



Llywodraeth Cymru  
Welsh Government

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## **WRITTEN STATEMENT BY THE WELSH GOVERNMENT**

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**Title:** Review into Maximising the Impact of Welsh Government Procurement Policy

**Date:** 16 March 2012

**By:** Jane Hutt, Minister for Finance and Leader of the House

In my oral statement of 21 February 2012, I announced that a review would be undertaken to explore opportunities to further maximise the impact of our public procurement policy in Wales.

I am encouraged by the progress that we have delivered to date through our approach to public procurement policy. It is now timely that we now plan for the future.

I have agree Terms of Reference for the review and these are set out in the box below:

**Review  
Maximising the Impact of Welsh Government Procurement Policy**

**Terms of Reference**

In the current economic climate high expectations are placed on what procurement can deliver for Wales. Value Wales is the division of Welsh Government with the remit to help the public sector deliver more from its £4.3bn annual expenditure, improving both practice and the outcomes achieved. It has no formal mandate, largely operating through engagement with public sector organisations in the Local Authority, NHS, education and emergency services sectors and with business; while also carrying out some aspects of direct contracting and service provision.

It is timely to consider the overall effectiveness of Welsh Public Sector Procurement and

how the impact of procurement can be maximised. The Review will look at whether Welsh Government has the right operating model and resources in place; if the central resource is being effectively deployed; if the wider public sector resource is adequate; if other Welsh Government policies are appropriately aligned; whether Welsh Public Sector procurement is delivering value for money and having an optimal impact on economic growth.

The Review will therefore consider:

- The current plans to deliver the procurement aspects of the Programme for Government
- Procurement landscape and operating models
- Measurement tools
- Data
- Communication channels
- Operating constraints
- Dependencies (within Welsh Government portfolios and across the wider public sector)
- Achievability

It will compare and benchmark the delivery model, resources and outcomes against Scottish Government and any other similar data sources.

It will take account of the on-going work to shape future strategy including:

- The national procurement service outline business case (collaborative procurement);
- The xchangewales Futures project (e-procurement) ;
- The Procurement Excellence project (Welsh Government internal procurement organisation);
- The potential changes resulting from the new EU directives in 2013;
- Research into interpretation and application of EU / UK procurement rules;
- Existing policy commitments (including anti-poverty action plan, economic renewal, micro business report, sustainable social services, and Simpson review);
- The recommendations made on public sector procurement made in the Micro-Business Task and Finish Report which was launched on 18 January; and
- Sector Panel feedback (e.g. Construction).

A report containing findings and any recommendations will be provided to the Minister for Finance and Leader of the House.

I have appointed John McClelland, CBE, to undertake the review. John has extensive experience across the private and public sectors. During his private sector career he was recognised internationally as an expert in supply chain and procurement. In 2006 he completed a review of public procurement in Scotland (The McClelland Report). This report has been the foundation for a complete reform of public procurement in Scotland. More recently in 2011 he conducted a review of Scottish public sector ICT infrastructure and that work has been adopted as the framework for a major programme of improvement.

The review will commence in March and will be concluded by the Summer Recess in July, after which I will issue a further statement.

