

MINUTES OF A MEETING OF THE CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE
HELD IN COMMITTEE ROOM 2/3, CIVIC OFFICES, BRIDGEND ON THURSDAY, 26 JUNE 2014
AT 10.45AM.

Present:

Representing Bridgend County Borough Council

Councillor N Clarke
Councillor D Sage

Representing Caerphilly County Borough Council

Councillor D T Hardacre

Representing Merthyr Tydfil County Borough Council

Councillor D Jones

Representing Rhondda Cynon Taf County Borough Council

Councillor J Ward

Officers:

J Ferris	- Corporate Procurement Manager	Bridgend County Borough Council
F Mantle	- Finance Manager, Technical and Corporate	Bridgend County Borough Council
W Wood	- Materials and Sourcing Manager, Joint Supplies Service	Bridgend County Borough Council
S Evans	- Business Operations Manager, Joint Supplies Service	Bridgend County Borough Council
E Lucas	- Head of Procurement	Caerphilly County Borough Council
V Hanly	- Service Director Procurement	Rhondda Cynon Taf County Borough Council
A Rees	- Senior Democratic Services Officer	Bridgend County Borough Council
S Wiggins	- Procurement Officer	Merthyr Tydfil County Borough Council

53 ELECTION OF CHAIRPERSON

RESOLVED: That Councillor D Sage be elected Chairperson of the Catalogue Supplies Service Joint Committee for the forthcoming year.

(Councillor D Sage – Chairperson in the Chair)

54 ELECTION OF VICE-CHAIRPERSON

RESOLVED: That the election of the Vice-Chairperson of the Catalogue Supplies Service Joint Committee be deferred to the next meeting of the Committee.

55 APOLOGIES FOR ABSENCE

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

Councillor B Jones	-	Other Council Business
Councillor B Stephens	-	Other Council Business
Councillor P Williams	-	Other Council Business

56 DECLARATIONS OF INTEREST

None.

57 MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the minutes of the meeting of the Catalogue Supplies Service Joint Committee of 30 January 2014 were approved as a true and accurate record.

58 STATEMENT OF ACCOUNTS

The Finance Manager – Technical & Corporate presented the unaudited Statement of Accounts for the financial year ended 31 March 2014 which in accordance with the Regulations must be signed and dated by the Joint Committee by 30 June 2014 that they present a true and fair view. She stated that the accounts will be placed on public deposit and be subject to audit by KPMG, the auditors appointed for the Joint Committee by the Wales Audit Office and once audited would need to be approved at the next meeting of the Joint Committee by 30 September 2014.

The Finance Manager – Technical & Corporate informed the Joint Committee that the accounts show a net surplus of £176k, which included an adjustment in respect of holiday entitlements. The accumulated usable reserve is £1.008m at 31 March 2014 compared to £833k in the preceding year. The financial position as at 31 March 2014 (excluding holiday accruals) showed a surplus of £176k in the year.

The Finance Manager – Technical & Corporate explained the reasons for the significant variations from budget and confirmed that the casting total for gross expenditure in the Comprehensive Income and Expenditure Statement would be amended during the external audit of the accounts.

In response to a question from the Joint Committee the Corporate Procurement Manager stated that it was intended not to fill the vacant posts.

RESOLVED: That the Joint Committee noted the unaudited Statement of Accounts for 2013-14.

57 SERVICE TRADING AND OPERATIONAL PERFORMANCE

The Corporate Procurement Manager presented a report to apprise Members of the service trading and operational performance during the year to date.

He reported on the value of sales turnover for the last financial year measured against the sales target together with a comparison for the same period in the previous year, which had seen turnover increasing against both target and on the in the previous financial year. This was attributable to the continuation of project work and undertaken by the majority of local authorities, an increase in business from Cardiff Council due to the forthcoming closure of Cardiff Supplies and an increase in turnover from the Flying Start initiative. A trading surplus of £176k was attained in 2013-14 increasing overall surpluses of the Service to £1,005,000. He stated that the first two months trading period had provided a

positive outcome with growth to target, reflecting the late Easter holiday period, while June / July were historically the most demanding from the schools sector.

He reported on a comparison of budget against projected spend as at 31 May 2014, which had seen expenditure during the first two months being generally as anticipated, with exceptions of a decrease in employees due to decreased staff/increased agency costs and an increase in supply/services due to re-costing of annual external audit fees. The accumulated reserves for the service were £1,005,000 as at 31 March 2014, which were projected to increase to £1,114,000 gross at 31 March 2015, reflecting expected trading performance during the year. The Corporate Procurement Manager informed the Committee that the majority of the additional business picked up by the Catalogue Supplies Service was from Cardiff Council and a further contract for janitorial services had recently been secured. The Business Operations Manager also informed the Committee that a number of contracts had been picked up by Gwalia Housing Society with the possibility of additional contracts being entered into.

The Corporate Procurement Manager reported on the performance against the service performance indicators in relation to product availability; stockholding value and debt management compared to the same period in the previous year. He informed the Committee that stockholding had increased due to the new business which had been picked up and was at 12.4 weeks (£681k). Debt management had increased, however a Member of staff had now been dedicated to chasing up debts. He outlined the order breakdown by value banding in 2014/15 and there was a move to shift to higher value orders.

The Head of Procurement of Caerphilly County Borough Council questioned the high value of the stockholding and stated that there was a need to avoid it becoming old stock and for stock levels to be kept as lean as possible. The Business Operations Manager informed the Joint Committee that a review of stockholding was undertaken regularly and the price of slow moving stock was reduced. He stated that due to the closure of Cardiff Supplies, the Joint Supplies Service took advantage of purchasing stock at lower costs.

The Head of Procurement of Caerphilly County Borough Council requested that the Officer Group receive monthly reports on debt management.

The Corporate Procurement Manager reported on an analysis of sales orders via the e-procurement service portal and a user analysis via the JSS website. The Joint Supplies Service provided a facility for purchase card transactions via the website and by direct contact with County Borough Supplies. In response to a question from a Member of a Member of the Committee on the lack of usage of purchase cards other than in RCT County Borough Council, the Procurement Officer of Merthyr Tydfil County Council stated that they had concentrated on rolling out purchase cards corporately. The Head of Procurement informed the Joint Committee that Caerphilly County Borough Council had an embedded e-procurement strategy rather than using purchase cards. The Service Director Procurement informed the Committee of the approach undertaken by RCT County Borough Council in relation to the use of purchase cards whereby e-invoicing had eliminated hard copy invoicing.

The Corporate Procurement Manager informed the Joint Committee of the sickness absence levels in the JSS which was an average of 13.5 days per person (5.4 excluding long term). He outlined an analysis of sickness levels by staff group and for April/May 2014 there had been 43 days absence which equated to 1.54 days per person. He stated that absence levels due to sickness had been reduced due to more robust monitoring with average sickness across Bridgend County Borough Council being 0.71 days per person,

0.68 days for Legal and Regulatory Services and 0.63 days in the Joint Supplies Service. Sickness had been reduced over the last 12 months but it remained unacceptably high.

Members of the Joint Committee were pleased to see the reduction in sickness levels across the Joint Supplies Service and requested a breakdown of both long term and short term sickness, by gender and the reasons for sickness. The Joint Committee considered whether the reasons for the high level of sickness in the warehouse was attributable to the current working conditions and requested a Committee visit to view the facilities at County Borough Supplies.

The Corporate Procurement Manager reported on the Officers authorised to enter into contracts for the purchase of goods and services and the proposed revised levels of responsibility per post.

The Corporate Procurement Manager also reported on debt management which had been discussed earlier, noting it had substantially improved since the return to work of an officer who together with assistance provided by joint officers had helped to resolve issues within their own authorities. Outstanding debt over 120 days currently formed 0.26% of total outstanding debt as at the 16 June 2014.

The Corporate Procurement Manager reported on the award of contracts, in that County Borough Supplies had been awarded inclusion on the supply of educational aids and supply of janitorial and cleaning Cardiff framework contracts since the closure of Cardiff Supplies. In addition, the service had been working closely with Group Gwalia, the largest housing association in Wales, based in Swansea in relation to the supply arrangements of various product ranges. The service had also been awarded twelve month contracts for the supply of catering supplies and arts and crafts via the national public sector e-procurement service, with potential for award of further supplies areas in the future.

- RESOLVED: (1) That the report be noted.
- (2) The JSS Officers be authorised to enter into contracts as set out.

58 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 item as the report contained exempt information as defined by Paragraph 14 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 the confidential report of the Officer Group 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 to the individuals concerned by virtue of Paragraph 14 of Part 4 and Paragraph 21 of Part 5 of Schedule 12A of the Act.

Minute No. Summary of Item:

59 Business Plan for the Joint Supplies Service.

