

MINUTES OF A MEETING OF THE CATALOGUE SUPPLIES JOINT COMMITTEE HELD IN COMMITTEE ROOM 1, MERTHYR TYDFIL COUNTY BOROUGH COUNCIL, CIVIC CENTRE, CASTLE STREET, MERTHYR TYDFIL CF47 8AN ON THURSDAY, 25 JUNE 2015 AT 10.30 AM

Present

Councillor B Stephens – Chairperson

N Clarke

CE Smith

Cllr B Stephens

Cllr J Ward

Officers:

Stephen Evans

Lee Jones

Liz Lucas

Frances Mantle

Wendy Wood

Head of Regulatory Services

9. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Members for the reasons so given:-

Councillor D Hardacre – Holiday

Councillor B Jones - Unwell

10. DECLARATIONS OF INTEREST

Though there were no declarations of interest made, certain Members of the Joint Committee once more made it known that they were members of various organisations which they had been appointed to by their local authority, for example, on the governing bodies of schools, and various schools did do they trading with the Joint Supplies Service

11. APPROVAL OF MINUTES

RESOLVED: That the Minutes of a meeting of the Catalogue Supplies Joint Committee dated 11 May 2015, be approved as a true and accurate record.

12. SERVICE TRADING AND OPERATIONAL PERFORMANCE

The Head of Regulatory Services submitted a report which was intended to appraise Members of the ongoing service trading and operational performance for the 2015 Year to Date. Members have already approved the revenue budget for 2015/16 at the meeting in January.

He confirmed that Service turnover (2014-15) (page 5 of the report) had continued to exceed target and as stated in paragraph 4.1.1.2 of the report, final turnover for the year

had seen a favourable increase against targets, and in the case of stock turnover, against the previous financial year, due to a combination of increase in stores trading (mainly thorough expansion in Cardiff and Vale Schools), whilst catalogue directs (projects) with expansion into the third sector, via housing associations and flying start, a Welsh Government grant funding scheme.

The Head of Legal and Regulatory Services referred members to Table 1 on page 6 of the report which showed a comparison of actual v target and when compared with the previous year, this reflect a positive picture.

Table 2 on this page entitled Turnover, was broken down into the customer areas. The increase in trade derived from Cardiff and the Vale was shown in the turnover breakdown by customer.

As was reported at the last meeting, Members would note that turnover for the 4 joint authorities had fallen by between 10 and 24%, though this had been offset by a 123% increase with Cardiff, 60% with the Vale and a similar level with housing associations and the Police. Although relatively nominal in value, the service had also seen an 8% increase from Swansea, despite similar budgetary pressures.

The Head of Legal and Regulatory Services confirmed that Table 3 on page 7 of the report, showed the turnover to 31 May 2015 Actual and Target between catalogue stores and catalogue direct supplies, both of which were pleasingly ahead of target.

Table 4 on page 7 of the report reflected the Order Book up to this point in the year, though there were still 44 weeks left to to make up the difference, and see an improvement on this.

He explained that expenditure during the first two months was generally as projected, but there had been a reduction in the use of agency staff and therefore staffing costs. Projected spend was shown in Table 7 on page 8. This gave a projected surplus for the 2015/16 financial year of £39,000.

In summary therefore advised the Head of Legal and Regulatory Services, the last financial year was the highest ever annual surplus recorded, showing a 70% on the previous year.

Cash balance as of 31st March was £618K, though further details in respect of this would be included in a later agenda item on the Statement of Accounts, where the Finance Manager – Technical and Corporate would expand further on this year's figures.

From the figures at present the turnover from non-joint authorities is up in all areas compared to the previous financial year, and this was offsetting the potential expected losses due to budgetary reductions in Local Authority's.

An Officer advised that the Service should look to obtaining sufficiency's through initiatives such as electronic trading, and looking to generate further Contract work and achieve better prices via the Business supply chain, with for example, our top 10 suppliers. Initiatives such as this she felt would give better trading opportunities.

The Head of Regulatory Services confirmed that examples such as those above would be looked at as part of the operation of the business when the service is re-located. In terms of ways of looking to utilise supply chains in a more effective manner, a report would be submitted to the Joint Committee on this issue at its next meeting.

The Head of Regulatory Services then referred to the next section of the report relating to Performance Indicators. He advised that a number of service PI's are regularly reported to the Joint Committee following the review in 2014.

Table 9 on page 9, showed that product availability for 'first time pick' was ahead of target (to date) and reflected an improvement on last year.

He added that Stockholding, whilst lower than previous years, this was still above target. This was also subject of a separate report to be discussed later in the agenda.

He proceeded to confirm that Debt had continued to be on target, after last year having decreased significantly. (Table 9 once more referred)

Table 10 then provided a breakdown by value band.

The Head of Regulatory Services then referred to Table 11 on page 10 of the report. This was a further performance indicator requested in relation to targeting new customers, with a target of 50 over the course of the financial year. To date 32 had been acquired.

Table 12 then broke down sales order analysis, ie how the orders are placed, with the majority still be processed by email, telephone and fax etc. Though as was discussed previously in the meeting, sales in the future would be encouraged through processes such as on-line and eventually via electronic trading.

There had been a decrease in the use of eProcurement Service portal ePS, but the BCBC system had been down which had not helped this situation. There had however been an increase in web orders, and details regarding this could be found on page 11 of the report.

The Head of Regulatory Services then referred to Page 12 of the report, where there was a summary of sickness absence for the year 2014-15. A robust corporate process was in place to minimise sickness, and absence had fallen compared with previous years, to an average number of days per person of 9.8, which is equal to the host authority average, but he appreciated that this needed to improve further. The issue at question which was increasing the average, was due to the long term absence of two staff members both of which had now left the service.

Table 19 on page 13, broke down absence through muscular and skeletal problems, and this problem plus stress related absences formed the bulk of absence by number of staff and days lost. This was also something that could be further looked at as part of the relocation proposals. There was a new counselling service at BCBC which may assist with the stress/anxiety numbers.

With regard to Debt Management as referred to on page 14 of the report, outstanding debt over 120 days currently formed 1.1% of the total outstanding debt as at 16th June 2015. As Members would appreciate this was a very small percentage.

The Head of Regulatory Services then informed the Joint Committee on training issues.

Additional personal development training undertaken by staff during 2014-15 was as follows:-

- (1) Introductorily Certificate in Sales & Marketing: Level 3 (20 week course)
- (2) Adobe InDesign 2 day course (catalogue & website)
- (3) Agility Content Management System (CMS) training (catalogue & website)
- (4) Various MS Office courses – external

There would also be a drive to ensure that Corporate training was accessible to staff where/when required, and this and any other training would be identified through Staff Appraisals

In respect of catalogue sponsorship, there was an increase compared to last year, ie (89k v 86k)

He explained that staff would look at other ways of maximising sponsorship, such as through the introduction of a supplier item led webpage on the website for additional contributions.

An Officer asked for monthly reports to be presented to the Joint Committee outlining information regarding debt management on an Authority by Authority basis, as updates used to be given to the Joint Committee on this in previous reports.

The Business Operations Manager confirmed that he would ensure that information regarding this would be detailed in future such reports as used to be the case.

RESOLVED: That Members noted the content of the report, and delegated authority for Officers to enter into Contracts in accordance with the designations and the values shown in paragraph 4.1.7.3 of the report.

13. **STATEMENT OF ACCOUNTS 2014-15**

The Treasurer submitted a report, the purpose of which, was to present the unaudited Statement of Accounts for the financial year 31st March 2015.

The Finance Manager – Technical and Corporate advised that the Accounts & Audit Regulations required that the Joint Committee sign and date the accounts by the 30th June 2015, certifying that they present a true and fair view of the status of the Accounts. The Joint Committee were then required to re-approve the accounts as soon as reasonably practical after the receipt of the auditor's final findings.

The unaudited accounts were attached at Appendix 1 to the report, and have been produced in line with the Code of Practice on Local Authority Accounting in the UK for 2014, which was in line with International Financial Reporting Standards.

She confirmed that the Accounts would be placed on public deposit and be subject to audit. Once audited, then they would be presented to the next Joint Committee meeting on 24Th September for formal approval.

The Accounts showed that the:

- Catalogue Supplies Service made a net surplus of £300,000 as shown on page 45 of the Statement of Accounts. This surplus has been added to the accumulated usable reserves increasing the reserve balance at 31 March 2015 to £1,304,000 as shown on page 46 of the Statement of Accounts.
- The short term debtors and creditors balances shown in the Balance Sheet on page 46 include related party transactions in respect of the relevant member bodies that form the Joint Committee. A breakdown of the related party balances is shown in the table on page 57 of the Statement of Accounts. This information

has been provided separately to the Finance sections of each of the member councils.

- The cash position as shown on page 47 of the Statement of Accounts has increased from £425,000 at 31 March.2014 to £618,000 as at the 31 March 2015. As with all financial statements, the cash flow position is a snapshot in time, with the position changing daily. However it is encouraging to note that Catalogue Supplies Service now sees itself in a healthy cash position compared to the years prior to April 2013 when it was in a net cash overdrawn position. In the future, this cash reserve will be partly used to support the relocation plans of the service; however the impact on useable reserves and estimated surplus remaining will be closely monitored to ensure that any costs associated with the relocation are affordable and won't have a negative impact on cash balances.

The Finance Manager – Technical and Corporate, added that for reporting consistency, the actual performance for the year was also provided in the format normally reported to the Joint Committee in the table shown on page 18 of the report at paragraph 4.5. This showed a surplus of £295,000, as it excluded any accrual in respect of holiday entitlements earned by employees but not taken at the year end, and supporting explanations of the more significant variances were contained in paragraph 4.6 of the report.

RESOLVED: That the Joint Committee approved its unaudited Statement of Accounts for 2014-15

14. 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, the public be excluded from the meeting during consideration of the following items as the minutes and report contained exempt information as defined by Paragraph 14 and 16 of Part 4 and Paragraph 21 of Part 5 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 these items in private with the public excluded from the meeting, as it was considered that in the circumstances the public interest in maintaining this exemption outweighed the public interest in disclosing the information because of the prejudice disclosure would cause by virtue of Paragraphs 14 and of Part 4 and Paragraph 21 of Part 5 of Schedule 12A of the Act.

<u>Minute No.</u>	<u>Summary of Items:</u>
7	Exempt Minutes of the Catalogue Supplies Joint Committee of 11 May 2015.
8	County Borough Supplies Stock Holding

Principles.

15. APPROVAL OF EXEMPT MINUTES
16. COUNTY BOROUGH SUPPLIES STOCK HOLDING PRINCIPLES

The meeting closed at 11.40 am