

MINUTES OF A MEETING OF THE CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE HELD IN COMMITTEE ROOM 3, INNOVATION CENTRE, TREDOMEN OFFICES, YSTRAD MYNACH, HENGOED, CAERPHILLY ON THURSDAY, 12 JULY 2007 AT 11.00AM.

Present:-

Councillor D D Games – Chairman
(Merthyr Tydfil County Borough Council)

Representing Bridgend County Borough Council

Councillor R D L Burns

Representing Caerphilly County Borough Council

Councillor A Williams
Councillor G R Price

Representing Rhondda Cynon Taf County Borough Council

Councillor W J David
Councillor E Hanagan

Officers:

P Hughes - (Manager, Joint Supplies)	-	Bridgend County Borough Council
J Ferris	-	Bridgend County Borough Council
K Fowler	-	Bridgend County Borough Council
E Lucas	-	Caerphilly County Borough Council
S Lock	-	Rhondda Cynon Taf County Borough Council
L O'Brien		

159 APPOINTMENT OF A CHAIRPERSON OF THE JOINT COMMITTEE

Councillor D D Games was reappointed unanimously as the Chairperson of the Joint Committee.

160 APPOINTMENT OF A VICE-CHAIRPERSON OF THE JOINT COMMITTEE

Councillor R D L Burns was reappointed unanimously as the Vice-Chairperson of the Joint Committee.

161 APOLOGIES FOR ABSENCE

Councillor D Sage	-	Bridgend County Borough Council
Councillor I W Clarke	-	Merthyr Tydfil County Borough Council
P Davies	-	Merthyr Tydfil County Borough Council
V Hanley	-	Rhondda Cynon Taf County Borough Council

162 MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the minutes of the meeting of the Catalogue Supplies Service Joint Committee held on 10 May 2007, be approved as a true and accurate record.

163 MATTERS ARISING

Best wishes were expressed to Councillor A Williams on his appointment as Mayor of Caerphilly.

The Head of Procurement - Bridgend County Borough Council (HOP-BCBC) attended the All Wales Steering Group and explained that Martin Sykes, Chief Executive of Value Wales had provided an overview of the Strategic Importance of Sourcing Plan in relation to delivering improved procurement performance across the public sector in Wales. Commodity and Service areas were identified based on their readiness and capacity to collaborate. It was noted that some supply categories would potentially move from local to regional and from regional to national levels over a period of time as procurement evolved. The HOP-BCBC explained that the Sourcing Plan would impact upon County Borough Supplies, detailing a number of specific areas. He indicated that he had spoken to the Manager of County Borough Supplies who would advise the Committee of the likely consequences when they next met. The Head of Procurement – Caerphilly County Borough Council (HOP-CCBC) confirmed her understanding of the information emanating from the Steering Group and the Sourcing Plan generally, commenting upon the varying levels of participation in existing arrangements by local authorities, noting the expressed reservations as to potential impact upon local supplier strategies. The Joint Supplies Services Manager explained that some relevant contracts had already been awarded, that JSS is monitoring the progress of the Sourcing Plan and is expecting a cooperative approach with Value Wales. Concern was expressed, generally, as to an apparent lack of awareness or appreciation of the impact of actions being initiated by Value Wales in regard of the potential effects upon other joint collaborative working arrangements. The Chairperson advised that some of the schools had been in contact with Value Wales and that the concerns of the Catalogue Supplies Joint Committee had been raised in other forums by Councillors and Officers. This was supported by the Vice-Chairperson, who explained that he had raised the overarching issues at the Schools Budget Forum, as well as inviting procurement staff to advise on other areas of the purchasing process.

The HOP-BCBC explained that a Document of Understanding relating to the Sourcing Plan had been developed as a working protocol/implementation guide. The HOP-CCBC reiterated that Value Wales and Welsh Assembly Government had seemingly overlooked the efforts of various collaborative groups such as the Catalogue Supplies Joint Committee. The Officer explained that she would represent the interests of the Committee at the project board meeting to find out further details and report back to the Joint Committee at their next meeting. The Deputy Head of Procurement - Rhondda Cynon Taf County Borough Council (DHOP-RCTCBC) supported these comments and further explained his understanding that there has been limited commitment from local authorities within the Welsh Purchasing Consortium area to date, reflecting progress to date relative to the existence of arrangements already in place. The Committee concluded that Value Wales had based their efforts on existing arrangements and current savings strategies, whilst he urged that Value Wales should listen to the advice from well established and experienced collaborative groups. The Vice - Chairperson supported this point of view and suggested that the Catalogue Supplies Joint Committee had to maintain its role given its range of experience in the area of procurement.

164 DECLARATIONS OF INTEREST

None.

165 JOINT SUPPLIES SERVICE TURNOVER 2007/08

The JSS Manager explained that the 1st Quarter had been very successful and that targets had been attained with turnover growth of 10.3% overall, including further increase in Service usage by the independent sector.

RESOLVED: That the report be noted.

166 FINANCE BUDGET MONITORING 2007/08

The JSS Manager presented the budgetary review for the first quarter period, advising both expenditure/income were on target (noting the usual costs projections for the year). Members noted the underspend on Employees budget to date reflected existing vacancies (being recruited presently) and the deferred impact of the Annual Pay Award. In response to the consideration of the impact of the Single Status Agreement (Job Evaluation) it was noted that the outcome of the ongoing review would not be budgeted until October 2008 period and that at this time a forecast of resources provision could not be provided. The Vice-Chairperson advised that all are aware of there being finite resources available.

RESOLVED: That the report be noted.

167 DISPOSAL OF SURPLUS STOCK

The JSS Manager explained that changes in customer requirements demand have an impact upon stock ranges and that initiatives are undertaken to promote the sale of slow or non-moving items. Currently, it has been identified that £13,900 value of stock is available for disposal and it is considered that the stock should now be disposed of unless further sales can be attained, which is now considered very unlikely. Consequently it was proposed that the previous practice of distribution of suitable items amongst service users of the 4 authorities and other appropriate bodies/organisations subsequently be followed, with any stock which cannot be disposed of in this way being removed from the inventory with controlled disposal. The Vice-Chairperson suggested broadening the opportunity that currently exists to consider sending such surplus stock to east European schools/community groups through their charity deliveries. The JSS Manager explained that such an initiative would be most welcomed and assessed.

RESOLVED: That the report be noted.

168 INCOME - DEBT MANAGER

The JSS Manager presented the regular quarterly report and explained that the planned reduced level of average monthly debt continued during the quarter-period. It was highlighted that the debt owed during April-June 2007 was £571k, due largely to increased income arising from the catalogue supplier support debt creation and increased turnover.

RESOLVED: That the report be noted.

169 STORES - INVENTORY ADJUSTMENTS

The JSS Manager explained that this was a regular practice within the Warehouse and Distribution (Stores) operation taking into consideration damaged stock, obsolete stock, deficiencies, adjustments and annual stocktaking. As such, inventory adjustments were monitored weekly. He also highlighted the fact that the damaged stock figures in the report included the damage sustained to a paper storage facility as a result of a leaking roof. The Committee Treasurer explained that the figures in report were well within the anticipated tolerance levels.

RESOLVED: That the report be noted.

170 SERVICE PERFORMANCE INDICATORS

The JSS Manager advised of the planned introduction of further Service monitoring Performance Indicators, commencing with this report, specifically Stores - Delivery, Stores - Product Availability and Creditor Payments. The Committee suggested a carbon footprint indicator, whilst the HOP-CCBC suggested an indicator that looked at the supply chain and the role of Small and Medium Enterprises (SMEs), recycling and sustainability in the Joint Service. The JSS Manager explained that a green index listing green products was already available in the catalogue to highlight their support for sustainability and that the figures would be used to help promote the Service in the future.

RESOLVED: That the report be noted.

171 STAFFING - SICKNESS ABSENCE 2007/2008

The JSS Manager explained the summary of sickness absence during the 1st quarter period. He highlighted that the April-June figures for 2007 had dropped to 1.6 days of absence per person, as opposed to 2.2 days for the same period in 2006. It was also indicated that the total days of absence had dropped to 71 for 93 for the same periods respectively. Committee noted that the total days absence included one period of long term sickness absence of 20 days during the period.

RESOLVED: That the report be noted.

172 HOLIDAY PERIOD ARRANGEMENTS - YEAR END

The JSS Manager explained that statutory public holiday closures of schools linked to shut down periods for suppliers had an impact upon the requirement of the Service during the Christmas period. As such, the proposal was put forward to close the Service on Monday December 24th, as well as additional closure days of December 27th/28th and to re-open on December 31st with a reduced staff requirement.

RESOLVED: The Committee agreed the proposals.

173 JOINT SERVICE REVIEW

The JSS Manager outlined the Joint Service Review which detailed the changing supplies environment and the considerations of joint collaborative supplies partner authorities in Cardiff and Swansea Councils. In relation to Value Wales, a formal letter had been sent on behalf of the Committee and a meeting had consequently been arranged in order to clarify intended practice, convey concerns and instruct regarding the protocol to be followed. The response from Value Wales had been encouraging and they supported unequivocally the principles of collaboration as

an essential pre-requirement of any arrangements between Value Wales and local authorities. This included the promotion of only those contract arrangements to be undertaken only in agreement with local Procurement Units and that no marketing of contract arrangements would be undertaken without the prior consent of the particular local authority Heads of Procurement. He further explained that several All Wales contracts are available currently but that they related to areas of school expenditure which are not within the portfolio of the Joint Service, such as mobile phones and advertising. The HOP-CCBC informed the Committee that Pembrokeshire Council had ended their involvement with the Value Wales initiative.

In relation to the relevant contracts in existence presently, the JSS Manager advised a prices review had been undertaken by the Joint Service to assess the base values of respective arrangements, being a purchase price comparison only, though it was noted that price was a very basic comparison tool. The outcome demonstrated the overall price advantage to schools of utilising the JSS arrangements. At the present time, this information has not been formally presented to schools and the principle will be discussed with Heads of Procurement as part of the Service review programme.

The HOP-CCBC advised that E-Procurement and E-Invoicing were priorities for service users and the JSS Manager advised the Committee that work on this project was ongoing with a completion target date by the end of September 2007. Committee agreed that a marketing strategy to include a collaborative range of seminars to jointly promote respective service arrangements be planned.

With reference to collaborative working arrangements with Swansea and Cardiff, the JSS Manager informed the Committee that the City and County of Swansea planned to undertake a review of their service delivery, including an assessment of existing supplies operation and internal requirements beyond March 2009. This Options Appraisal project is scheduled for completion by the end of October 2007 and whatever the option chosen may have an impact upon the Joint Service. The JSS Manager explained that regular liaison would be undertaken to assess progress.

The JSS Manager, in the context of the competitive environment generally, advised that a consortium of local authorities from the north of England (the Yorkshire Purchasing Organisation) has approached schools within the South Wales area offering catalogue supplies arrangements. The JSS Manager advised he had written to all schools accordingly and introduced the significance and consideration of sustainable procurement and supply as issues, for example the carbon footprint and product miles which should form part of respective purchasing decisions. The DHOP-RCTCBC further explained that Value Wales should be supportive of the Joint Service on this issue. A price comparison had been undertaken and the JSS Manager explained that the YPO had targeted a particular range of goods to demonstrate price benefit, but that over the range of the JSS highest selling 100 stock items, the Joint Service provided price advantage to schools. The Vice-Chairperson advised that the carbon footprint and sustainability should be the relevant key in purchasing rather than just price and details of these figures would be helpful for the Joint Service in projecting a positive green image. The HOP-CCBC explained that the New Economics Foundation (NEF) provided a tool to help review measurement of socio-economic impact models which were currently in use in centres of excellence in England and would assist the JSS Manager with an assessment project.

The JSS Manager reviewed the Service Financial Structure Income (Non-Trading) and explained that the energy support role of the Joint Service was to be phased out at the end of the next financial year, with a consequential loss of the service related income. With an agreed lead-in period to help facilitate alternative financial growth from the core catalogue trading income, the JSS was finalising alternative budgetary plans for 2008/2009.

In conclusion, the JSS Manager explained that the changing supplies landscape had been acknowledged and that the attained position of the Joint Service was considered to be secure at this time, though there was no complacency amongst Officers, concluding with a summary of the perceived risks and control measures.

RESOLVED: That the three recommendations of the report were accepted by the Committee.

174 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 item of business because of the likelihood that, if members of the public are present during this item, there would be disclosure to them of exempt information as specified in Paragraph 14 of Part 4 of Schedule 12A of the said Act:-

<u>Minute Nos.</u>	<u>Summary of Item:</u>
175	Extension of contract arrangements - supply of residential contract furniture.