



## **CABINET – 1ST APRIL 2015**

**SUBJECT: JOINT SUPPLIES SERVICE – CONSTITUTION AMENDMENT**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER**

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### **1. PURPOSE OF REPORT**

- 1.1 The purpose of the report is to advise Members of the proposed amendments to the Joint Supplies Services Constitution and make recommendations in respect of the changes proposed that require a Cabinet decision.

### **2. SUMMARY**

- 2.1 The Joint Supplies Service (JSS) provides a one stop purchasing and warehouse facility for Stationary and Janitorial items.
- 2.2 Caerphilly County Borough Council has been a partner of JSS since 1996 via a Joint Arrangement and Joint Committee.
- 2.3 The Service has four equal partners in the form of Bridgend County Borough Council, Caerphilly County Borough Council, Merthyr Tydfil County Borough Council and Rhondda Cynon Taff County Borough Council.
- 2.4 In recent years the service has been subject to review. The role of Bridgend County Borough Council as host Authority has been re-affirmed with all staff employed by the host.
- 2.5 As a result of these changes and the need for a firm business plan, the current signed Constitution of 1996 was deemed no longer fit for purpose.

### **3. LINKS TO STRATEGY**

- 3.1 The information contained within the report supports and facilitates the following key strategies:
- WG Buying Smarter in Tougher Times (Feb 2010)
  - Wales Procurement Policy (2012)
  - Caerphilly CBC Procurement policy & strategy (2013)

### **4. THE REPORT**

- 4.1 The Joint Services was formed in 1996 comprising of four member Authorities, Bridgend County Borough Council, Caerphilly County Borough Council, Merthyr Tydfil County Borough Council and Rhondda Cynon Taff County Borough Council.

- 4.2 The JSS supplies Educational, Stationary, Furniture and Janitorial items to Schools and other Corporate Buildings.
- 4.3 The Service is managed and hosted by Bridgend County Borough Council, supported by member Authorities Officers Group which reports to the Joint Committee. Each partner Authority has two Cabinet Members who sit on the Joint Committee.
- 4.4 Since 1996, the service has developed and modernised supplying many public sector organisations such as neighbouring Authorities, Police, Youth Organisations and Community Services.
- 4.5 Turnover is approximately £6.5 Million (13/14). In recent years the service has grown in terms of reserves (stock and cash). It is now regarded as a self-funding operation.
- 4.6 As stated above, the Service has been subject to change but now requires approval in respect of the next steps of the organisation's development which includes a detailed 5 year business plan and a change in location.
- 4.7 The current building and operational site is no longer fit for purpose, therefore, the Service is in a period of considerable change which requires a new approach to the constitution.
- 4.8 A new legal agreement is to be entered into which reflects these changes. There will technically be a new Joint Committee under this agreement; however the membership of the committee will remain the same.
- 4.9 The main changes to the current constitution are listed below:
- Bridgend County Borough Council to continue as host Authority and will employ all staff.
  - The new Constitution to be effective for a 5 year period with 12 months extension options to link in with any proposals for Local Government Re-Organisation.
  - Termination provisions are to be amended to allow any party to withdraw by giving a minimum of 12 months' notice. This will allow sufficient time for other members to consider the future of the JSS with fewer Partners.
  - Where there is just one Partnering Authority wishing to withdraw and the Service continues to trade, a compensatory payment based on stock variation less any liabilities incurred (including staff costs) will be made to or by the Partner Authority wishing to withdraw or conversely will be made by the Partner Authority.
  - In the event of closure, the value of reserves (cash and stock) less any liabilities due (staff, costs, creditors etc.) will be reimbursed on a percentage of population basis to the Partner Authorities or by the Partner Authorities.
  - The baseline for the population measure to be defined in the agreement is to continue to be based upon the former Mid Glamorgan area.
  - A schedule of Officers Group posts to be included in the document together with those of staff employed by the JSS.
  - A mechanism for appointing new posts to be stated. The proposal is that all posts below Principal Officer will be managed by Bridgend CBC with reference back to the Officers Group and JSS Committee after the appointment has been made. The Officer group will be consulted regarding the appointment of all Principal Officers posts.
  - The responsibilities of the Management Committee and Officers Group, together with the frequency of meetings are to be made clear.
  - In order to make provisions for control of capital expenditure, it is proposed that the Joint Committee has delegated powers confirmed on it by the Partnering Authorities to incur expenditure up to £100,000 in any one purchase. Any proposal to incur expenditure above this limit will require each individual Authority to seek prior approval.

- 4.10 A final draft of the revised Constitution incorporating the above principles is nearing completion; Legal Services will ensure that it reflects the Council's decision. In addition, each of the Constituent Councils will need to seek appropriate Authority to enter into this agreement together with remission to the Joint Committee of the power to incur capital expenditure of up to £100,000 in any one purchase.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 The four organisations in this joint service are local authorities and therefore fall under the third-party requirements of the Welsh Language (Wales) Measure 2011, and the Equalities in Procurement Wales-specific duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011. The Council's Strategic Equality Plan and the operational work Procurement undertakes each year ensures that this Council complies with those duties.
- 5.2 An **EqIA screening** has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EqIA has not been carried out.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There are no financial implications associated directly with the report. If approved, the additional power for the Joint Committee to incur capital expenditure up to £100,000 will be subject to any such expenditure being met from existing reserves of the Joint Supplies service.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 There are no personnel implications.

## **8. CONSULTATIONS**

- 8.1 Consultations have taken place and reflected within the report.

## **9. RECOMMENDATIONS**

- 9.1 It is recommended that Cabinet authorises the completion of the revised Constitution of the Joint Supplies Service on terms to be approved by the Acting Director of Corporate Services and Head of Procurement in Consultation with the Cabinet Member.
- 9.2 Remit to the Joint Committee of the Joint Supplies Service, the power to incur capital expenditure of up to £100,000 in any one purchase subject to the funds being available in cash reserves.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To ensure the Authority has a fit for purpose relationship with Partner Authorities of the JSS.

## **11. STATUTORY POWER**

- 11.1 Local Government Act 1972 and 2000.

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Appendices:

Appendix 1 – Constitution

Appendix 2 – Business Plan