

**WELSH PURCHASING CONSORTIUM**  
**MANAGEMENT BOARD**

**Minutes of the Meeting of the Welsh Purchasing Consortium's  
Management Board hosted by Powys County Council on Tuesday 4<sup>th</sup>  
February, 2014 at 11:00 am.**

**Present:**

<b>Blaenau Gwent County Borough Council</b>	Mr L Williams
<b>Bridgend County Borough Council</b>	Mr James Ferris
<b>Caerphilly County Borough Council</b>	<b>County Borough Councillor Keith Reynolds</b>
	Ms L Lucas
<b>Cardiff City Council</b>	Mr Steve Robinson
	Mr Gareth Henson
<b>Denbighshire County Council</b>	<b>County Councillor Julian Thompson-Hill</b>
<b>Merthyr Tydfil County Borough Council</b>	Ms Sharon Philips
<b>Monmouthshire County Council</b>	<b>County Councillor Phil Murphy</b>
	Mr Scott James
<b>Neath Port Talbot County Borough Council</b>	<b>County Borough Councillor Des Davies</b>
	Mr Stuart Smith
<b>Powys County Council</b>	Ms Gail Jones
<b>Rhondda-Cynon-Taf County Borough Council</b>	<b>County Borough Councillor Clayton Willis</b>
	Mr Vince Hanly
	Mr Paul Lucas
<b>Swansea City Council</b>	<b>Councillor Des Thomas</b>
	Mr Simon Griffiths
<b>Torfaen County Borough Council</b>	Mr Andrew Maisey
<b>Vale of Glamorgan Council</b>	<b>Councillor R Curtis</b>
<b>Wrexham County Borough Council</b>	Mr Roger Barnett
<b>WPC Procurement Manager</b>	Mr Robert Jones

**62**     **WELCOME**

The Chairman welcomed all Members and Officers to the days meeting and a particular welcome was given to Councillor J Thompson-Hill and Mr R Barnett for their first meeting of the Management Board. The Chairman also welcomed and thanked the National Co-ordinator – Fair Trade Wales for accepting the Boards invitation to the days meeting.

**63**     **APOLOGIES FOR ABSENCE**

Apologies for absence were received from County Borough Councillor County Borough Councillor J McIlwee (Blaenau Gwent Council) ), County Borough Councillor Mike Gregory ( Bridgend Council), Councillor Russell Goodway (Cardiff City Council); County Borough Councillor J Edmunds and Mr P

Sexton (Carmarthen Council), Mr S Johnson (Ceredigion Council), Mr A Staples and Mr A Argyle (Flintshire Council), County Borough Councillor C Barry (Merthyr Tydfil County Borough Council), Mr P Ashley-Jones (Pembrokeshire Council), Mr Simon Griffiths and Councillor Des Thomas (Swansea City Council) County Councillor A Hunt (Torfaen County Borough Council); Mr A Jenkins (Vale of Glamorgan Council).

#### **64. DECLARATIONS OF INTEREST**

**RESOLVED** to note that in accordance with the Code of Conduct, there were no declarations of personal interest pertaining to the agenda.

#### **65 FAIR TRADE: THE ROLE OF A NATION.**

The National Co-ordinator, Fair Trade Wales provided Members of the Board with a powerpoint presentation entitled 'Fair Trade:- The Role of a Nation' which advised that Fair trade was not only about better prices, but decent working conditions, local sustainability and fair terms of trade for farmers and workers in the developing world. The National Co-ordinator also explained how Fairtrade focussed on helping businesses have a positive impact through the way they trade, and changing the way that business is done.

Through her presentation the National Co-ordinator provided examples of myths about sustainable procurement, the requirements for fair-trade, the range of certifications available and provided examples of case studies involving fair-trade including examples with Cardiff Council and Carmarthenshire Council. The officer highlighted the North Holland Case and the potential positive impact the judgement can have with improving fair-trade in the future.

Members of the Board were also advised of the position of Wales as a Fair Trade Nation and Members were informed that Wales had been a fair trade nation since 2008 with 82% of local authorities procuring fair-trade.

At the conclusion the Chairman of the Board thanked the National Co-ordinator for her detailed presentation and welcomed Members questions. Members of the Board commented upon the differences between the certifications available such as the Rainforest Alliance Scheme and the potential confusion with fair-trade and the officer was queried as to the monitoring arrangements in place within the schemes and the National Co-ordinator advised of the rigorous standards and auditing arrangements in place.

Officers of the board commented that fair-trade items were included within the current WPC contract in respect of groceries, although it was questioned whether more could be done by the WPC. One officer queried whether Wales was progressing as a Fairtrade nation and the National Co-ordinator confirmed that progress was being made with a 30% increase since 2008.

The Chairman of the WPC Officer Group referred to previous comments about the role of the WPC with Fairtrade and put forward suggestions regarding further commitments by the WPC, including utilising Fair Trade products when

refreshments are provided at future WPC meetings and also a strengthening of the wording within WPC contracts in respect of Fairtrade.

Following discussions the Board **RESOLVED**:-

- a) To note the contents of the Presentation
- b) To receive an electronic version of the PowerPoint presentation
- c) That where possible, Fair Trade refreshments are provided at future WPC meetings.
- d) That the WPC Officer Group consider a draft form of wording for further incorporation of Fair Trade within WPC contracts and to report back to Management Board.

## **66 PRESENTATION – WELSH PURCHASING CONSORTIUM**

For the benefit of the new members the Procurement Manager provided a PowerPoint presentation which gave Members an overview of the working of the Consortium including future challenges.

Members were advised of the make up of the Welsh Purchasing Consortium and it was explained that the now 19 Member Authorities undertook procurement activities on behalf of the Consortium, on a reciprocal basis. A brief summary of the history of the Consortium was also provided for context. The Procurement Manager provided further detailed information in relation to the responsibilities of the Central Management Team which ensures that a consistent and co-ordinated approach is taken to procurement by the consortium.

Details surrounding how procurement is undertaken by the consortium were also provided including the category management approach and an update in respect of progress towards efficiencies and also the progress and achievements of the consortium were also provided. Members were advised that in 2012/13 the Consortium reported £9.7 million efficiency savings. The Board were advised of the growth of the Consortium in respect of Associated Membership and the income generated from such membership.

The Procurement Manager concluded his presentation by providing detail on the opportunities and challenges facing the WPC and provided Members with an overview of procurement in the national context referencing the National Procurement Service. The Board heard of the need to support both indigenous suppliers wherever possible and further support contractors in building and enhancing their e-trading capabilities to maximise the opportunities available. The Procurement Manager also conveyed the message of continuing the drive to develop and adopt standard approaches across the Consortium and demonstrating clear commitment to WPC procurement projects.

The new Members of the board thanked the Procurement Manager for the detailed presentation and welcomed the benefits that membership with of the WPC would bring to their individual Authorities.

It was **RESOLVED**:-

- a) to Note the contents of the presentation
- b) to receive an electronic copy of the presentation

## **67 MINUTES**

**RESOLVED** to approve as a correct record the minutes of the meeting of the Welsh Purchasing Consortium Management Board held on the 25<sup>th</sup> September, 2013.

## **68 PROCUREMENT MANAGERS PROGRESS REPORT**

The WPC Procurement Manager, Mr Rob Jones updated Members on the Key deliverables required to support the Forward Work Programme coordinated by the Central Management Team: -

### **A. FORWARD CONTRACT PLAN**

Members of the Board were provided with an updated forward contract programme, as presented at the January Officer Group meeting. The group were advised that 9 procurement projects were underway which were scheduled to be in place over the next eighteen months. Following a query on the WPC catering framework it was **RESOLVED** that Officers would advise whether polystyrene containers were included within the framework.

### **B NEW WPC MEMBERS**

The Procurement Manager confirmed that due to the recent expansion, the WPC now has 19 full member authorities, with Denbighshire and Flintshire formally joining on the 1<sup>st</sup> November 2013 and Wrexham formally joining on the 1<sup>st</sup> January, 2014. Details regarding the annual membership fee were also provided, with arrangements to be put in place to ring fence the existing reserve from the 31<sup>st</sup> October, 2013 to the existing 16 member Authorities.

### **C BLACKLISTING**

Within his report the Procurement Manager detailed the risk based guidance received from Morgan Cole in respect of Blacklisting and referenced previous discussions of the Board as to how the WPC could include meaningful requirements within its approach to contracting. The Procurement Manager proceeded to advise of the discussions on the guidance at Officer Group and the instruction to the Procurement Manager to forward the guidance to Value Wales to ask whether they would be prepared to include the guidance within the SQuID standard questions and the response received was provided within the report.

Members commented on their disappointment with Value Wales' response but commented on the need to incorporate the guidance within WPC to illustrate the WPC's concerns. One officer commented on the easiness of incorporating

and implementing the guidance within the tendering process, but spoke of the need to educate suppliers.

The Board **RESOLVED** to adopt the guidance and recommend use of the questions in WPC Tenders.

#### **D SUSTAINABLE PROCUREMENT SERVICE**

The Procurement Manager confirmed that the WPC Sustainable Procurement Statement had been amended as agreed by the Board and was posted on the WPC website.

#### **E NATIONAL PROCUREMENT SERVICE**

Members of the Board were advised that the NPS Director had attended the WPC Officers Group meeting in December 2013 and gave a presentation on the governance, structure, recruitment, operating principles and proposed timetable for establishing compliant procurement arrangements for common and repetitive spend. The Procurement Manager advised that during the meeting WPC officers stressed the urgent requirements for the NPS to establish arrangements for the transfer of certain WPC contracts, which were due to shortly expire and the group were advised that every effort would be made by the NPS to progress the urgent requirements.

Members were also provided with details surrounding the governance of the NPS, discussions surrounding the procurement of food and energy and the development of a comprehensive draft procurement savings methodology, which is intended to measure and report the delivery of its key benefits. The Procurement Manager invited Mr V Hanly, Rhondda Cynon Taf Council to speak on the discussions that he had taken forward with the NPS in relation to both food procurement and energy.

#### **F ALITO CONTRACT MANAGEMENT SYSTEM**

The Procurement Manager updated the Board on the developments with the migration of the WPC contract management system to Proactis and also advised that a demonstration of the new system would be provided at the next Officer Group meeting.

#### **G SOCIAL CARE COMMISSIONING.**

The Procurement Manager referred Members to his report which outlined the outcomes following the Social Care Commissioning and Procurement Workshop that took place on the 12<sup>th</sup> November. Ms L Lucas, Caerphilly Council and Chair of the WPC social care category group advised Members of the challenging area and the need for collaboration between social care commissioners and procurement. The Officer commented upon the workshop event adding that although it was a challenging meeting there were positives

to be taken forward. The Board were advised that a regional approach to commissioning was identified as the preferred option to be taken forward. Officers had met with SSIA and WLGA in January to discuss the next steps and how to take this important agenda forward. It was agreed at this Meeting that WLGA and SSIA Officers would meet with the Lead Social Care Director from Merthyr to agree a way forward.

## **H CENTRAL MANAGEMENT TEAM (CMT)**

The Board were advised of the relocation of the CMT unit and contact details were provided. The Procurement Manager also took the opportunity to advise of the outcomes of the formal recruitment exercise undertaken and the successful recruitment of Mr Tony Williams, former Bridgend Council employee to the team.

## **REPORT OF THE SECRETARY TO THE CONSORTIUM**

### **69 MEMBERSHIP EXPANSION, FUTURE MEETING ARRANGEMENTS AND REVIEW OF CMT OFFICER CONTRACTS.**

The Secretary to the WPC provided a report to Members which sought members approval to formally agree the addition of three new members into the Consortium thereby expanding the membership to nineteen members and in light of the expansion consider the needs for both future WPC Officer Group meeting and Management Board meeting locations in order to try to establish a venue suitable for all officers / Elected members. The report also reported the need to review the existing contract arrangements of the Central Management Team.

The Secretary took each of the issues for consideration in turn. Members of the Board were advised that if Members were to agree to formally accept the three additional members to the Consortium, the Memorandum of Agreement would be executed.

The Board were advised of the recent discussions by officers surrounding the logistics for both WPC officer group and Management Board meetings and the introduction of remote video conferencing meetings to be convened on a quarterly basis for Officer Group meetings.

The Secretary proposed that due to the recent expansion of the Consortium, a review of the Central Management Team should be undertaken by named officers within his report to ensure that the operations of the CMT were still 'fit for purpose'.

For information, the Secretary to the Consortium also provided Board members with an extract from the recently published Williams' Commission report, due to the suggested new ways of working in respect of 'back office services' including procurement.

Following discussions on the report before them, the Board **RESOLVED:-**

- a) To Note the contents of the report
- b) To accept Denbighshire County Council and Flintshire County Council as members of the Consortium from 1<sup>st</sup> November, 2013 and Wrexham County Borough Council as a member of the Consortium from 1<sup>st</sup> January 2014 in accordance with the terms of the Memorandum of Agreement.
- c) To agree the way forward for WPC Officer Group meetings as outlined within the report
- d) The Secretary to the Consortium to write to all Management Board representatives to establish preferred options regarding future venues and frequency of Management Board meetings and report back to next Board meeting.
- e) To review the existing roles, responsibilities and remuneration of CMT officers as set out within the report and to receive a further report with proposals going forwards at the next Management Board meeting.

## **REPORTS OF THE TREASURER**

### **70 BUDGET MONITORING 2013/14 AND PROPOSED BUDGET 2014/15.**

The Group Accountant presented his report to Members which provided the Board with the financial monitoring position for 2013/14 based on the first nine months of the financial year and the proposed budget options for 2014/15, as set out within the monitoring statement attached within the report.

Members were advised of the total expenditure budget for 2013/14 and the projected underspend of £24,000 due to the previous vacancy within the team. The Group Accountant also advised of the identified savings due to the relocation of CMT to Carmarthen, although highlighted the projected overspend within the Supplies and Services budget due to the future upgrade of the WPC contracting management system as previously reported. The Group Accountant also provided details in respect of the income budget, which was revised following expansion of the Consortium to £244,000. Members were advised that the projected surplus for the year was £22,775 giving an estimated balance on the reserve at 31<sup>st</sup> March 2014 of £372,900.

The Group Accountant proceeded to advise Members of the proposed budget for 2014/15 and commented that as the Consortium had achieved a surplus in previous financial years and with a projection of a surplus for this current financial year, the proposed budget was in line with that of previous years, so that expenditure was fully funded from contributions from member authorities.

Following consideration of the financial detail the Group Accountant advised the Board that consideration would need to be given as to whether member contributions should be reduced for one year to recognise the financial challenges facing Local Authorities. It was suggested that the Board could decide to reduce the contributions by 10% for 2014/15 which would reduce the

budgeted contributions to the reserve to £19,000. The Chairman of the WPC Officer Group commented that if this suggestion was taken forward then the Board would need to press that this was a reduction for one year only.

Following consideration of the report the Board **RESOLVED**:-

- a) To note the monitoring position as at month 9
- b) That the contribution rate for 2014/15 be reduced by 10% and to approve the consequential budget for 2014/15.

**71 COMMODITY AND EXCEPTION REPORTS – PERIOD OCTOBER 2013 – JANUARY 2014.**

The WPC Procurement Manager provided Members with details of the commodity and extension reports considered by Officer Group between the 1<sup>ST</sup> October 2013 to the 31<sup>st</sup> January, 2014. Members were advised that there was one reportable price variation for the period.

Members **RESOLVED** to note the reports.

The meeting closed at 1.05pm

Councillor P Murphy  
**Chairman**