

Mark Drakeford AM/AC
Ysgrifennydd y Cabinet dros Gyllid
Cabinet Secretary for Finance



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

Russell George AM
Assembly Member for Montgomeryshire
National Assembly for Wales
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22 March 2018

Dear Russell,

I am writing to respond to the issues you raised at the Plenary session on 7 March, during which you asked the Cabinet Secretary for Economy and Transport questions around the National Procurement Service (NPS), which falls under my portfolio.

On 21 September 2017 I published a Written Statement which announced work to re-focus NPS and Value Wales. This is taking the form of a Review which is being driven by the needs of stakeholders and will 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. It is anticipated that the Review will lead to a new way of working for the NPS, based on sustainable financial models and a refocus and repositioning of Value Wales as the Welsh Government's procurement policy unit.

Despite not yet having met its original savings and funding targets, the NPS has supported the Welsh public sector to make progress on collaborative procurement. It currently has 59 current live frameworks, which have been awarded to 692 suppliers. Of these, 362 are based in Wales (48%), and 295 are Welsh SME's.

NPS has also realised substantial cumulative savings since its inception – over £36m, with over £12m cash savings reported in 2015-16 and £14.8m in 2016-17. The growth in the

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

value of spend going through NPS frameworks has increased from £152m in 2015-16 to £234m in 2016-17, with income growing to £800k in 2016-17 as legacy non income generating frameworks novated to NPS expire and are replaced by those generating income.

NPS has also been instrumental in supporting Local Authorities in a united approach to dealing with sector wide issues with British Gas.

In addition, since it was set up, more than £87m has been invested in the Welsh economy and 241 jobs have been created as a result of work won through NPS frameworks.

We have welcomed the publication of the Wales Audit Report on the NPS and the recommendations from the Public Accounts Committee Inquiry will help inform the future blueprint for the operation of the NPS.

I will keep Members informed of the progress of the Review and how this is helping reshape the work of the NPS.

Best wishes,

A handwritten signature in grey ink that reads "Mark". The letters are cursive and slightly slanted to the right.

Mark Drakeford AM/AC

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