

53 DECLARATIONS OF INTEREST

None.

54 STATEMENT OF ACCOUNTS 2008/2009

The Treasurer submitted the Statement of Accounts for the Catalogue Supplies Service Joint Committee for 2008/09 which the Joint Committee was required to approve.

The format and content of the Statement was governed by the Accounts and Audit Regulations and the Accounting Standards Board's "Code of Practice on Local Authority Accounting in Great Britain". Once approved, the accounts would be placed on public deposit and be subject to audit by KPMG, the Auditors appointed for the Joint Committee.

He presented the Joint Committee with the key facts on the Statement of Accounts which has seen a trading surplus of £24k being produced. The accumulated Reserves for Joint Service remain unchanged at £511k. He also reported on comparisons of income and expenditure to the original budget and on comparisons to the previous year. Supplies and services and other income had fallen reflecting a changed catalogue production cycle and the cessation of energy rebates respectively.

He also summarised the position with regard to Performance Indicators, Reserves, Debtors, Creditors, Cash and Stock. There were no significant governance issues identified during 2008/9 as a result of the review of arrangements.

In response to a question from Members, the Treasurer confirmed that the areas identified by an Internal Audit of the Joint Supplies Service had been addressed by the Joint Supplies Service Manager. The Joint Supplies Service Manager confirmed that fifteen recommendations had been identified whereby action was needed and all areas had been or are in process of being addressed.

RESOLVED: That :-

- (1) The Joint Committee approve its Statement of Accounts for 2008/9 in accordance with Regulation 8(2) of the Accounts and Audit Regulations.
- (2) The Committee congratulated the management and staff of the Joint Supplies Service on their achievements during the year.

55 JOINT SUPPLIES SERVICE TURNOVER - 2008/2009 AND 2009/2010

The Joint Supplies Service Manager presented his report which summarised the final turnover of the Service for 2008/09 together with the current year to date. Total catalogue sales for the year were £5.393m which showed a reduced turnover of 0.48% compared to the previous year. Catalogue sales in 2009/10 to week 11 showed an actual turnover of £1.060m down 6.19% on target turnover.

He summarised trading turnover by each Authority to week 11, noting that turnover was down compared to target but trading income had been maintained.

He indicated that the position is constantly monitored with regular reports to authorities and agreed practice would facilitate report to officers in the event of any significant decline.

The Committee questioned the Joint Supplies Service Manager as to whether there was any intelligence that demand from customers was being satisfied by competitors to the Joint Supplies Services. The Joint Supplies Service Manager informed the Committee that the Pro 5 Group made up of a consortia of English Local Authorities had been invited into some local authorities elsewhere in South Wales and were also seeking to expand into the area generally, with heavily discounted price structures.

- RESOLVED:
- (1) That the report be noted.
  - (2) That the Joint Supplies Service Manager provides authorities with detailed user turnover analysis of respective years 2008/09 and 2009/10 to date.
  - (3) The Joint Supplies Service Manager present a report to the next Committee on the issues associated with the market competition to supply the Joint Supplies Service.
  - (4) The JSS Manager contacts the Pro 5 group to discuss the possibility of participation/membership of the collective arrangement.

56 FINANCE - BUDGET MONITORING 2009/2010

The Joint Supplies Service Manager presented a report outlining a summary of the budget expenditure/income including projected year end charges for the period April - May 2009. The report outlined actual expenditure and income to the 31 May 2009 which showed a £2k deficit.

RESOLVED: That the report be noted.

57 SERVICE PERFORMANCE INDICATORS

The Joint Supplies Service Manager submitted a report outlining Performance Indicators the period April - May 2009 in respect of the following areas:-

- Stockholding Value
- Stores - Produce Availability (upon demand)
- Creditor Payments
- Debt Management

The Performance Indicators gave percentage details of the targets and of the actual achieved in respect of each category. He stated that one of the indices is a national Performance Indicator with the remainder being 'locally' defined.

- RESOLVED:
- (1) That the report be noted.
  - (2) The Joint Supplies Service Manager present a report on trading data in relation to the relative indices over a longer period together with information as to the use of SMEs and local suppliers.

58 DISPOSAL OF OBSOLETE / SURPLUS STOCK

The Joint Supplies Service Manager reported that a range and inventory value of stock held in the Joint Supplies Service Stores was monitored regularly to ensure both reasonable levels and an appropriate range is maintained to meet service performance standards. He stated that the annual stores turnover value was currently in excess of £3.5m reflecting a stock range of 2800 lines with an accumulated turnover over the last three years exceeding £10m. He had previously informed the Joint Committee that an objective of the service was to reduce average stock levels (17% average reduction during 2008/9).

He reported that the Joint Service undertook initiatives to encourage the sales of non-moving lines but ultimately where such residual stocks exist and where it was considered there was very little opportunity to attain their sale, mindful of staff resources to achieve, it was beneficial to the organisation to arrange product disposal. The Joint Committee has previously included provision within the service accounts for stock obsolescence in the sum of £13,000.

He reported that Officers had identified a range of stock items as surplus/obsolete with an inventory value of £9,649.00 which should be disposed either by way of a "non-charge" distribution amongst service users within the four authorities or controlled disposal methods where appropriate.

RESOLVED: That part of the finance available for this purpose be utilised to dispose of the existing surplus stock.

59 INTERNAL AUDIT REVIEW - 2008/09

The Joint Supplies Service Manager referred to the report of the Treasurer on the Statement of Accounts considered earlier in the meeting which included reference to a review of the Joint Supplies Service undertaken by the Authority's Internal Auditors part of the 2008/09 Internal Audit Plan completed on the 31 March 2009.

He reported on a summary of the review along with details of the subsequently agreed Management Action Plan. He stated that the external review of the joint supply arrangements being undertaken during the period by APSE was such that the audit review did not, as a consequence consider the 'strategic elements of the Supply Service'. He stated that the conclusion and audit opinion was that "based on the limited audit work carried out, that there are adequate controls in place to minimise risk to the Authority and to ensure that the sections objectives are met. The overall opinion is that the controls in place are operating effectively and the level of assurance gained is adequate". This was based on a four-scale category of "Substantial/Adequate/Limited/No Assurance".

The Chairman indicated the objective of the Service attaining the higher assessment of 'substantial' as regards the 'level of assurance' for future audit reviews.

The JSS Manager reported that the Audit Review identified as particular strengths:-

- Stringent monitoring of stock discrepancies and profitability
- Low levels of bad debt

He reported that the following issues had been identified by Internal Audit to be particularly addressed:-

- Controls over banking need to be enhanced
- Checks of drivers' licences for those charged with driving duties should be documented.

He stated that each of the recommendations which formed part of the agreed Management Action Plan had or were in the process of being implemented.

RESOLVED: That the report be noted.

60 STAFFING - SICKNESS ABSENCE 2009/2010

The Joint Supplies Service Manager presented a report which summarised sickness absence for the period April/May 2009. The overall level of sickness absence during the first two months of this year had reduced by 32% compared to the previous year. During the period, the long term certificated absence of two members of staff accounted for 56 days (73%) of total absence, with the average number of days (per person) for other absence being 0.5.

RESOLVED: That the report be noted and the Joint Supplies Service Manager present comparative full-year trend data of staff sickness absence to the Committee.

61 HOLIDAY PERIOD - CALENDAR YEAR END

The Joint Supplies Service Manager submitted a report requesting approval of a proposal to close the joint service during the Christmas and New Year period between the 29-31 December. The proposed closure would be achieved by staff using annual leave and flexible working arrangements.

RESOLVED: That the recommendation be agreed.

62 EXCLUSION OF THE PUBLIC

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business because of the likelihood that, if members of the public are present during these items there would be disclosure to them of exempt information of the description specified in Part 4 of Schedule 12A of the said Act.

<u>Minute Nos.</u>	<u>Summary of Items:</u>
63	Joint Supplies Service Review Project
64	Contract Arrangements