

WELSH PURCHASING CONSORTIUM
MANAGEMENT BOARD

**Minutes of the Meeting of the Welsh Purchasing Consortium's
Management Board hosted by Powys Council on Wednesday 24th
September, 2014 at 11 am.**

Present:

Blaenau Gwent County Borough Council	Mr L Williams
Bridgend County Borough Council	Mr J Ferris
Caerphilly County Borough Council	Ms L Lucas
Cardiff City Council	Mr C McLollan
Denbighshire Council	Councillor J Thompson-Hill
Merthyr Tydfil Council	Mr P Davies
Monmouthshire County Council	Councillor Phil Murphy
	Mr S James
Neath Port Talbot Council	Mr R Type
Rhondda-Cynon-Taf County Borough Council	Mr P Lucas
Vale of Glamorgan Council	Councillor P Drake
Wrexham Council	Mr R Barnett
WPC Procurement Manager	Mr R Jones

92 APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillor J McIlwee (Blaenau Gwent Council)), County Borough Councillor D Sage (Bridgend Council), Mr P Sexton & County Borough Councillor J Edmunds (Carmarthen Council), Councillor G Hinchey (Cardiff Council), Mr S Johnson (Ceredigion Council), County Borough Councillor B Jones (Caerphilly), Councillor G Giles & Mrs S Kelly (Newport Council), County Borough Councillor D Davies (Neath Port Talbot Council), County Borough Councillor G Lewis (Merthyr Tydfil County Borough Council), Mr P Ashley-Jones (Pembrokeshire Council), Councillor Des Thomas (Swansea City Council) Mr A Maisey & County Councillor A Hunt (Torfaen County Borough Council), Mr T Bowring & Councillor R Curtis (Vale of Glamorgan), Councillor H Jones (Wrexham Council).

93. 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.

94 MINUTES

RESOLVED to approve as a correct record the minutes of the meeting of the

Welsh Purchasing Consortium Management Board held on the 25th June, 2014.

REPORT OF THE SECRETARY TO THE CONSORTIUM.

95 FUTURE OF THE WPC

The Secretary to the Consortium provided members with an overview of his report which required members to consider the future of the WPC in its current form, following recommendations proposed by the WPC strategic Review Working Group.

Members were provided with a brief recap on the reasons needed to undertake the review and the role of the National Procurement Service going forward, which it was highlighted would be taking forward the majority of the current WPC arrangements, therefore having a significant impact on the WPC portfolio. The Secretary to the Consortium advised the Board that clarity on the specific work and timeline of the NPS would be available through its publication of a 5 year Business Plan, which the Director of the NPS had confirmed would be available in October.

The Secretary commented that following an open and candid debate by the WPC strategic review group and discussions with the financial pressures within all member authority procurement units, it was proposed that a recommendation be put forward by the WPC officer group to the Board that funding for the current WPC model be formally terminated on 31st March 2016. The group were mindful of the position of staff within CMT in that all contracts of employment would end at this time and agreed that supporting staff would be a paramount consideration.

Members and officers commented with sadness on the report of the future of the WPC, although agreed with the outcomes identified by the WPC strategic review group. Members commented on the positive news of the production of a 5 year Business Plan by the NPS within the month, which would assist the WPC with clarification of the areas to be taken forward.

Mrs E Lucas, Caerphilly commented on the NPS Delivery Group meetings she attends as a Local Government representative and re-emphasised the need for all officers to engage with the NPS and to continue to feedback information and comments to her or the other Local Government Representatives on the Group, to allow the WPC comments to be taken back to the NPS Delivery Group. .

The Secretary to the Consortium and the WPC Procurement Manager supported Mrs Lucas's comments and the Procurement Manager expressed his thanks to all the officer representatives attending the NPS Delivery Group.

Following the discussions the WPC Management Board **RESOLVED**:-

- a) That funding for the current WPC model be terminated at 31st March, 2016.

- b) That the full member subscriptions for the year 2015/16 be paid for out of the WPC Reserve
- c) That a further report be consider by the Board in February 2015 which will detail:-
 - Current and potential local government specific collaborative procurement arrangements that will require management taking account of the detail on the NPS 5 year Business Plan.
 - The potential for a WLGA led “Welsh Local Government Procurement Group.”

96 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. Members were advised that the WPC Officer Group had further formally reviewed existing WPC arrangements which had been identified by the NPS as potentially ‘common & repetitive’ and had agreed that in terms of the current portfolio, 6 arrangements would remain in the WPC. It was confirmed that the NPS would be taking over responsibility for Food procurement.

B WPC PROCUREMENT EFFICIENCIES 2013/14.

The Procurement Manager was happy to report that the WPC procurement efficiencies exercise had been undertaken by CMT for 2013/14, which included figures provided by Rhondda Cynon Taf who manage the WPC portfolio in respect of Electricity and Gas. The Procurement Manager added that it was extremely pleasing to note that the total efficiency figure for 2013/14 was £11.39 million, which was an increase from the £10.7million in 2012/13.

It was added that the Heads of Procurement within each member Authority would determine how the efficiencies would be reported internally.

Members of the Board commented on the positive work of the WPC and the savings recognised for 2013/14.

C NATIONAL PROCUREMENT SERVICE

The Procurement Manager advised that a response had been received from the Director of the NPS, following the letter sent from the Secretary to the Consortium, which confirmed that a 5 year Business Plan for the NPS would be delivered to the NPS Board on the 8th October. The Procurement Manager added the document should provide the WPC with the clarity needed in respect of categories and sub categories as well as timetables.

Ms L Lucas, Caerphilly Council who attends the NPS Delivery Group as a local government representative commented that she had made personal requests at recent NPS meetings for sight of the Business Plan to assist discussions at

WPC Officer Group meetings and Management Board meetings, and commented that she would continue to follow this up.

Members again expressed the importance of the Business Plan and welcomed sight of the document following the NPS Board meeting at the beginning of October.

D STANDARD TERMS & CONDITIONS OF CONTRACT.

The Board were informed that the WPC Standard Terms & Conditions of Contract had been reviewed and refreshed by Blake Morgan Solicitors and a presentation had been made to a WPC Officer Group meeting to explain the major changes, particularly in relation to TUPE. The Procurement Manager added that although not mandatory, colleagues within the WPC Officers Group felt that this was an excellent initiative which provides ready made practical assistance in supporting operational procurement activity.

E WPC CATEGORY GROUP MEETINGS

Board members were reminded that since May 2013, WPC category groups had been using the spend analysis data to try and identify new areas for the WPC to explore in terms of collaborative procurement activity. The WPC Procurement Manager added that since the NPS Business Case was expected in early October, the Chairs of the Category groups, Chair of the WPC Officers Group and the WPC Procurement Manager agreed in early August that no further meetings would be held until the WPC Board had met and considered the Secretary's report on the future of the WPC and the NPS Business Plan had been published.

The Procurement Manager took the opportunity to express his thanks to the category group Chairs for driving forward the WPC agenda during meetings, and recognised the challenges that the Chairs had faced over recent months.

F CONTRACT MANAGEMENT SYSTEM MIGRATION / COMPLAINTS SYSTEM.

The Procurement Manager advised that officers had been progressing the issue with Proactis in terms of migrating the WPC contract management data to a new fully supported platform. The Board were reminded that in addition to the migration, a complaints system was also being developed as part of the commission and a total fee of £20k plus limited expenses had been negotiated when the order was placed.

The WPC Procurement Manager commented on the recent questions raised in respect of the appropriateness of the expenditure in light of the uncertainty around the future of the WPC. Members of the Board were advised that the matter was discussed at the last WPC officers meeting and it was agreed that the project should continue as a contractual commitment had been made and the resource would be there for use by any successor organisation and any member authority.

Questions were raised regarding the NPS access to the system and the Procurement Manager commented that the NPS would not have access to the

system, and that the system would not contain much of the information that the NPS wanted.

Another query was raised in respect of any continuing maintenance fees for the system and the Procurement Manager confirmed that maintenance fees were needed from 2016 and the Secretary to the Consortium commented that such fees would need to be taken forward at future meeting discussions.

REPORTS OF THE TREASURER

97 ANNUAL ACCOUNTS 2013/14

The Group Accountant presented his report to Members which provided the Board with the statement of accounts for the financial year 2013/14, following their full audit undertaken by the Wales Audit Office. It was highlighted that the accounts had also been available for public inspection as required by sections 30 and 31 of the Public Audit (Wales) Act 2004 and Regulation 13, of the Accounts and Audit (Wales) Regulations, 2005.

The Group Accountant referred members to appendix 3 of the Wales Audit office report which listed the corrections the Auditor had requested be drawn to the attention of the Management Board. Members were advised that the relevant amendments had been made to the financial statements and that the net effect of the adjustments reduced the surplus position reported to the Management Board in June. It was added that the balance carried forward on the general reserve was £379,463 and was available to support expenditure on the Welsh Purchasing consortium in future years.

The Management Board **RESOLVED:-**

- a) To note the report of the Wales Audit Office on the Statement of Accounts of the Welsh Purchasing Consortium for the year ending 31st March, 2014.
- b) That the chair of the WPC Management Board and the Treasurer formally sign the Letter of Representation at the conclusion of the meeting.

98 BUDGET MONITORING 2014/15.

The Group Accountant presented the financial monitoring position for 2014/15 based on the first five months of the financial year, as set out in the monitoring statement attached within the report. Members were advised that the total expenditure budget for 2014/15 is £224,000 and provides funding for the three posts within the central management team. It was added that whilst all three posts are occupied, the employee budget is projected to underspend, partly as a result of the Workforce Agreement for 2014/15 and partly due to appointment of the Procurement Support Officer at the start of the incremental grade.

The Group Accountant continued by advising of the income budget for the financial year, based on the contributions from each of the nineteen member

authorities and contributions from the six associate members. It was added that the current projection was that an underspend of £23,000 will be transferred to the general reserve at 31st March, 2014.

The Procurement Manager was queried on when the Associate Members would be advised of the future plans for the WPC to allow them to map their future procurement requirements. The Procurement manager explained that communication with the Associate Members had been delayed until the outcome of today's meeting in respect of the 'Future of the WPC report' and it was added that following the meeting he would formally write to the Associate Members.

The Board **RESOLVED** to note the monitoring position for 2014/15 as at month 5.

99 COMMODITY AND EXCEPTION REPORTS – PERIOD JULY 2014 – SEPTEMBER 2014.

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

Members **RESOLVED** to note the reports.

**Councillor P Murphy
Chairman**

The meeting closed at 12.05pm