

WELSH PURCHASING CONSORTIUM MANAGEMENT BOARD

Minutes of the meeting of the Welsh Purchasing Consortium Management Board held at Cardiff City Council Offices, Atlantic Wharf, Cardiff on Wednesday, 16 September 2015 at 11 a.m.

PRESENT

Caerphilly County Borough Council	Councillor B Jones
Cardiff City Council	Mrs E. Lucas
Merthyr Tydfil County Borough Council	Mr.S.Robinson
Monmouthshire County Council	Mr.G.Henson
Neath Port Talbot County Borough Council	Mr.P.Davies
Pembrokeshire County Council	Councillor P.Murphy
Rhondda Cynon Taf County Borough Council	Councillor D.W.Davies
City and County of Swansea Council	Mr.P.Ashley-Jones
Vale of Glamorgan	Mr.P.J.Lucas (Secretary)
	Mr.S.Vaughan
	Mr.A.Williams
	Councillor P.Drake

110 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Charles Smith (Bridgend County Borough Council), Councillor Graham Hinchey (Cardiff Council), Councillor J.Edmunds and Mr.P.Secton (Carmarthenshire County Council), Councillor P. Williams (Merthyr Tydfil County Borough Council) Mr S. James (Monmouthshire County Council), Councillor M.Webber, Mr Vince Hanly and Mr Steve Lock (Rhondda Cynon Taf County Borough Council), Councillor C. Lloyd (City and County of Swansea Council), Councillor A.Hunt and Mr A. Maisey (Torfaen County Borough Council), Councillor H.Jones and Mr.R.Barnett (Wrexham County Borough Council) and Mr R. Jones (WPC Procurement Manager)

111 DECLARATIONS OF INTEREST

No personal interests were declared in matters pertaining to the agenda.

112 MINUTES

RESOLVED to approve as an accurate record, the minutes of the meeting of the Welsh Purchasing Consortium Management Board held on the 24th June 2015.

113 MATTERS ARISING

Minute 4 (c) – Mrs E Lucas stated that there had been complaints lodged against Caerphilly for working on its own arrangements for Groceries and Provisions and for not providing the NPS with information regarding the contract. Further, Mrs E. Lucas, Caerphilly Council wished to have it recorded that it was never her intention to work against the NPS with regards to the Groceries and Provisions contract but clarified that she had received written confirmation from Sue Moffat which made it clear that Caerphilly could press ahead with the contract as planned.

114 WPC PROCUREMENT MANAGER'S PROGRESS REPORT

In the absence of the WPC Procurement Manager, Mr Steve Robinson of Cardiff Council provided the Board with progress reports in relation to the following areas:-

(1) WPC Efficiency Calculation 2014/15

It was reported that CMT have completed the work to calculate the cashable and non cashable efficiencies for 2014/15 which have been circulated to all Heads of Procurement within the WPC. It was noted that the Heads of Procurement within each member Authority will determine the efficiencies that will be reported internally.

(2) Forward Work Programme

Details of the WPC Forward Contract Plan attached at Appendix 1 of the report demonstrates all that was agreed at the WPC Officers Group on the 4th September 2015 and detailing the 5 remaining procurement projects which will be finalised in this current financial year.

(3) Transfer of WPC Contracts to the NPS – Current Status

It was confirmed that the updated document attached at Appendix B was considered at the last WPC Officers Group and highlights those arrangements transferring to the NPS and those that are not.

(4) Food Contracts – Clarification was provided in relation to those urgent Food Contracts that require re letting by means of an email from Sue Moffat, who confirmed that the NPS will establish the new arrangements in order to progress the issue. This was welcomed by all following a period of uncertainty.**(5) Potential for procurement collaboration post March 2016**

A letter sent on behalf of the Board following the previous meeting, to the WLGA asking that collaborative arrangements are in place post 31st March 2016 was reproduced within the report for Members' information.

Following the report it was **RESOLVED** to note the current position in relation to the WPC Manager's progress report

115 POTENTIAL OPTIONS FOR THE FUTURE OF COLLABORATIVE LOCAL GOVERNMENT PROCUREMENT

The Chair of the WPC Management Board introduced Mr Chris Chapman, WLGA, who addressed the Board and thanked them for the opportunity to present to Board Members and Officers.

Mr Chapman reported that a paper outlining the potential options for the future of Local Government procurement following the establishment of the NPS would be presented to WLGA Council on the 27th November 2015. He added that there are a number of developments on the horizon which need to be considered such as the Local Government Reorganisation, the Spending Review and the Well-being of Future Generations (Wales) Act upon which procurement can potentially have an impact.

Mr Chapman confirmed that future arrangements would include the WLGA undertaking a facilitating role with the proposed local government group leading the way in terms of the forward work programme but stressed the need for the new arrangements to be officer led. He added that there was a need to establish new terms of reference and for further discussions around the governance arrangements to be undertaken. He stressed that it was important for local government procurement to develop a more consistent, proactive approach, to be less fragmented and the network working in unison. The Board was also informed that the WLGA were also in a position to act as host website for the WPC which could facilitate existing documentation, examples of best practice and guidance.

Mr Chapman referred to the meeting of the NPS Board which he recently attended and of the inconsistent messages the NPS recognise are being relayed and the issues they need to address in terms of structure.

The Secretary to the Consortium reiterated the key messages presented by Mr Chris Chapman and welcomed his input into the options for the future collaborative local government procurement. In response to whether the WLGA can establish a visible Local Government Procurement Network Mr Chapman confirmed that this can be achieved with a more formalised approach to knowledge sharing and to the forward work programme which can be facilitated by the WLGA.

It was queried how the WLGA intend to engage with Local Government Procurement when currently there is a lack of communication in terms of papers not being circulated in a timely manner for meetings such as the Procurement Board, resulting in limited engagement from officers. This was recognised by Mr Chapman who apologised for the lack of communication to date. It was agreed that the terms of reference needed to be established for the future collaboration before determining any nominations to sit on the Delivery Group or any other such groups.

Following further discussions it was **RESOLVED** that Mr Chapman of the WLGA liaise with the WPC's Heads of Procurement in order to inform the development of the proposed Local Government Procurement Network post March 2016 in order to progress this arrangement

116 WELSH PURCHASING CONSORTIUM ENERGY ARRANGEMENTS

Mr Steve Vaughan, Rhondda-Cynon-Taf CBC, presented the report in respect of the WPC Energy Arrangements and specifically the plan to transfer the WPC Energy responsibilities to the National Procurement Service from the 1st October 2015.

Mr Vaughan confirmed that arrangements for the transfer are ongoing and all parties have been fully updated with developments. It was considered that the handover on the 1st October 2015 would be a fluid, successful transfer. Members were asked to note that the two RCT staff members currently working on the WPC arrangement will both be transferring to the NPS on the 1st October, under the TUPE arrangements, to ensure continuity and minimise any disruption to the WPC Energy arrangements.

Following consideration of the report it was **RESOLVED** to note and approve the formal transfer of the WPC Energy arrangements currently hosted by RCT Council to the NPS from the 1st October 2015.

117 SUMMARY OF EXTENSION REPORTS (JULY TO SEPTEMBER)

Mr Steve Robinson presented to Members details of the Extension Reports for the period and it was **RESOLVED** to note the report.

118 FINAL OUTTURN FOR 2014-15 AND BUDGET MONITORING 2015-16

The Group Accountant presented his report to Members which provided the Board with the statement of accounts for the financial year 2014/15, following their full audit undertaken by the Wales Audit Office. The Group Accountant referred members to Appendix B of the report which highlighted the auditors signed letter and confirmed that no amendments are required. Members were advised that the signed Letter of Representation would be published on the WPC Website.

The Group Accountant presented the financial monitoring position for 2015/16 based on the first five months of the financial year, as set out in Appendix A of the monitoring statement attached within the report. Members were advised that the total expenditure budget for 2015/16 is £228,000 and provides funding for the three posts within the central management team, although one post has remained unoccupied since July 2015. It was added that the employee budget is projecting an underspend of £25,600. The figures for both the transport costs and premises costs were provided.

The Group Accountant continued his presentation by advising of the income budget for the financial year, based on the contributions from the six associate members and updated members with details of two organisations who are not renewing for 2015/16. The Group Accountant concluded his report by advising Members that the income from the nineteen member authorities is replaced with a contribution from the general reserve in addition to a surplus amount transferring to the general reserve leaving a balance of £234,727 in the reserve which will be divided between the member authorities.

Following the report discussions ensued regarding giving due consideration to more precise calculations of the general reserve following more detailed discussions around the future collaborative arrangements.

The Management Board **RESOLVED**:-

- a) To note the monitoring position for 2015/16 as at month 5
- b) To note the ISA260 letter from the Wales Audit Office
- c) That further discussions take place at the next WPC Management Board regarding the process for dividing the general reserve amongst the member authorities.

119 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED that the press and public be excluded for the next item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 12 & 13 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended”).

120 ORAL UPDATE IN RESPECT OF THE TUPE TRANSFER OF THE WPC CENTRAL MANAGEMENT TEAM TO THE NATIONAL PROCUREMENT SERVICE, CONTAINING EXEMPT INFORMATION

The Board received an oral update at the meeting in respect of the above-mentioned matter from the Secretary of the WPC in conjunction with Mr S. Robinson, Cardiff Council, the employing authority of the Central Management Team staff members.

The Board was informed that following termination of the lease for the Central Management Team's premises in Cardiff, one member of staff will be accommodated in the offices of Swansea City Council. This member of staff will continue to assist with the work involved in the formal winding down of the WPC from this location.

With respect to the Procurement Manager, the secretary informed the Board that the decision regarding this position rests with the Board and whether it considers the post fits within the Voluntary Early Retirement/Redundancy policy of Cardiff City Council. It was confirmed that the appropriate Head of Service within Cardiff has been approached on this matter.

Mr S. Robinson provided some background to the matter in relation to the stance of Cardiff since the last meeting of the Management Board. He reported that Cardiff has decided not to pursue the TUPE matter and that the appropriate Section 151 Officer has written formally to the NPS to update Cardiff's position and to advise that the Procurement Manager has since submitted an application for VER. Following consideration in favour of the application Cardiff is now seeking a view from the Board as to whether the procedures required to achieve the satisfactory wind-up of the WPC can continue without the Procurement Manager remaining in post until March 2016.

The Board members discussed the matter and it was **RESOLVED** that:-

- 1) That Cardiff City Council (as host authority) be advised that the Board is content that the Procurement Manager can leave under the terms of the Voluntary Early Retirement/Redundancy policy at Cardiff City Council.
- 2) The Board's thanks are passed to the Procurement Manager for his contributions to the work of the WPC.

121 DATE AND VENUE OF NEXT WPC BOARD MEETING

It was **RESOLVED** that consideration will be given to setting the date and time of the next WPC Management Board over the next few weeks and Members will be notified in due course.

**P.MURPHY
CHAIRMAN**

The meeting terminated at 1.00 p.m.