

85 JOINT SUPPLIES SERVICE TURNOVER - 2009/2010

The Joint Supplies Service Manager presented his report which summarised the Service turnover for the year to 31 January 2010, together with the target and previous year turnover for the same period. Total catalogue sales to week 44 showed an actual turnover of £4,600m which was 3% down on target turnover.

He summarised the trading turnover by each Authority which had seen overall turnover increased by £1.09m, being £119k below the target for the three months of £1.21m. He stated that the main underlying factors impacting on both the January period and the year to date turnover were due to the adverse impact of the severe weather conditions during January, with the consequential extended schools closure across the four authorities, resulting in a reduction to expected catalogue sales expenditure of £73k. This presumed temporary interruption (catalogue stores) was being gradually reversed, with relevant turnover of £52k in excess of target being evident during early February.

He reported that the anticipated increased service demand from schools within the Swansea and Neath Port Talbot local authority areas for the catalogue-direct (non-stock) product range had continued to under perform, with a turnover shortfall of £140k for this particular catalogue range. This customer group's advised purchase preference is for a single-source supply facility, a service which had not been available from the Joint Supply Service during the trading year but will be available from April as part of the Service Business Plan. The net trading income attainment of the Service continued to be in line with target.

The Head of Procurement BCBC advised that in his role as Vice-Chair of the WPC Officers Group there was an opportunity for the Joint Supplies Service to tender for a WPC contract for Educational Materials, to be let by Neath Port Talbot County Borough Council. The JSS Manager informed the Committee that a collective review of strategy was required to assess a bid for that work which represented a potential opportunity for the Service.

RESOLVED: That the report be noted and Officers collectively assess and consider a CBS tender for the contract.

86 FINANCE - BUDGET MONITORING 2009/2010

The Joint Supplies Service Manager introduced Frances Mantle who had taken on the role of the Committee's accountant following the retirement of Keith Fowler.

The Joint Supplies Service Manager presented a report outlining a summary of the budget expenditure/income, including the projected year end outturn for the year to 31 January 2010. Expenditure and income, including known commitments for January, were within the overall budget for the period with an under spend of 3.5% projected for the financial year. He advised of an under recovery of £28k for the year to date, although this was an interim position only. Specific catalogue production expenditure and associated income had a budgetary profile for completion of related transactions during the last month of the financial year, this profile reflects £155k (67%) of total non-trading income being generated during March. He informed the Committee that the pro rata inclusion of respective expenditure and income within the monitoring summary would result in an overall trading surplus of £14k being attained for the review period. The forecast spend on premises was higher due to a re-assessment of costs on the site which the Supplies Service occupied however this was anticipated to reduce.

- RESOLVED: (1) That the report be noted;
- (2) That a letter be sent to Keith Fowler thanking him for his services to the Committee and wishing him well for his retirement.

87 SERVICE PERFORMANCE INDICATORS

The Joint Supplies Service Manager submitted outlining Performance Indicators for the current year to the 31 January 2010 in respect of the following areas:-

- Stockholding Value
- Product Availability
- Sales Turnover
- Debt Management
- Creditor Payments

The Performance Indicators gave % details of the targets and of the actual achieved in respect of each category.

He also reported that a review would be undertaken to assess the availability of relative comparative PI information for other sectors.

The Joint Supplies Service Manager informed the Committee that he was satisfied with the present level of debt management. He also informed the Committee as to the average stock value during the year which was appropriate to meet the level of service. The Head of Procurement of Caerphilly County Borough Council informed the Committee that her Authority had become a member of the CIPFA Benchmarking Group with other English local authorities on Performance Indicators.

RESOLVED: That the report be noted.

88 STAFFING - SICKNESS ABSENCE

The Joint Supplies Service Manager presented a report which summarised sickness absence for the period April/January 2010. He stated that the impact of longer-term absences of two staff members during the previous quarter period continued into the period to December 31<sup>st</sup>. During the third quarter-period, the certificated absence of seven staff members accounted for 84% (196 days) of total absence, with the average number of days (per person) for other absence being 1.2 days.

He reported that there was a similar profile reflective of the year to December, with the longer term certificated absence of eleven staff members accounting for 78% (416 days) of the total, with other absence averaging 3.9 days per person. Two staff members have left the Service, seven had returned to work during the year with two individuals having continuing absence.

He informed the Committee that discussions had taken place with HR, with the Occupational Health Service always being consulted on specific relative absences.

He presented to the Committee a summary of the absence nature. He advised that this had been an exceptional year with both the extent and nature of staff sickness absence experienced, though the level of absence since the beginning of January suggested levels had now peaked. The cost of sickness payments to the Service was £38k (average salary). Members, in considering some of the individual absences relative to the overall position, expressed their concern as to the potential impact of the present level upon the expansion plans and further growth opportunity for the JSS and staff.

RESOLVED: That the report be noted and the Joint Supplies Service Manager present further reports on sickness absence.

89 FINANCE - JOINT SERVICE BUDGET 2010/11

The Joint Supplies Service Manager presented a report which required the estimates for the forthcoming financial year to be determined by November of the current year. The Joint Committee at its previous meeting in advance of a decision to agree a five year Business Plan for the Service considered and approved a preliminary budget. The budget was structured on the existing service level parameters only, reflecting a nil turnover growth platform. The subsequent adoption of the Service Business Strategy by the Joint Committee incorporating a core modernisation programme together with a planned expansion of the supplies service to schools in adjacent local authority areas, necessitated the preparation of a revised budget to facilitate the first year of the five-year development. Officers had since undertaken further assessment and review taking into consideration the positive financial impact of funding the modernising agenda from accumulated reserves rather than a borrowing strategy, identifying other cost reduction options with consequential opportunity to limit the previous operational budget growth projections within the Business Plan.

A change to the budgetary principle adopted by the Committee was proposed with a move away from the basis of a budget constructed to achieve a breakeven outcome for the financial year to that of budgeting for a small trading surplus, with the objective of the surplus contributing to the accumulated balances of the Joint Committee. Expenditure growth which is specifically related to the expansion of the Service had been projected at maximum requirements, though implementation will be incrementally developed relative to the rate of growth achieved during the year.

The Treasurer advised that the budget for premises had been reduced due to a recalculation of site costs to reflect revised building occupancy together with energy costs reducing by 37%.

The Joint Supplies Service Manager informed the Joint Committee that an Officer from Rhondda Cynon Taff County Borough Council had been temporarily seconded to the Service, part-time, to support the e-procurement element of the Service modernisation programme.

RESOLVED: That the Budget for 2010/11 be approved by the Joint Committee.

90 BUSINESS PLAN - IMPLEMENTATION

The Joint Supplies Service Manager reported that the Joint Committee at its previous meeting agreed a five-year Business Plan for the Joint Service subject to

any further considerations which may have arisen during the process of respective endorsement. He stated that there had been no matters requiring further review subsequently and the Business Plan was now in place for the 1<sup>st</sup> April. The way forward strategy broadly encompassed two inter-related developments:-

The extension of use of the catalogue-supply arrangements to schools in adjacent local authority areas, and

The modernisation of the Service to facilitate increased efficiency and effectiveness for the managing authorities primarily and other customer groups generally.

He reported that the process of implementation had been in place since the start of the year, with regular monthly reports being submitted to Officers as required. He summarised the process being undertaken and progress/timescales for completion of the Business Plan and Modernisation Programme.

**RESOLVED:** That the report be noted.

91 **POSTS AUTHORISED TO ENTER INTO CONTRACTS**

The Joint Supplies Service Manager reported that the Joint Committee had previously determined the posts within the Service which were delegated with authority to enter into contracts for the purchase of goods and services. The operational requirement was subject to an annual review. The Joint Service utilised the contract arrangements of the Welsh Purchasing Consortium for the majority of the catalogue products purchased.

He advised that the annual review had been completed and the ~~existing~~ schedule of delegation as reported was recommended to meet the requirements of the service.

**RESOLVED:** That the Joint Committee approved the schedule of Officers given delegated authority to enter into contracts for the purchase of goods and services as outlined under Item 7.3 of the report.

92 **JOINT COMMITTEE SCHEDULE OF MEETINGS**

**RESOLVED:** (1) That the following dates of the Joint Committee meetings at the locations listed below during the 2010/11 municipal year be approved:-

<b>Meeting Date</b>	<b>Location</b>
22 April 2010	Merthyr Tydfil
24 June 2010	Rhondda Cynon Taff
23 September 2010	Bridgend
25 November 2010	Caerphilly
16 February 2011	Merthyr Tydfil

- (2) That a report be presented to the next meeting of the Joint Committee on the contract award reporting mechanisms.

93 VOTE OF THANKS

The Chairperson advised the Joint Committee that he was unable to attend the next meeting of the Joint Committee. He thanked Members of the Committee for their courtesy and participation and thanked the Joint Supplies Service Manager and staff for their work and support.

The Members of the Committee thanked the Chairperson for his services to the Committee.

The meeting closed at 12.15pm.