

WELSH PURCHASING CONSORTIUM

MANAGEMENT BOARD

4th FEBRUARY 2014

REPORT OF THE SECRETARY TO THE WPC CONSORTIUM – MEMBERSHIP EXPANSION, FUTURE MEETING ARRANGEMENTS AND REVIEW OF CMT OFFICER CONTRACTS

1 PURPOSE OF THE REPORT

To (i) formally agree the addition of three new members into the Consortium thereby expanding the membership to nineteen members and (ii) in light of such an expansion consider the needs of 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. (iii) To review the existing contract arrangements of the Central Management Team ('CMT').

2 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the content of the report.
- 2.2 Resolve to accept Denbighshire County Council and Flintshire County Council as members of the Consortium from 1st November 2013 and Wrexham County Borough Council as a member of the Consortium from 1st January 2014 in accordance with the terms of the Memorandum of Agreement attached at Appendix 1 to the report.
- 2.3 Agree the way forward for WPC Officer Group meetings as outlined within the report.
- 2.4 Agree a way forward for future WPC Management Board meetings.
- 2.5 Review the existing roles, responsibilities and remuneration of CMT officers as set out in paragraph 7 of the report and agree to receive a further report with proposals at the next Management Board meeting.

3 INTRODUCTION OF NEW MEMBERS

- 3.1 In accordance with the Consortium's Constitution members may be introduced by resolution of the Consortium.
- 3.2 Recently three Councils have indicated they wish to join the Consortium.

- 3.3 Denbighshire County Council and Flintshire County Council have expressed a wish to become members of the Consortium as from 1st November 2013 and Wrexham County Borough Council has expressed a wish to become a member of the Consortium as from 1st January 2014.
- 3.4 It is therefore for Members to agree whether to resolve to accept the three additional members under the terms of the Memorandum of Agreement attached at Appendix 1 to the report.

4 WPC OFFICER GROUP

- 4.1 During the January WPC Officer Group meeting, following a formal request from Caerphilly County Borough Council, officers gave consideration to the frequency and location of WPC Officer Group meetings.
- 4.2 At the meeting the group agreed to reduce the number of Officer Group meetings from 12 to 10 (amalgamating meetings at known reduced business times i.e. December / January and the summer recess and at other points during the year depending on business requirements.)
- 4.3 The group also considered the logistics for venue locations for future Officer Group meetings following the recent expansion to the Consortium membership.
- 4.4 Officers discussed the benefits of monthly face to face officer group meetings, although highlighted the problems experienced with the amount of time out of the office for officers due to travelling and the potential travelling expenses involved.
- 4.5 Officers therefore discussed the potential that future WPC Officer Group meetings would be convened via Video conferencing facilities on at least a quarterly basis, in addition to full meetings of the group being convened at Powys' Council Chamber - Llandrindod Wells and at Cardiff City Council's Headquarters - Atlantic Wharf.
- 4.6 A review of video conferencing facilities within member authorities has been conducted, highlighting 2 potential central venues for South, Mid and West Wales officers and 1 potential central venue for North Wales Officers.
- 4.7 For consistency reasons, WPC Officer Group meetings will continue to commence at 10.30am.

5 MANAGEMENT BOARD

- 5.1 Members will need to consider the location of future WPC Management Board meetings.

- 5.2 Powys Council are hosting today's meeting at its Council Chambers Llandrindod Wells, as it was felt this was a central location for all WPC Members.
- 5.3 Prior to the proposed expansion, Board meetings were held in central locations (where possible) for the ease of all Members and Officers.
- 5.4 WPC Management Board meetings are scheduled to commence at 11am.

6 QUESTIONS

- 6.1 Are Members in agreement with the proposed way forward for the logistics of Officer Group meetings, as detailed in 4.5?
- 6.2 Should all WPC Management Board meetings be held in Llandrindod Wells or should the meetings follow a similar format to Officer Group, utilising video conferencing facilities?

7 REVIEW OF CMT OFFICER CONTRACTS

- 7.1 As Members will be aware the Consortium operates through directing the work of the Central Management Team employed on its behalf by the Host Authority.
- 7.2 The roles and responsibilities and remuneration of the CMT officers have not been reviewed since the Consortium's inception.
- 7.3 The expansion of Consortium membership would now seem an ideal opportunity to undertake a review of the CMT. I would anticipate the review being undertaken by the Chair and Vice – Chair of the Officer Group in conjunction with myself as Secretary.
- 7.4 Thereafter, I would propose reporting back to the next Management Board meeting summarising the outcome of the review. Members can then take any action they deem appropriate in relation to that review.

8 WILLIAMS COMMISSION ON PUBLIC SERVICE GOVERNANCE AND DELIVERY

- 8.1 Members will be well aware of the recent publication of the Williams' Commission Report.
- 8.2. However, in addition to local government mergers, the Commission refers to the delivery of back office services which it lists as human resource management, payroll services, transaction processing services, estate and fleet management, internal audit, PROCUREMENT and legal services.

8.3. I set out below for Members information on relevant extracts from the Summary Report: -

‘ Progress in collaborating over shared services must be much faster and broader

2.42 The problems we have outlined may have led to a visible reluctance to embark on new collaborative ventures: several major proposals have foundered recently. While we sympathise with a wish to avoid creating yet more complexity, this risks missing genuine opportunities for maximising synergies between organisations to realise efficiencies and create more seamless services for citizens.

2.43 The sustained and severe financial challenges, and the pressure they create on frontline services, mean that we are particularly concerned that potential to collaborate in the provision of support or ‘back-office’ services, outside of the NHS, remains largely unrealised. Such services include human resource management, payroll services, transaction processing services, estate and fleet management, internal audit, procurement and legal services; all of them are relatively standardised and do not need to reflect local needs or priorities. Yet in local government in particular, progress in providing them on a shared basis has been very slow and patchy.

2.44 By contrast, the NHS Shared Services Partnership – which reported £100 million in savings in the last financial year - and the recently-established National Procurement Service show that there are significant savings to be made here, and no reason in principle why public bodies should provide such services separately. The Welsh Government should lead work to establish a single shared services organisation to provide back office functions and common services across the public sector by the end of the 2016-17 financial year **[see Recommendation 22]. ‘**

APPENDIX 1

THIS MEMORANDUM OF AGREEMENT is made this [xx] day of February 2014 between (1) Denbighshire County Council (“Denbighshire”), (2) Flintshire County Council (“Flintshire”) and (3) Wrexham County Borough Council (“Wrexham”) (each a “**Joining Party**” and together **the “Joining Parties”**) in respect of the Welsh Purchasing Consortium (**the “Consortium”**).

BACKGROUND

1. The Consortium is a Joint Committee whose membership comprises of Welsh Local Authorities established to support the Members in delivering framework agreements for the procurement of goods and services.
2. The Consortium is governed by its Constitution dated 18th June 2012 (the “Constitution”). A copy of the Constitution is attached at Appendix 1 to this Memorandum of Agreement.
3. Clause 18 of the Constitution provides for the introduction of new members by resolution of the Consortium.
4. The Consortium Management Board has passed the necessary resolution to accept each Joining Party as a Member (as defined in the Constitution) of the Consortium in accordance with the terms of this Memorandum of Agreement.
5. Each Joining Party wishes to enter into this Memorandum of Agreement for the purposes of becoming a Member of the Consortium.

IT IS AGREED AS FOLLOWS:

1. The Consortium has passed the necessary resolution to accept the Joining Parties becoming Members of the Consortium and party to the Constitution.
2. The Consortium has resolved, and both Denbighshire and Flintshire accept, that from 1st November 2013 they shall each become a Member of the Consortium and shall be treated as being a party to the Constitution as if it were a signatory to it.
3. The Consortium has resolved and Wrexham accepts that from 1st January 2014 it shall become a Member of the Consortium and shall be treated as being a party to the Constitution as if it were a signatory to it.
4. The Joining Parties acknowledge they have passed any necessary resolutions for the purposes of entering into this Memorandum of Agreement and becoming a Member of the Consortium and party to the Constitution.
5. The rights and liabilities of a Member in respect of the Consortium are limited to the terms set out in the Constitution.
6. Each Joining Party acknowledges that as from the date they become a Member of the Consortium they shall be liable to pay the Consortium Contribution (as defined in the Constitution) (such initial contribution to be payable pro-rata for the period of the financial year they will be a Member).
7. The Joining Parties acknowledge that any monies held in the Consortium reserve account as at 31st October 2013 shall be 'ring-fenced' for use only by the sixteen Members of the Consortium as at

31st October 2013 (unless unanimously agreed otherwise by those Members).

8. Following execution of this Memorandum of Agreement by the Joining Parties it shall be appended to the original signed copy of the Constitution.

IN WITNESS whereof the Joining Parties have entered into this Memorandum of Agreement on the day and year first before written.

Signed

Designation

on behalf of **Denbighshire County Council**

Signed

Designation

on behalf of **Flintshire County Council**

Signed

Designation

on behalf of **Wrexham County Borough Council**