

## ENVIRONMENT OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Tuesday, 11 <sup>th</sup> February 2020
<b>Report Subject</b>	Alltami Depot Stores
<b>Cabinet Member</b>	Deputy Leader and Cabinet Member for the Streetscene and Countryside
<b>Report Author</b>	Chief Officer (Streetscene and Transportation)
<b>Type of Report</b>	Operational

### **EXECUTIVE SUMMARY**

The Alltami depot stores is responsible for the safe and secure storage of all stock items and materials used at the depot. Additionally, the Stores team are responsible for ensuring that all plant and machinery used by the service is operated, inspected and serviced in accordance with planned schedules and legal requirements.

Internal audits of the Alltami depot stores were undertaken in July 2016, with a follow-up audit conducted in May 2019. The overall findings from the audits were that the controls in operation at the time provided some assurance that key risks were being managed and controlled effectively, but that more could be done.

This report provides the Committee with assurances regarding the controls now in place within the stores in Alltami depot.

### **RECOMMENDATIONS**

1	That Environment Overview & Scrutiny Committee notes the working arrangements within the Streetscene and Transportation depot stores and supports the actions undertaken to control material and equipment held within the stores.
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## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE BACKGROUND TO THE REPORT</b>
1.01	<p>The Alltami Depot Stores is responsible for the safe and secure storage of all stock items and materials at the depot, inventory control, issuing and despatching stock in order to maintain demand and supply, timely and accurate replenishment of stock, receipting goods, reviewing obsolete stock and arranging appropriate disposal, as well as accurate stores accounting for recording details of stock movements and balances in terms of financial value.</p>
1.02	<p>Additionally, the Stores team is responsible for ensuring that all plant, machinery is operated, inspected and serviced in accordance with planned schedules and legal requirements, including fault and defect reporting, calibration, operational problems and ensuring that records in support of the activities undertaken are maintained and monitored for compliance.</p>
1.03	<p>The Stores team in Alltami has been utilising a stock control system developed from the fleet management system, Tranman, which was previously operated by the Council's in-house fleet team to order parts for vehicles. Prior to this and before the commencement of the Streetscene Service, stock had been managed through a paper based system.</p>
1.04	<p>Following the outsourcing of the Council's fleet management in 2016, the level of support for the fleet management system reduced and there are now significant gaps in its functionality, such as being unable to return unused items into the stock, no bar coding of stock and lack of integration with other Council systems such as P2P / Proactis for the ordering of goods and services, and contract management.</p>
1.05	<p>Staff from the service are working with colleagues from ICT to identify and install a basic stock control system, which will simplify stock management issues and provide greater accountability and reporting functions. Whilst ICT clearly have a backlog of service demands from across all of the Portfolios, work has progressed with the project and a number of potential options have been identified. It is intended that the new system will be in place and operational by June 2020 and that it will include a simple electronic barcode scanning system. The intention is that scanning both the stock item and employees' identity card will improve accountability and provide an audit trail for all issued goods.</p>
1.06	<p>In the interim period, the level of physical stock checks have been increased and a full inventory stock check is now carried out every 6 months, rather than annually. A paper based system is in place to ensure that all stock items are issued against the employee's employment reference and recorded on the Tranman system to ensure an audit trail is maintained and minimum stock levels are set on the Tranman system to ensure timely replenishment of stock items. Access to the stores has also been restricted to only allow only 'authorised' personnel. Previously, due to the ID card management system in place for the Council, a number of different staffing groups, such as the cleaners, had full access to the Stores. The groups have now been reviewed on the system and strictly only authorised personnel now have access.</p>

1.07	<p>The follow-up audit identified several outstanding actions in relation to small plant and equipment: -</p> <ul style="list-style-type: none"> <li>• Plant Record to be established</li> <li>• Plant inspection register to be completed</li> <li>• Electronic record of activity to be completed</li> <li>• Write-off process to be agreed</li> </ul>
1.08	<p>A central plant inventory is in place for the control and monitoring of all plant and equipment for the depot, including hired plant, which is managed through the Stores Supervisor. A significant amount of work has been undertaken to identify the location of every item of plant and equipment, including those held at remote sites, and the inventory is monitored and updated daily, with all items of plant and equipment registered and booked out / in each day by the Supervisors. A write-off pro-forma has been produced to record items that are either beyond economical repair or have reached the end of their useful life, as well as document any items that are sent to auction, and the disposal process now links to the plant inventory, recording the method of disposal and auction / scrappage value.</p>
1.09	<p>Additionally, an operational procedures booklet was issued to all relevant staff in June 2019 via a tool box talk. The booklet outlines the procedures to be followed for plant and equipment, including procurement / hiring of plant, asset management and inventory control, risk assessments and safe systems of work, servicing, repairs and maintenance, defect reporting, inspection and monitoring, disposal and renewal / replacement, training and instruction. Subsequent tool box talks and updated versions of the booklet have also been delivered to relevant staff over the last six months.</p>
1.10	<p>The follow-up audit identified that the action in relation to the formalisation of issuing personal protective equipment (PPE) against individual staff had not been introduced and was not being monitored at the time of the review, and there was no record of returned items. Additionally, there was no formal agreement or process for the return of clothing by agency staff. Agency staff are treated no differently to FCC staff and are issued with the same bundle of high visibility clothing when their employment commences. All agency providers are required to provide basic PPE for their staff, such as steel toe cap boots, and have been instructed to return clothing by agency staff if the items are economically viable to be returned. Issuing of PPE is currently recorded manually against each individual employee's payroll reference, but the intention is for this is to be recorded electronically via a bar code on the new stores system and records of returned items maintained.</p>
1.11	<p>A stock of van ladders, which were purchased by Housing in 2014 and stored at the Alltami depot have now been transferred to Housing and deployed on the vehicles where required. Therefore, this outstanding action within the audit can now be closed.</p>
1.12	<p>The Alltami depot employs an Emergency Store for the out-of-hours highways team, which is used in cases of road traffic collisions or emergency call-outs. In response to the follow-up audit, a daily inventory</p>

	check is now maintained to ensure that the store is fully stocked at all times and that items are booked in and out.
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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2.01	<p><b>Revenue:</b> there are no implications for the approved revenue budget for this service for either the current financial year or for future financial years. The replacement stores system is not intended to incur any additional revenue expenditure within the service. However, it is anticipated that efficiencies may be achieved through improved day-to-day stock management and control using electronic bar coding.</p> <p><b>Capital:</b> there are no implications for the approved capital programme for either the current financial year or for future financial years</p> <p><b>Human Resources:</b> there are no implications for additional capacity or for any change to current workforce structures or roles.</p>
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<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
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3.01	The Internal Audit reports have highlighted that changes to the current ways of working and stock control system are required in order to provide assurance that key risks are being managed and controlled effectively.
3.02	A delivery project team will be established to monitor the delivery of the new stores system, which will report on a monthly basis to the Senior Management Team meetings.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
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4.01	Consultation is ongoing with ICT services in relation to support and implementation of new stores system
4.02	Consultation is ongoing with existing Stores staff on most appropriate solution
4.03	Further reporting via future Internal Audit reports

<b>5.00</b>	<b>APPENDICES</b>
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5.01	None
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<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
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6.01	None.
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<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	Contact Officer: Stephen Jones Telephone: 01352 704700 E-mail: <a href="mailto:stephen.o.jones@flintshire.gov.uk">stephen.o.jones@flintshire.gov.uk</a>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	None.