

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

**Minutes of the Meeting of the Welsh Purchasing Consortium's  
Management Board hosted by Cardiff Council on Wednesday 25th June,  
2014 at 11 am.**

**Present:**

<b>Caerphilly County Borough Council</b>	<b>County Borough Councillor (Mrs) B Jones</b>
	Ms L Lucas
<b>Cardiff City Council</b>	Mr Steve Robinson
	Mr Gareth Henson
<b>Carmarthenshire Council</b>	Mr P Sexton
<b>Monmouthshire County Council</b>	<b>County Councillor Phil Murphy</b>
<b>Neath Port Talbot Council</b>	<b>County Borough Councillor D Davies</b>
	<b>Mr R Type</b>
<b>Rhondda-Cynon-Taf County Borough Council</b>	<b>County Borough Councillor (Mrs) M Webber</b>
	Mr Vince Hanly
	Mr Paul Lucas
<b>Torfaen County Borough Council</b>	Mr Andrew Maisey
<b>Vale of Glamorgan Council</b>	Mr T Bowring
<b>WPC Procurement Manager</b>	Mr Robert Jones

**81 INTRODUCTIONS**

The Chairman welcomed all Members and Officers to the day's meeting and on for the benefit of all the new members on the Board membership introductions were made.

**82 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 J Edmunds (Carmarthen Council), Councillor G Hinchey (Cardiff Council), Mr S Johnson (Ceredigion Council), County Councillor J Thompson-Hill (Denbighshire Council), Councillor G Giles & Mrs S Kelly (Newport Council) County Borough Councillor G Lewis (Merthyr Tydfil County Borough Council), Mr S James (Monmouthshire Council) Mr P Ashley-Jones (Pembrokeshire Council), Councillor Des Thomas (Swansea City Council) County Councillor A Hunt (Torfaen County Borough Council), Councillors R Curtis and (Mrs) P Drake (Vale of Glamorgan), Councillor H Jones & Mr R Barnett (Wrexham Council).

**83. 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.

**84 MINUTES**

**RESOLVED** to approve as a correct record the minutes of the meeting of the Welsh Purchasing Consortium Management Board held on the 30<sup>th</sup> April, 2014.

**85 CHANGE IN THE AGENDA**

The Chairman advised members that due to some technical difficulties the PowerPoint presentation in respect of the 'role of the WPC' would be delivered later in the meeting.

**REPORT OF THE WPC PROCUREMENT MANAGER**

**86 NATIONAL PROCUREMENT SERVICE DEVELOPMENTS.**

The Procurement Manager reminded both Members and officers of the meeting held on the 6<sup>th</sup> May with NPS representatives to take forward the WPC arrangements which the WPC had formally agreed were 'Common and Repetitive' in nature. The Board were advised that following the meeting a formal 'transfer protocol' had been agreed with the NPS which WPC Lead Authorities would complete on a contract by contract basis.

The Procurement Manager continued by explaining that immediacy prior to the meeting WPC representatives received a communication from the NPS which included a list of additional WPC arrangements that were not specifically listed or referred to in the original NPS outline Business case, but which are now highlighted by the NPS as being potentially "common and repetitive". The Board were advised that this list has been referred to the WPC category groups for consideration. The Board were advised that there was still some uncertainty in respect of the provision of 'Food', with the Procurement Manager reiterating the formal WPC position that food should either transfer as a whole category or stays within the WPC portfolio.

Board Members were reminded that four experienced senior Procurement professionals, from WPC member authorities had been nominated by Sian Davies, Managing Director of the Vale of Glamorgan Council to represent the interests of local government on the NPS Delivery Group. These Officers regularly update the WPC Officers Group and subsequently the Board.

Officer representatives on the Delivery Board in attendance at the meeting continued to provide both members and officers with details of a recent meeting with NPS representatives and advised that a position paper on the 'role and remit' of the NPS had been promised, which would include a definition of 'Common and Repetitive' spend. Board members spoke of their concerns with the continued lack of clarity and the potential impact with WPC arrangements and in terms of compliance. The Chairman queried the position of the WPC Procurement Manager also attending the Delivery group meetings, and the

Board were advised that this was taken forward previously, although the NPS were uncomfortable with this position and were not taking it forward. Officers spoke of the need to continue with a strategic review of the WPC and the potential role of the WLGA in taking this forward.

The Secretary to the Consortium advised members that following instruction from them at the April meeting, a formal letter had been sent to the NPS asking for a definition of 'Common & repetitive' spend although no response had yet been received, and commented that until such response was received, undertaking an objective strategic review into the future role of the WPC would prove difficult. The Secretary continued by advising that once clarity was received the review could commence with an interim report being presented at the September meeting.

Following discussions the Board **RESOLVED** to note the Contents of the report.

## **87 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

## **88 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 in the revised format, as discussed at the previous Management Board meeting. The Procurement Manager commented that this new format allowed the board to consider the status of all WPC arrangements and current planned activity to 2018. Members were advised that the plan did not include those WPC arrangements that had been formally agreed to be transferred to the NPS as common and repetitive in nature.

Officers re affirmed the need for an equitable provision of contracts across all 19 Authorities, following clarification on the contracts to be transferred to the NPS.

### **B STANDARD TERMS AND CONDITIONS**

The Board were advised that the revised Terms and Conditions had been received back from Morgan Cole and these were reported to the recent WPC Officer Group. It was proposed that a further meeting with Morgan Cole representatives would be arranged before formal adoption of the terms and conditions by the WPC Officer Group. The Procurement Manager added that it was the intention to invite the Morgan Cole representative to a future WPC Officer Group meeting.

### **C ENERGY PROCUREMENT**

The Procurement Manager was happy to report that RCT had reached an agreement with Crown Commercial Services for the supply of Gas and Electricity to WPC organisations, until March 2017. It was reported that this arrangement would continue to deliver significant savings to all participating organisations.

### **D STANDARD WPC DOCUMENTATION.**

The Board were informed that officers had reviewed the WPC suite of Standard Documentation and had made limited amendments. The Procurement Manager continued by advising that a further review would be undertaken following UK implementation of the provisions in the new EU Procurement Directive at the end of the year.

## **E ALITO CONTRACT MANAGEMENT SYSTEM**

The Procurement Manager updated the Board on the developments with the migration of the WPC contract management system to Proactis, including the incorporation of a food complaints system and proceeded to update Members on the approximate costs.

The Board commented that they were happy to continue with the migration to the Proactis system and **RESOLVED** to note the contents of the report.

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

### **89 PROPOSED CALENDAR OF MEETINGS.**

The Secretary to the Consortium referred the Board to the report before them which outlined a proposed schedule of meetings for the WPC Management Board during the 2014/15 Municipal Year.

The Board were reminded of the discussions at the previous Board meeting in respect of venues for future meetings revolving around mid Wales and both South and North Wales, with the caveat that members confirm their attendance in advance of the meeting in North Wales. The Secretary continued by advising of the proposed schedule of meetings highlighting the dates as the 24<sup>th</sup> September, 2014, 18<sup>th</sup> February 2015 and the 29<sup>th</sup> April 2015.

The Board **RESOLVED** to agree and note the proposed calendar of meetings.

## **REPORTS OF THE TREASURER**

### **90 INCOME AND EXPENDITURE ACCOUNT & STATEMENT OF BALANCES 2013/14 AND BUDGET MONITORING 2014/15.**

The Group Accountant presented his report to Members which provided the Board with the final outturn position for 2013/14, including the income and expenditure account and statement of balances. The Board were also advised that the report also contained the financial monitoring position for 2014/15 based on the first two months of the financial year, as set out in the monitoring statement.

Members were advised of the total expenditure for 2013/14, with an under spend against budget of £44,023 which related to a number of areas such as

employee savings due to the vacancy within the Central Management Team earlier in the year and the savings realised due to the premises relocation. The Group accountant referred to the committed expenditure which had not been utilised in respect of the delay to the upgrade to the contract management system, and it was advised that this would be transferred to an earmarked reserve to fund the upgrade in early 2014/15.

The Group Accountant concluded this part of his report by commenting that the net under spend would be transferred to the general reserve at the year end, with a balance of £386,167 being carried forward and available to support the expenditure on the Welsh Purchasing Consortium in future years.

Members were further advised of the Budget Monitoring position for 2014/15 based on the first two months. The Board were informed that the current projection was that an under spend of £28,000 would be transferred to the general reserve and it was reiterated that the Proactis upgrade would be funded by a drawdown from the earmarked reserve.

Following discussions on the report the Board **RESOLVED** to:-

- a) To note the final outturn position for 2013/14.
- b) Approve the draft income & Expenditure Account & Statement of Balances for 2013/14
- c) Note the monitoring position for 2014/15 as at month 2.

#### **91 COMMODITY AND EXCEPTION REPORTS – PERIOD MAY 2014 – JUNE 2014.**

The WPC Procurement Manager provided Members with details of the commodity and extension reports considered by Officer Group between the 1st May to 30<sup>th</sup> June, 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 12.30pm

Councillor P Murphy  
**Chairman**