

Public Document Pack
Bridgend County Borough Council
Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr



Civic Offices, Angel Street, Bridgend, CF31 4WB / Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont, CF31 4WB

Legal and Regulatory Services /
Gwasanaethau Cyfreithiol a Rheoleiddiol
Direct line / Deialu uniongyrchol: 01656 643147
Ask for / Gofynnwch am: Andrew Rees

Our ref / Ein cyf:
Your ref / Eich cyf:

Date / Dyddiad: 14 December 2015

Dear Councillor,

SPECIAL CATALOGUE SUPPLIES JOINT COMMITTEE

A special meeting of the Catalogue Supplies Joint Committee will be held in Committee Rooms 2/3, Civic Offices Angel Street Bridgend CF31 4WB on **Friday, 18 December 2015 at 10.00 am**.

AGENDA

1. Apologies for Absence
To receive apologies for absence (to include reasons, where appropriate) from Members / Officers.
2. Declarations of Interest
To receive declarations of personal and prejudicial interest (if any) from Members/Officers in accordance with the provisions of the Members' Code of Conduct adopted by Council from 1st September 2008.
3. Approval of Minutes 3 - 8
To receive for approval the minutes of the Catalogue Supplies Joint Committee of 24 September 2015.
4. Exclusion of the Public
The minutes and report relating to the following items are not for publication as they contain exempt information as defined in Paragraphs 14 and 16 of Part 4 and Paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information)(Variation) (Wales) Order 2007.
If following the application of the public interest test the Joint Committee resolves pursuant Private Document Pack to the Act to consider these items in private, the public will be excluded from the meeting during such consideration.
5. Approval of Exempt Minutes 9 - 10
To receive for approval the exempt minutes of the catalogue Supplies Joint Committee of 24 September 2015.

Tel/Ffôn: 01656 643643

SMS Messaging/Negeseuon SMS: 07581 157014

Fax/Facs: 01656 668126

Twitter@bridgendCBC

Email/Ebost: talktous@bridgend.gov.uk

Website/Gwefan: www.bridgend.gov.uk

Text relay: Put 18001 before any of our phone numbers for the text relay service

Cyfnwidi testun: Rhwyh 18001 o flaen unrhyw un o'n rhifau ffon ar gyfer y gwasanaeth trosglwyddo testun

6. Potential Impact of National Procurement Service Frameworks and Contracts on the Joint Supplies Service

11 - 52

Yours faithfully

P A Jolley

Assistant Chief Executive Legal and Regulatory Services

Distribution:

Councillors:

C Barry

N Clarke

D Hardacre

Councillors

B Jones

CE Smith

B Stephens

Councillors

J Ward

P Williams

MINUTES OF A MEETING OF THE CATALOGUE SUPPLIES JOINT COMMITTEE HELD IN CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON THURSDAY, 24 SEPTEMBER 2015 AT 2.00 PM

Present

Councillor B Stephens – Chairperson

Cllr B Stephens

Cllr J Ward

Cllr D Hardacre

Officers:

M Williams	-	Bridgend County Borough Council
W Wood	-	Bridgend County Borough Council
S Evans	-	Bridgend County Borough Council
M A Galvin	-	Bridgend County Borough Council
L Lucas	-	Caerphilly County Borough Council
P Davies	-	Merthyr Tydfil County Borough Council
V Hanly	-	Rhondda Cynon Taff County Borough Council

17. APPOINTMENT OF CHAIRPERSON

RESOLVED: Due to the fact that a number of Joint Committee Members were absent having given their apologies, the Joint Committee agreed to defer the appointment of Chairperson for the ensuing year to a future meeting.

18. APPOINTMENT OF VICE-CHAIRPERSON

RESOLVED: Due to the fact that a number of Joint Committee Members were absent having given their apologies, the Joint Committee agreed to defer the appointment of Vice-Chairperson for the ensuing year to a future meeting.

19. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Members/Officer:-

Councillor B Jones – Unwell
Councillor N Clarke – Prior commitment
Councillor P Williams – Other Council business
Councillor C E Smith – Other Council business
F Mantle – Annual leave

20. DECLARATIONS OF INTEREST

None

21. APPROVAL OF MINUTES

RESOLVED: That the Minutes of a meeting of the Catalogue Supplies Service Joint Committee dated 25 June 2015, be approved as a true and accurate record.

22. AUDITED STATEMENT OF ACCOUNTS 2014-2015

The Finance Manager – Technical and Corporate submitted a report, the purpose of which, was to present the audited Statement of Accounts for the financial year 31st March 2015.

The Accounts & Audit Regulations required that the Joint Committee approve the audited Statement of accounts by 30th September.

The Chief Accountant explained that the unaudited Statement of Accounts were placed on public deposit following Joint Committee approval in June 2015. KPMG the external auditors appointed for the Joint Committee by the Wales Audit Office had now completed their audit and had not made any amendments other than some minor presentational adjustments. The surplus therefore remained at £301,000 with total reserves of £1.306million as previously reported to the Joint Committee in June 2015.

The audited accounts she explained were attached as Appendix 1 to the report (pages 13-44) and had been produced in line with the Code of Practice on Local Authority Accounting in the UK for 2014. There were no changes to the accounts, however, the Chief Accountant pointed out that the cash position as shown on page 38 of the Statement of Accounts had increased from £425,000 at 31.3.2014 to £618,000 as at the 31.3.2015. As with all financial statements, she added that the cash flow position was a snapshot in time, with the position changing daily. However it was encouraging to note that the Catalogue Supplies Service continued to maintain a healthy cash position which will be partly used to support the relocation plans of the service. 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.

Paragraph 4.2 of the report provided details of the mutual responsibilities of the auditor and the audited body which were expressed in Appendix 2 & 3 of the report The Letter of Representation, which is attached as Appendix 2 to the report, (pages 59-61) confirmed to the best of one's knowledge and belief, having made appropriate enquiries of other Officers of the Catalogue Supplies Joint Committee, certain assurances to the auditors regarding the financial statements for Catalogue Supplies Joint Committee for the year ended 31 March 2015. This letter would require signing by the Chairperson of the Joint Committee and the Section 151 Officer who acts as the Treasurer to the Joint Committee confirmed the Chief Accountant.

The auditors had also prepared an "Audit of Financial Statements Report for 2014-15", which appeared at Appendix 3, (pages 63 to 74 of the report). It summarised the key issues identified during the consideration of the Statement of Accounts and Annual Governance Statement. The auditors identified two internal control weaknesses during the audit in respect of the stock count control process, and recommended that:

- Checks should be put in place to ensure that stock balances are updated accurately with the results of the stock count, and
- That they should be made aware of the process including any recounts so that timely attendance can be arranged to count the final agreed stock count balances.

These recommendations had been accepted by the service and working practices had been amended by the Business Operations Manager to incorporate these changes, she explained.

- RESOLVED: That the Joint Committee
- (1) Approved the audited Statement of Accounts for 2014-15, Appendix 1 to the report.
 - (2) Noted and agreed the Letter of Representation to be provided to KPMG and the Wales Audit Office, Appendix 2 to the report.
 - (3) Noted the auditor's Audit of Financial Statements Report for 2014-15, Appendix 3 to the report.

23. SERVICE TRADING AND OPERATIONAL PERFORMANCE

The Business Operations Manager BCBC submitted a report, the purpose of which was to apprise Members of the Service Trading and Operational Performance during the financial year to date.

He explained that the JSS provided a single source supplies facility for each of the partnering Authorities, through delivery via stores and a direct sourcing function for items of common and repetitive spend. It demonstrated savings to customers and schools through economies of scale.

As part of the regular reports to the Joint Committee, the value of Service Sales turnover for the relevant period, as measured against the sales target (together with comparison to the same period last year) was outlined in Table 1 of the report.

The Business Operations Manager confirmed, that Stores Based turnover had seen a slight increase on the previous year. However, due to the strategy of generally decreasing prices across the stock range and an enhanced budget range of products in order to attract new business, overall quantity turnover for the year was up on the previous year.

He went on to confirm, that Direct turnover had seen a considerable increase on the previous year due mainly to educational refurbishment projects across all authorities including the completion of Aberdare Community School, Coity Primary, Llwynrwy Primary, Treorchy Primary and various Flying Start initiatives. Again there was a general increase across the non-Joint Authority areas highlighting the continuing expansion of use of the Service outside its core areas.

A summary of revenue budget expenditure/income for the financial year to 31 August 2015 was provided in Table 4 with the main exceptions being:-

Employees – an expected underspend of £23,000 due to decreased staff costs.

Premises – an expected underspend of £24,000 due to an extension of shared building costs with other departments located at County Borough Supplies.

Transport – an expected increase in transport costs due to expanded usage of the Service in non-Joint Authority areas.

Finance/Support Services – an expected underspend of £8,000 from a reduction in recharges due to reduced corporate budgets.

The Business Operations Manager confirmed that for comparative purposes, the Adjusted Actual financial position for the April to August period in 2014 was a surplus of £146,000 and in the same period for 2013 was a surplus of £107,000. The Adjusted Actual figure does not reflect the increase in trading turnover against target which currently is estimated at £45,000 above target.

He reminded Members that Monitoring reports were presented to the Joint Committee in relation to core performance indicators of the Service, with the summary of information provided for the year to 31 August 2015, together with the final outcomes for 2014-15 for comparison in Table 5 of the report.

The Service had been actively seeking to reduce stock holding levels this financial year with a reduction from £672,000 (9.75 weeks) at this time last September compared to £615,000 currently. This has had a slight impact on product availability levels compared to the 96.38% reported on the previous September report.

The Business Operations Manager added that Table 6 showed the order breakdown by value banding.

Order breakdown by value had shown a slight decrease in all customer areas in the £0-25 bracket compared to last September's reported figures.

In respect of new customers the Service had already exceeded the target of 50 new customers by 50% with the majority located in Cardiff (£46,000) and England (£27,000).

In terms of E-enablement, the Business Operations Manager confirmed that a full breakdown of orders by transaction type was presented in Table 8 of the report

He explained that ePS orders were slightly down, due to issues relating to Bridgend County Borough Council's p2p software which was in the process of being resolved, whilst there had been a slight increase in usage of the JSS website.

A breakdown of the £655,000 turnover to date via ePS was presented in Table 9 and a breakdown of the £466,000 turnover was presented in Table 10 of the report.

In terms of payment transactions by Purchasing Card, for the April to August 2015 period this accounted for 5.5% of all transactions, which came to a total of £155,500. For comparison purposes, payment by Purchasing Card for the full 2014/15 financial period was 3.8% (£250,000) with the majority of transactions from Rhondda Cynon Taf.

A summary of sickness absence for the current financial year was detailed in Table 12 of the report.

The Business Operations Manager confirmed that sickness levels were disappointingly high, due in the main to two long term absences totaling 153 days within the overall absence of 178 days, without which this would have reduced average sickness levels to under 1 day per person. One Officer who had been absent long term, had since returned to work after a necessary medical operation with a meeting in place pending for the other Officer, arising from which the BCBC Sickness Policy would be invoked, which would in turn, result in the termination of employment if the Officer was found to be unable to return to work.

A summary of the analysis of absence was provided below in Tables 13, 14, and 15 to the report. He added that all occurrences of absence are managed in accordance with corporate policy guidelines, and had resulted in four welfare meetings and three informal review meetings.

With regard to the situation of debt in the service, debt over 120 days was higher than expected, but again this was related to the long term absence of one Officer previously discussed resulting in the loss of over 500 hours of work in this section even with additional agency support. Outstanding debt over 120 days currently formed 6.1% of total outstanding debt as at 31st August 2015.

The JSS Office closure during the Christmas/New Year period, practiced successfully over several years, will include the period December 29th to 31st with the closure being accommodated by way of staff annual leave and flexible working arrangements.

A Member noted from Table 5 on page 78 of the report, that owed debt to the service had increased as of 31 August 2015, when compared to last year and asked why this was the case.

The Business Operations Manager advised that a period of long term sickness absence in the Supplies Team had compounded this; however, he was confident that this would reduce by year end.

The Member whilst accepting this comment added that wherever possible, the Supplies Service should ensure Invoices are paid for goods purchased in a 30 day period.

An Officer felt that there was more scope to expand Orders through the P:Card System. He also referred to Table 9 on page 79 of the report, entitled ePs (electronic invoicing) User Analysis for April to August 2015, and sought clarification that the values shown in this Table were Orders.

The Business Operations Manager confirmed that they were.

In relation to the debt outstanding to the Supplies Service, a Member enquired as to what action was being taken to pursue the payment of this.

The Business Operations Manager advised that a further member of staff recruited on an agency basis had been appointed to undertake certain work which included this, as there was still a staffing issue in the service due to a continued case of sickness absence involving a member of staff.

A Member asked what the process was in terms of pursuing recovery of debt.

The Business Operations Manager advised that the process for this was sending out to customers monthly Statements. If payment for goods was not made after a period of 120 days, then the customer was contacted directly in order to establish the reason(s) for non-payment. Reasons for this could vary from the Invoice having been misplaced or lost within the Company, or authority not having been given for the payment of the Invoice, etc.

An Officer asked if sickness absence was still relatively high in the service, and added if this had improved this year compared to last.

The Business Operations Manager confirmed that the Supplies Service did not have that many staff, and therefore, a case or two of long term sickness absence impacted quite badly upon service delivery. He added that BCBC had a robust Sickness Absence Policy

the provisions of which were strictly adhered to, adding that absence had improved within the last 6 months, other than a single case of long term absence which impacted detrimentally on the sickness absence position overall.

The Head of Regulatory Services and Partnerships closed the debate on this item, by adding that the Authority were looking at a more corporate approach in the form of a new Corporate Occupational Health Referral System in order to drive down sickness absence in BCBC overall.

RESOLVED: That Members noted the content of the report.

24. 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 of business as they contained exempt information as defined in Paragraphs 14 of Part 4 and Paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

Following the application of the public interest test, it was resolved that pursuant to the Act referred to above, to consider the under-mentioned items in private with the public being excluded from the meeting.

<u>Minute No.</u>	<u>Summary of Items:</u>
25	Approval of Exempt Minutes
26	Relocation of the Joint Supplies Service

Agenda Item 5

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank