

## REPORT OF THE ASSISTANT CHIEF EXECUTIVE - PERFORMANCE

### CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE

14th JULY 2011

#### SERVICE PERFORMANCE 2010/11 and 2011/12

#### 1. Purpose of Report

The purpose of the report is to provide the Joint Committee with an appraisal of the Service trading and operational performance for the last financial year and the current year to date.

#### 2. Connection to Corporate Plan / Other Corporate Priority.

The Joint Supplies Service provides a one stop purchasing facility for each of the partnering Authorities, through delivery via stores and a direct sourcing function for items of common and repetitive spend. It demonstrates savings to corporate customers and schools through economies of scale, which can be used in service delivery.

#### 3. Service Turnover

##### 3.1 2010/11 Final Outturn

Previous reports to the Joint committee noted the improved turnover of the Service during the second half of the year following an under-attainment of target during the first six-month period, necessitating revision to the growth target. The improvement was maintained during the final months, as summarised below.

2010/11 Original Target	Revised Target	Actual
£6,250,000	£5,630,000	£5,661,000

Bridgend	Caerphilly	Merthyr Tydfil	Rhondda Cynon Taf	Neath-Port Talbot/S'sea	Other	Total
£1,361,000	£1,326,000	£340,000	£1,994,000	£193,000	£447,000	£5,661,000
(£1,242,000)	(£1,283,000)	(£381,000)	(£2,075,000)	(£89,000)	(£468,000)	(£5,538,000)

*Previous year in brackets.*

### 3.2 2011/12 April-June (week 12)

Summary of turnover during the period April to June (week 12) is provided below, noting the early surplus position with current update to be provided at the meeting.

April-June 2010/11	Target April – June 2011/12	Actual 2011/12
£1,254,000	£1,285,000	£1,420,000

Bridgend	Caerphilly	Merthyr Tydfil	Rhondda Cynon Taf	Neath-Port Talbot/S'ea	Other	Total
£384,000	£317,000	£97,000	£454,000	£52,000	£116,000	£1,420,000
(£330,000)	(£263,000)	(£83,000)	(£425,000)	(£44,000)	(£108,000)	(£1,253,000)

*Previous year in brackets.*

## 4 Service Performance Indicators

As part of the monitoring of the Joint Service, regular reports are presented to the Joint Committee in relation to designated core performance indicators, with the following summary information provided for the April-June period.

Performance Indicator	Service Target	2010/11 (Full Year)	2011/12 (Apr-June)
<b>Product Availability</b> Average stock level available on first request	96%	96.65%	97.54%
<b>Stockholding Value</b> Average stock value during the trading year.	8 weeks stock equivalent	8.8 weeks (£523k)	10.5 weeks (£641k)
<b>Sales Turnover</b> Trading turnover	£5.63m (10/11) £1.285m (Period 11/12)	£5.66m	£1.42m
<b>Debt Management</b> Owed debt to the JSS during trading year	Not greater than 5.5 weeks credit income	4.8 weeks (Average £528k)	4.4 weeks (Average £485k)
<b>Creditor Payments</b> Supplier payments within legislated period	97.5%	97.6%	97.7%

## 5 Absence Monitoring 2010/11 Final and 2011/12 April-May

A summary of the sickness level within the Service for the last financial year and the current year to 31 May is detailed below for information,

*2010/11*

No. of days absence		Average no. of days per person	
2009/10	2010/11	2009/10	2010/11
652	312*	16.7	8.4

\* Includes three long-term absences totalling 174 days

2011/12 April-May

No. of days absence	Average no. of days per person
30.5*	0.8
* Includes two long-term absences totalling 25 days.	

**6 County Borough Supplies Web Site**

A report regarding the Service web site has been circulated separately to Members (copy attached Appendix A) in advance, as requested and an update will be provided at the meeting.

**7 Stockholding Review**

A report relating to a review of Service stockholding has been circulated separately to Members (copy attached Appendix B) in advance, as requested and an update will be provided at the meeting.

**8 Joint Committee – Calendar of Meetings**

The next meeting of the Joint Committee is scheduled for October 20<sup>th</sup>. The final Statement of Accounts for 2010/11 will need to be considered by the Committee by September 30<sup>th</sup> and it is therefore proposed to bring forward the next meeting to the last week of September, provisionally the 28<sup>th</sup> subject to agreement.

**9 Effect upon Policy Framework and Procedure Rules**

This is an information report and has no implications for the Council's policy framework or procedure rules.

**10 Equalities Impact Assessment**

None.

**11 Financial Implications**

This is an information report and there are no additional financial implications.

**12 Recommendation**

It is recommended that Members note the content of the report.

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**Background Documents. None other than identified within the report**

## Report of Joint Supplies Service Manager

### County Borough Supplies Website - Update

1. In September 2010, the Joint Supplies Service (JSS) introduced the Service Web site to primarily support e-procurement/supply initiatives as well as providing an online enhanced information and communications structure for the operation.
2. The Web site aligns to the printed catalogue, with increased customer utilisation being a key part of the JSS Marketing Strategy, complementing the other e-commerce supply platform of the xchangewales e-trading portal in common use, generally, amongst the four joint authorities and wider Welsh public sector.
3. The system which supports the Web application is a common, single information repository, centrally managing or aiding the extensive data control for the catalogue, web site and xchangewales catalogues avoiding much of the previous multi-system information management approach.
4. In terms of the web-ordering function usage by customers, in reflecting the joint authorities' 'corporate' procurement participation with xchangewales for e-commerce purposes, the targeted customer groups for the JSS are the education sector, generally, together with the independent customer sector, with a combined annual turnover of 60% of total.
5. The programme of rolling-out the web site access to schools was undertaken at the outset, in September 2010, activating web accounts for all school customers, as included in the analysis below. The second phase of the implementation process, the independent educational customer group, has also been completed with a continuing review of customer participation being programmed.
6. Web Usage/Customer Analysis (Sept 2010 – June 2011)

Total JSS Sales Turnover (Monitored Period)	£4.1m
Web Sales turnover to June 30th	£173,772 (4.2%)
Web Order Transactions	1266 (3.8%)
Customer Accounts Activated	831
Customer accounts in use	369

#### Sales Turnover Profile

Sept – Dec 2010	£32347.42 (19%)
Jan – Mar.2011	£44171.60 (25%)
Apr-June 2011	£97254.68 (56 %)

#### Customer User Analysis (No. of Customers)

	BCBC	CCBC	MTCBC	RCTCBC	Other
Activated	78	97	40	155	461
Usage	64	49	17	80	159
Ordering	32	16	9	43	90

7. It is recognised customers will maintain their preferred or integral ordering systems, such as the Schools Information Management System (SIMS), for their purchasing process requirements and consequently it can be expected that the website could be used to support customer ordering, providing the access to undertake product selection via the web with an expectation for the order transaction, following authorisation practice within SIMS, being electronically transferred between the customer and the JSS.
8. The development of an application to facilitate this practice (catalogue 'punch-out') has now been completed by the JSS with implementation later this month in conjunction with the Service Marketing strategy.

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## Report of Joint Supplies Service Manager

### Review of Stockholding

1. The Joint Supplies Service maintains a current catalogue (and bespoke) range of 2,750 products, covering the broad catalogue content available to the existing 1,800 customers of the JSS.
2. To provide for the variable customer ordering cycle throughout the year, stockholding levels are adjusted to anticipated demand, with twin objectives of maintaining a minimum product availability level of 96% average annually together with a stock-hold value equivalent to eight weeks average required demand.
3. The volume and value of stock retained at any time is further impacted by other operational factors, typically, manufacturers' delivery lead time, contractual supply terms and pre-contract price increase purchasing.
4. During the last financial year the product availability service level was attained, 96.65%, with the average stock-held value being above the performance target at 8.8 equivalent weeks usage value, as outlined below.
5. A comparison of stockholding at the 31 March and 30 June 2011, expressed as value/projected period 'in stock' is provided as follows,

Usage Period (average)	31 March 2011 (000's)		30 June 2011 (000's)	
	Per Period	Accumulation	Per Period	Accumulation
0-1	96	96	73	73
1-2	209	305	201	274
2-3	45	350	77	351
3-4	18	368	62	413
4-5	12	380	48	461
5-6	10	390	47	508
>6	138	528	88	596
Totals	528		596	

6. The projected level of residual stock post-six months average usage, to 31 December 2011, is £48,000, reflecting a combination of slow-moving lines and products discontinued from the current catalogue which will be subject to enhanced sale/disposal activity during the year.

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