

EAST AYRSHIRE COUNCIL

SPECIAL AD HOC COMMERCIAL STRATEGY REVIEW COMMITTEE

**MINUTES OF MEETING HELD ON MONDAY 3 AUGUST 1998 AT 1400 HOURS
IN THE MEETING ROOM, COUNCIL HEADQUARTERS, LONDON ROAD,
KILMARNOCK**

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

ATTENDING: David Montgomery, Chief Executive; Fiona Lees, Depute Chief Executive; John Hillis, Director of Housing; Iain McLachlan, Director of Personnel Services; Barbara Haughan, Director of Support Services; William Taylor, Acting Director of Commercial Operations; Chris McAleavey, Senior Depute Director of Housing; Robin Gourlay, Depute Director of Commercial Operations; Helen Dick, Depute Director of Finance; Tom Wilkie, Head of Contracting and Technical Services; Robert McLeary, Head of Property; Douglas Campbell, Head of Public Relations and Marketing; John Donohoe, Building and Works Manager; David Mitchell, Principal Solicitor; Martin O'Rourke, Senior Planning Officer; Lorna Service, Senior Accountant and James Lally, Senior Administrative Officer.

CHAIR: Councillor David Sneller, Chair.

COMMERCIAL OPERATIONS OUT-TURN 1997/98

1. There was submitted and noted a report dated 29 July 1998 (circulated) by the Acting Director of Finance advising of the current out-turn position for Commercial Operations for 1997/98.

EXCLUSION OF PRESS AND PUBLIC

2. Agreed 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)**

3. There was submitted a note of meeting held on 27 July 1998 with Trade Union representatives regarding the Special Ad Hoc Commercial Strategy Review Committee on that date (circulated).

It was agreed:-

- (i) that Councillor Macrae be provided with information on the projected transport savings associated with the Irvine Valley Area Repair Team premises, Barrmill Road, Galston;
- (ii) to note that with regard to the breakdown of bonus figures, the Director of Finance was currently attempting to provide more detailed figures and that once available these would be sent to Members; and

- (iii) otherwise, to note the contents of the report.

**PROPOSALS TO DEAL WITH THE IMPACT OF ADDITIONAL CHARGES ON
THE HOUSING REVENUE ACCOUNT 1998/99 (PARA 6)**

4. There was submitted a report dated 29 July 1998 (circulated) by the Director of Housing requesting the Committee to consider proposals in connection with the potential overspend of £1.150M on the Housing Revenue Account.

It was agreed:-

- (i) to a reduction of £0.725M in Capital Contribution from Current Revenue and that Housing Capital Projects be adjusted as outlined in Appendix 1 of the report;
- (ii) to a reduction of £0.160M in the potential sum available for out of hours emergency repairs;
- (iii) to a potential overspend on the 1998/99 Housing Revenue Account of £0.265M with the position being monitored during the remainder of the financial year with a view to identifying further off-setting savings, and any residual balance being considered during the 1999/2000 budget construction process; and
- (iv) otherwise, to note the contents of the report.

**BUILDING AND WORKS DLO - THE CURRENT POSITION AND MEASURES
NOW PROPOSED (PARA 6)**

5. There was submitted a report dated 31 July 1998 (circulated) by the Chief Executive informing of the current position of the Building and Works DLO following the scheduled Conditions of Service ballot and recommending measures now required in light of this position.

The Chief Executive reported that with regard to the figures detailed in paragraphs 4.3 and 4.4 of the report in respect of the anticipated amount of loss per week by the DLO, there would be some contribution to Conditions of Service savings over the remainder of the financial year as a result of the reduction in the workforce and that within the overall weekly losses, the lack of an agreement with the remaining workforce on Conditions of Service would alone result in a projected loss of some £15,000 per week from 1 September 1998 until the end of the financial year.

Having heard the Chief Executive and having noted that it would be possible to review and revise a decision on re-tendering up to the point when tenders were issued or before the Council had incurred significant costs, it was agreed:-

- (i) to note that the scheduled ballot on proposed amended Conditions of Service for Building and Works DLO employees did not take place and that accordingly no agreement had been secured;
- (ii) to further note that in the light of this position the Council must take immediate action in order to stem the unacceptable deficit which would result from the failure to secure significant cost savings;
- (iii) to note that Elected Members have a statutory responsibility to secure economy, efficiency and effectiveness in the use of Council resources and take appropriate action in this regard;

- (iv) that in the light of the urgency of the circumstances currently facing the Council, the Building Maintenance contract should be re-tendered under the Accelerated Restricted Procedure as early as practicable;
- (v) that the brief for the external consultant be extended to allow assistance to be provided in connection with the contract tendering and packaging requirements of the Accelerated Restricted Procedure for contract tendering for Building Maintenance;
- (vi) that urgent discussions take place with the Trade Unions to inform them of the actions which the Council now propose to take;
- (vii) to inform the Scottish Office of the issues addressed in the report and of the Council's proposed course of action; and
- (viii) otherwise, to note the terms of the report.

The meeting terminated at 1440 hours.