

MINUTES OF A MEETING OF THE CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE HELD IN THE JUNIPER ROOM, BRIDGEND COUNTY BOROUGH COUNCIL INNOVATION CENTRE, BRIDGEND ON THURSDAY, 23 SEPTEMBER 2010 AT 11.00AM.

Present:- Councillor R D L Burns - Chairperson

Representing Bridgend County Borough Council

Councillor H J David

Representing Caerphilly County Borough Council

Councillor C Hobbs
Councillor C P Mann

Representing Merthyr Tydfil County Borough Council

D D Games

Officers:-

P Hughes - (Manager, Joint Supplies)	- Bridgend County Borough Council
A Phillips	- Bridgend County Borough Council
J Ferris	- Bridgend County Borough Council
F Mantle	- Bridgend County Borough Council
I Evans	- Caerphilly County Borough Council
C Lewis	- Merthyr Tydfil County Borough Council
V Hanley	- Rhondda Cynon Taff County Borough Council
A Rees	- Bridgend County Borough Council

124 APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Members and Officers for the reasons so stated:-

Councillor J Amos	- Other Council business
Councillor M Webber	- Other Council business
Councillor C J Willis	- Other Council business
E Lucas – Caerphilly County Borough Council	- Leave

125 MINUTES OF PREVIOUS MEETING

RESOLVED: That the minutes of the Catalogue Supplies Service Joint Committee meeting held on the 24 June 2010, be approved as a true and accurate record.

126 DECLARATIONS OF INTEREST

None.

127 FINAL STATEMENT OF ACCOUNTS - 2009/2010

The Treasurer submitted the Statement of Accounts for the Financial Year ended 31 March 2010 which were due to be signed off by the external auditors KPMG and to receive the Auditor's report to those charged with governance.

The Treasurer reported that the Accounts and Audit (Wales)(Amendment) Regulations 2010 required that the Joint Committee approve the Statement of Accounts by the 30 September which enables approval to take place on audited rather than unaudited accounts. The format and content of the statement is governed by those regulations and the Accounting Standards Board's "Code of Practice on Local Authority Accounting in Great Britain". The unaudited Statement of Accounts was reported to the previous meeting of the Committee which agreed that draft accounts would continue to be received by the Joint Committee in June of each year and the final (audited) accounts by the 30 September. Following approval of the draft accounts, they were placed on public deposit and were subject to audit by KPMG, the auditors appointed for the Joint Committee by the Wales Audit Office.

The Treasurer reported that the external auditors had made some amendments to the Statement of Accounts. The surplus for the year is £8,000, which left an accumulated surplus of £436,000 as at the 31 March 2010.

The only significant presentational change to the Statement of Accounts is the inclusion in the revenue accounts of the year of the cost of the modernisation activities (£16k) which the Committee had resolved would be met by reserves rather than handicapping the year's performance. The inclusion of these costs reduced the surplus for the year to £8k but which makes no difference to the accumulated surplus at the end of the year. If it were not for this one-off item the trading results for the year would have shown a surplus of £24k.

The Treasurer also reported that the mutual responsibilities of auditor and the audited body are expressed in the documents appended to the report. Auditing standards require the auditors to obtain representation from the Committee in certain matters material to their opinion. The letter of representation, confirms to the best of one's knowledge and belief, having made appropriate enquiries of other officers of the Catalogue Supplies Services Joint Committee, certain assurances regarding the financial statements for Catalogue Supplies Services Joint Committee for the year ended 31 March 2010.

The auditors had prepared a "Report to those charged with governance", which summarised the key issues identified during the consideration of the Statement of Accounts and Annual Governance Statement.

The Committee expressed its concern at the presentational change made to the Statement of Accounts in that the cost of the modernisation activities had to be met from the trading surplus rather than being met from reserves, which impacted upon the results of the trading surplus.

The Committee questioned whether international financial reporting standards could be used in the preparation of the Statement of Accounts.

RESOLVED: That the Joint Committee:-

- (1) Noted the audited Statement of Accounts for 2009/10.
- (2) Noted and agreed to the letter of representation to be provided KPMG.
- (3) Noted the Auditors "Report to those Charged with Governance".

- (4) The Treasurer presented a report to the Joint Committee on the use of International Financial Reporting Standards in connection with the Statement of Accounts.

The meeting adjourned at 11.17am and reconvened at 11.24am.

128 PRESENTATION ON THE NEW COUNTY SUPPLIES WEBSITE

The Joint Committee received a Presentation by Theresa Callan, Marketing, Catalogue and Web Manager, Joint Supplies Service of the new County Borough Supplies website, which is a multi-channel content-based system (managing catalogue product information). The Committee received a demonstration of the functionality of the new interactive website structured as the County Borough Supplies Catalogue. The site is a secure site providing secure log on facilities for customers. The website had a strong search facility using the Google search engine. Early web enquiries had been received from potential customers outside of Wales and the private sector (unable to supply).

The Web Manager informed the Joint Committee that a structured and measured approach had been undertaken to develop the website, which had been live for a week. The ordering and invoicing parts of the site are fully functional and the availability of card payment facilities was imminent.

The Web Manager confirmed that endorsement and quotations from customers would be placed on the website. The website utilises a common catalogue product database which supports both the Xchangewales catalogue arrangements of the JSS and also the production of the annual printed catalogue. The Web Manager informed the Committee that the site used one of the highest levels of resilience, which was also used by retailers such as Next and Argos.

The Committee commented on the need for the collaborative nature of the Joint Supply Service to be emphasised on the website and also for the partners' logos to be displayed on the website.

RESOLVED: That:-

- (1) The Committee congratulated the staff on developing the new website and thanked the Web Manager for an informative presentation on the website.
- (2) A report be presented to a future Committee meeting on the website as a business venture, reviewing on-line trading activity.

129 JOINT SUPPLIES SERVICE (JSS) TURNOVER - APRIL - AUGUST 2010

The Joint Supplies Service Manager presented a report which summarised the turnover of the Service for the period April - August 2010. Total catalogue sales for the period April - August was £2.449m down 10.9% on target turnover. Catalogue sales for the period to early September were 9.7% down on target turnover. Difficult trading conditions had been experienced during July and August with an under recovery though overall targets for September to date were being attained.

He summarised the trading turnover by each Authority showing comparisons with the previous year.

He reported that during the current year the expansion of the use of the service to schools within the Neath Port Talbot and Swansea local authority areas was an objective within the Business Strategy and he summarised the trading activity of this customer group which had produced turnover from April - August of £86k.

He stated that the first term results had been disappointing with regard to turnover attainment although the number of new schools using the service had been encouraging providing an opportunity to develop the initial arrangements during the coming months.

RESOLVED: That the report be noted.

130 FINANCE - BUDGET MONITORING 2010/11

The Joint Supplies Service Manager report on a summary of budget expenditure/income including projected year end charges and commitments, for the period April - August 2010. He informed the Committee of an adjusted trading surplus of £24k to the end of August with a planned budgetary under-spend for the financial year of £54k (3.9%) minimum, subject to turnover growth progression during the remainder of the year.

RESOLVED: That the report be noted.

131 SERVICE PERFORMANCE INDICATORS

The Joint Supplies Service Manager submitted a report outlining Performance Indicators for the period April - August 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.

RESOLVED: That the report be noted.

132 CATALOGUE PRICE BENCHMARKING

The Joint Supplies Service Manager reported that as part of the continuous monitoring of the Joint Supplies Service arrangements a comparison of catalogue prices was undertaken and reported periodically to the Joint Committee to support Performance Management. The Catalogue maintained a product portfolio of 10,000 items and the Committee would be aware of the range of alternative supply arrangements available in the market, both within the private and public sectors. Such price benchmarking, in addition to the monitoring function also provides a supportive facility to the sales and marketing function of the organisation.

He reported that 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.

He presented a summary of the benchmarking analysis, based upon published catalogue prices only for common product groups, which confirmed the overall price competitiveness of the JSS Catalogue. He confirmed to the Committee that a rationalisation of the range of product groups was planned.

The Committee considered that it would be advantageous to the Joint Supplies Service to demonstrate its price advantage over its competitors to potential customers through independent auditing.

The Committee questioned the steps taken to rationalise slow moving products. The Joint Supplies Service Manager informed the Committee that items of stock that were slow moving were continually reviewed and initiatives are being undertaken to secure such products sale or other disposal outcome.

- RESOLVED:
- (1) That the report be noted;
 - (2) That a report be presented to the next meeting on slow-moving stock and product rationalisation,
 - (3) The new Joint Supplies Service website have an area which had discounted prices for slow moving products.

133 BUSINESS PLAN MODERNISATION PROGRAMME

The Joint Supplies Service Manager presented a report which provided an update to the Joint Committee reviewing progress of the modernisation programme which is an integral requirement to the way forward for the organisation. He summarised the development work undertaken to date, timescales, financial and future plans. He advised that £16k had been spent in the previous year with £47k being committed in the current financial year. Further planned expenditure of £36k (phase 2) is planned for 2010/11 but this had been deferred pending the Service Review, these related to operational processes re-engineering, customer relations management system and operational equipment.

RESOLVED: That the report be noted.

134 WELSH PURCHASING CONSORTIUM CONTRACT SUPPLY OF EDUCATIONAL CURRICULUM AIDS (THREE YEAR PERIOD)

The Joint Supplies Service Manager reported that the Committee had been advised at its previous of the intended participation of the JSS in a Welsh Purchasing Consortium contract for the supply of educational curriculum aids for schools within the WPC area. The JSS had tendered for the respective catalogue range provision to two of the four geographical lots, namely Neath Port Talbot and the Vale of Glamorgan and had been accepted as one of two nominated suppliers with an effective commencement date of 1 September. It was anticipated that the attainment of the WPC supplier status would support the growth objectives of the JSS to schools in both these areas and also within the Swansea Authority, which formed part of the planned growth of the Service-use objectives of the Business Plan. The active marketing of the JSS arrangements already in place was now being extended to the potential new schools group.

RESOLVED: That the report be noted and Officers be congratulated on successfully tendering for the WPC contract.

135 STAFFING – SICKNESS ABSENCE 2010/11

The Joint Supplies Service Manager presented a report which informed the Committee of the sickness absence within the Organisation. He advised that overall the level of sickness absence had continued to improve with a 64% reduction achieved over the period. The long term certificated absence of one member of staff had accounted for 55 days (65%) of the total absence with the average number of days (per person) for other absence being 0.8 days.

RESOLVED: That the Committee noted the report and expressed its appreciation to the management of the Service in reducing sickness absence.

136 EXCLUSION OF THE PUBLIC

RESOLVED: That under Section 100A(4) of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation)(Wales) Order 2007 that the public be excluded from the meeting during consideration of the following items as the reports contain exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Act.

Following the application of the public interest test it was resolved that pursuant to the Act referred to above to consider the Joint Supplies Service Review, Contracts Variation Report and Confidential Minutes of Catalogue Supplies Service Joint Committee of the 24 June 2010 in private with the public excluded from the meeting as it would involve the disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information) by virtue of Paragraph 14 of Part 4 of Schedule 12A of the Act.

<u>Minute Nos.</u>	<u>Summary of Items:</u>
137	Joint Supplies Service Review.
138	Contracts Variation Report
139	Confidential minutes of the Catalogue Supplies Service Joint Committee held on the 24 June 2010.