

FULL COUNCIL REPORT

Date Written	11 th March 2015
Report Author	Paul Davies
Service Area	Procurement
Exempt/Non Exempt	Non Exempt
Committee Date	25 th March 2015

To: Mayor, Ladies and Gentlemen

The Revised Constitution for the Joint Supplies Service

PURPOSE OF THE REPORT:

Council to consider and approve the amendment of the existing Joint Supplies Constitution

1.0 INTRODUCTION AND BACKGROUND

- 1.1 The Joint Supplies organisation is a Joint Committee set up for the purposes of supplying educational, stationery, furniture, cleaning and other supplies at competitive rates to our schools, homes and corporate buildings.
- 1.2 The organisation is managed and hosted by Bridgend County Borough Council and reports to a Joint Committee acting as a Management Board generally on a quarterly basis. Merthyr Tydfil County Borough Council has two members nominated to sit on the Joint Committee.
- 1.3 Bridgend County Borough Council hosts the organisation on behalf of the participating authorities of Bridgend, Rhondda Cynon Taff, Caerphilly and Merthyr Tydfil.
- 1.4 Turnover is approximately £6.5million (13/14) and the unit also services many other public sector organisations in the area including South Wales Police, South Wales Fire & Rescue Service and neighbouring local authorities. This is an important

service for the Council, with current turnover of 9% attributed to Merthyr which is appropriate to the size of the authority in relation to our partner Councils.

- 1.5 The prices provided via the catalogue services are very competitive and often better than the prices which can be obtained from national frameworks and similar operating organisations in England such as Eastern Shires Purchasing Organisation (ESPO) and Yorkshire Procurement Organisation (YPO) and the services have been modernised with the use of web ordering, e-invoicing and purchase card transacting.
- 1.6 The service is also developing a new business plan which includes provision for the relocation of its services. Joint Supplies currently operates from a Bridgend premises in Waterton which is now in considerable need of repair and refurbishment such that it is becoming uneconomical to continue to operate at this building in the longer term. The site at Waterton is also earmarked for development. This issue will be considered by the Joint Committee and reported to Cabinet once proposals are finalised. The focus of this particular report is on ensuring robust management and governance arrangements are in place over the medium term.
- 1.7 The service also has to take into consideration and manage risk which may develop as a result of the National Procurement Service which may encroach on its core activities as contracts are negotiated and become live.

2.0 CONSTITUTIONAL CHANGES

- 2.1 The current constitution for the organisation dates back to its inception in April 1996 and drafted as part of local government reorganisation at the time. No further revisions have been made to the constitution since then and it is considered it now needs to be updated and made fit for purpose.
- 2.2 Provisions within the original Constitution included arrangements for the protection of seconded staff which were attributed to the arrangements for local government reorganisation at that time and the roles and responsibilities of officers and the management committee and the officer group were not as explicit as they could be within the document. The constitution has not been updated to reflect present operational and management arrangements.
- 2.3 In order to strengthen governance arrangements each of the participating authorities on 26th June 2014 agreed a set of principles and the changes that were required to be made in order for a revised Constitution in line with agreed principles. These principles are included at appendix 1.
- 2.4 The revised draft Constitution has been reviewed by appropriate officers of this Council to ensure it accords with the agreed principles and feedback/comments have been sent to the Director of Legal Services at Bridgend.
- 2.5 The other participating authorities (referenced in 1.3) are also undertaking this process.
- 2.6 Therefore it is recommended that the Head of Legal Services and Procurement Manager be given delegated authority to deal with any further variations to the Joint

Supplies Constitution, once concluded, that may be proposed from time to time, provided that such variations are within budget and the overall principles of the Joint Supplies Service.

- 2.7 The development of a new Constitution will place Joint Supplies in a stringer position to develop its services and operation, deliver its business plan and react and mitigate risks which may affect its service.

3.0 FINANCIAL IMPLICATION(S)

- 3.1 There are no financial implications associated directly with this report. If approved the Joint Committee will be granted power to incur expenditure up to £100,000 which will be subject to being met from existing reserves.

4.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

- 4.1 The single integrated plan and sustainability impact assessment has been completed. The amended Constitution does not impact on most areas. There are positive impacts on People in Merthyr Tydfil have the opportunity and aspiration to learn and develop their skills and maximise their potential and Financial Sustainability of Public Services.

5.0 EQUALITY IMPACT ASSESSMENT

- 5.1 An Equality Impact Assessment (EqIA) screening form has been prepared for the purpose of this report. It has been found that a full report is not required at this time. The screening form can be accessed on the Council's website/intranet via the 'Equality Impact Assessment' link.

6.0 RECOMMENDATION(S) that

- 6.1 The revised Joint Supplies Constitution as set out in appendix 2 to this report for a 5 year term be approved.
- 6.2 Delegated authority be granted to the Head of Legal and Democratic Services and the Procurement Manager, in consultation with the appropriate Cabinet Member to deal with any further variations to the Joint Supplies Constitution, once concluded, that may be proposed from time to time, provided that such variations are within budget and the overall principles of the Joint Supplies service.

ELLIS COOPER
CORPORATE DIRECTOR CUSTOMER SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.