

MINUTES OF A MEETING OF THE CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE HELD IN COMMITTEE ROOM 2, RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL OFFICES, THE PAVILIONS, CLYDACH VALE ON THURSDAY 26 OCTOBER 2006 AT 11.00AM.

Present:-

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

Representing Caerphilly County Borough Council

Councillor A Williams

Representing Merthyr Tydfil County Borough Council

Councillor I W Clark

Representing Rhondda Cynon Taf County Borough Council

Councillor W J David
Councillor E Hanagan

Representing Bridgend County Borough Council

Councillor R D L Burns

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
V Hanley	-	Rhondda Cynon Taf County Borough Council

131 APOLOGIES FOR ABSENCE

Apologies were received from Councillor D Sage, Bridgend County Borough Council, Councillor G R Price, Caerphilly County Borough Council and Mr Paul Davies, Merthyr Tydfil County Borough Council.

132 MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the minutes of the meeting of the Catalogue Supplies Service Joint Committee held on 27 July 2006 be approved as a true and accurate record.

133 MATTERS ARISING

None.

134 DECLARATIONS OF INTEREST

None.

135 LETTER OF REPRESENTATION FOR THE AUDIT OF THE 2005/06 STATEMENT OF ACCOUNTS

The Treasurer submitted a report which outlined the requirements of the appointed auditors (KPMG) to receive from the Joint Committee confirmation that all material matters had been disclosed and that there were no matters of litigations or contractual issues, which could have an effect on the accounts for that year. KPMG also requested that the Committee, as a body examine and approve the letter.

The Letter of Representation was attached at Appendix 1 for information.

RESOLVED: That the Joint Committee approves the letter of representation for submission to the independent auditors.

136 STATEMENT OF ACCOUNTS 2005/06

The Treasurer submitted a report that provided an amended Statement of Accounts for the above period.

The Treasurer explained that it had not been possible to provide a full statement of accounts at the Joint Committee meeting held in May 2006 as Bridgend County Borough Council had not, at that time, approved its own Statement of Internal Control (SIC). This had now been published and the SIC for the Joint Supply Service accounts had subsequently been expanded upon.

A full copy of the Statement of Accounts for 2005/06, examined by KPMG, was attached at Appendix 2 to the report.

The Treasurer advised that the surplus for the year was unchanged. Some cosmetic amendments had been made to the format of the Statement of Accounts and there was a small change to the cashflow statement to confirm that there was no central bank account held for the Joint Committee. Otherwise, the Statement of Accounts was as it was when presented to the Joint Committee in May 2006.

Members questioned if the process of Job Evaluation being carried out by BCBC would have any effect on staffing arrangements in the Catalogue Supplies Service.

The Treasurer advised that accounting policies would be unaffected by Job Evaluation.

The Manager Joint Supplies added that sessions would be held with staff in relation to Job Evaluation at the relevant time but that it was impossible to anticipate the effect upon staff.

The Manager Joint Supplies noted that final expenditure of the organisation was less than in the previous year. The £377,000 surplus would be reduced to £300,000 by approved spending on new vehicles and a £34,000 reserve for Plant and (IT) Equipment.

RESOLVED: That the Joint Committee approves the amended Statement of Accounts.

137 JOINT SUPPLIES SERVICE TURNOVER - 2005/06

Officers submitted a report, which detailed a summary of the turnover of the Supplies Service for the first six months of the current financial year. A summary of the trading turnover of the previous year was also included for information.

The report contained a financial summary of the total catalogue sales for stores and non-stores, the overall turnover made by the authorities and sales turnover by product class.

The Manager, Joint Supplies advised that the three month period up until the 30 September 2006 had been an exceptionally busy service period, particularly for Stores products. Supply to schools to other adjacent authority areas, egg Cardiff, is now being undertaken. Whilst non-Stores sales were still behind target, they were recovering from the below-expectation 1st Quarter. Overall, service turnover is up by nearly 6% compared to last financial year.

The Manager, Joint Supplies advised that as part of the agreed service expansion plan, the existing single catalogue will be replaced by two separate smaller catalogues next year which will provide opportunity for further turnover increase, with the provision of an electronic catalogue facility to be finalised at the same time. Whilst there was a lot of competition, for example through the all-Wales contracts dimension, facilitated by "Value Wales", there had been little impact to date upon the Service. Management continue to monitor the situation weekly.

Members stressed the need to maintain service levels for all service-users during this service-expansion period. There was a need to be a good 'business' continuously improving. Members reiterated the need for the Committee to be made aware of any potential changes to the growth of turnover attained with other neighbouring authorities.

RESOLVED: That the report be noted.

138 FINANCE - BUDGET MONITORING 2006/2007

A report was submitted by Officers on the budget revenue expenditure for the Joint Service for the financial year, estimated at £1,551,000.

The report also highlighted service expenditure to September, reflecting actual spend and a pro rata sum for costs such as accommodation and support services charged on an end of year basis.

The Manager, Joint Supplies outlined the current and projected year-end budgetary variations to both expenditure and income, with a small net trading surplus at 31 March 2007 being anticipated.

RESOLVED: That the report be noted.

139 FINANCE - JOINT SERVICE ESTIMATES 2007/2008

Officers submitted a report summarising the Joint Service Estimates for the forthcoming financial year. These were outlined in the attached Appendix to the report and reflected modification to the current year budget in relation to a more informed definition of the financial implications arising from the extra

responsibilities undertaken by the Joint Services as a consequence of the closure of the former Central Supplies Organisation.

RESOLVED: That the Joint Committee accept the Officer's report.

140 STAFFING SICKNESS ABSENCE 2006/07

A report was submitted by Officers on the subject of staff sickness. A summary of the sickness absence during the second quarter period, together with comparator information from the previous year, was provided in tabular form.

The Manager, Joint Supplies advised that whilst absence for the second quarter was higher than the first quarter, absence levels continued to represent an improvement upon last year's position. He highlighted the impact of long term sickness on the sickness absence figures, given that the certified absence of three staff members accounted for 68% of the total absence. The Manager summarised that support was provided to staff, sickness absence was monitored closely and short term sickness absence was considered to be low and an acceptable level.

RESOLVED: That the report be noted.

141 STORES – INVENTORY ADJUSTMENTS

Officers submitted a report which outlined a summary of inventory adjustments for the period April - September 2006, in relation to stock inventory adjustments.

The Manager advised that slow moving stock was disposed of in the most appropriate way and is reported to the Joint Committee accordingly. The Treasurer added that the Joint Supplies Service accounts contained a £17,000 provision for obsolete stock.

RESOLVED: That the report be noted.

142 INCOME DEBT MANAGEMENT

A report was submitted by Officers outlining the situation regarding Income and Debt Management within the Joint Supplies Service.

The report highlighted the attained objective of reduction in the owed debt to the organisation over the last three years.

The Manager, Joint Supplies, highlighted that the average monthly debt owed to the organisation for the year to date was £525,000, in accord with expectations. The current aged debt profile was the same as for the previous year. He added that the organisation is currently working with participating authorities to identify opportunities to reduce transaction costs, including electronic invoice considerations.

RESOLVED: That the report be noted.

143 ANNOUNCEMENTS

The Chairman announced that David Evans of Bridgend County Borough Council was leaving the Joint Supplies Service to join the Welsh Assembly Wales Collaborative Procurement Unit. He asked that the Joint Committee write to Mr

Evans to thank him for his hard work over the years. He was an excellent officer who would be missed.

The Manager, referred to the core-decisions of the Joint Supplies Committee which had been taken during the year including endorsement of the Service Business Plan, Vehicles acquisition, adoption of the 2005/06 Statement of Accounts and the 2007/08 Estimates. Consequently, the next planned meeting in January would primarily reflect monitoring information in content and mindful of respective commitments of all parties, it may be opportune to defer the meeting till later in the financial year and at the same time, give consideration to the Joint Committee-cycle for the future period. The Joint Manager proposed to review the matter, and inform accordingly in advance of the meeting date.

Members of the Joint Committee discussed the proposal put forward by the Manager, Joint Supplies and expressed their unanimous agreement to it.

RESOLVED: That the Joint Committee agrees to:-

1. Write to Mr David Evans of Bridgend County Borough Council thanking him for his hard work carried out over the years and wishing him well in his new position with the Welsh Assembly Value Wales Collaborative Unit.
2. The deferment of the next scheduled meeting of the Joint Committee, due to take place in Bridgend County Borough Offices on 25 January 2007 to a date to be confirmed in the near future. Members would be informed of the date of the rescheduled meeting at the earliest opportunity.

The Chairman thanked all Members and Officers for their commitment, contributions and attendance, wished all well for the forthcoming Christmas Holidays and extended his best wishes for the future.

The meeting closed at 12.02pm.