

MINUTES OF A MEETING OF THE CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE
HELD IN THE SIRHOWY ROOM, TY PENALLTA, TREDOMEN, YSTRAD MYNACH ON
THURSDAY, 16 FEBRUARY 2012 AT 12.30PM

Present:-

Councillor R D L Burns - Chairperson

Representing Bridgend County Borough Council

Councillor H J David

Representing Caerphilly County Borough Council

Councillor C P Mann

Representing Merthyr Tydfil County Borough Council

Councillor D D Games

Representing Rhondda Cynon Taff County Borough Council

Councillor C J Willis

Officers:-

D MacGregor	Assistant Chief Executive Performance	-	Bridgend County Borough Council
P Hughes		-	Bridgend County Borough Council
J Ferris		-	Bridgend County Borough Council
E Lucas		-	Caerphilly County Borough Council
P Davies		-	Merthyr Tydfil County Borough Council
V Hanley		-	RCT County Borough Council
G P Jones		-	Bridgend County Borough Council

177 APOLIGIES FOR ABSENCE

Apologies for absence were received from the following Members:-

Councillor J Amos	-	Holiday
Councillor M Webber	-	Unwell

178 DECLARATION OF INTERESTS

None.

179 MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the minutes of the Catalogue Supplies Service Joint Committee meeting held on 28 September 2011, be approved as a true and accurate record.

180 PROPOSED REVENUE BUDGET 2012/13

The Manager - Joint Supplies Service presented a report which informed the Joint Committee of the budget monitoring figures for 2011/12 and requested approval of the draft revenue budget for 2012/13. He advised members that the budget had been prepared by the Treasurer on a standstill basis for the forthcoming year pending consideration of the

report on the service business review later in the meeting. He then provided members with an overview of the budget figures from the report.

The budget monitoring report for the current year projected a surplus of approximately £30,000 but due to the uncertainty regarding the achievement of any growth, no growth figures had been included in the proposed budget for 2012/13.

RESOLVED: That the Joint Committee approved the proposed Revenue Budget for 2012/13

181 PERFORMANCE REVIEW JANUARY 201

The Manager - Joint Supplies Service presented a report which provided the Joint Committee with an appraisal of the service trading and operational performance in the current year to date.

Service Turnover during the period April to January had shown an improvement in both sectors of the service and from all customer areas. The order book until January was 11% above target leaving £580k of turnover to be achieved by the end of the year. It was anticipated that based on the favourable levels of trading experienced in the year to date that this target will be met as a minimum outcome.

The summary of the financial position was outlined. It was projected that with a continuation of the current levels of turnover and income until the end of the year that a surplus of £82,000 should be achieved. He then explained variations from the planned budget relating to the management of vacancies, transport costs and other minor variations in budget heads. Members requested that the service be congratulated on the strong position that had been achieved particularly in relation to the projected outturn figures.

The Manager - Joint Supplies Service provided the Joint Committee with the core performance indicators which had seen an above target level in product availability, creditor payments and debt management. The stock holding value was slightly higher than the 8 weeks stock equivalent but this would be managed for the remainder of the year to meet the target. He then explained the additional information that had been requested by the Joint Committee to be included as part of the service performance indicators.

The members clarified whether the figures in Table 6 of the report included transport costs and if there were new and returning business from organisations. The Manager advised that the figures included transport costs and there had been a combination of one off and repeat business transactions. The Chairman welcomed the new business but queried the costs involved with them. He was advised that the cost was approximately £3.8k with an income of £11.6k providing a gross profit of approximately £7k. Officers queried the costs of carriage and were advised that additional costs for outside boundary carriage were met by the client. In response to queries regarding a customer survey the Manager - Joint Supplies Service explained that an online survey was planned for March.

The members requested confirmation that every opportunity was being used to maximise the supply to customers within our area and including schools. They were advised that 360 schools used the service and that there had been an increase in business from the Cardiff, Vale of Glamorgan and Neath Port Talbot authorities. Other sectors had increased from 10% to 12 %.

The Assistant Chief Executive – Performance provided comments on the absence monitoring statistics in which he thought the costs of £19,260 were a little low for the 260 days absence. Members were aware of the difficulties that sickness absence caused with a small workforce.

The Manager – Joint Supplies Service provided a summary of the progress of the customer transaction usage of the County Borough Supplies website. The website was introduced in September 2010, as part of the e-supply programme, to provide real-time information for customers, an e-trading facility for the non-corporate customer group (primarily schools) and enhanced marketing opportunity for the Joint Supplies Service. The target objective from the web site was 60% of turnover, an objective which it is anticipated will be significantly supported by the planned implementation of an integrated web access structure for schools as part of the modernisation programme. The current percentage of turnover from the website was identified as 6.8%. Members queried what was being done to meet the 60% target. They were advised that further investment of £3k was needed to link the use of the SIMS software to the website. The upgrading of the website had been on hold until the modernisation agenda had been agreed. Members directed officers to progress with this investment immediately as there were significant benefits that would be achieved with this reasonably minor investment.

The meeting was informed of the supply arrangements of the Joint Supplies Service which included a current supplier (trading) base of 290 companies across the broad catalogue and associated range, of which 53 companies (18%) are designated as local SMEs providers. The Joint Supplies Service endeavoured to support the local supply chain, typically utilising the national Buy4Wales web site for contract advertising, attending supplier participation events and constructing contract requirements by 'product lots' where possible to facilitate smaller supplier interest. Spending with local suppliers was £848k (17%) which related to an annual turnover and the overall trading purchase expenditure of £4.947m.

The Manager - Joint Supplies Service advised the Joint Committee that Legal opinion has confirmed that the sale of materials to staff would be permissible subject to 'the revenue being used to offset the costs of (the Joint Supplies Service) and not to enable (the Joint Supplies Service) to make a profit', with an expectation of the Joint Committee attaining 'best value by this process' and that any such sales would be to individuals in their 'private capacity'. Members welcomed this information and suggested that an appropriate "sales" campaign for customers be implemented.

The Joint Committee was advised of the Audit Review of the service which concluded that 'the effectiveness of the internal control environment is considered to be sound and therefore substantial assurance can be placed upon the management of risks'. This reflected the four-category audit review grading of Substantial Assurance, Adequate, Limited and no assurance. The Assistant Chief Executive – Performance stated that there had only been one issue and that had related to a bad debt write off which had now been addressed by the Principal Accountant and agreed with the Manger and the internal auditors. The meeting commented that this was an excellent audit report.

RESOLVED: That Members noted the content of the report.

182 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 Arrangements Report and Confidential Minutes of the Catalogue Supplies Service Joint Committee of the 23

September 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.

Minute Nos.

Summary of Items:

183	County Borough Supplies - Business Review
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