

BRIDGEND COUNTY BOROUGH COUNCIL

CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE

24 SEPTEMBER 2015

REPORT OF THE ASSISTANT CHIEF EXECUTIVE – LEGAL AND REGULATORY SERVICES

SERVICE TRADING AND OPERATIONAL PERFORMANCE

1. Purpose of Report

The purpose of the report is to appraise Members of the Service trading and operational performance during the financial year to date.

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

- 2.1 The Joint Supplies Service (JSS) provides a purchasing and supply service which secures savings to corporate customers and schools through economies of scale and thereby contributes to the financial prudence of the Authority.

3. Background

- 3.1 The JSS provides 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 demonstrates savings to customers and schools through economies of scale.

4. Current situation/proposal

4.1 Performance Review – April-August 2015-16

4.1.1 Service Turnover: 2015-16 April-August (week 21)

- 4.1.1.1 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) is outlined below.

- 4.1.1.2 The five month period has been positive with sales achieving target overall, as summarised in the following tables, with a significant increase in Catalogue Direct turnover and the continued growth in use of the JSS arrangements by schools in the Cardiff and Vale of Glamorgan authorities and Other authorities / third sector customers.

Table 1: Turnover to August (Order book)

	Actual April-Aug 2014-15	Target April- Aug 2015-16	Actual April-Aug 2015-16	% Actual to target
	£,000	£,000	£,000	
Catalogue Stores	2,032	1,996	2,002	+0.3%
Catalogue Direct	629	624	821	+31.52%
Totals	2,661	2,620	2,823	+7.7%

Table 2: Turnover (Order book) – Full Year Comparison

	Actual 2014-15	Full-Year Target 2015-16	Actual to August 2015-16	Variance	% of Target to be achieved in remaining 31 wks
	£,000	£,000	£,000	£'000	
Total	6,619	6,402	2,823	3,579	56%

Table 3: Turnover (Order book) by Customer Area (to August)

Year	Bridgend	Caerphilly	Merthyr Tydfil	Rhondda Cynon Taf	Cardiff	Neath-Port Talbot	Swansea	Vale of Glamorgan	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2015-16	501	638	156	752	407	56	58	109	146	2,823
2014-15	469	566	153	806	319	40	73	102	133	2,661

4.1.1.3 Overall, Joint Authority turnover has increased compared to the last financial year, due, in the main, to several educational refurbishment projects undertaken in most authorities, helping to offset both the continuing Local Government budget reductions and the Service's enhanced catalogue range of economy items that historically attract a smaller turnover value than their branded counterparts

4.1.1.4 Also, overall turnover within the non-Joint Authority areas has seen a favourable increase compared to the previous financial year period, highlighting the continuing expansion of use of the Service outside its core areas.

4.1.2 Summary Financial Position at 31 August 2015.

4.1.2.1 A summary of revenue budget expenditure/income for the financial year to 31 August 2015 is provided below for information.

Table 4: Comparison of budget against projected spend at 31 Aug 2015

Expenditure Group	Budget 2015-16 £,000	Adjusted Actual to 31 Aug 2015 £,000	Projected Outturn 2015-16 £,000	Projected Over/(Under) Spend 2015-16 £,000
Employees	797	343	768	(29)
Premises	110	36	86	(24)
Transport	136	57	146	10
Supplies & Services	155	59	159	4
Third Party Payments	25	11	25	0
Finance/Support Services	54	19	46	(8)
Total Expenditure	1,277	525	1,230	(47)
Trading	(1,272)	(600)	(1,272)	0
Non Trading	(100)	(46)	(110)	(10)
Total Net Income	(1,372)	(646)	(1,382)	(10)
Deficit/(Surplus)	(95)	(121)	(152)	(57)

4.1.2.2 Expenditure during the first five months is generally as anticipated with some notable exceptions to overall projected outturn as follows:

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

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

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

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

4.1.2.3 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.

4.1.3 Service Performance Indicators

4.1.3.1 Monitoring reports are presented to the Joint Committee in relation to core performance indicators of the Service, with the following summary information provided for the year to 31 August 2015, together with the final outcomes for 2014-15 for comparison.

Table 5: Service Performance Indicators for 2015-16

Performance Indicator	Service Target	2014-15 (Full Year)	2015 (To 31 Aug)
Product Availability Average stock level available for customers on first request	96%	96.72%	95.73%
Stockholding Value Average stock value retained during the trading year.	8 weeks stock equivalent	9.4 weeks (£613k)	8.6 weeks (£615k)
Debt Management Owed debt to the JSS during trading year	Not greater than 5.5 weeks credit income	3.4 weeks (Average £423k)	3.9 weeks (Average £499k)

Table 6: Order Breakdown by Value Banding

Row Labels		£0 - £25	£26 - £50	£51 - £100	£100 plus	Grand Total
Corporate	No	1,424	956	1,090	1,803	5,273
	%	27.0	18.1	20.7	34.2	
Education	No	1,618	1,428	1,788	4,443	9,227
	%	17.4	15.4	19.3	47.9	
Other	No	200	147	162	200	
	%	28.2	20.7	22.8	28.2	
Grand Total	No	3,242	2,531	3,040	6,446	15,259
	%	21.2	16.6	19.9	42.2	

4.1.3.2 A further performance indicator has been requested i.e. monitoring the success of the Service's sales and marketing strategies, with a target of achieving 50 new customers using the organisation over the course of the financial year.

4.1.3.3 The Service has already achieved the target of 50 new customers with the majority located in Cardiff (£46,000) and England (£27,000) geographical areas.

Table 7: New Customers Analysis Apr-Aug 2015

Target	Achieved	Remaining	Turnover
50	75	0 (50% over target)	£77,901

4.1.4 E-enablement Monitoring

4.1.4.1 A strategic objective of the JSS, as part of the e-supply programme, is the increase and enhancement of electronic transacting with customers to include e-ordering, e-sales invoicing/payment and e-communications generally, to provide current and easily accessible information and enhanced marketing opportunity.

4.1.4.2 The key components in the development are the JSS interactive web-site, the national public sector eProcurement Service (ePs) portal and the enhancement of the Service back-office IT system.

Table 8: Sales Order Analysis

Transaction Medium	2015 Apr-Aug	2014/15 (Full Year)
eProcurement Service (ePs)	23.2%	25.7%
JSS Web Site	16.5%	15.2%
Other – e-mail, fax, mail, telephone	60.3%	59.1%

4.1.4.3 eProcurement Service (ePs) Portal
The national ePs portal is the primary e-trading medium to the JSS at this time, providing an increasing volume of electronic purchase transactions from the four joint authorities, as the facility is rolled-out, as well as other ePs users, primarily from the South Wales area.

4.1.4.4 Analysis of the customer usage of the portal is provided below with the overall value of orders being £655,000

Table 9: ePs User Analysis April to August 2015

Area	CCBC	MTCBC	RCTCBC	Cardiff	Swansea	V of G	SWP	Gwalia
%	36.19	7.19	33.85	7.90	5.18	4.91	4.38	0.39
Value	£236,902	£47,058	£221,632	£51,713	£33,892	£32,123	£28,653	£2,560
Orders	1992	391	1522	192	241	149	69	33

4.1.4.5 JSS Web Site
The JSS web site provides an interactive, real-time, catalogue product ordering / card payment facility and content information resource available to authorised customers, with the prime target group for the e-trading function being the educational sector and independent customers

4.1.4.6 The value of orders placed via the website for the April to August 2015 period was £466,000.

Table 10: Web site User Analysis April to August 2015

BCBC	CCBC	MTCBC	RCTCBC	Cardiff	NPT	Swansea	V of G	Other
11.5%	18.5%	11.1%	40.4%	5.8%	3.4%	2.6%	5.2%	1.6%

4.1.4.7 Purchase Card Transactions
The JSS provides a facility for payment by Purchase Card via both the on-line web-site and by direct contact with County Borough Supplies (CBS).

4.1.4.8 Payment by purchasing card for the April to August 2015 period accounted for 5.5% of all transactions, a total of £155,500. For comparison purposes, payment by purchasing card for the full 2014/15 financial period was 3.8% (£250,000)

Table 11: Purchase Card Usage Analysis April to August 2015

BCBC	CCBC	MTCBC	RCTCBC	Other
0.1%	0.35%	Nil	86.6%	13%

**4.1.5 Absence Monitoring
April-August 2015**

4.1.5.1 A summary of sickness absence for the current financial year is detailed below for information.

Table 12: Absence Monitoring April – August 2015

No. of Days Absence	Average No. of Days per Person	Average No of Days Absence per F.T.E	BCBC No of Days Absence per F.T.E
178	6.1 (0.9 excl. long-term)	6.1 (based on 176.5 F.T.E total days)	10.83 2014-15 Full Year

4.1.5.2 The absence level includes two long term absences (more than 15 days continuous) totalling 153 days (153 F.T.E days) within the overall absence of 178 days (176.5 F.T.E. days). One long term absent officer has since returned to work after a necessary medical operation.

4.1.5.3 A summary of the analysis of absence relevant to general post categories is provided below for the financial period April – August 2015.

Table 13: Staff Group Absence Analysis (Apr – Aug 2015)

Staff Group	No. of Staff	No. of Absence Days	No. of Staff Sickness Absence	Average No. of Days Absence (All staff)	Average No. of Days Absence (Absent Staff Only)
Management	2	0	0	0.0	0.0
Administrative/Professional	16	118.5	5	7.4	23.7
Warehouse	8	6.5	2	0.8	3.3
Transport	3	53	2	17.7	26.5

4.1.5.4 Members have also requested further information on the breakdown of absence by gender and the reasons for absence, which is reported below.

Table 14: Staff Absence by Gender

Gender	Total Staff	No. of Staff Sickness Absence	No. of Absence Days
Male	12	4	59.5
Female	17	5	118.5

Table 15: Staff Absence Reasons

Reason	No. of Staff	No. of Absence Days
Chest & Respiratory	1	5.5
Eye/Ear/Throat/Nose/Mouth/Dental	0	0
Infections	1	4
MSD including Back & Neck	2	107.5
Neurological	2	4
Stomach/Liver/Kidney/Digestion	2	54
Stress/Anxiety/Depression/Mental Health	1	3

4.1.5.5 All occurrences of absence are managed in accordance with corporate policy guidelines and have resulted in four welfare meetings, three informal review meetings and a forthcoming meeting to invoke the BCBC Absence Management Policy for the remaining long term absent officer.

4.1.6 Debt Management

4.1.6.1 Further information has previously been requested relating to the Joint Supplies Service long term outstanding debt.

4.1.6.2 Outstanding debt over 120 days currently forms 6.1% of total outstanding debt as at 31st August 2015.

Table 16: Debt Over 120 Days

Corporate	Education	Outside Authority	Sponsorship
£12,718 (2.23%)*	£6,495 (1.14%)*	£1,883 (0.33%)*	£13,584 (2.39%)*

* Percentage of overall current outstanding debt at 31st August 2015 (£569,426)

4.1.7 Year End Holiday Period

4.1.7.1 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.

5 Effect upon Policy Framework and Procedure Rules

5.1 None.

6 Equality Impact Assessment

6.1 There are no equality implications. .

7 Financial Implications

7.1 These are reflected in the body of the report.

8 Recommendation

It is recommended Members note the content of the report.

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Background Documents: None