new support in social care and construction, driving up consistency and capability in the commissioning and procurement of these vital areas of public service delivery. Effective procurement must be underpinned by a skills development programme. A new capability and capacity programme will therefore be drawn up to equip procurement officers with modern commercial techniques and create a future talent pipeline to help tackle skill shortages and gaps created by different pay and rewards structures.

How will this training programme/s differ to the one/s currently being offered? There have been some improvements but we have been promising this since the McClelland Review in 2012.

Stakeholders have also been clear about the need for a progressive future digital procurement strategy to underpin collaboration, simplify access for suppliers and provide the data and intelligence to inform future policy and decision making. We will work with our customers and stakeholders to develop this.

Data integrity is a key enabler of this successful strategy and will require significant investment in skills. This transition may also require a cultural shift in some regions.

To support these requirements, I am announcing that NPS will, over time, cease to exist in its current form. It is clear that delivering a high volume of national frameworks is no longer a priority for customers and this is reflected in the level of engagement with NPS frameworks, which falls short of the business case forecast.

There is still resistance to change across the regions. We need to ensure consistency across regions to ensure that regions are not competing against each other, but instead collectively addressing national goals.

This transition will be managed to ensure business continuity is maintained in relation to framework contracts currently in use by public bodies and to provide certainty for the suppliers who are on them.

This may still bring challenges with suppliers being awarded contracts.

A smaller operation will be set up to manage a reduced portfolio of national contracts, where such agreements can demonstrate delivery of value across a significant majority of Welsh public sector organisations.

This is the how NPS should have been set up to prevent the current situation.

The NPS team will be consulted and engaged in developing the way forward and those not part of the smaller national contracting function will be offered opportunities to be involved in delivery of regional and local priorities; the national policy development and delivery support unit or the Welsh Government's commercial and procurement programme, or other similar activities.

This is key, as Welsh Government has invested heavily and brought in some professional skills and experience within NPS. We can't afford to lose that in Wales. Hoping there are immediate plans to recruit a Commercial Director. Leadership and leadership style during a period of significant change will significantly impact on its success.

Evidence gathered through the review has informed the need for our future procurement policy and national/regional collaborative procurement programmes to be managed and delivered separately as key elements of a strategic, cross-cutting collaborative programme of work, which has greater emphasis on driving up community wealth-building across Wales.

Whilst I understand how this structure may drive improvements to community wealth building across Wales, there are concerns about the use of the term 'separately'. There still needs to be a level of consistency in process and evaluation criteria. We are also still compliant with EU Directives which may limit the scope of preferential treatment to local suppliers. This constraint would continue under GPA regulations.

Our aim is to maximise procurement spend in Wales while also using the £6bn annual procurement spend to support sustainable jobs and growth; fair work and employment practices; infrastructure and construction investment; use of public assets and improve the resilience of local businesses and their communities.

All well and good but refer to previous point.

The feedback from the review has been clear that we must also work to provide a clear link between procurement and the wellbeing goals of public bodies across Wales and ensure the supply base can better engage in public procurement.

This is not just about process, this is also about removing the stigma associated with public sector contracts to attract more suppliers. Lessons can be learned from NPS as they were already doing this to some extent.

My officials will work collaboratively with public sector partners to develop plans to move this work forward.

It is important to listen to the suppliers' perspectives too. Collaboration is still being applied very loosely. A consistent and structured approach is now required to ensure tangible benefits are achieved.

This statement is being issued during recess in order to keep Assembly Members and the industry informed. Should Assembly Members wish me to make a further statement or to answer questions on this when the Assembly returns I would be happy to do so.

I am grateful for the opportunity to input in this review and feel very passionate about what Wales could achieve given that the investment is made in offering the appropriate levels of support.

In the early stages of the Public Accounts Committee enquiry we were invited to comment on the points below. However, I don't see much reflection on these in the response made by the Cabinet Secretary.

- *The overall impact of the 2015 procurement policy statement*
- *The planned 'Programme for Procurement' and actions that the Welsh Government is taking forward*
- *Fitness Checks of Public Bodies*
- *Skills and Competences*
- *E-Procurement Adoption across Wales*
- *Plans to Merge the NPS Board and the National Procurement Board*
- *Effectiveness and impact of collaborative procurement arrangements*

Our Ref/Ein Cyf: JR/ST
Your Ref/Eich Cyf:
Date/Dyddiad: 19th November 2018
Please ask for/Gofynnwch am: Richard Dooner
Direct line/Llinell uniongyrchol:
Email/Ebost: richard.dooner@wlga.gov.uk



CLILC • WLGA

Nick Ramsey
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Dear Nick,

Public Procurement

Thank you for your letter of 23rd October concerning the follow up to your inquiry into Public Procurement and the National Procurement Service.

We welcome the opportunity to share our views on the findings of the Welsh Government's review. These are appended in the following documents:

1. Statement: "The Future Shape of Procurement in Wales"
2. Report: "The Review of VW and NPS"
3. A guided conversation with Heads of Procurement in Local Government: "The Vision for the Future Shape of Procurement in Wales"

All three documents are contemporaneous with the Welsh Government review and the Gateway review. They represent the views of the officer networks involved rather than a formal WLGA response.

My own officers are presently taking the vision forward positively in collaboration with the Heads of Procurement network in Local Government and with Welsh Government officials.

I trust this provides the assurances required. If you require anything further or have any queries, please contact my office.

Yours faithfully,

Steve Thomas CBE
Chief Executive

Steve Thomas CBE
Chief Executive
Prif Weithredwr

Welsh Local Government
Association
Local Government House
Drake Walk
CARDIFF CF10 4LG
Tel: 029 2046 8600

Cymdeithas Llywodraeth
Leol Cymru
Tŷ Llywodraeth Leol
Rhodfa Drake
CAERDYDD CF10 4LG
Ffôn: 029 2046 8600

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The Future Shape of Procurement in Wales

Much is rightly being asked of procurement in public service. Good supply management can make a big difference to the efficiency and service delivery capability of organisations.

It is best delivered with some form of collaboration among those with common needs and this requires some form of central support. Arrangements set up to do this have been subject to much recent scrutiny in Wales. Some of this scrutiny has become complex.

Welsh Governments review of Value Wales and the National Procurement Service has lately consumed a lot of resource and created a lot of material. Senior Local Government Officers were concerned that their voice was at risk of being lost or misunderstood within the sheer volume. They were also keen that future arrangements be supportive of ongoing initiative and the emerging priorities for procurement. Two reports were compiled to support this:

- **The Review** – a Local Authority Officers perspective of the review and the associated services provided by Value Wales and the National Procurement Service.
- **The Vision** – a Local Authority Officers perspective of future need and resourcing.

In short, the 'ask' from Heads of Procurement was for:

One joint team going forward, comprising a policy team and a contracting arm.
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This would provide consistency for supply providers, with a common source for the distribution of information and intelligence among collaborating Authorities.

- With a series of coordinated events to support knowledge sharing.
- Supporting an affordable system of professional development and training.
- Providing a funded e-procurement system for Wales; supported centrally and implemented in support of collaboration.

The 5th September announcement by the Welsh Government concerning the conclusion of the review of Value Wales and the National Procurement Service is supportive of new arrangements which deliver wider benefits to people and communities. It illustrates that Welsh Ministers have listened to the concerns of Local Authorities and are committed to working with Local Government going forward.

The announcement rightly alludes to having the Local, National and Regional arrangements; which are suitable for purpose. This does not suit a designated structural approach. If we are to have supportive, adaptable forms of provision which continuously adapt and adjust to perform, the structures must be suitably adaptable. National and Local arrangements will be the default positions on which Regional arrangements must either defer to on or improve upon. Regional need will always change because of the nature of what it is that's procured and what procurement does.

The mix is about fit and function. It is driven by the things that make successful business or sustainable non-commercial functional relationships. It will change. It can improve. It must.

Richard Dooner, Programme Manager, WLGA. 12th September 2018.

The Future Shape of Procurement in Wales – The Review.

The review of Value Wales and the National Procurement Service

In July 2018, a workshop was held among Heads of Procurement in Local Government to provide the senior Local Government officers perspective on:

- a. The VW/NPS review process.
- b. The content of the review so far.
- c. Needs and demands from the perspective of Local Authorities, considering:
 - i. What needs to be the same?
 - ii. What needs to be different?

a. The VW/NPS Review Process

The workshop was concurrent with Welsh Governments Gateway Review of the review process. It was explained to the group that this Gateway process is reserved for large and important projects; reflective of the importance being placed upon the review by Welsh Government.

Verbal summaries of progress with the Gateway Review were made and recent work with the review group discussed.

In summary, there were significant concerns among Heads of Procurement that despite, or because of, the scale and complexity of the process being undertaken; that their voices were not being heard. The earlier good communication with the review had not been maintained. There was concern that the timescales were insufficient for the size of the task.

b. The content of the review so far

The omission of e-procurement from the review was an ongoing mystery. The financial implications for local authorities were significant and it was considered that any modern collaborative procurement initiative would need to have a significant electronic aspect. This highlighted the other major implication around e-procurement; which was the potential loss of cohesion and common working practices.

There was also a concern that despite assurances to the contrary, that the review was being influenced by the minority. The consultation process was considered a self-centred exercise which was not considerate of Local Authorities resources. There were concerns that the review was unable to escape the pressures to assure the established roles for Welsh Government officials. The reticence of the review to discuss resourcing was considered frustrating; given the general shortage of procurement staff and the need to collaborate to ensure all resources were deployed effectively.

In summary, it was expected that the review would be stopped.

c. Needs and Demands from the perspective of Local Authorities

Officers discussed the need for regional support. Linked current structural provision to the future needs of Welsh economic regions. Discussed issues with integration. A preference emerged for retaining and acquiring resource within Local Government and then coordinating it. The principle was that Local Government needed to take back control of procurement and regional procurement in particular.

It was recognised that resourcing will need to be funded through activity. The potential means to do this were considered; in recognition that whatever means were employed would likely result in Local Authorities paying somehow. It was concluded that we need to be very clear about how we want this to be.

The group referred to the National/Local/Regional triangle in the National Procurement Service Future Service Model. Delegates to the Welsh Government Review Group have previously asked officials to redraw this to better reflect volumes; but that has not yet been done. There was general concern that comments and updates are not being reflected in the papers. This led to the assertion that the balance of control needs to be within Local Government; so that this becomes about managing resources among Local Authorities. This was also said at the Welsh Government stakeholder group. Two needs were identified:

- A definition of Regional Procurement to suit LG's needs
- A coherent Local Government view on the future landscape for procurement

"I'd rather pay someone in another council to work with me and develop the collective knowledge, than pay someone in an outside organisation to develop theirs."

Role of Elected Members

Group discussed the matter of Member support. Officers and Elected Members are collectively missing the democratic aspect of the former Welsh Purchasing Consortium, which gave Councillors a voice and influence in things which are important to them. The group recognised the role of Councillors as change agents within Authorities and for ensuring that arrangements weren't implemented unless they were fit for purpose and supportive of the strategic direction of the Council.

Some hard truths were brought home about where we are with the review and with the state of procurement in Wales:

"There is no vision for the review. We were better off ten years ago."

Group discussed the Welsh Government approach to this and earlier initiatives.

"Whatever we say or take back, the outcome will be whatever Welsh Government thinks the solution should be"

At this point the group revisited e-business.

"I'd rather have an e-business solution than procurement frameworks."

This highlighted the missing democratic link; which was not just about linking through Leaders but with Cabinet Members having responsibility for procurement.

WLGA offered to convene meetings with Cabinet Members. WLGA does this for other areas of practice and it could be done for procurement. Suggestion was to bring Members to WLGA twice a year. Group resolved to get an update paper to the next WLGA Executive, for Cabinet Members, S151 officers and other high-level contacts in Local Government. The suggestion was that this needs to be bold; to support regional resourcing; to put together what matters and say what's going to help.

It was suggested that the Local Authority network needs to control as much regionally as it can. Officers must also take their own advice and not be too prescriptive. That this is an opportunity, which deserves work on the benefits and not just the costs and cuts.

There is a concern that the papers we have from the Welsh Government Review are all about bringing regional to Welsh Government. There was an action for a re-draft but this has not been forthcoming. **Resolved** that the review is flawed and NPS has not delivered. We need a plan of our own for regional procurement using a clear definition. This will be our own version of resourcing. We need to say clearly that we want control and resourcing delivered from within Local Government. **ACTION:** Write to Welsh Government Review Board and inform them of this. With a paper to our Members and a similar paper for the Cabinet Secretary.

In Summary:

1. There is little confidence in the Welsh Government review process. It is widely expected that the Gateway Review will call a halt to the review.
2. There is a strong preference for retaining and acquiring resource within Local Government and then coordinating it.
3. Resourcing needs need to be funded through activity. We need to be very clear about how this is to work.
4. We need to regain our democratic voice and re-enable the influence of elected members.
5. Local Government needs its own high-level benefits driven strategy for procurement.
6. The Welsh Government Review is flawed and the NPS has not delivered. It is our duty to make this clear.

Appendix 1. Report from Local Government Heads of Procurement on the Value Wales Service Delivery Models.

Procedure

This report was initially given by the 6 North Wales Councils in respect to the Value Wales Service Delivery Models; in response to a survey circulated by Welsh Government.

Additional commentary was also provided for an accompanying baseline report which identified issues and lessons to be learnt for both Value Wales and the National Procurement Service.

A group representing 11 Councils across Wales reviewed the North Wales report and unanimously agreed with its content. The experience had been the same for all Local Authorities. References specific to North Wales also could be applied equally to other regions. Additional comments to the baseline feedback were given and these are also listed below.

It was explained that the scores below are marked low since the group felt that the strategic criteria fit did not include sufficient detail, without knowing further the level of detail the service delivery model would undertake and what is affordable going forward. It was agreed that Option 7 was the preferred option, although more detail regarding the actual service delivery needed to be seen before the group was prepared to sign off the recommendation.

Option Scores for a future Value Wales

Option	Overall Score (out of possible maximum of 54)
Option 1 - Status quo	10
Option 2 - Inward facing Policy development and provision of Ministerial advice	8
Option 3 - Collaborative Policy development and provision of Ministerial advice	12
Option 4 – Collaborative Policy development, delivery of practical support and provision of Ministerial advice	16
Option 5 – Collaborative Policy development, delivery of practical support, growing individual procurement capability and provision of Ministerial advice	16
Option 6 – Collaborative Policy development, delivery of practical support, growing individual and organisational procurement capability (including a pipeline	16

of future talent) and provision of Ministerial advice	
Option 7 – Collaborative Policy development, delivery of practical support (including focus on key categories), growing individual and organisational procurement capability (including a pipeline of future talent), delivery of innovative projects and provision of Ministerial advice	20
Option 8 – Close down Value Wales service	6

Value Wales Feedback

- Procurement Policy was developed without due consideration to prior consultation with Procurement Professionals and Value Wales do not always understand the practical implications of implementing the policy.
- There needs to be more support to implement policy which includes more legal advice with standard terms and conditions and sample tender evaluation questions
- There needs to less focus on telling us what we need to do i.e. Health Checks but more support in implementing procurement improvements
- Currently the resource levels within Value Wales is not adequate, resulting in an unacceptable service delivery level when promoting recent new policies such as ESPD, which has been several months late in being launched.
- There has been a clear lack of strategic vision regarding taking forward e-procurement. The EPS programme was too much focused on e-trading marketplace delivery to the detriment of e-sourcing activities. There has also been too much emphasis put on using Crown Commercial Service Framework solutions, rather than testing the solutions market with what was deemed appropriate for Wales.
- There needs to be greater recognition that some Organisations are using alternative e-procurement solutions and that organisations using the alternative solutions are supported in an equal manner.
- There needs to greater access to WG Procurement Legal Advice on policy and case law matters, with potentially the option for public sector organisations to be able to contact to discuss legal implications when new policy that is launched. This would negate the need for 22 Councils to seek their own legal opinion.
- There is a need for the re-launch of a centrally funded Procurement training programme, which is available for Council officers to engage. The training requirements needs to me more than the Home-Grown Talent Programme
- There is a need more hands on practical implementation support when launching new policies. Due to a reduction in Council resources we no longer have capacity to implement new policies and initiatives.
- There needs to be a joined-up approach across National, Regional and Local procurement organisations. There should be a “golden thread” which ensures that there is standardised and consistent approach in delivering procurement and this should ensure that £6billion of procurement spend in “Wales PLC” is managed and procured in a co-ordinated manner, but recognising that local / regional service delivery is a better service delivery than a national approach.

- We have lost the regional/sectoral partnership. This needs to re-establish.
- Business Wales needs to be integrated into this too. The direction of procurement is towards closer supply chain relationships. Services which support business need to work closely with those which support procurements. Each should be complementary to the other.
- The nature and level of Ministerial work at VW is important. How much is done? Who pays for it and are we getting Value for Money? There is a concern that Local Authorities are being asked to pay for this; perhaps not directly; but at a cost to them nevertheless.
- Option 7 has been selected as a good catch-all; but it is not without caveats and concerns. These need to be articulated and duly admitted to the review.
- NPS isn't in here. This is concerning because what happens in one place affects what needs to happen in the other. It's an integrated system, which includes Local Governments own resource.
- Opt in or opt out is a business choice and should be entirely voluntary.
- Needs a flexible approach to business needs.
- Category Management should be to meet the business needs of Local Government.
- Buying Once for Wales has proved too simplistic. It's not just about aggregation of spend.
- Postcode of invoice is not the way to identify locality in spend analysis. The whole premise is wrong.
- There is a massive volume of paper and discussion surrounding this review. We need short, meaningful summaries which can be used to feed back to Ministers and the Public Accounts Committee. For example:
- A policy and resource supportive central team supported by a considerably smaller contracting arm. Centrally funded, not by rebate, because rebate drive the wrong business model.
- A service which can quickly provide supplier intelligence. (The Artemis model does not do this).
- A Market Risk intelligence service – to avoid a Carillion type incident occurring here.
- Coordination and common practice on ESPD.
- A level of support and coordination which allows good suppliers to bid for good business and which is sustainable.
- What VW needs is good products and the right communications. Have these and engagement is a given.

NPS Feedback

- There has been limited technical input and / or lack of engagement from Welsh public sector organisations with regard to various Category Forum Groups that are arranged by the NPS. As a result, there is a high risk that the Frameworks being put in place are not directly in line with end user requirements. The main reason behind the lack of engagement is the resource drain on Council Officers in attending the various category forums and it has become impractical and no longer feasible to provide input into all the groups.

- The framework agreements delivered do not on the whole provide improved savings via a direct award process and a hence a mini competition process is required to try and improve pricing, which results in the Council having to do their own competitive tender process after all.
- The NPS is not proving price competitive. For example, an external hard drive was priced by an end user at £87 NPS, £63 Amazon, £68 Currys. We might also consider that the retail prices included 20% VAT.
- Meet the buyer events could be advertised more widely to encourage better engagement with local suppliers.
- NPS category officers have made little attempt to come out and visit the individual Councils to ensure what they are delivering satisfies needs and to support benchmarking and promotion of the frameworks
- Questions still remain on the VFM savings and whether the calculation is flawed, this view predominantly being formed since calculations are reliant upon supplier management information and the savings claimed is not in any way verified by individual Councils.
- Views have been stated that there needs to be a flexible Opt-out option available once the results of the framework agreement are known.
- The voice of North Wales client organisations are not always considered when the NPS is putting together the options appraisal strategy on how to procure individual projects. This was highlighted in the recent options paper for the Supply and Distribution of Groceries, Provisions and Frozen Foods, which didn't recognise at all that 4 out of the 6 Councils in North Wales are already members of a HE & FE Catering consortium (TUCO).
- There is still the ongoing issue of the NPS not delivering frameworks to time against their project timescales.
- Having to undertake further mini competitions has resulted in the need to contract manage and implement new arrangements which has been resource intensive in some of the NPS frameworks we have used. We also feel that we have been able to generate better community benefit outcomes locally through our own procurements or when we have under taken mini competitions via the NPS frameworks rather than directly calling off the framework.
- There are examples whereby tenders processes have had to be aborted and re-procurement commenced, due to the inability on the NPS to manage the procurement process
- There needs to clear evidence of benchmarking tender evaluation pricing against existing contracts or frameworks in order to determine if the NPS frameworks deliver value for money BEFORE Tender Award. The outcome of the benchmarking evaluation then needs to be communicated in the User Guides. If the benchmarking does not demonstrate value for money then a decision must be made not to award and re-procure.
- The NPS sourcing strategy for individual tenders is not deemed bespoke, since it a "cut and paste" from other sourcing strategy. Hence there seems a lot of duplication and not innovative thinking.
- There are issues with the NPS lacking awareness of North Wales supplier markets, therefore not enough is being done to ensure current suppliers to North Wales public sector organisations are made aware of the tendering opportunity. Hence we find current suppliers have not bid for NPS frameworks.

- There seems to be lack of communication and engagement between NPS, Business Wales and individual public-sector organisations (procurement unit and service areas) to plan and communicate regional supplier events for NPS framework agreements.
- More NPS Frameworks blend themselves to regional and sub-regional solutions rather than national.
- The offer to undertake collaborative mini competitions need to be realistic based on resource capacity available. This offer although has been in place for about 2 years the reality is that not all NPS Category Managers are aware of the service being offered and have no resource capacity to undertake the work, since they are delivering against the Agreed Programme pipeline.
- In the past, there was a perception of a lack of NPS engagement with North Wales public sector organisations hence a North Wales NPS Relationship Manager post was created. Although the principle of having the post was sound, in reality the new post didn't bring any improvements or benefits since the Relationship Manager was a just "a go between / messenger" between e.g. the Council and Individual NPS Category Managers.
- Majority of NPS Frameworks put in place did not deliver value for money, since we would end up paying more than current contracts. Also some of the NPS frameworks would be detrimental to our local supplier market, since local suppliers either didn't relate to the importance of tendering to retain existing business or didn't know about the tender opportunity (see above note about lack of communication)
- There is a perception that some staff in the NPS are not solely focussed on NPS, since they have other procurement responsibilities. This in turn has resulted in not enough attention being given to ensure the NPS is delivering for the customers.
- The governance arrangements in general relating to various Procurement Boards need to have better representation. North Wales representation is generally under represented. The Procurement Board representation needs to include more procurement professionals.

Acknowledgements: The following officers from the WLGA Heads of Procurement Network have brought their knowledge, experience and insight to this report:

Andrew Maisey,	Torfaen CBC
Arwel Staples	Denbighshire CC and Flintshire CBC
Chris Mc Lellan	Cardiff CC
Diane Spencer	Neath Port Talbot CBC
George Ryley	Ceredigion CC
Helen Rees	Mid & West Fire Service
Helen Williams	Bridgend CC
Jon Rae	WLGA
Lee Morgan	C&C of Swansea
Lee Williams	Blaenau Gwent CBC
Liz Lucas	Caerphilly CC
Mary Salmon	Powys CC
Mike Halstead	Conwy CC
Paul Ashley Jones	Pembrokeshire CC and Carmarthenshire CC
Paul Davies	Merthyr Tydfil CBC
Richard Dooner	WLGA
Richard Leake	Newport CC
Roger Barnett	Wrexham CBC
Scott James	Monmouthshire CC
Steve Lock	RCT CBC
Steve Robinson	Cardiff CC

The Future Shape of Procurement in Wales – The Vision.

This paper records a guided conversation that was had among Heads of Procurement to examine the immediate needs and wants for procurement in Local Government and to articulate the collective vision for the future shape of procurement in Wales.

This candid view was supplementary to an earlier session concerning the Welsh Government review of Value Wales and the National Procurement Service and was intended to identify the place of that review in the wider landscape while articulating priorities for Local Government.

Model of Provision

The conversation was opened with a statement:

“Whatever model we use, we want it to work.”

This received general agreement and was further detailed. In summary, it was agreed that:

- The model must be responsive to stakeholder voice.
- People need to use the arrangements because they want to; because they are suitable for purpose and helpful.
- If it works, its responsive to stakeholders and people use it because they want to, the model of provision hardly matters. However, to achieve these things, the model needs to fit the landscape and the organisations within it. As the majority of public service expenditure is associated with Local Government; that would tend to indicate a Local Government led model.

Stakeholder voice was picked up as a concern in the present Welsh Government review. Stakeholders must be given a voice and not simply listened to. Selective minutes were not acceptable.

“We’ve had enough of seen to be done, not done to be seen.”

Motivations of those conducting the present review were considered to be good; but different to those of Local Government procurement leads. They were thought to be favouring the minority and protecting the Welsh Government organisational lead. This was not considered to be a new phenomenon and it was given that any organisation seeing to protect its position and its staff would do the same. The group agreed to try and keep this conversation organisationally neutral.

Business Need

The conversation was guided towards business need; which identified a requirement for centres of excellence for each area of procurement. This was not necessarily conditioned by present arrangements or any preconceived notion of what a centre of excellence should be.

“Give me something best in class as collective guidance on policy and practice. I’ll do the rest myself. Any one of us* can run a procurement.”

* within the professional group; given adequate time and resource.

The need for collective guidance was further discussed and could be summarised as:

- Doing what the expert consultants and lawyers do.
 - Advice and guidance on difficult matters such as WG policy, market intelligence, major projects, business transformation and TUPE.
 - Targeted and purposeful – generic isn’t good enough.
- Enabling collaboration with:
 - Collaborative electronic systems
 - Help for suppliers to win business and be collaborative in business development; meeting supply voids and addressing market concerns
 - ‘Business Wales’ type activity. It was noted that where BW was engaged such as in Monmouthshire, we were working well; but as a result of cuts, BW was no longer handholding suppliers in tendering with the result that some suppliers weren’t tendering at all. Caerphilly has taken over some of this role locally; being able to directly help suppliers in everything but the commercials. This was only possible because it was politically supported.

“It’s not enough to just expect local suppliers to do this. You have to get involved. You need to help them.”

The theme of business support was picked up and can be summarised as a collective need for a business support service that knows how to use e-bravo and provides consistency as part of a coordinated supply management process. This could be direct or indirect. What matters is that its efficient and it works.

Food was raised as a category for regional and local procurement which is currently being provided by the NPS; but may be dropped. We would need something in place if this was to happen.

Resourcing

The conversation was guided to the subject of resourcing. It was generally considered that we did not have enough collective resource and that the vision of the NPS taking away the more administrative aspects of procurement to a more efficient centre had not been realised. Cuts and short-term prioritisation now means that procurement is now seen more as a back-office function. Professional Development was sorely lacking. There is no CPD process in Wales. No funding for the development of the Human Resource that does procurement. We are reliant on legacy skills and a diminishing pool of expertise are not enhancing our capability. We are not doing anything to protect the organisational memory of Local Authorities and are considerably depleted in experience as a result. Future knowledge needs must include the ability to support Foundational Economies.

“The need to support the Foundational Economy and the knowledge requirement for procurement is massive. It is way beyond our present capability. It is very difficult. It is currently too big to even consider and I pity the poor devil who tries.”

Legal

The conversation was guided to the provision of expertise; beginning with the role of professional legal officers and the provision of legal advice; including revision of Contract Procedure rules and organisational behaviours to better exploit the changes in the 2015 Procurement and Contracting Rules.

“Legal are a friend. Its working really well.”

A collective need for specific legal advice on the likes of TUPE, pressures on services such as Homecare, GDPR and IT law was identified. In many cases this need is application specific but not place or organisation specific; which offered potential efficiencies in collaboration. The advantage of having a specialist lawyer operating across spatial and organisational boundaries was appreciated; with reference to past assistance from a shared service lawyer and from private sector suppliers of legal services.

Group was asked whether Contract Procedure Rules had been changed to take into consideration the 2015 changes to Procurement & Contracting Rules. The response was that trying new things is less about rules than the will and capability of individual officers in disciplines that include procurement and legal; but also, others relating to the subject matter. No profession is immune – there needs to be co working to develop light touch solutions. It is about having people with the knowledge experience and ability. We need to find a way to keep this knowledge within the sector.

Knowledge Management

Group was asked where our procurement knowledge comes from? “Google” was the smart reply. This was reflected on and considered to be remarkably close to the truth.

Partly reflective of the lack of professional support for procurement knowledge within Wales; it’s a fact of austerity that those who might have the knowledge have little capacity to respond. We must either rely on familiar practice or have a go and learn by doing. Looking on Google then verifying via the procurement network is often the reality. There is pressure on this process, as we are collectively reducing the numbers of our more experienced and knowledgeable officers.

The group reflected on the positive; in that Local Authority officers are open to new ideas; but this was tempered with the observation that much is not done, because there isn’t the capacity to do it.

Changing Role for Procurement Officers

It is the role of procurement in local government to get operational delivery departments to their best. This might mean suggesting to operational colleagues that the thing they think they want; isn’t what they want; but that’s just good advice. A lot of the historic criticism of procurement as naysayers, as a barrier to innovation; is invalid. It is very unlikely that

procurement will say 'no' to anything. The closest that happens is advice on identified risks or a considered opinion of any known issues; with alternative suggestions provided. That's not to deny the role of challenge; it's to affirm the role of procurement as a partner in service delivery.

Concern was expressed about the role of consultants; in consultant's tenders not being good enough. Any criticism tends to elicit bluff and bluster; with the assertion that 'procurement is making it difficult' when the reality is that the third party tendering practices are inadequate and putting services at risk. It is because so many people have left, that these people are being brought in. A further concern was that consultants are being used to do things which the Council wouldn't otherwise do, because of the known risks.

Procurement Support

A centre of excellence would tame this and prevent Local Authorities being isolated in the event of challenge. The view of the group was that we should be able to use our in-sector expertise for mutual support. The ability to foster specialism was considered valuable.

There was general agreement that much of the procurement support that the National Procurement Service currently delivers would be better delivered on a Regional basis. Heads of Procurement discussed potential options such as working to Health Board boundaries, City Regions, or split City regions; with current NPS sites working through the appropriate Local Authority team.

Much thought and work has been put into this process; yet the Local Government group cannot really come to a conclusion on the best Regional model option without more information on what Welsh Government intends to do in the future. There are very big issues related to that with regards to the future funding and staff issues.

If we are to innovate, the use of alternative procurement solutions needs to be supported; in particular a guide to the solution, who did it, what worked and what to watch out for. The immediate need is for something on driving community benefits through procurement. A group in the Cardiff City Region was referred to; but knowledge of the practice leadership seemed vague, which highlighted the need for stronger collaborative links in knowing who's trying what.

The conclusion was that the group misses the nascent Value Wales; which gave them a co-ordinating and support resource that was welcome and engaged with. The balance was just about right. Something happened along the way; but the overwhelming view among Heads of Procurement was that they would like to bring it back.

In Summary:

- 1. The nature of the model matters less than the fact that the model must work, be responsive and be used because people want to use it.**

- 2. Stakeholder voice needs to be proportionate to the size of the stake. The 80/20 rule makes that a Local Government voice.**
- 3. The business need is for**
 - a) centres of excellence in each area of procurement**
 - b) Advice and guidance on difficult matters such as WG policy, market intelligence, major projects, business transformation and TUPE.**
 - c) Collaborative electronic systems**
 - d) Help for suppliers to win business and be collaborative in business development; meeting supply voids and addressing market concerns**
- 4. Procurement Resourcing needs to be managed, across the broad piece, to meet the demands and expectations placed upon the profession.**
- 5. Expert support is needed in specific areas of practice. We need to enable specialism.**
- 6. The central support arrangements of the future may have been modelled in Value Wales' past.**

Acknowledgements: The following officers from the WLGA Heads of Procurement Network have brought their knowledge, experience and insight to this report:

Andrew Maisey,	Torfaen CBC
Arwel Staples	Denbighshire CC and Flintshire CBC
Chris Mc Lellan	Cardiff CC
Diane Spencer	Neath Port Talbot CBC
George Ryley	Ceredigion CC
Helen Rees	Mid & West Fire Service
Helen Williams	Bridgend CC
Jon Rae	WLGA
Lee Morgan	C&C of Swansea
Lee Williams	Blaenau Gwent CBC
Liz Lucas	Caerphilly CC
Mary Salmon	Powys CC
Mike Halstead	Conwy CC
Paul Ashley Jones	Pembrokeshire CC and Carmarthenshire CC
Paul Davies	Merthyr Tydfil CBC
Richard Dooner	WLGA
Richard Leake	Newport CC
Roger Barnett	Wrexham CBC
Scott James	Monmouthshire CC
Steve Lock	RCT CBC
Steve Robinson	Cardiff CC

Public Accounts Committee

Inquiry into Public Procurement – Next Steps

Correspondence with Howard Allaway, Procurement Manager, Higher Education Purchasing Consortium Wales.

20 November 2011

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:

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.

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.

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.

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.

Future Digital Procurement Strategy

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

If you have any queries regarding any of the above please let me know.

Kind regards

Howard Allaway

Procurement Manager, HEPCW/Rheolwr Pryniadau, HEPCW

Public Accounts Committee

Inquiry into Public Procurement – Next Steps

Correspondence with Steve Robinson, Operational Manager and Head of Commissioning and Procurement, City of Cardiff Council

20 November 2018

Thank you for the opportunity to provide views on the findings of the Welsh Government's Review.

I broadly welcome the Cabinet Secretary's Statement and the fact that the future priority actions for Procurement mirror the priorities that Heads of Procurement across Wales would recognise. I also look forward to working with the Welsh Government to develop the new procurement strategy set out in the Statement.

Although I am supportive of the proposed transition of the NPS to managing a reduced portfolio of national contracts, the detail of how the proposed regional collaborative procurement programmes will operate in practice will be critical especially, as the Committee will be aware, there has generally been a loss of procurement expertise from across the Welsh public sector. We have worked hard in Cardiff Council to maintain our award winning procurement team by establishing a local authority trading company, Atebion Solutions, to generate income to protect jobs and maintain our student placement programme with the University of South Wales.

The message of driving social value / community benefits through procurement spend is one that Cardiff Council strongly supports and is putting into practice. The Council is the only accredited Living Wage Council in Wales and was proud to be the first public sector organisation to sign to the Code of Practice: Ethical Employment in Supply Chains. The Council's Socially Responsible Procurement Policy spells out the Council's approach to this agenda. There is a collective recognition across local government that there needs to be additional resources devoted to supporting procurement policy development and implementation in Wales.

I trust this feedback will be useful.

Yours faithfully

Steve Robinson

Rheolwr Gweithredol / Operational Manager

Pennaeth Comisiynu a Chaffael / Head of Commissioning and Procurement

Adnoddau - Comisiynu a Chaffael / Resources - Commissioning and Procurement
Cyngor Dinas Caerdydd / City of Cardiff Council

Eitem 6

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon