

EAST AYRSHIRE COUNCIL**SPECIAL AD HOC COMMERCIAL STRATEGY REVIEW COMMITTEE****MINUTES OF MEETING HELD ON MONDAY 20 JULY 1998 AT 1400 HOURS IN
THE MAIN MEETING ROOM, COUNCIL HEADQUARTERS, LONDON ROAD,
KILMARNOCK**

PRESENT: Councillors David Sneller, Drew McIntyre, Gordon Cree and David Macrae.

ATTENDING: David Montgomery, Chief Executive; Fiona Lees, Depute Chief Executive; William Taylor, Acting Director of Commercial Operations; William Stafford, Director of Community Services; Steven Chorley, Director of Development Services; Alex McPhee, Acting Director of Finance; John Hillis, Director of Housing; Iain McLachlan, Director of Personnel Services; Barbara Haughan, Director of Support Services; Robin Gourlay, Depute Director of Commercial Operations; Kate McVey, Head of Legal Services; Robert McLeary, Head of Property; Douglas Campbell, Head of Public Relations and Marketing; Robert Pollock; Operations Manager, Commercial Operations Department; George Stratford, Senior Contracts Officer, Property Services; Martin O'Rourke, Senior Planning Officer and Julie Armstrong, Senior Administrative Officer.

APOLOGIES: Councillors Jane Darnbrough, Tommy Farrell and Eric Jackson.

CHAIR: Councillor David Sneller, Chair.

TIMETABLE OF MEETINGS (Item 2, Page 3510)

1. There was submitted a report dated 17 July 1998 (circulated) by the Director of Support Services which provided information on the timetabling arrangements for further meetings of the Special Ad Hoc Commercial Strategy Review Committee.

It was agreed:-

- (i) to note that the Main Meeting Room had been reserved on the undernoted dates for Committee meetings as required:-
 - Monday 3 August 1998, 1400 hours
 - Monday 10 August 1998, 1400 hours
 - Monday 17 August 1998, 1400 hours
 - Monday 24 August 1998, 1400 hours
 - Monday 31 August 1998, 1400 hours
- (ii) to note that additional meetings of the Committee would also be convened as and when required; and
- (iii) otherwise to note the contents of the report.

MONITORING AND REVIEW OF PROGRESS : TIMETABLE

2. There was submitted a report dated 17 July 1998 (circulated) by the Chief Executive which updated the timetable for the submission of reports to future meeting of this Committee and progress being made in the range of issues which had been identified to date in relation to the current situation within the Commercial Operations Department.

It was agreed to note the amended timetable as detailed in the appendix to the report.

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 COMMITTEE (PARA 11)

4. There was submitted and noted the minutes of the meeting held on 13 July 1998 (circulated):-

4.1 Matters Arising

4.1.1 IRVINE VALLEY AREA REPAIR TEAM PREMISES, BARRMILL ROAD, GALSTON (Item 2, Page 3540)

It was noted that the Acting Director of Commercial Operations would provide the Trades Union Representatives with information on how savings per year could be achieved.

4.1.2 ACCOUNTS COMMISSION FOR SCOTLAND REVIEW OF MANAGEMENT AND FINANCIAL CONTROLS DLO/DSO'S (Item 3, Page 3541)

It was noted that Councillor Sneller had again advised the Trades Union Representatives that they could have access to the completed review documentation and associated evidence for East Ayrshire.

4.1.3 COSLA CONSULTANCY AND SUPPORT STAFF (Item 5, Page 3539)

It was noted that the Chief Executive had negotiated a daily rate of £330 for the CoSLA consultancy.

4.1.4 BUILDING MAINTENANCE CONTRACT - SCHEDULE OF RATES (Item 8, Page 3543)

It was noted that a meeting would be held with Representatives from the Departments of Commercial Operations, Housing, Support Services and the Trades Union Representatives to discuss the new abridged version of the Schedule of Rates before implementation and that an update report would be submitted to a future meeting of this Committee.

BUILDING AND WORKS STORES CONTROL PROCEDURES (PARA 6)

5. There was submitted a report dated 16 July 1998 (circulated) by the Acting Director of Finance which advised of the outcome of an Audit to identify and examine the management controls applied to Building and Works stores.

It was agreed:-

- (i) that the Acting Director of Commercial Operations take immediate steps to determine and implement adequate controls over the Building and Works stores and report back accordingly;

- (ii) that the Acting Director of Commercial Operations ensures that stores processing is brought up to date as soon as possible and reports on progress to this Committee on a monthly basis; and
- (iii) otherwise to note the contents of the report.

**COMMERCIAL OPERATIONS - BUILDING AND WORKS -
CHARGES TO CLIENTS (PARA 6)**

6. There was submitted a joint report dated 10 July 1998 (circulated) by the Directors of Housing, and of Support Services and Acting Directors of Finance and of Commercial Operations which advised of the work undertaken to finalise the 1997/98 Building Maintenance charges to Housing and Property Services.

Having noted that at paragraph 5.5 the word "daywork" should be substituted by the word "narrative" and at paragraph 8.2 where figures were detailed, points should be substituted for commas and £2.241m and £1.283m substituted for £2.341m and £1.383m respectively it was agreed:-

- (i) to note the actions taken to establish the value of the under recovery of costs to Building and Works;
- (ii) to note that the Acting Director of Finance when finalising the 1997/98 annual accounts would include the agreed additional charges as the best available estimate in the circumstances;
- (iii) that a further report on the implications of these adjustments to 1997/98 on the Housing and Property Services budgets for 1998/99 be submitted to Committee;
- (iv) that a further report be submitted to the Committee on the protocols in place in relation to helpline staff operating the out of hours service;
- (v) that a further report on the commitment budgeting systems for Housing and Property be submitted to Committee; and
- (vi) otherwise to note the terms of the report.

INDEXATION OF COMMERCIAL OPERATIONS CONTRACTS (PARA 6)

7. There was submitted a report dated 16 July 1998 (circulated) by the Acting Director of Finance which advised of the position with regard to indexation of Commercial Operations contracts.

It was agreed:-

- (i) that contracts not already uprated should be uprated for 1997/98 by the amounts shown in paragraph 5 of the report;
- (ii) that the Client Department Directors and the Acting Director of Commercial Operations put in place systems to ensure that all contract prices are uprated and implemented in line with the indices specified and at the times set in each contract or service level agreement on an annual basis and that budget estimates are set accordingly for each financial year ahead;
- (iii) that the Acting Directors of Finance in consultation with the Acting Director of Commercial Operations consider the method by which Commercial

Operations contracts should be updated from 1 April 1998 and report accordingly; and

- (iv) otherwise to note the contents of the report.

REVIEW OF DSOs - LEISURE MANAGEMENT (PARA 6)

8. There was submitted a report dated 16 July 1998 (circulated) by the Chief Executive which provided the Committee with a current status position with regard to the progress being made in defining the issues needing to be addressed in the Leisure Management DSO.

It was agreed:-

- (i) to note the position in relation to the financial out turn of the Leisure Management DSO in 1996/97 and the current position for 1997/98;
- (ii) to note the work which was currently being undertaken to establish clearly the financial position of the DSO for 1998/99;
- (iii) to note that an initial assessment of the financial position of the DSO in the current financial year indicated that a deficit would occur unless action was taken;
- (iv) to note further that a detailed report would be brought to the Committee of 27 July 1998 which would indicate the options available to ensure that the Leisure Management DSO would meet the financial objectives of the Secretary of State and operate on a firm financial basis for the future; and
- (v) otherwise to note the terms of the report.

REVIEW OF DSOs - SCHOOL CROSSING PATROLS (PARA 6)

9. There was submitted a report dated 17 July 1998 (circulated) by the Chief Executive which (i) advised of the position in relation to the financial out turn for School Crossing Patrols in 1996/97 and the current position for 1997/98; (ii) informed of the projected financial out turn for the School Crossing Patrols in the current financial year; and (iii) sought agreement to the preparation of a Service Level Agreement for the School Crossing Patrol Service in East Ayrshire.

It was agreed:-

- (i) to note the position in relation to the financial out turn for School Crossing Patrols in 1996/97 and the current position for 1997/98;
- (ii) to note the projected financial out-turn for School Crossing Patrols in the current financial year; and
- (iii) to the preparation of a Service Level Agreement for the continuing operation of the School Crossing Patrol Service in East Ayrshire.

REVIEW OF DSOs - REFUSE COLLECTION AND STREET CLEANSING DSOs (PARA 6) (Items 9 & 10, Page 3543 & 3544)

10. There was submitted a report dated 17 July 1998 (circulated) by the Chief Executive which (i) provided Committee with the current updated position in relation to the financial projections for the Street Cleansing DSO and the Refuse Collection DSO in

the current financial year; and (ii) sought approval for a number of measures which were proposed to move both the Refuse Collection DSO and the Street Cleansing DSO on to a firm operational financial base for the future delivery of these services.

It was agreed:-

- (i) to note the financial position of the Refuse Collection DSO and the Street Cleansing DSO in 1997/98;
- (ii) to note the projected financial position of the Refuse Collection DSO and Street Cleansing DSO in 1998/99 after income and expenditure adjustments and savings had been made;
- (iii) to note that the projected out turn for both the Refuse Collection DSO and Street Cleansing DSO after the savings indicated in (ii) above still showed a deficit position;
- (iv) in light of (iii) above to take further measures to reduce employee costs and transfer responsibility for the management of the Refuse Collection and the Street Cleansing DSO from the Commercial Operations Department to the Community Services Department;
- (v) to note that these measures would result in a firm financial and operational base for the future delivery of these services;
- (vi) that a further report from the Client side on the implementation of these measures, which would involve discussion with the Trades Unions, be submitted to the Committee as soon as possible; and
- (vii) otherwise to note the terms of the report.

GROUND MAINTENANCE - BEST VALUE (PARA 6) (Item 6, Page 3541)

11. There was submitted a report dated 16 July 1998 (circulated) by the Director of Community Services which sought approval to carry out a market testing and benchmarking exercise with a view to ensuring that grounds maintenance meets the concept and key principles of the Best Value Regime.

It was agreed:-

- (i) that it be remitted to the Director of Support Services and the Director of Community Services to undertake a market testing and benchmarking exercise in accordance with the appropriate procurement legislation;
- (ii) that the views of third parties be sought on the packaging and content of any contract with a view to ensuring Best Value;
- (iii) that the Director of Community Services submit a report to this Committee and the Community Services Committee on the results of the exercise;
- (iv) that the Director of Community Services carry out the appropriate consultation with Trades Unions; and
- (v) otherwise to note the terms of the report.

The meeting terminated at 1600 hours.