

SCOTTISH BORDERS COUNCIL
EXECUTIVE COMMITTEE
TRADING OPERATIONS SUB-COMMITTEE

Item No 4

MINUTE of INFORMAL MEETING of the TRADING
OPERATIONS SUB-COMMITTEE held in the COUNCIL
CHAMBER, COUNCIL HEADQUARTERS on 11
SEPTEMBER 2006 at 2p.m.

Present: - Councillors R. G. Edgar (Chairman), N. Calvert, J. G. Mitchell.
Apologies:- Councillor M. S. Browne J. Law, D. Parker D. Paterson. In Attendance:-Director of
Technical Services, Head of Corporate Finance, Head of Corporate Administration,
Head of Roads and Fleet Management, Fleet Manager, Business Support Officer,
Catering and Cleaning Manager, Senior Technician, Business Support for Technical
Services, Business Manager, Technical Services, DLO Roads Manager, Committee
Officer, (H. Reid.)

QUORUM

1. As the meeting was inquorate it was agreed to hold the meeting on an informal basis with any recommendations being considered at the next meeting of the Sub-Committee.

CHAIRMAN

2. In the absence of Councillor Parker, Councillor Edgar took the chair.

MINUTE

3. There had been circulated copies of the Minute of 19 June 2006.

DECISION

- (a) **APPROVED the Minute of meeting of 19 June 2006; and**
- (b) **NOTED that with regard to paragraph 5(b) that the report on review of subjects to be classed as Trading Operations be submitted to the meeting to be held on the 6 November 2006.**

SBc CONTRACTS SIGNIFICANT TRADING OPERATION

4. With reference to paragraph 2 of the Minute of 19 June 2006, there had been circulated a report by the Director of Technical Services on Contracts Significant Trading Operations for the period 1 April to 31 July 2006. It was noted that based on the available data to July 31 2006, SBc Contracts were forecasting a surplus for 2006/07 of £300K against a budget target of £278k. Appended to the report were the details of the underlying calculations used to reach the projected surplus total. The Business Manager, Technical Services, detailed the Contracts completed this period, the ongoing major customers, the number and percentage of tenders won and recent new/repeat customers. Members asked questions on the effect Single Status would have on the organisation, on the maintenance of the future workload and on the impact the loss of experienced staff for higher remuneration elsewhere would have on the organisation.

DECISION

NOTED the report.

FLEET MANAGEMENT

5. There had been circulated a report by the Director of Technical services to update Members on the Fleet Management Trading operation from 1 April to 31 July 2006. The report forecasted a surplus for 2006/07 of £39K comfortably ahead of the budget expectation of £20k. The Fleet manager reported that the first quarter of 2006/07 Fleet generated a total of 10,155 productive hours. This was an increase of 8.8% over the same period in 2005/06 when 9,292 productive hours were

generated. It was noted that the service was now suffering pressure on its productive capacity due to the loss of qualified fitters. In the coming quarters, this could result in a reversal of the trend established last year, when more work was undertaken in-house with contractor costs as a result dropping. It was noted that three apprentices undergoing training would reach the end of their apprenticeship period in September 2006. All three apprentices would be retained for a further six months evaluation period at the end of which time, a decision would be made regarding the offer of permanent employment contracts. Members discussed the problems encountered by the existing pay scales for qualified fitters.

DECISION

(a) NOTED the report; and

(b) CONGRATULATED the service who were finalists for Best Internal Team Services (Transport and Fleet).

CATERING AND CLEANING

6. There had been circulated a report by the Director of Technical Services to update Members on the on the Catering and Cleaning operation from 1 April to 31 July 2006. Appended to the report was a summary the overall 2006/07 financial position for Catering and Cleaning as at 31 July 2006, forecasting a surplus of £63K in 2006/07, which projected a total net surplus of £8K, a shortfall of £4K against budget. Projected income for the year of £4,543K is £39K less than budget and projected expenditure of £4,480K is £51K less than budget. Overall the projected surplus is a net £12K over the forecasted budget of £51K. It was noted that employee costs and third party payments had savings due to changes in service delivery (Catering) and there was a reduction in the use of sub-contractors (Cleaning). The overall uptake of primary school meals for 2005/06 increased by over 100,000 meals over the same period for 2004/05. This equated to a 20% increase in meal numbers. During this time however there was a change of service provision in various schools from a cash cafeteria service to a traditional meals service, taking this into account the actual increase in meals number was 16%. The results of the pilot period, for both secondary schools, in terms of meals income is shown in the tables appendix to the report which indicated that turnover fell by 20% compared to the previous year at Earlston HS and 24% at Berwickshire HS. Education and Lifelong Learning would fund this loss up to the value of £7,000. Members asked questions with particular regard to packed lunches.

DECISION

NOTED the report.

GROUNDS MAINTENANCE

6. There had been circulated a report by the Director of Technical Services to update Members on the on the Ground Maintenance operation from 1 April to 31 July 2006. The report explained that external work was forecast to account for 21% of turnover and the contribution to overheads from this area was significant. With the retirement of the External Works Officer the department was restructuring with a renewed emphasis and fresh approach to customer relations. A training needs analysis for Ground Maintenance staff had recently been undertaken. Up to five posts had been identified as suitable for the modern apprenticeship scheme and preliminary discussions were underway with training providers to have these posts filled with Scottish Executive funding available for formal training e.g. SVQ in horticulture. Sickness levels in the department for the first six months of 2006 at 4.15% reflect a significant improvement on the previous year. The section was forecasting a surplus of £57k in 2006/07. Appended to the report was a summary the overall 2006/07 financial position for Ground Maintenance as at 31 July 2006, which forecast income for the year of £3,182k, £16k less than budget. The forecast expenditure of £3,125k was £26k less than budget with increased transport related costs resulting from higher than budget depreciation, interest, maintenance and fuel costs being offset by employee costs savings partly due to delays in uptake of positions by seasonal staff.

DECISION

NOTED note the report.

The meeting concluded at 3. 00 p m