

## **Written Response by the Welsh Government to the report of the Economy, Infrastructure and Skills Committee entitled Report on Procurement in the Foundational Economy.**

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We would like to thank the members of the Economy, Infrastructure and Skills Committee for their report on Procurement in the Foundational Economy.

The Economic Action Plan (EAP) sets out a new approach to economic development in Wales, putting wealth and wellbeing at the heart of our approach, driving inclusive growth across all parts of Wales. At the heart of this is the desire to drive wider value from the money Welsh Government spends.

This was reaffirmed by the First Minister's announcement that he would legislate to embed social partnership and to introduce duties in relation to procurement.

The EAP focuses on making communities stronger and more resilient. There is an emphasis on tackling inequality and creating a 'something for something' relationship with business. It also identified the Foundational Economy as a key area of action. These essential parts of economic activity are well-being critical, that is to say, the interruption of their supply undermines safe and civilised life. Access to clean air and water, the food we eat, the homes we live in, the energy we use and the care we receive are those basic services on which every citizen relies, and which form an important part of the fabric of the Welsh economy.

We have set out our response to the Report's individual recommendations below.

### **Recommendation 1:**

The Committee recommends that the Welsh Government should provide further clarity on:

#### How it intends to define "local procurement" in the Welsh context;

Analysis of procurement expenditure has traditionally been based on collection of detailed invoice data from public sector bodies across Wales and classifying this information by suppliers' postcode address. This approach to classifying the location of expenditure has enabled identification of the proportion of overall procurement expenditure which is won by suppliers with a base in Wales, including indigenous businesses. This is similar to approaches deployed in other parts of the UK, including for example, Scotland.

Welsh Government has appointed the Centre for Local Economic Strategies (CLES) to support public sector bodies, via the Public Service Board (PSB) structures, to deliver pathfinder projects to deploy new approaches to procurement which will seek to go beyond the traditional postcode classification of expenditure. This will help inform the definition of local procurement, enabling better and more consistent understanding of local procurement activity and the social value it delivers.

CLES commenced this work in May. The delivery plan has had to be reprioritised as it was not possible to engage with PSBs due to the impact of COVID-19.

Consequently, over the summer, CLES has examined the procurement expenditure analysis information coordinated by Welsh Government and used this to form the basis for beginning the discussion with PSBs regarding local procurement. This detailed analysis work has been completed and is supplemented with a final report covering all sectors by PSB area.

Engagement with PSBs has now commenced in order to move this forward.

The involvement of CLES will:

- utilise the expenditure analysis information already gathered;
- integrate this with lessons which emerge from their work with public bodies; and
- be supplemented by further research into procurement expenditure analysis practices elsewhere and develop updated policy to enable public bodies to accurately classify local procurement.

What will success look like? Particularly in terms of increasing the level of local procurement;

Procurement is part of evolving policy across Welsh Government. Evidence to support further development of this policy is expected to emerge from the work being taken forward in partnership with CLES.

The success criteria for each of the PSB projects, being taken forward in partnership with CLES will vary. This variance will reflect the regional and local priorities across different parts of Wales and the opportunities presented within categories of procurement expenditure. A primary objective for each of the PSB projects is to identify areas of procurement which currently flow outside of the region/and or Wales, and to explore scope for driving up engagement of local suppliers in this expenditure.

The specific sectors that will be the focus of action (including through all the Challenge Fund projects) and the data analysis and decision-making process behind that;

The EAP confirmed that the Welsh Government will work to support four foundation sectors – tourism, food, retail and care (social & child) – in a joined-up and consistent way across government, and that we would work with the sectors to understand the challenges they face and the opportunities for growth and innovation. It also committed to the development of cross-government enabling plans to maximise impact.

The First Minister's Leadership Manifesto published in late 2018 made further commitments to delivering and supporting the Foundational Economy, building on the EAP, with a renewed emphasis on nurturing and growing the everyday parts of the economy, including a focus on the quality of people's experience of everyday life.

In recognition of the broader approach we are now taking to support the Foundational Economy, our approach is now sector neutral and seeks to develop place based plans which address issues, such as employment conditions, skills pathways and productivity, which are embedded within these parts of the economy.

Any specific sectors which may form part of the CLES work will be informed by examination of historical procurement analysis and development of a clear picture of upcoming contract activity. Agreement of any sectors will be taken forward in collaboration with stakeholders.

Again, in recognition of the broader approach we are now taking, [projects supported through the Foundational Economy Challenge Fund](#) were not restricted to specific sectors, but the Fund was sector neutral, and successful projects cover areas such as social care, construction, regeneration, procurement and food. Each project has its own duration, milestones and deliverables, though all will be complete by the end of March 2021, and supported by a Community of Practice which became operational during July.

#### How it will identify market supply voids and act on that information;

A supply void is an area of public procurement expenditure within which no contracts are currently won by indigenous or Wales based suppliers.

Identification of supply voids will be informed by analysis of procurement expenditure, examination of upcoming contract plans and interrogation of intelligence held by relevant sector and business development teams. This will identify future public sector demand for goods and services in which there appears to be no available supply capacity in Wales.

This information will be shared with Business Wales, other public sector stakeholders and social partners to implement plans to develop capability and capacity in supply void areas.

Supply void information will be integral to the CLES PSB projects. Details which illustrate gaps in the Welsh supply base will be identified at the earliest opportunity and provided to Business Wales.

We will also utilise the lessons learned from our work on Better Jobs Closer to Home where we have deployed innovative approaches to help develop supply capacity and deploy lessons learned from Better Jobs and through longer term relational procurement programme. The Better Jobs Closer to Home programme successfully addressed a supply void through the setting up of a social enterprise to manufacture uniforms and work-wear. Through this intervention local supply has been achieved as well as sustainable employment and training in a deprived area of Wales. As part of the foundational economy work, a programme on relational procurement will look deep into sectoral supply chains to identify supply voids and look at local opportunities to fill these voids. The first sectors the relational procurement programme will look at are food; social care; and construction.

The lessons learned from Better Jobs Closer to Home have also supported our approach to ensuring supply of critical Personal Protective Equipment (PPE) for NHS Wales and the care sector. With assistance from Industry Wales, several Welsh businesses with the right capabilities have secured business, directly and through the supply chain, to provide essential items of PPE to NHS Wales and other public bodies. This experience has further informed our thinking regarding the Foundational Economy and the role of public bodies in opening up procurement expenditure to provide indigenous suppliers with opportunities to securing contracts. We are working closely with NHS Wales colleagues to identify further areas of expenditure which could be reviewed to increase the involvement of Welsh businesses.

The methodology and mechanism(s) that Welsh Government plans to use to measure the outcomes and impact of work in these public procurement sectors, across the Welsh Public Service Boards, and the time frame and milestones for publishing that information.

We agree that, as referenced in the report, measurement shouldn't be based on financial criteria alone and should include the WFG goals and wider social, economic, environmental and cultural benefits that procurement can achieve.

On a wider public sector basis any methodology should cover aspects such as how procurement is helping support WFG goals, levels of employment / training and apprenticeships captures through the Community Benefits Measurement Tool.

Value Wales has developed a Decarbonisation Dashboard that baselines the carbon emissions associated with the £6.4bn public sector spend. This is accessible for contracting authorities - supported by a new Decarbonisation through Procurement Advice Note - and will enable them to develop decarb action plans and monitor improvements.

Local Government are considering adopting the Themes, Objectives and Measures (TOMs) tool so that could be a useful indicator within that sector – similarly other sectors could have useful measurement tools that we could use to measure success across Wales.

The Community Benefits Measurement Tool has traditionally been an effective measurement method for socio-economic and environmental benefits achieved through contracts. The Tool has been simplified following stakeholder feedback and WFG goals built in, however further thought is being given as to how digital tools and e-procurement can be utilised (or applied to the Tool) to make it more user-friendly to capture benefits more effectively.

After reporting its findings and initial recommendations in August, CLES plan to commence implementing PSB work-plans in September, running through to February 2021, following which, all work-plans will be refreshed to reflect progress and opportunities and develop further actions to run through to November 2021. Measurement of outcomes will be undertaken through June to November 2021, with an end of project report produced in December 2021. Knowledge transfer will also be taking place concurrently with other PSBs.

Following initiation and set up, Phase 1 of the CLES Methodology has involved detailed assessment of the procurement intelligence for the member organisations and development of a report setting out key findings and recommendations, plus agreed action plans for each PSB. Phase 1 commenced in May and ran to August 2020.

Phase 2 covers implementation of the work plan, involving analysis and alignment of market supply with contract opportunities, followed by end of year reporting. Phase 2 runs from August to November 2021, with a review of action plans taking place by April 2021..

**Response: Accept, and detailed responses will be developed to provide the necessary clarity across all areas.**

**Financial Implications – None**

### **Recommendation 2:**

The Committee recommends that the Welsh Government should provide further clarity on:

How it will evaluate and monitor the work of Public Services Boards to understand and work with their local supply chains;

Public Services Boards (PSB) were established in April 2016 under Part 4 of the Well-being of Future Generations Act (Wales) 2015. They are not legal entities, but involve public services partners working together to improve the economic, social, environmental and cultural wellbeing of their area by contributing to the achievement of the seven wellbeing goals set out in the Well-being of Future Generations (Wales) Act 2015.

They are administered and held to account through local authority scrutiny committees. Welsh Government has no powers to direct or steer their work – this includes their well-being plan.

Welsh Ministers are represented on all PSBs and may communicate the benefits/status of procurement to the PSBs. Welsh Government has other means of communicating to the PSBs and such correspondence will recognise that autonomy lies locally, not nationally.

Welsh Government will therefore seek, via the CLES work, to support PSBs and their constituent members to develop approaches which link their supply chain activity to their local wellbeing priorities. PSBs will be supported to develop success criteria related to areas the areas of expenditure are identified for driving up wellbeing.

What work is being done (either via the Challenge Fund or within Welsh Government / Business Wales) to address ongoing concerns from smaller businesses that the bidding process is still overly complex?

There are a number of procurement experimental projects being supported through the Challenge Fund which specifically focus on small business access to contracts and supply chains which plan to be develop actions which address these concerns. These include public bodies examining how they can adapt approaches for contracts in categories such as construction, so that smaller, local contractors can secure public business.

Some specific projects being supported include:

- United Welsh Housing Association who are maximising the potential for four housing associations working together to develop an explicit anchoring role in nurturing existing and new SMEs in the local supply chains
- The Vale of Glamorgan Council who are reviewing its approach to procurement, particularly on contracts of less than £15,000, to pilot ways of improving SME participation to boost local preference participation

The Challenge Fund projects are supported through a Community of Practice, which commenced in July, to help share good practice and learning so that this is spread at pace and scale across other parts of Wales.

In addition to supporting projects, the Community of Practice will also collate information on progress of each project, identify trends, and provide that information to the Welsh Government to facilitate early engagement with relevant departments and key stakeholders in order to spread and scale good practice across Wales.

Furthermore, a Procurement Expert Panel, drawing on technical, legal, academic and business expertise, has been established to provide practical support to these experimental projects.

These issues will also be explored through the CLES PSB projects (identifying leaks of expenditure and reversing flows) which will be informed thorough analysis of historical and planned procurement data. CLES will work with member organisations of partner PSBs not only to show where local supply opportunities exist, but also to identify how procurement processes can be compliantly adapted and streamlined to encourage bids from local suppliers.

Business Wales provides supplier development advice and delivers practical support for businesses wishing to tender to the public sector including Meet the Buyer and How to tender workshops. Local businesses can access a team of experienced Tendering Advisors who work on a one-to-one and one-to-many basis, and help SMEs to improve their chances of winning public and private sector contracts.

How Welsh Government is supporting efforts to deepen understanding of local suppliers and better pre-engagement, support and legacy planning with them – the

staffing resources, funding and initiatives in place, and planned, to specifically support this work;

Business Wales is the Welsh Government's bilingual business support service, launched in January 2013 and refreshed in January 2016, to make it easier for Welsh micro-businesses and SMEs including social enterprises, and aspiring entrepreneurs of all ages to access the information, advice and support they require to start and grow their businesses.

Business Wales Tendering Advisors specialise in preparing SMEs to be 'fit for tender' across the public and private sectors in Wales and can advise them on pipeline tender opportunities for individual sectors. Tendering Advisors also help businesses to understand public sector procurement; buyer needs and expectations; how to work collaboratively to secure contracts; and how to make the most of the Sell2Wales portal, including help with registration and improving profiles.

The CLES pathfinder projects will complement Business Wales' work and will focus on identifying future planned contracting activity and enable the development of intelligence on local supply chains which can be provided to align this to business development support.

What more can be done to provide incentives to small businesses working together and to reward collaboration;

We are working with public sector partners to provide clarity of longer term contracting plans, enabling smaller businesses to consider planning to collaborate and submit joint bids for larger value contracts. Better visibility of future contracting plans will enable smaller businesses to explore the opportunities for collaborating with partners to help increase capacity for bidding for higher value contracts which may otherwise have been out of reach.

Business Wales is available to support suppliers regardless of the approach adopted by buyers. The Welsh Government has also produced a Joint Bidding Guide. A series of demonstration projects were run and clearly demonstrated the challenges associated with the approach with for example the lead bidder in any consortium carrying higher levels of liability.

Since those earlier projects, organisations such as the National Procurement Service for Wales (NPS) have actively promoted the use of joint bidding as part of their wider strategy to facilitate engagement with local suppliers.

We also promote the use of PBAs, a mechanism that ensures sub-contractors and suppliers are paid promptly and fairly. Taking action in this area is designed to support the economic sustainability of Welsh businesses engaged in public sector supply chains associated primarily with, but not exclusively, construction projects in Wales. This approach contributes to Welsh Government's aspirations to make Wales a good place to live, work and do business by promoting a corporate social responsibility ethos.

What plans Welsh Government has to engage with private sector anchors on procurement policy as part of its Economic Action Plan activities;

We regularly engage with private sector anchor companies across Wales through relationship managers based in the three regions as set out in EAP. Procurement is a regular feature of this engagement. Our approach to anchors is evolving in line with EAP and as part of this we will keep the approach to procurement as part of this relationship under review.

Welsh Government's engagement with UK Government on long-term planning to transition support from European Regional Development Fund (ERDF) funding, i.e. how Business Wales' procurement-related activity will be funded in future;

The Welsh Government is committed to delivering a proactive entrepreneurship and SME business support approach post September 2021 so that the Business Wales service can evolve and enhance the current service and embed its impact further within the Welsh economy.

The proposed future delivery model will be underpinned by two pillars:

- Enhanced capacity and capability will aim to build confidence and inspire individuals, entrepreneurs and micro businesses to reach their full potential. Working with key stakeholders will enable them to contribute and play their part in developing a cohesive ecosystem that is visible, simple and connected to ensure Wales is a great place to start a business.
- Inclusive and sustainable growth will aim to create the conditions within which more micro and small businesses grow in inclusive and sustainable ways to become thriving SMEs and to support the productivity, resilience and sustainability of existing medium sized businesses, securing their long-term future ownership within, and their contribution to, the Welsh economy.

We continue to make the case to UK Government for clarity that their promises on respecting the devolution settlement will be upheld, and the quantum and autonomy Welsh Government currently has is retained. It is vital that commitment is given as soon as possible ahead of January 2021 so that we can begin planning for replacement funding when current programmes end. This will enable Welsh Government to meet the timeline for future Business Wales delivery post 2021 and enable the Welsh Government to deliver an effective and enhanced Business Wales service post 2021. We are continuing to lobby the UK government on the Shared Prosperity Fund, but they have yet to provide any information and have missed each self-imposed deadlines.

What specific further actions Welsh Government will be taking to support and develop the use of collaborative bids and how does it plan to share the learning from these actions; and



We are working with public sector partners to provide clarity of longer term contracting plans, enabling smaller businesses to consider planning to collaborate and submit joint bids for larger value contracts. Consideration is also being given on how refreshed guidance can be shared on joint bidding.

Through our work on Relational Procurement we will work with all tiers within supply chains to build resilience of local supply and ensure those smaller suppliers who operate below tiers 1 and 2 of a supply chain are given every opportunity to operate sustainably. Part of this work will be to advise and connect small suppliers to consider collaborative bidding.

Further detail on the Better Jobs Closer to Home projects – in order for the Committee to understand the scale, the number of jobs supported, as well as the other outputs and outcomes Welsh Government is seeking to achieve.

The Better Jobs Closer to Home programme is committed to increasing local procurement and currently oversees three work-streams dedicated to making this happen.

The aim of the programme is to use the profile of public procurement expenditure to create meaningful employment, in areas of high deprivation. The pilots are based in the South Wales Valleys. The aim is to now take the learning from the pilots and normalise the approach in public procurement across Wales. We will undertake this through our foundational economy work on community wealth building with CLES which will look to provide proximity to our public sector supply chains and through our relational procurement work which is concerned with bringing resilience to our local supply chains, and with a blended approach we will adjust practice to replicate methods used to further improve social value outcomes through procurement.

In undertaking this work, thus far a total 60 new jobs have been created for people who were previously unemployed. Their work ranges from data processing to paper sorting to manufacturing of garments for the public sector. These people are being developed to obtain new skills to assist them to maintain long term sustainable employment, in various industries. All jobs created and retained adhere to the Fair Work agenda and through shortening supply chains have provided a carbon reduction.

The experience gained from Better Jobs Closer to Home enabled us to work closely with Industry Wales to identify capacity and capability of indigenous businesses to fulfil urgent PPE requirements. Through this work, we have been able to match Welsh businesses to PPE demand and several companies have secured long term contracts, not only to supply essential items for frontline public service delivery, but items to service other public sector requirements outside of health also. We will use this experience to further shape our Foundational Economy approach and the opportunity to enable Welsh public bodies to optimise their contribution to economic and social wellbeing across Wales.

## **Response: Accept**

### **Financial Implications – None**

#### **Recommendation 3:**

The Committee recommends that the Welsh Government should provide further clarity on:

How exactly will Welsh Government be promoting the status of procurement as a driver of social value through its work with the Public Service Boards and the Skills and Capability Plan?

Welsh Government commenced engagement with PSBs in June last year to help raise awareness of the opportunities to drive up wellbeing and social value across Wales.

Subsequently, a CLES report into procurement has been circulated and Welsh Government shared procurement analyses, illustrating high-level opportunities for increasing local spend and social value, aligned to each of the PSB footprints.

In February, an event was held where member organisations of the PSBs which make up the Valleys Task Force region were invited to come together to meet CLES and to consider the potential for using procurement differently so that it supported local wellbeing and social value priorities.

The CLES procurement programme which is now being progressed will enable PSBs to receive support from CLES and Welsh Government officials to examine the scope for driving further social and wellbeing value from procurement.

Welsh Government plans to capture lessons learned during the delivery process of the CLES procurement work and to disseminate this learning across all other parts of Wales so that it is scaled up and spread as quickly as possible.

What criteria will it apply to Public Service Boards' performance in this area, and how will success be measured?

Success criteria will be developed within each PSB project to reflect the local wellbeing and social priorities within each respective area.

Will the Public Service Boards be agreeing common social value principles and criteria and/or a "statement of intent" for adoption by local anchor institutions, as is the case in Preston?

Through the CLES procurement programme, PSBs and their member organisations will be able to consider whether there is scope for agreeing a common set of social value criteria.

Is the Ministerial Advisory Group giving consideration to these issues and if so how and when will the Committee be kept informed?

A programme plan has been developed for delivery of the CLES PSB procurement projects and the Foundational Economy Ministerial Advisory Board sub-group

received a progress report on this work during its meeting in August, with further updates to be delivered as the work moves forward.

How will the Welsh Government address the problem of how risk is managed as part of the public procurement process, including through its Skills and Capability Plan?

A proportionate and risk-based approach has always been encouraged at pre-qualification stage through the Supplier Selection PAN (Procurement Advice Note). Improving risk management will also be included in the Capability and Skills Programme that is being developed. The risk issue appears to be two-fold – a rigid compliance with procurement regulations in some authorities leading to reluctance to try something new and innovative but also in terms of tender qualification requirements e.g. insurance cover required in tenders, as mentioned in the report.

We will encourage buyers to be innovative and have ‘safe to fail’ zones, whereby there is no blame if things don’t go according to plan but lessons are learned and techniques honed for the future; this is a view shared by the WFG Commissioner.

The Foundational Economy Challenge Fund procurement projects are seeking to trial new approaches to tackle some of these deep rooted issues related to management of risk. A Procurement Expert Panel, drawing on technical, legal, academic and business expertise, has been established to provide practical support to these experimental projects.

The development of Welsh Government’s Skills and Capability Plan; Welsh Government to provide the Committee with more on the underlying data on the state of the procurement sector in different parts of the public sector, the qualification needs, the timescales and funding for the plan, and what the Plan hopes to achieve (its key outcomes and measures of success)

The widely accepted accreditation for procurement professions is managed by the Chartered Institute of Procurement and Supply (CIPS). CIPS is a United Kingdom-based global professional body working for the purchasing and supply professions. There are 5 accepted levels of CIPS certification:

Student	The entry level for procurement and supply professionals in the early stages of their development, or those looking to join the profession
MCIPS	As a full member, you will have achieved an internationally recognised award representing the global standard for a procurement professional
FCIPS	The highest grade of CIPS membership - an accolade that recognises your outstanding level of achievement, knowledge and experience in procurement
Affiliate	Anyone not seeking professional qualifications but with a strong interest in procurement and supply

Associate Member	This level of membership is achieved through a variety of routes. For example Members working towards the Graduate Diploma who have completed or have been awarded exemptions from the Foundation Stage may be awarded Associate Membership
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CIPS estimates 249 members working across the Welsh public sector in 2020 and an additional 112 members working within UK Government organisations based in Wales such as DVLA, ONS, Companies House and Royal Mint. Of this figure, the Welsh Government and National Procurement Service hosts 55 fully qualified MCIPS staff, and an additional 15 students currently progressing MCIPS studies across the syllabus levels. Members are responsible for maintaining accurate employment details which is the source of the CIPS membership data. If employees do not maintain up to date records when moving jobs this may result in some slight anomalies in CIPS membership data.

We are working with CIPS to improve data in this area through the development of a new All Wales Capability Dashboard linked to procurement spend data so we can be more proactive in monitoring and tracking the profession in Wales, and how it correlates to spend figures.

Procurement capability and capacity plays a pivotal role in helping increase spend with Wales-based firms and thereby boosting economic growth in Wales. Different ratios and methodologies have been recommended over the years and each can provide very different perspectives on the number of procurement professionals required across Wales. However all methodologies have confirmed there is a shortage of procurement professionals.

The Skills and Capability Plan focuses on increasing the number of qualified procurement professionals within the Welsh Public sector and to address this we have a professional procurement programme underway. We have launched two Welsh focused MCIPS Corporate Award programmes, with 18 students from across the Welsh Public sector on each cohort, starting in September and October. We are also launching an Advanced Practitioner Corporate Award in January which will, on completion, see students graduating with full MCIPS, subject to the required number of years' experience set out by the professional body. In addition, we are running a sandwich student placement scheme pilot in September, investigating the feasibility of apprenticeship schemes and in the longer term raising the profile of procurement in schools.

In addition to increasing the number of procurement professionals, the Skills and Capability plan details the training that will be delivered to increase the skills within the profession with an early focus on core commercial procurement modules and new procurement policy areas via a suite of eLearning modules. This will be supported, and be supplemented by lessons learned from, the Foundational Economy procurement work.

The detailed timescales and funding for the plan is currently being developed. Success of this plan will be measured by the additional number of procurement professionals in Wales and the number of courses completed.

**Response: Accept: Accept**

**Financial Implications – None**

#### **Recommendation 4:**

The Committee recommends that in order for the Committee to scrutinise the effectiveness of the “communities of practice” model in the future, the Welsh Government should provide more clarity on:

The measures it will be using to evaluate the success of the “spreading best practice” element of its plan for the foundational economy;

There is no exact template we can ‘lift and shift’ to support Welsh communities. The experimental Challenge Fund is to trial different approaches, develop a strong Community of Practice, an ‘Alliance for Change’ that will stimulate debate and help spread and scale learning on what works.

The Challenge Fund projects are being supported through a Community of Practice that became operational in July, to help share good practice and learning so that this is spread at pace and scale across other parts of Wales

We intend on developing an Enabling Plan for the ‘Foundational Economy’ rather than the ‘Foundation Sectors’ as identified in our Economic Action Plan. This is in recognition of the broader approach we are now taking. The plan will be developed over time with the evidence and learning emerging from the Challenge Fund being a key component.

Good progress has been made so far, but as we implement this new approach, it is demanding new relationships and new ways of working within and across Government, as well as between Government, businesses and communities.

The Welsh Government cannot deliver this agenda on its own or in isolation. Developing a strong ‘Alliance for Change’ with key stakeholders at its heart will help accelerate the transition to delivering at the pace and scale we want to see right across Wales, and will also assist with measuring progress and impact.

The communications plan for promoting the outcomes from the communities of practice, outlining the key milestones;

We will work to develop and shape a live communications plan which highlights the rationale for the Community of Practice and identifies findings and lessons learnt as they become available.

As part of the communications plan we will develop agreed key messages to shape the narrative. These will be supported by case studies which will be published on social media and the Welsh Government website to demonstrate the practical value of this work.

We will utilise the full range of our communication channels and provide regular updates to ensure the value of the Community of Practise work is widely understood by the media, stakeholders and the wider public.

We are also undertaking a refreshed stakeholder mapping exercise and identifying a hierarchy of key players across Wales, to enable more effective and targeted communication.

What it will do differently in order to successfully spread good practice where others have failed to achieve this over the last 20 years of devolution.

Prior progress has been achieved in a number of specific areas of procurement policy and delivery. The experience of successfully spreading broad adoption of good practice through, for example, the Supplier Qualification Information Database (SQuID) approach to supplier selection, has been key to enabling more indigenous and Wales based suppliers to secure a greater share of procurement expenditure. Lessons learned from the work on SQuID regarding stakeholder engagement, policy development, skills building and scaling up will be integral to developing new approaches, such as the implementation of the European Single Procurement Document (ESPD).

The CLES programme, together with the procurement themed Challenge Fund projects, will be supported by Welsh Government officials who will ensure good practice is captured during delivery for spreading and sharing across Wales.

A thematically based Procurement Expert Panel has been established to help evaluate the lessons learned from the challenge fund projects and support the rapid dissemination of these. Our future capability development programme will aim to provide learning routes to take advantage of the outputs delivered through the CLES PSB work and the Foundational Economy challenge fund projects so those approaches can be replicated across Wales.

With join-up across portfolio responsibilities greater synergy will be driven across a range of complementary programmes, such as the Valleys Taskforce, Better Jobs Closer to Home programmes and maximising the social value of procurement. The shortage of procurement professionals in Wales and the resulting demands on the profession has meant that mainstreaming best practice continues to present challenges which are well recognised. The professional procurement programme has been established to help address some of these challenges.

Best practice can be shared more easily going forward on Khub (Knowledge Hub), a new Welsh public sector procurement space and online community. Khub will host guidance, training and tools for Wales along with best practice case studies, enabling procurement staff to chat online and share innovative ideas.

**Response: Accept**

**Financial Implications – None**

**Rebecca Evans AM**

**Minister for Finance and Trefnydd**

**Lee Waters AC/AM**

**Deputy Minister for Economy and Transport**