

EAST AYRSHIRE COUNCIL

REORGANISATION COMMITTEE - DLO/DSO SUB-COMMITTEE

MINUTES OF THE MEETING HELD ON TUESDAY 20 JUNE 1995 AT 10.00 AM

IN THE COUNCIL CHAMBERS, CIVIC CENTRE, KILMARNOCK

Present: Councillors J O'Neill (Chair), J Kelly, K Hall, A McIntyre, E Ross and D Sneller.

Attending: D Montgomery (Chief Executive); G Fraser, A Fairbairn, A Cahill (for the Chief Executive KLDC); B Devlin, J Dolan (Building and Works Manager KLDC); S Gillan (for the Director of Cleansing and Related Services); W McKenzie (DLO Manager, Cumnock and Doon Valley District Council); B Pollock (Cleansing Manager, Cumnock and Doon Valley District Council); S Fraser (for the Director of Cleansing and Environmental Health); F Chambers (for the Director of Catering Direct); S Rodgers (for the Director of Roads); S Gilchrist (Director SRC Building and Works) and L McNinch (Parks Manager, Cumnock and Doon Valley District Council).

Apologies

for absence Councillors J Boyd, T Farrell and G McCredie.

1. Minutes of Previous Meeting

The minute of the previous meeting was submitted and noted.

2. Matters Arising

There was no matters arising other than those contained within the agenda.

3. Presentation on a Multi-Service Option for DLO/DSOs

Reference was made to the minute of 1 June 1995 when it had been agreed to seek a presentation on the Multi-Service DSO/DLO option from a representative of the Scottish Association of Direct Labour Organisations (ADLO).

Thereon, there followed a presentation in response to that decision covering the following aspects:

a) legislative background

- i) Local Government Planning and Land Act 1980;
- ii) Local Government Act 1988;
- iii) Moratorium for existing CCT 1980 Act;

- iv) Moratorium for existing CCT 1988 Act;
- v) Introduction of new manual defined activities;
- vi) possible timetable for reintroduction of CCT(1);
- vii) East Ayrshire timetable - when particular reference was made to the interpretation of legislation in respect of re-letting of contracts which would benefit from further legal clarification;
- viii) extension of CCT to professional services;
- ix) timetable for professional services (2);
- x) DSO turnover for new authorities; and
- xi) East Ayrshire Authority - this highlighted the name of the existing authorities, the service, the number of employees and the estimated turnover which was projected as being £129,545 million which would amount to 27% of the potential East Ayrshire budget.

b) Proposals

- i) issues; single service - multi service - single hatted - twin hatted;
- ii) criteria for selection;
- iii) purpose of structure
- iv) commercial services incorporating all DSO/DLO activities;
- v) support services under the control of the commercial operations directorate;
- vi) client services;
- vii) disadvantages of such an approach;
- viii) solution; and
- ix) indicating that any structure adopted must:
 - A) maximise contract retention;
 - B) keep jobs in house;
 - C) ensure common aims and goals;
 - D) avoid task duplication;
 - E) rationalisation - in the sharing of overheads and management and expertise;
 - F) increase flexibility;
 - G) maximise potential economies of scale;
 - H) promote efficiency;
 - I) establish customer focus; and
 - J) improve service delivery.

4. Having heard Mr Gilchrist in explanation and in answer to members' questions and following comments from officers present it was agreed:

- a) that the principle of the Multi-Service DLO/DSO be accepted on the basis that the adoption of the Multi-Service DLO/DSO does not preclude joint arrangements with out authorities in respect of certain services; and

- b) that this view be remitted directly to the Policy and Resources Committee in order that it could be taken into account in decision making about new council structures.
5. There was submitted a report (issued) to advise members of the latest best estimates for a timetable for preparation for CCT and to outline a course of action.

Mr Montgomery outlined the report which made reference to:

- (a) the major legislative documents responsible for the extension of CCT;
- (b) defined activities in relation to both "blue collar" and "white collar" activities;
- (c) a possible timetable for the introduction of CCT including the preparation of associated documentation;
- (d) highlighting the fact that a complicated process of developing a CCT strategy is being requested at a stage that is too early for the Council.

Following discussion and in answer to members' questions, it was agreed to:

- i) note the further defined pressures of time on the CCT preparation process;
- ii) request the Chief Executive and appropriate senior officers on appointment to work closely with the current Council's responsible for East Ayrshire's area in order to ensure that all necessary preparatory work for CCT is expedited as necessary;
- iii) that a letter be sent to the Scottish Office, following the completion of the public consultation exercise, voicing the concerns raised in respect of the difficulty in complying with the timescales being imposed and the undue constraints which they placed on a proper shaping of decentralised services in response to the public's wishes as expressed through consultation procedures.

6. Section 58 - Joint Provision of Services - Regulation Consultation

There was submitted a report (issued) by the Chief Executive highlighting the pertinent issues contained in the Scottish Office Environment Department Consultation Paper - Joint Provision of Local Authority services - Regulations under Section 58 of the Local Government Etc (Scotland) Act 1994, as they relate to CCT services.

In outlining the report, Mr Montgomery highlighted the:

- 1. Background;
- 2. Competition legislation;
- 3. Re-introduction of Compulsory Competitive Tendering to manual services;
- 4. Extension of CCT to professional services;
- 5. Joint Boards/Joint Committees; and
- 6. Concluding by reference to a number of existing powers local authorities may utilise in order to provide service to another authority.

Following discussion it was agreed to:

- i) note the contents of the report, deploring the reduction of the level of CCT - except joint working from £100,000 to £25,000 and within the very limited time allowed in the consultation process, seek further clarification in terms of an expanded circular and further specific advice from the Scottish Office Environment Department in relation to the application of Section 58 and the creation of Joint Boards to facilitate a comprehensive understanding and knowledge of all possible working arrangements for competition and related services;
- ii) raise the issue of the very limited timescale allowed in the consultation process and concerns over the nature of the Parliamentary procedures likely to be adopted to:
 - A) COSLA
 - B) ADLO
 - C) the two local MP's: Mr W McKelvey
Mr G Foulkes