

WELSH PURCHASING CONSORTIUM
MANAGEMENT BOARD

**Minutes of the Meeting of the Welsh Purchasing Consortium's
Management Board hosted by Cardiff Council on Wednesday 30th April,
2014 at 11:05 am.**

Present:

Caerphilly County Borough Council	Mr D Morris
Cardiff City Council	Mr Steve Robinson
	Mr Gareth Henson
Monmouthshire County Council	County Councillor Phil Murphy
	Mr Scott James
Rhondda-Cynon-Taf County Borough Council	County Borough Councillor Clayton Willis
	Mr Vince Hanly
	Mr Paul Lucas
Torfaen County Borough Council	Mr Andrew Maisey
Vale of Glamorgan Council	Councillor Robert Curtis
	Councillor Pamela Drake
	Mr Alan Jenkins
Wrexham County Borough Council	Mr Roger Barnett
WPC Procurement Manager	Mr Robert Jones

72 ACKNOWLEDGEMENT

The Chairman welcomed all Members and Officers to the day's meeting and advised the Board of the apologies tendered by Mr S Griffiths, Swansea Council, who from June would be commencing employment with the National Procurement Service. Mr Griffiths had asked that his thanks be passed to the Board for the support that they provided to him as Head of Procurement within Swansea Council and the Chairman, on behalf of the Board asked that the Boards best wishes be passed to Mr Griffiths.

73 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr L Williams & County Borough Councillor J McIlwee (Blaenau Gwent Council)), Mr J Ferris & County Borough Councillor D Sage (Bridgend Council), County Borough Councillor K Reynolds (Caerphilly Council), County Borough Councillor J Edmunds and Mr P Sexton (Carmarthen Council), Mr S Johnson (Ceredigion Council), County Councillor J Thompson-Hill (Denbighshire Council), County Borough Councillor G Lewis (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); Councillor D Davies (Neath Port Talbot Council).

74. 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.

75 MINUTES

RESOLVED to approve as a correct record the minutes of the meeting of the Welsh Purchasing Consortium Management Board held on the 4th February, 2014.

REPORT OF THE SECRETARY TO THE CONSORITUM

76 A REFLECTION ON THE POSITION OF THE CONSORITUM, FUTURE DELIVERY AND FUTURE MEETING ARRANGEMENTS.

The Secretary to the Consortium presented his report to the Board which provided an overview of the position of the Welsh Purchasing Consortium going forward, including confirmation of the Member Authority funding until the 31st March, 2016, developments with the Memorandum of Agreement for new WPC Members and the proposals for a strategic forward work plan of the WPC. The Secretary also advised that the report presented options for consideration in respect of future WPC Management Board meetings.

The Secretary to the Consortium commenced his report by advising the Board that to assist Cardiff Council as host Authority of the WPC Central Management Team and to assist with the execution of the Memorandum of Agreement for the three new authorities, clarification with the current funding of the WPC was needed. The Secretary therefore confirmed that all 19 Authorities within the WPC had confirmed funding of the WPC until the 31st March, 2016 and at a maximum annual contribution of £13,500.

The Secretary continued by informing Members of the Board of the slow developments with the handover of 'common and repetitive' contracts to the National Procurement Service, and the proactive meeting arranged by the WPC Procurement Manager for the 6th May, 2014 between WPC officers and the NPS to take the issue forward. The Secretary added that the intended outcomes resulting from the meeting would be a formal list of WPC arrangements that would transfer to the NPS in the short and medium term and also an opportunity to identify a practical protocol for transferring of contracts and framework management responsibilities. The Secretary referred Board members to section 4.4 of his report which advised of the need for the WPC to establish a strategic forward work programme, looking at potential new areas for procurement outside the remit of the NPS. The question was also raised as to whether the WPC should also further pursue the membership of the three North Wales Authorities who have currently not responded to previous correspondence. Members were also reminded of their previous decision that a review of the CMT should be undertaken, and the Secretary commented that in light of the considerations outlined, the Secretary recommended that this review be expanded to include the 'fitness for purpose' of the WPC itself, to establish

whether the WPC is in a position to deliver on the forward work programme. The Secretary commented that to assist the review, the WPC reserve could be utilised to provide external support and assistance, if needed.

Before the Secretary continued with his report, the Chairman of the Board opened up the item for Members comments. Members commented on the common sense approach outlined within the Secretary's report in respect of the way forward for the WPC with both the establishment of a strategic forward work programme and the widening of the review to incorporate the 'fitness for purpose' of the WPC.

Officers of the WPC commented in support of the WPC review and on the need for clarity with the scope of the NPS, which had widened from the original agreed Business Case. The Procurement Manager queried whether this review should be undertaken immediately or delayed until the NPS Delivery Group had completed its work in respect of the scope of the NPS, but Members of the Board commented on the need for the review to be undertaken immediately, with Members commenting that the review findings could also assist the NPS going forward. Officers commented that in respect of 'grey contract areas' such as food and energy, assumptions would need to be made by the WPC for the review to be taken forward.

Following the discussions the Board considered the remainder of the report in respect of logistical arrangements for future WPC Management Board meetings. The Secretary advised the Board that from the responses received to date the preference by Board Members was for the continuation of meetings on a quarterly cycle. In respect of meeting venues it was suggested that two meetings per year be held in a central location, such as Llandrindod Wells, and with the remainder being split between a venue in the South and North. The Secretary relayed Carmarthen Council's concern regarding potential low attendance at a North Wales location and the Secretary commented that confirmed attendance for the meeting would be needed in advance before Board members commit to any journey arrangements.

The Chairman commented that attendance at a North Wales location would display a positive message to the remaining 3 North Wales Authorities who are currently not part of the WPC and it was suggested that representatives from those Authorities could be invited to attend a WPC Management Board when hosted by a North Wales consortium member authority.

Following the discussions on the report it was **RESOLVED:-**

- a) To note the contents of the report
- b) To endorse Cardiff Councils continuation of the funding arrangements for the WPC Management Team, until the 31st March, 2016.
- c) To note the proposed way forward with the Memorandum of Agreement
- d) To agree the production of a WPC strategic Forward Work programme and postponement of the review of the Central Management Team until production of the forward work programme,

- e) That the central reserve be utilised for funding of independent support if needed, and an interim report on the review be presented at the June Management Board meeting
- f) That future WPC Management Board meetings continue on a quarterly cycle, with a trial of venues including two Mid Wales locations, one South location and one North, with representatives from the remaining 3 North Wales Authorities being invited to attend the meeting in the North.

77 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 April Officer Group meeting. The group were advised that 11 procurement projects were underway which were scheduled to be in place over the next eighteen months. The Procurement Manager reiterated the intention as outlined previously by the Secretary to the Consortium that the forward contract plan would include detail on the status of all WPC arrangements. The Procurement Manager also commented upon the important role of the categories groups in identifying potential procurement opportunities to assist in the development of a strategic forward work plan, and the Board were advised of the developments in respect of the WPC Social Care Category group, commenting that this was a critical area for procurement going forward.

B NATIONAL PROCUREMENT SERVICE

The Procurement Manager advised of the progress made since the last Board meeting with the NPS, with Heads of Category being invited to a number of WPC category group meetings to progress issues. The Procurement Manager commented that he had been updating the Officer Group regularly of developments and advised the Board that a definitive list of WPC current arrangements that would transfer to the NPS in the short to medium term had been agreed by Officers. The Procurement Manager referred to the previously mentioned workshop meeting on the 6th May, 2014 to take forward the handover of WPC contracts to the NPS and the intended outcomes of the meeting of a definitive timetable and formal protocol for transfer. The WPC Procurement Manager also took the opportunity to advise the Board of the establishment of the NPS Delivery Group to monitor and approve all procurement activity undertaken by the NPS.

The Chairman of the WPC Officer Group commented that it may be beneficial that those WPC officers that sit on the NPS Delivery Board also attend the workshop meeting on the 6th May, to ensure a consistent form of communication.

C FAIRTRADE

Within his report the Procurement Manager provided a draft form of words for Member consideration in respect of Fairtrade and the WPC position.

Members commented on the draft wording and commented that it was a sensible way forward. Members **RESOLVED** to accept the draft form of wording and that it be incorporated within future WPC contracts.

D WPC STANDARD TERMS AND CONDITIONS OF CONTRACT

Members of the Board were advised that the WPC officer group had commissioned a review of the WPC standard Terms & Conditions relating to Goods, Services, IT and Consultancy, to ensure that they continued to meet member Authority needs and continued to be 'fit for purpose' in terms of any recent changes in legislation. The Procurement Manager also commented that the Officer Group would also be reviewing the suite of WPC standard documentation.

E WPC EFFICIENCY CALCULATION FOR 2013/14

The Procurement Manager proceeded to advise the Board that the efficiency figures calculation for member authorities for the last financial year would be taken forward by the CMT in the forth coming weeks, and the intention was for these to be reported to the September Management Board meeting.

The Board were advised of the intended publication of a practical 'How to guide' in relation to efficiency recoding methodology by the NPS, although the document was still to be published. The Procurement Manager advised that the WPC officer group would formally consider the NPS methodology once published to ensure that it was fit for purpose before bringing any recommendation to the Board, on a way forward.

Officers and Members at the meeting commented on the need for consistency with efficiency recordings.

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 of the positive demonstration of the new system at a recent Officer Group meeting.

Members were advised that a small piece of work on the system was outstanding but it was felt that subject to confirmation that this had been completed, the WPC will proceed with the purchase.

G WPC THRESHOLDS

The Procurement Manager referred Members to his report which outlined the recommended amendments to the WPC thresholds, following the recent expansion of the Consortium. Members were advised that following officer discussions, the group had recommended that the thresholds should increase to £400k but that the number of participating Authorities should remain at 8, although these thresholds could be varied on a project by project basis if justified.

Members of the Board **RESOLVED** the WPC threshold amendments.

H WPC MEMBERSHIP FEES

For information, the Procurement Manager advised that invoices to full and Associate members of the WPC were being issued by Cardiff Council and took the opportunity to ask member authorities to ensure that Authority base budgets were not altered in terms of further years contributions.

78 WPC/GPS ENERGY ARRANGMENTS – PROPOSAL TO EXTEND THE CURRENT AGREED ARRANGEMENTS.

The Head of Procurement, RCT referred Members to the report before them which provided details of the proposed future energy arrangements for the WPC, following consideration by the WPC Officer group at its latest meeting. Members of the board were reminded of the potential risk to the consortium in respect of energy with the delay of handover to the NPS, and the WPC officer's agreement to investigate the potential of extending the current WPC arrangements to reduce the risk.

The Board were provided details of the potential extension arrangements with Crown Commercial Services and the decision taken by the Officer group at its meeting in April to agree the extension for 18months, subject to approval by the Board.

Members of the Board thanked officers for their hard work and efforts with the extension and **RESOLVED** to endorse the recommendation of an 18 month extension to the WPC Energy arrangements.

REPORTS OF THE TREASURER

79 BUDGET MONITORING 2013/14 AND PROPOSED BUDGET 2014/15.

The Group Accountant presented his report to Members which provided the Board with the provisional outturn position for 2013/14, as set out in the reports monitoring statement. The Board were advised that the final outturn position for

2013/14 would be reported to the Management Board at the Annual General meeting in June.

Members were advised of the total expenditure budget for 2013/14 and the provisional outturn position indicating an underspend of £61,507 against the net expenditure budget. The Group accountant advised of the reasons behind the savings and also commented that additional income of £17,125 was also received as a result of new members joining the consortium.

Details of the income budget were also provided to the Board for information. The Group Accountant commented upon the assumed expenditure for the upgrading of the existing contract management system, which had been delayed as previously advised and the request from the Procurement Manager to earmark the reserve specifically for the expenditure to be drawn down in 2014/15. The Group accountant concluded his report by advising that the provisional surplus for the year was £31,507, giving a projected carried forward balance on the general reserve of £381,586.

Members of the Board commented on whether the membership fees for the consortium were seen as barrier to potential new members and following consideration it was **RESOLVED**:-

- a) To note the provisional outturn position as at the 30th April, 2014
- b) That funding arrangements be incorporated within the scope of the WPC strategic review.

80 COMMODITY AND EXCEPTION REPORTS – PERIOD FEBRUARY 2014 – APRIL 2014.

The WPC Procurement Manager provided Members with details of the commodity and extension reports considered by Officer Group between the 1st February to 30th April, 2014. Members were advised that there no reportable price variation of commodity reports for the period.

Members **RESOLVED** to note the reports.

The meeting closed at 12.05pm

Councillor P Murphy
Chairman

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