



**POLICY AND RESOURCES SCRUTINY COMMITTEE -
24TH JULY 2013**

SUBJECT: FUTURE OF THE WELSH PURCHASING CONSORTIUM

REPORT BY: ACTING DIRECTOR, CORPORATE SERVICES AND SECTION 151

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to advise Members of the current status of the Welsh Purchasing Consortium (WPC), and to make recommendations to Members on the future work programme for that organisation.
- 1.2 To seek approval to remain a Member of the Consortium for the next three years until 31 March 2016.

2. SUMMARY

- 2.1 The Welsh Purchasing Consortium (WPC) has been in existence since 1974 and was reformed in 1996 following the reorganisation of Local Government in Wales. In 1996 the consortium had membership from twelve Unitary Authorities in South Wales, although in 2007 this had been expanded to sixteen Authorities. The remaining six Authorities in North Wales currently form the North Wales procurement Partnership.
- 2.2 The Welsh Purchasing Consortium currently provides a collaborative hub for procuring common and repetitive spend commodity areas.
- 2.3 In addition to the Welsh Purchasing Consortium, the Authority is also a member of the County Borough Supplies Joint Committee, which compliments the procurement services available to Schools.
- 2.4 In November of 2012, Cabinet approved a proposal for the Authority to commit to the development of the National Procurement Service (NPS) following an invitation to join from Welsh Government.
- 2.5 This commitment will see the Authority utilise a number of NPS contracts for specific contract areas in the future which cut across much of the existing WPC work programme, areas, including:
 - Information Communication and Technology
 - Utilities
 - Facilities and Management Services
 - Human Resources
 - Consultancy
 - Healthcare
 - Construction Materials (Outside the WHQS)
 - Furniture and Soft Furnishings
 - Mail Services
 - Clothing

- 2.6 Officers recognize that the development of a NPS for Wales will impact on the requirement for a Welsh Purchasing Consortium. It is currently anticipated that the NPS will facilitate 20% of Local Government spend. This leaves 80% to be managed locally or via collaborative hubs, such as the WPC and regional working.
- 2.7 In consultation with Members on the WPC board, Officers engaged the services of an external consultant to complete an up to date spend analysis which would provide evidence based data on areas of spend which may benefit from a collaborative approach such as that adopted by the WPC. Board members commented on the importance of continuing with the work of the WPC, although it was also considered important that the expenditure data from the North Wales Authorities also be included within the analysis in order to reflect a true picture of spend in Wales.
- 2.8 It is acknowledged that the spend will be in challenging areas and new strategies will need to be applied to release further efficiencies.
- 2.9 The review was undertaken as per attached appendix A
- 2.10 The outcomes of the review have concluded that there is a need for a continuation of the WPC and key areas for future collaborative procurements are included in appendix A.
- 2.11 Currently the WPC operates with a Central Management Team of three Officers, which includes the WPC Manager and two support Officers. The role of the CMT is a coordinated role that facilitates joint working for identified categories, although it should be noted that all contracting is undertaken by the Member Authorities.
- 2.12 The WPC also offers Associate membership and at the present time there are six Associate members who pay an annual fee of £2,500.00. These Members do not play any part in the organisations governance arrangements but are entitled to attend WPC Category Group Meetings and be included in WPC Framework Scoping exercises.

3. EQUALITIES IMPLICATIONS

- 3.1 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.

4. FINANCIAL IMPLICATIONS

- 4.1 Full membership of the Welsh Purchasing Consortium (WPC) currently costs the Authority £14,892.00 per annum, although this charge has been reduced for 2013 to £13,500.00.
- 4.2 Since 2009, the consortium has established a procurement efficiency identification and recording model which to date has realised savings for Caerphilly CBC as detailed below:

Cashable Savings (since 2009)

£776,828.00

Non Cashable Savings

£648,341.00

5. PERSONNEL IMPLICATIONS

- 5.1 There are no personnel implications in regards to this report.

6. CONSULTATION

- 6.1 Officers have been consulted on the content of the report and views have been reflected within the report.

7. RECOMMENDATIONS

- 7.1 It is recommended that Members note the content of the report and recommends to Cabinet to remain a member of the WPC for the next 3 years up to 31st March 2016, with an annual contribution fee of £13,500.00.
- 7.2 Subject to agreement of the above, that CCBC participate in a formal review of the WPC organisation as per the report in appendix A to ensure the Consortium remains a fit for purpose organisation.

8. REASONS FOR THE RECOMMENDATIONS

- 8.1 The proposed recommendation is based on the benefits of consortium membership, which includes the following:
- 8.1.1 Access to over sixty current WPC framework arrangements.
- 8.1.2 Collaborative “risk based” approach to contracting in line with EU Procurement Directives, reducing challenge and giving Authorities confidence in the use of the WPC arrangements.
- 8.1.3 Category management approach to collaborative procurement utilising technical expertise to develop “fit for purpose” contracts, which is underpinned by a WPC Forward Contract Work Programme.
- 8.1.4 Standardised suite of WPC documentation including ITT Templates, Letters and Terms and Conditions.
- 8.1.5 In conjunction with Environmental Health Officers, the WPC has developed a Food Complaints process that is viewed as best practice by wider organisations.
- 8.1.6 The WPC is deemed as a leading reference group in terms of its relationship with Welsh Government. This is evidenced by its input into “Buying Smarter in Tougher Times” the National Procurement Service Business Case, Xchangewales Futures Project and the Construction related Collaborative Works group.

9. STATUTORY POWER

- 9.1 Local Government Act 1972 and 2000.

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Background Papers:

WPC Futures Report

Procurement WPC File

Appendices:

Appendix 1 Welsh Purchasing Consortium Management Board Report