

County Borough Supplies Joint Committee

Joint Supplies Service



Bridgend
Caerphilly
Merthyr Tydfil
Rhondda Cynon Taf

County Borough Councils

23 September 2010

Report of JSS Manager

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Item 1**Joint Supplies Service (JSS) Turnover – April-August 2010**

1. A summary of the Service turnover for the period April-August of the financial year is provided below.
2. A detailed analysis and commentary is included in a later report to this meeting as part of a review of the Trading Position and Service implications for the organisation.

3(a). Catalogue Sales – April-August

Category	April-Aug 2010/11	Target 2010/11	April-Aug 2009/10	Variation (to Target)
Catalogue-Stores	£1,756,000	£1,875,000	£1,767,000	- 6.3%
Catalogue-Direct	£599,000	£769,000	£682,000	-22.1%
Totals	£2,355,000	£2,644,000	£2,449,000	-10.9%

3(b) Catalogue Sales –Quarter-period analysis

Period	Target	Actual	Variation
April-June	£1,484,000	£1,498,000	+0.9%
July-Sept (part)	£1,272,000	£990,000	-22.2%
Totals	£2,756,000	£2,488,000	-9.7%

- 4 As indicated above, the successful first quarter-period has not continued into the second quarter, with an under-recovery during July/August though overall targets for September to date are being attained.
- 5 A summary of the turnover by Authority, together with the previous year for comparison, is provided over-page for information.

Service	Authority (£'000)				
	Bridgend	Caerphilly	Merthyr Tydfil	Rhondda Cynon Taf	Total
Schools	347(333)	326(351)	89(118)	475(467)	1237(1269)
Other Services	200(293)	224(204)	52(52)	340(366)	816(915)
Other Authorities/Organisations					303(265)
Total	547(626)	550(555)	141(170)	815(833)	2053(2184)
(%)Authorities	(26.6%)	(26.8%)	(6.9%)	(39.7%)	2356

6. As Members will be aware, during the current year the expansion of the use of the Service to schools within the Neath-Port Talbot and Swansea local authority areas is an objective within the Business strategy.
7. A summary of the relevant period trading activity of this customer group is provided below for information,

Target Growth - Full Year	£380,000	
Target Growth – April to August	£140,000	
Target Schools Growth – Full Year	73	(Minimum quantity target)
Turnover – April-August	£86,000	(£40,000 April-August 2009/10)
No. of schools supplied	96	(47 Neath PT: 49 Swansea)
No. of 'new' schools since April 1 st	59	

8. The first-term results have been disappointing in regards turnover attainment though the number of new schools using the Service has been encouraging providing opportunity to develop the initial arrangements during the coming months.

Committee is requested to note the report.

Item 2

Finance – Budget Monitoring 2010/2011

1. A summary of the budget expenditure / income, including projected year end charges and commitments, for the period April–August 2010 is provided as follows.

Outturn 2009/10		Estimate 2010/11	Actual(adjusted*) to 31 Aug 2010	Projected 31 March 2011
925,000	Employees	977,000	377,000 (379,000)	937,000
184,000	Supplies/Services	202,000	40,000 (75,000)	198,000
68,000	Transport	89,000	26,000 (31,000)	79,000
96,000	Accommodation	82,000	2,000 (34,000)	82,000
35,000	Finance/Support Services	36,000	0 (15,000)	36,000
3,000	Bad Debt Provision	0	0	0
1,311,000	Total Expenditure	1,386,000	445,000 (534,000)	1,332,000/1,322,000
1,336,000	Total Income	1,416,000	465,000 (558,000)	1,362,000/1,307,000
+25,000	-Deficit/+Surplus	+30,000	+20,000 (+24,000)	+30,000/-25,000

*Adjusted to include pro-rata commitments during the year.

- 2 Members will note an adjusted trading surplus of £24k, to end of August, with a planned under-spend for the financial year of £54,000 (3.9%) minimum, subject to turnover growth progression during the remainder of the year.
- 3 As referred to in the previous item, further analysis and review on the outturn expectations and trading position is included in a later Officer Report being presented to this meeting.

Committee is requested to note the report.

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. The following summary of operational Performance Indicators for the period April - August is provided below.

Performance Indicator	2007/08 (Full Year)	2008/09 (Full Year)	2009/10 (Full Year)	2010/11 (Apr-Aug)
Stockholding Value Average stock value during the year. (Target: 8 weeks stock equiv. max)	£582k (£525k)	£507k (£546k)	£510k (£553k)	£596k (£630k)
Product Availability Average stock level available upon request. (Target: 96%)	98.37%	97.45%	96.87%	97.02%
Sales Turnover Trading turnover. (Year Target (Initial) : £6,170k, (Revised) : £5,600k Period Target £2,644k)	£5,419k	£5,393k	£5,543k	£2355k
Debt Management Measured owed debt to the JSS as an average during year. (Target: No greater than 5.5 weeks credit income)	£590k Target: £565k	£571k Target: £575k	£528k Target: £602k	£437k Target: £549k
Creditor Payments Payments to suppliers within a standard (national) period. (Target: 97.5%)	97.02%	97.79%	98.48%	98.9%

Committee is requested to note the report.

Item 4**Catalogue Price Benchmarking**

1. As part of the continuous monitoring of the JSS arrangements, the comparison of catalogue prices is undertaken and reported periodically to the Joint Committee to support Performance Management.
2. The catalogue maintains a product portfolio of 10,000 items and Members will be aware of the range of recognised alternative supply arrangements available in the market, both within the private and public sectors.
3. Such price benchmarking, in addition to the monitoring function also provides a supportive facility to sales and marketing function of the organisation.
4. Since the last meeting, a comprehensive review of respective catalogue prices has been completed, comprising comparison of primarily high turnover items with a collective turnover value of £1.87m, equivalent to 33% of total catalogue turnover and being used as a pro-rata basis to assess annual cost implications.
5. A summary of the benchmarking analysis, based upon published catalogue prices only for common product groups is attached for information, with the expected continuing overall price competitiveness of the JSS Catalogue being confirmed.
6. Further benchmarking reports will be presented for the information of the Joint Committee at regular periods.

Committee is requested to note the report.

Item 5

Business Plan

Modernisation Programme

1. As part of the implementation of the Service 5-Year Business Plan, regular reports are presented to the Joint Committee reviewing progress of the Service modernisation programme which is an integral requirement to the way forward for the organisation.
2. Accordingly, for the information of Members, a summary of the development work to date, timescales, financial and future plan is provided below (and over-page).
3. Financial (Reserve funding)

Programme	Payments (2009/10)	Committed Expenditure (2010/11)	Future Planned Expenditure (2010/11)
System Integration	£13k	£1k	Nil
E-Commerce - Web Development	£3k	£44k	Nil
E-Payment Facility (Purchasing Card)	Nil	£2k	Revenue only
Process re-engineering	Nil	Nil	£12k (Deferred)
Customer Relations Management System	Nil	Nil	£10k (Deferred)
Operational Equipment	Nil	Nil	£14k (Deferred)
Total	£16k	£47k	£36k

Committee is requested to note the report.

<u>Modernisation Programme</u>	
Phase 1	
<p>E-Commerce. Web-based catalogue ordering/payment facility with integrated catalogue content management system</p>	<p>Procurement process completed. Implementation commenced February.</p> <p>First stage Web static pages available by <i>June 30th</i>. Interactive Web site trialing <i>July/August</i>. Full web-site completion/availability <i>20 September</i>. (www.countyboroughsupplies.org)</p>
<p>JSS Core Back-Office System Integration (to other customer-user systems)</p>	<p>Integration with the xchangewales service platform (being utilised by BCBC and CCBC presently, with RCT and MTCBC impending utilisation). Purchase order export from xcwales to JSS 'back-office' system enabled <i>May</i>. Development of 'user authority specific' data import from xcwales facility in process currently. <i>July</i> Trialing of the return transaction, e-invoicing facility, in process with users currently, completion <i>July</i>.</p>
<p>Electronic Debtor Payment Facility Purchasing Card-enabled</p>	<p>Development completed and operational <i>May 2010</i></p>
Phase 2 (DEFERRED PENDING SERVICE REVIEW)	
<p>Operational processes re-engineering</p>	<p>Enhancement and re-engineering of existing internal process to support efficiencies objective.</p> <p>Project commencement post completion of all Phase 1 developments, <i>September</i>.</p>
<p>Customer Relations Management (CRM) System</p>	<p>Development planned to commence post completion of all Phase 1 works in June but principle to be aligned with current programmes.</p> <p>Commence <i>September</i>.</p>

Item 6**Welsh Purchasing Consortium Contract****Supply of Educational Curriculum Aids (Three-year period)**

- 1 At the last meeting of the Joint Committee, Members were advised of the intended participation of the JSS in a Welsh Purchasing Consortium contract for the supply of Educational to schools within the WPC area.
- 2 The JSS tendered for the respective catalogue range provision to two of the four geographical lots, Neath Port Talbot and the Vale of Glamorgan and has been accepted as one of two nominated suppliers, with an effective commencement date of 1 September.
- 3 It is anticipated that the attainment of the WPC supplier status will support the growth objectives of the JSS to schools in both these areas and also within the Swansea authority, which Members are aware forms part of the planned growth of the Service-use objectives of the Business Plan.
- 4 The active marketing of the JSS arrangements already in place is now being extended to the potential new schools group and a verbal update will be provided at the meeting.

Committee is requested to note the report.

Item 7

Staffing – Sickness Absence 2010/2011

1. As part of the regular monitoring reports presented to the Joint Committee, the sickness absence within the organisation is reported.
2. A summary of absence within the organisation for April-August 2010 is provided below.

	No of Staff Absent	Total No of Days Absence	Average No of Days (per person)
April-June '10	8	66 (153)	1.8
July-August '10	2	18 (79)	0.48
Totals		84 (232)	2.28

(Previous year in brackets)

3. The overall level of sickness absence during the year to date has continued the improving trend evident during the final quarter of last year, with a 64% reduction achieved over the period.
4. As was the underlying cause in previous years, long term certificated absence, during the period to end of August, the absence of one staff member accounts for 55 days (65%) of total absence, with the average number of days (per person) for other absence being 0.8.

Committee is requested to note the report.

Product Group	JSS Annual Turnover	All Wales Contracts	Other Consortia	Other Public Sector / Local
Education Curriculum Materials	£840k	-32%(-£269k)	-	-
Paper (core-white)	£380k	-8.4%(-£32k)	-	-
Stationery – General	£850k	+7.4%(+£63k)	-	-
Furniture & Associated	£820k	-	-1.8%(-£15k)	-
Janitorial	£1,280k	-	-0.9%(-£11k)	-
Exercise Books*	£270k	-20%(-£24k)	+14%(+£15k)	-2%(-£4k)
<i>General Catalogue Stores Range (All product categories-single supply source)</i>	<i>£3.75m</i>	-	<i>-6%(-£225k)</i>	-

*(Limited range of alternative available items)

Key

+ JSS Price Disadvantage

- JSS Price Advantage

NB: Commodity turnover of the six product categories above reflects 80% of total JSS turnover