

County Borough Supplies Joint Committee

Joint Supplies Service



Bridgend
Caerphilly
Merthyr Tydfil
Rhondda Cynon Taf

County Borough Councils

22 April 2010

Report of JSS Manager

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Item 1

Joint Supplies Service Turnover – 2009/2010

- For the information of Members detailed below is a summary of the final Service turnover for the year 2009/10, together with the target and previous year turnover for the same period for comparison.
- Total Catalogue Sales – 2009/10**

Category	April – Jan 2008/09 (£'000)	Target 2009/10 (£'000)	Actual 2009/10 (£'000)	Variation
Stores	£3,536	£3,650	£3,759	+ 3.0%
Non-Stores	£1,849	£2,080	£1,784	-14.2%
TOTAL	£5,385	£5,730	£5,543	- 3.3%

3. Turnover by Authority

Service	Authority (£'000)				
	Bridgend	Caerphilly	Merthyr Tydfil	Rhondda Cynon Taf	Total
Education	641	718	267	1019	2645
Other Services	602	570	114	1057	2343
Other Authorities/Organisations					555 (488)
Total	1243 (1198)	1288 (1261)	381 (349)	2076 (2089)	5543
(%)Authorities	24.92% (24.5%)	25.82% (25.8%)	7.64% (7.1%)	41.62% (42.6%)	

(Previous year turnover in brackets)

4. Comments

- 4.1 A detailed appraisal will be presented to the next meeting of the Joint Committee in June, with an interim summary being provided below.
- 4.2 The trading year turnover closed showing growth in comparison to the previous year though did not attain the anticipated target for the period, with a 3.3% shortfall.
- 4.3 As is indicated in the statistics, an increase of 3.0% to the consumables (catalogue-stores) product range was achieved though with a 14.2% under achievement within the catalogue-direct group (e.g. furniture etc) reflecting the turnover pattern during the year generally.
- 4.4 The Joint Service attained an increased use of the service by schools in the Swansea local authority area (an increase of £50k) for the catalogue stores range but the anticipated growth in the catalogue-direct service from the same customer group did not take place (a shortfall of £175k).
- 4.5 The use of the Service by the four managing authorities/schools was in line with expectations.
- 4.6 The net trading income for the year exceeded the base target (report item 2)

Item 2**Finance – Budget Monitoring 2009/10 Provisional Outturn**

1. The completion of the 2009/10 accounts for the Joint Service will be undertaken over the next weeks and submitted to the next Joint Committee meeting in June.
2. For the information of Members, this report summarises the provisional outturn position for the year, as set out in the monitoring statement attached as an appendix to this report item.
3. Members will be aware the financial objective for the Service is to achieve recovery of all operational costs from attained income, an objective which was secured, with a provisional £26,000 surplus income.
The above reflects the continuation of the trading operation accounts attainment in previous years, with annual surpluses being achieved since 1996.
4. The provisional outturn comprises an overall underspend against budget (adjusted as indicated) with reduced expenditure on employees, supplies services and transport, with an overspend on premises.
5. The relatively major expenditure variations are (a) supplies & services, reflecting reduced costs of producing the annual catalogue as a single volume publication and (b) transport, where continued efficiencies achieved by maintaining enhanced stock levels and vehicle utilisation management were contributory factors.
6. Income, overall was closely aligned to the adjusted budgetary objective, reflecting an increased level of trading income (+£33k) with a reduced level of non-trading income (-£40k).

7. The provisional contribution to the accumulated reserve in 2009/10 is therefore £26,000 which will be added to the existing balances of £495,000 (net of committed 'modernisation' programme expenditure in 2009/10), with estimated balance on the Reserve at 31 March 2010 being £521,000.

8. Committee is asked to note the provisional outturn position within the report.

Appendix

Joint Supplies ServiceProvisional Outturn Position for 2009/10

Actual 2008/09		Budget 2009/10	Provisional 2009/10	Variation
924,000	Employees	923,000	922,000	- 1,000
99,000	Premises	88,000	94,000	6,000
158,000	Supplies & Services *	207,000 *	189,000	- 18,000
74,000	Transport	87,000	67,000	- 20,000
32,000	Finance/Support Services	35,000	35,000	-
24,000	Service Review	-	-	-
2,000	Reduction in Bad Debt Provision	-	-	-
1,313,000	Total Expenditure	1,340,000 *	1,307,000	-33,000
(1,313,000)	Total Income	(1,340,000) *	(1,333,000)	7,000
0	Deficit/ (Surplus)	0	(26,000)	(26,000)

*Expenditure/income adjusted by £60k to reflect changed accounting practice related to catalogue financial arrangements i.e. original budget expenditure/income being £1,400,000.

Item 3**Service Performance Indicators**

1. As part of the monitoring of the Joint Service, regular reports are presented to Committee in regard previously agreed core performance indicators.
2. Final summary details for 2009/10 are provided below, together with comparator information for previous years.

Performance Indicator	2006/07	2007/08	2008/09	2009/10
Stockholding Value Average stock value during the year. (Target: 8 weeks stock equiv.)	£546k (£523k)	£582k (£525k)	£507k (£546k)	£510k (£553k)
Product Availability Average stock level available upon request. (Target: 96%)	98.34%	98.37%	97.45%	96.87%
Sales Turnover Trading turnover. (Target: £5,730k)	£5,251k	£5,419k	£5,393k	£5,543k
Debt Management Measured owed debt to the JSS as an average during year. (Target: No greater than 5.5 weeks credit income)	£666k	£590k Target: £565k	£571k Target: £575k	£528k Target: £602k
Creditor Payments Payments to suppliers within a standard (national) period. (Target: 97.5%)	95.11%	97.02%	97.79%	98.48%

Committee is asked to note the report.

Item 4**Staffing – Sickness Absence Monitoring**

1. As part of the regular monitoring reports presented to the Joint Committee, the sickness absence review for the year 2009/10 is provided for information.
2. Members will recall, at the last meeting in February, enhanced analysis and explanation was provided with similar presentation to be included in a future report to Committee.
3. The information below, to include the final quarter-period for the year, confirms the indications from the previous report of an improving situation over the last months, reflecting an assessed peaking of absence levels during January/February, with the managed return to work of long-term absence staff during the previous periods.

	No. of Staff Absent	Total No. of Days Absence	Average No. of Days (per person)
Apr-Jun 09	14	153 (135)	3.4
Jul-Sep 09	15	139 (149)	4.3
Oct-Dec 09	18	233(191)	6.3
Jan-Mar'10	9	109(138)	2.9
Total	28	634(613)	16.8(16.25)

(Previous year/period in brackets) / Includes former employees

4. As illustrated overpage, the long-term absence of staff, both during the final quarter-period and the whole year, contributed significantly to the overall position, with such absences being monitored by the Occupational Health Services, as appropriate.

	Period Jan-March '10		Period 2009/10 Year	
	No of Staff Absent	No of Days	No of Staff Absent	No of Days
Long-term, certificated, absence	2	84(78%)	11	508(80%)
Other Absence	7	25	17.5	126

(Includes former employees)

5. For information, of the eleven staff reflected in the above, two left the service during the year, eight returned to work with one staff member continuing absence into 2010/11.

6. Committee is asked to note the report.

Item 5**JSS Contracts Governance****Reporting Procedures**

1. The establishment of the Joint Service in 1996, incorporated an informal trading partnership alliance with the then three other supplies operations in South Wales, working in conjunction with the Welsh Purchasing Consortium inter-authority group.
2. In the period which followed, the designated trading contracts represented a significant part of the WPC contract arrangement portfolio, with the primary management responsibilities being undertaken by the supplies operations including the JSS.
3. The practice for the governance of the designated contract management at that time and to date, including delegated responsibility to officers to support operational requirements, has been for the reporting of the contracts detail to the WPC Officer and Management Committee groups.
4. Other contract arrangements, which are required for use only by the JSS primarily, are reported to the Joint Committee as regular 'business' items in the JSS Manager reports.
5. Members will be aware the direction and subsequent contracts portfolio of the WPC has been and continues to be in the process of change and enhancement, whilst at the same time the WPC group has expanded to include other local authorities.

6. As a consequence of these changes, the relevance of the supplies (trading) contracts both within the WPC portfolio and to the majority of the member authorities has declined to the position where the WPC contracts governance responsibility is no longer appropriate.
7. At the same time, with an increased importance and core-requirement of such contracts to the JSS it is considered desirable to revise the existing reporting practice and align to the Joint Committee exclusively.
8. Effectively, all contract arrangements managed by the Joint Service would in future be reported to this Committee, the change being effective at the earliest practicable date.

Recommended

The Joint Committee agrees this transfer of contracts governance and reporting responsibilities.

Item 6**Business Plan - Implementation**

1. In support of the previous decision of the Joint Committee to endorse the Service 5 - Year Business Plan, commencing April 2010, regular reports will be presented to review both the progress of the implementation programme together with the planned turnover growth.
2. Members will be aware, the Business Strategy reflects two inter-related initiatives, (a) modernisation of the Service to facilitate increased efficiency to support (b) the increased use of the JSS arrangements by designated customer groups.
3. For the information of Committee, the progress and timescales for completion of the transitional work is attached.

Committee is asked to note the report.

Requirement	Process
Restructure/Production/Distribution of Supplies Catalogue	Prime Marketing Facility of Organisation. Completed March.
Marketing of Service to new customer groups, (schools).	First phase completed in Feb/March. Communications structure in place.
2010/11 Budget Review and agreement.	Completed February.
Resources	
a) Service expansion.	Transport completed March, other finalising April.
b) Modernisation	Recruitment scheduled for July.
Staff Consultation	Completed December.
Equipment upgrade	IT completed April. Other deferred purchase to third quarter-period.
Modernisation Programme	
Phase 1	
Web-based catalogue/payment facility with integrated catalogue content management system	Procurement process completed. Implementation commenced February. Full web-site completion/availability by end-June.
JSS Core Back-Office System Integration (to other customer-user systems)	Integration with, initially, the xchangewales service platform (being utilised by BCBC and CCBC presently, with RCT and MTCBC impending utilisation). Facilitates automatic purchase order integration. (March). Provide return transaction, e-invoicing opportunity to user authorities (March). <i>Awaiting xchangewales completion.</i>
(Purchasing) Card-enabling payment facility (schools/other)	Current development, initial facility for RCT. Completion/availability by 22nd March. <i>Delayed commencement to April.</i>
Phase 2	
Operational processes re-engineering	Enhancement and re-engineering of existing internal process to support efficiencies objective. <i>Preparatory review work (supported) commenced Feb/March.</i>
Customer Relations Management (CRM) System	Development planned to commence post completion of all Phase 1 works in June but principle to be aligned with current programmes.

Item 7

Staffing – Annual Review

1. The staffing complement of the Joint Supplies Service comprises employees seconded from the participating authorities, together with other staff employed exclusively by the Joint Service, being contracted to the host authority.
2. As part of the review of the Service staffing arrangements, a report is submitted annually to the Joint Committee for information.
3. A summary of the seconded staff complement at 1st April 2010 is provided below.

Designation	Employing Authority
Manager (CBS01) Stores Supervisor – (Transport) (CBS13) Carpet Fitter (CBS38)	Rhondda Cynon Taf
Customer Support & Sales Manager (CBS08) Senior Administrative Officer (CBS26)	Bridgend
I.C.T. & Support Services Manager (CBS25) Marketing & Catalogue Manager (CBS23) Customer Services Group Leader (CBS33)	Caerphilly

Committee is asked to note the Report.

Item 8**Joint Committee Schedule of Meetings**

1. At the last meeting of the Joint Committee, a schedule of meetings for the next twelve-month period was proposed and agreed incorporating the previous decision of the Committee to meet on a more frequent basis during the first six months of the new financial year.

2. The following amendment and additional meeting date, extending the programme to May 2011, is proposed and recommended for acceptance.

Date		Venue
24 June 2010	Unchanged	Rhondda Cynon Taff
23 September 2010	Unchanged	Bridgend
18 November 2010	Previously 25 November 2010	Caerphilly
16 February 2011	Unchanged	Merthyr Tydfil
26 May 2011	Additional Meeting Date	Rhondda Cynon Taff

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