

EAST AYRSHIRE COUNCIL

SPECIAL AD HOC COMMERCIAL STRATEGY REVIEW COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 8 FEBRUARY 1999 AT 1300 HOURS IN THE MEETING ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors David Sneller, Drew McIntyre, Jane Darnbrough, David Macrae, Tommy Farrell and Eric Jackson.

ATTENDING: David Montgomery, Chief Executive; Fiona Lees, Depute Chief Executive; William Stafford, Director of Community Services; Iain McLachlan, Director of Personnel Services; William Taylor, Acting Director of Commercial Operations; Tom McHugh, Depute Director of Finance; Kate McVey, Solicitor to the Council; Tom Wilkie, Head of Contracting and Technical Services; John Griffiths, Head of Leisure; John Donohoe, Building and Works Manager; Robin Gourlay, Contracts Manager and James Lally, Senior Administrative Officer.

APOLOGY: Councillor Gordon Cree.

CHAIR: Councillor David Sneller, Chair.

FUTURE TIMETABLE

1. There was submitted and noted report dated 5 February 1999 (circulated) by the Chief Executive updating the timetable for submission of reports to future meetings of this Committee.

During discussion of the above report, Councillor Sneller expressed concern at the delay in preparing the report on Vehicle Maintenance Bonus Schemes.

The Acting Director of Commercial Operations reported that the delay was due to difficulties with Trade Union representation and that as the matter had now been resolved the report would be submitted to the meeting of the Committee scheduled to be held on 8 March 1999.

It was further noted that the reports due on outstanding profit share issues would also be submitted to the meeting of the Committee scheduled to be held on 8 March 1999 as the audited accounts for 1997/98 were now available.

**AUTHORITY'S BUYING CONSORTIUM - SUPPLIES FOR DLOs and DSOs
(Item 3, Page 4066)**

2. There was submitted a report dated 3 February 1999 (circulated) by the Director of Support Services providing an update on the position relative to the possibility of extending yet further the scope of the Authorities Buying Consortium in respect of the supplies for DLOs and DSOs.

It was agreed to note the contents of the report and await the outcome of approaches to other Councils which themselves would be considered by the ABC Joint Committee at their next meeting to be held on Friday 12 March 1999.

EXCLUSION OF PRESS AND PUBLIC

3. The Committee resolved that under Section 50A(4) of the Local Government (Scotland) Act 1973, as amended, the Press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraph of Schedule 7A of the Act as shown against each item.

NOTE OF MEETING WITH TRADE UNION REPRESENTATIVES REGARDING SPECIAL AD HOC COMMERCIAL STRATEGY REVIEW COMMITTEE (PARA 11)

4. There were submitted and noted Minutes of meeting held on 12 January 1999 (circulated).

During discussion of the above Minutes Councillor Sneller explained that Trade Union Representatives had expressed concern that as Blacksmith work was being packaged as a single trade contract, it was their opinion that there would be little work left for Blacksmiths within the multi-trade contract.

It was agreed that the Acting Director of Commercial Operations investigate the concerns raised by Trade Union Representatives and report thereon to the meeting of the Committee scheduled to be held on 8 March 1999.

BUDGETARY CONTROL SUMMARY STATEMENT - COMMERCIAL OPERATIONS TO 1 JANUARY 1999 (PERIOD 10) (PARA 6)

5. There was submitted a joint report dated 2 February 1999 (circulated) by the Acting Director of Commercial Operations and Director of Finance advising of the current budgetary control position and the projected out-turn for the year of the Commercial Operations Department for the period ended 1 January 1999 (Period 10).

Members expressed their concern at the projected out-turn for the year for the Building and Works Service of a £1,575,000 deficit. Clarification was sought in relation to options available to address this problem and on action currently being implemented to improve the situation. Concern was also expressed in relation to the availability of more detailed information on productivity and bonus payments.

The Acting Director of Commercial Operations confirmed that expenditure for the DLO was on target and that the problem had resulted from poor productivity which impacted on income recovery. He assured Members that a number of short-term measures had been implemented to improve productivity such as reducing travelling time, re-allocation of workload, reviewing of admin workload, supervisor's being freed from administration and clerical work to assist with workload and client consultation to prioritise workload. He also confirmed that three meetings had been held with Trade Unions to discuss how productivity could be further improved.

The Chief Executive advised Members that he recognised their concerns and that in the short term every possible measure to minimise the losses was currently being pursued, by Officers, whilst ensuring continuing service delivery. Once benchmarking information was available, a wider range of options could be considered for service delivery.

Having heard the Acting Director of Commercial Operations and the Chief Executive in explanation it was agreed:-

- (i) that it be remitted to the Acting Director of Commercial Operations in consultation with the Director of Personnel Services to prepare a report providing an analysis of productivity figures on a trade by trade basis within the DLO and details of the existing bonus agreement and negotiations held thereon with Trade Unions to a Special Meeting of this Committee to be held on 24 February 1999;
- (ii) that a letter be sent to all employees in the DLO highlighting the seriousness of the current situation and the need to maximise productivity; and
- (iii) otherwise, to note the contents of the report.

BUILDING AND WORKS INVOICES (PARA 6)

6. There was submitted a report dated 29 January 1999 (circulated) by the Acting Director of Commercial Operations informing of the progress in clearing the level of Building and Works invoices and requesting Members to agree that the "Fast Track" invoices had been processed as far as practicable.

Having noted that correspondence had been received from Internal Audit confirming that no irregularities or evidence of fraudulent claims had been identified in respect of the verification of "Fast Track" invoices and that it was not cost effective to obtain verification of the small number of remaining invoices, it was agreed:-

- (i) to endorse the view that all practical steps to verify the "Fast Track" invoices had been taken and that work in this respect should be discontinued;
- (ii) that the Accounts Commission be advised accordingly; and
- (iii) to otherwise note the progress in clearing Building and Works invoices.

BUILDING AND WORKS INCOME RECOVERY (PARA 6)

7. There was submitted a report dated 3 February 1999 (circulated) by the Acting Director of Commercial Operations informing of the amount of income recovered by Building and Works.

It was agreed to note the contents of the report and that in future reports agreed income should be included up until the week in which final income figures agreed by Departments were currently available.

BUILDING AND WORKS STORES - UPDATE (PARA 6) (Item 9, Page 4068)

8. There was submitted a report dated 2 February 1999 (circulated) by the Acting Director of Commercial Operations providing an update of progress being made with Building and Works Stores.

It was agreed:-

- (i) to approve the development and advertising of new materials contracts which would allow stock holding to be reduced to a minimum, while safeguarding the position of the Council in circumstances of emergency, starting with plumbing and central heating supplies and progressively covering other trade supplies;
- (ii) to seek a further report outlining the main elements of this proposed new approach to contracting for materials; and
- (iii) to otherwise note the progress being made with the stock taking.

BUILDING AND WORKS INFORMATION TECHNOLOGY SYSTEM (PARA 6)

9. There was submitted a report dated 3 February 1999 (circulated) by the Acting Director of Commercial Operations advising of progress in replacing the computer system for Building and Works.

It was agreed to note progress made to date on replacing the Building and Works computer system and that it be remitted to the Acting Director of Commercial Operations in consultation with the Director of Finance and Head of Information Technology to report to the meeting of the Committee scheduled to be held on 24 February 1999 with more detailed financial information in respect of the proposed options under consideration.

IMPLEMENTATION OF THE CAPITA REPORT INTO THE GROUNDS MAINTENANCE DSO (PARA 6)

10. There was submitted a report dated 1 February 1999 (circulated) by the Director of Community Services seeking approval for the implementation of changes to the Council's Grounds Maintenance Service in response to the recommendations of the Capita report.

It was agreed:-

- (i) to approve the responses to the Capita recommendations as shown in Section 3 of the report with the exception of 3.2 where the Director of Community Services was requested to endeavour to have the new Service Level Agreement for golf courses in place earlier than 1 October as had been stated in the response;
- (ii) that it be remitted to the Director of Community Services to provide further progress reports to this Committee at regular intervals;
- (iii) that it be remitted to the Director of Community Services to submit a report to the Personnel and Property Sub-Committee of the Policy and Resources Committee in due course regarding the staffing issues;
- (iv) that it be remitted to the Director of Community Services to continue to consult with Trade Unions and the workforce; and
- (v) otherwise, to note the report.

CLEANSING -VEHICLE REPLACEMENTS (PARA 6)

11. There was submitted a report dated 27 January 1999 (circulated) by the Director of Community Services advising of the Vehicle Replacement requirements of the Cleansing DSO in financial year 1999/2000 and seeking approval for the acquisition of two refuse collection vehicles and three support vehicles.

It was agreed to approve the acquisition of two refuse collection vehicles estimated at £250,000, one four wheel drive pick-up at £14,000 and two 3.5 tonne pick-ups at £32,000 by competitive tender according to EC Procurement Legislation and that the Director of Finance be requested to secure the appropriate operating leases for the above vehicles.

The meeting terminated at 1425 hours.