

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

30th January 2014

**PROGRESS REPORT RE THE REVIEW OF KEY PERFORMANCE INDICATORS
FOR THE JOINT SUPPLIES SERVICE**

REPORT OF THE OFFICER GROUP

1. Purpose of Report

- 1.1 At the meeting of the Joint Committee on 27th September 2013, Members requested that the Officer Group review the existing Key Performance Indicators (KPI's) to ensure they reflect the service needs.
- 1.2 The purpose of this report is to update Members in relation to the outcome of the review and proposed way forward.

2. Connection to Corporate Objectives / Other Corporate Priorities.

- 2.1 The Joint Supplies Service (JSS) 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 A number of Key Performance Indicators have been reported for several years, as a tool for the monitoring progress of service delivery. These are indicated on appendix 1 along with the proposed Indicators.
- 3.2 Concern has been expressed regarding the appropriateness of existing indicators, given changing requirements and objectives in Local Authorities, particularly in terms of sustainability and development of the local economy.
- 3.3 It is also noted that Welsh Government have also developed a set of procurement KPI's which local Authorities will be expected to adhere to. These were taken into account when reviewing the Service PI's

4 Current Situation

- 4.1 The Officer Group looked at the requirements of the service as a whole, dividing these into each of the business functions and aligning with current

KPI's and those produced by Welsh Government, to determine appropriateness.

4.2 The Group then challenged a number of areas, specifically:

- Frequency of collection
- Whether all PI's collected by the service to assist in the administration of the function should be collected

4.3 It was felt that a number of existing PI's should be retained as outlined in appendix 1. These include Stores and Stock management, Debt and creditor management (noting that payment to suppliers within the legislative period is a given and therefore monitored only at operational business level), Sickness and absence reporting (with benchmark comparison) and statistics regarding turnover and profitability.

4.4. The Officer Group is recommending that two further PI's are introduced for Stores and Stock management, namely:

- A stock turn ratio is recorded for each month and formally reported retrospectively to the next available meeting. This will highlight trends throughout the year.
- A breakdown of orders based on value is provided with four bandings. The intention is to increase the average order value over time, thereby reducing transaction cost for both the JSS and the user Authorities

4.5 In addition, it is recommended that three new sections are introduced which cover:

- E-enablement: this is becoming an essential element of efficiency improvement and cost reduction. The focus is on the number and value of transactions received and actioned either electronically or by purchasing card.
- Customer satisfaction: Officers felt that this area is currently weak and that a simple survey should be sent annually to assess the quality of both product and services, asking for suggested areas for improvement.
- Value for money: whilst this is recorded at the moment it is not formally reported. The Group suggested that VFM be reviewed against main competitors for a range of high turnover products on a annual basis, to coincide with catalogue pricing.

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 there are no direct implications arise from the recommendation.

7. Recommendation

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

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Background Documents

Appendix 1 – Current and Proposed Key Performance Indicators