

**BRIDGEND COUNTY BOROUGH COUNCIL  
CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE**

**16<sup>th</sup> April 2012**

**PROGRESS REPORT RE THE IMPLEMENTATION OF THE  
RECOMMENDATIONS ENDORSED BY THE JSS COMMITTEE ON 16<sup>TH</sup>  
FEBRUARY 2012**

**REPORT OF THE TREASURER**

**1. Purpose of Report**

- 1.1 At the meeting of the Joint Committee on 16<sup>th</sup> February 2012, consideration was given to a report on the review of the service that had been undertaken by the Officer Group.
- 1.2 The purpose of this report is to update Members in relation to the progress being made with implementation of the recommendations approved on 16<sup>th</sup> February 2012.

**2. Connection to Corporate Objectives / Other Corporate Priorities.**

- 2.1 The Joint Supplies Service provides a one stop purchasing and warehouse facility for each of the partnering Authorities, for common and repetitive spend commodities mainly associated with Schools and janitorial supplies/services.

**3. Background**

- 3.1 The Joint Committee endorsed the findings of the review. This requires the Service to modernise and consolidate aspects of its business operations in order that it can meet the expectations of the four participating authorities and respond to the changing public sector supply environment.
- 3.2 A number of actions are now being progressed and a summary analysis is provided below.

**4 Current Situation - Implementation Progress**

**4.1 Development Action Plan**

- 4.1.1 The outline implementation plan which accompanied the Officers Report to the last meeting has been enhanced and incorporated into a service Development Action Plan which is attached to this report (Appendices A and B). The majority of the elements within the plan have been agreed and implementation has commenced. A summary is provided below.

4.1.2 The programme of work is comprehensive and to achieve progress, wherever practical, individual actions are being undertaken concurrently by JSS and Bridgend CBC Officers.

## 4.2 System Integration

4.2.1 The review identified the need to explore integration of the business systems used by the JSS and BCBC as the host authority. Initial investigations with their system provider COA indicate that the system functionality offered by them (via COA financials) is similar to the current Syspro products used.

Discussions confirm that COA will:

- Integrate with other local Authorities systems via XML enabling e-trading.
- Facilitate direct and stores trading
- Offer an automated stores order function to replace the manual system currently used.
- Support the use of hand held devices for stock control in the warehouse.

4.2.2 Officers from JSS and BCBC are currently engaged in further talks with COA regarding the functionality and interfaces for the system. Arrangements are also being made to test the application.

4.2.3 Discussions highlighted that the annual licence fee for using the COA modules is likely to be lower than the current fee paid to Syspro, however this may be partially offset by extra recharges for invoice distribution, debt collection and central support.

4.2.4 Officers are now exploring the cost implications of migration in greater detail and will prepare a business case to highlight costs and benefits, which will be presented to the next meeting of the Joint Committee.

## 4.3 Organisation Structure

4.3.1 Following discussions between Officers of all four authorities, a slightly modified organisational structure is proposed. This is consistent with the Officers Report recommendation of a two-group organisation with a reduced number of staff and consequent financial savings. As a result of discussions with the JSS manager on the operational needs and reflecting on the importance of strengthening the marketing function, a Team Leader role is now proposed in this area, reporting to the Business Operations manager. A vacant sales assistant post will provide the majority of the budget needed for this post.

4.3.2 Formal consultation with JSS staff and staff representatives is scheduled to commence on 19<sup>th</sup> April 2012, and will involve weekly meetings with staff over a period of four weeks.

#### **4.4 Operational Process Reviews**

- 4.4.1. The review identified that operational efficiencies can be secured from within the warehouse and distribution function as a consequence of the introduction of revised working methodologies and practices.
- 4.4.2 To identify opportunities for optimising use of resources within the distribution service, a transport consultancy has been engaged to undertake detailed analysis and develop distribution modelling options. The project work has commenced and the final report is scheduled to be presented by 19<sup>th</sup> April 2012.
- 4.4.2 A similar approach will be considered for the review of the existing storage and in-stores operational practice, to identify opportunities to improve efficiency, including the application of modernised operational processes and equipment.
- 4.4.3 In the interim period, JSS Officers are meeting with other Welsh public sector colleagues who maintain similar storage and distribution facilities (Welsh Health Supplies) to identify what lessons can be learnt from their arrangements.

#### **4.5 Marketing Strategy**

- 4.5.1 The existing Marketing Strategy is being reviewed during April to reflect consideration of the way forward for potential growth included in the Officers Report presented to the Joint Committee.
- 4.5.2 An online customer survey was initiated during March and will conclude later this month; the outcome of this work will support the development process.
- 4.5.3 Future strategy is expected to be significantly impacted by the outcome of the (Welsh Government) Value Wales National Procurement Service review of common and repetitive spend which is scheduled to complete and report during June 2012. A report on the JSS marketing strategy will be presented to the Joint Committee following publication of the national report.

#### **4.6 Constitution – Joint Agreement**

- 4.6.1 As recognised in the Business Review report, the existing Joint Agreement between the four authorities will need to be reviewed and updated.
- 4.6.2 Advice has been received which indicates that the necessary changes can be incorporated by way of a Deed of Variation. Legal Officers from all four authorities are being engaged to undertake the process and the Officer group have an expectation of an early conclusion.
- 4.6.3 The draft revised Agreement will be scheduled for consideration by the Joint Committee and will also require the approval of each authority within the respective processes of each Council.

#### **4.7 Stock Range Review**

4.7.1 The review of the current stocked range in line with the principles and recommendations of the Business Review report is structured to begin in May 2012, though the disposal of obsolete stock has been in process since February.

4.7.2 The necessary changes to the catalogue-stores range will be introduced in the 2013/14 trading catalogue.

#### **4.8 Service Business Plan**

4.8.1 The reconstruction of the JSS Business Plan is planned to begin later this month. As with the marketing strategy, the final content will be influenced by the outcome of the Value Wales National Procurement Service review project.

4.8.2 The Business Plan, for a three-year period to March 2015, will be presented to the Joint Committee once consideration has been given to the national report.

#### **4.9 Procurement Process Efficiency – E/Tendering**

4.9.1 As part of the work on securing process efficiencies, a joint e/tendering project is to be undertaken between Bridgend procurement and JSS officers. This is expected to commence during August 2012.

#### **4.10 National Procurement Service Report**

4.10.1 As previously advised, the outcome of the Value Wales review of common and repetitive spend will potentially have a significant impact upon the existing catalogue supply arrangements of the JSS. Officers will be assessing the implications for the future direction and operation of the JSS as soon as this national report is published.

#### **5.0. Equalities Impact Assessment**

5.1 An Equalities Impact Assessment is not required at this time.

#### **6. Financial Implications**

6.1 This is a progress report and it follows that no direct implications arise from the recommendation. The outcome of the service review agreed at the last meeting suggested that ongoing savings of approximately £100k per annum are achievable and there is no change in this position.

#### **7. Recommendation**

7.1 The Committee is requested to receive and consider the content of this progress report.

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**Background Documents**

Appendices A & B: Service Development Action Plan