

SCOTTISH BORDERS COUNCIL
EXECUTIVE COMMITTEE
TRADING OPERATIONS SUB-COMMITTEE

MINUTE of MEETING of the TRADING OPERATIONS SUB-COMMITTEE held in the COUNCIL CHAMBER, COUNCIL HEADQUARTERS on 28 August 2007 at 2.10 p.m.

Present: - Councillors M. Cook (Chairman), J. Brown, N. Calvert, J. Fullarton, G. Garvie, K. Gunn, L. Wyse.

In Attendance:- Acting Head of Roads and Fleet, SBc Contracts Manager, Acting Head of Catering and Cleaning, Business Support Officer, Catering and Cleaning, Business Manager, Roads and Fleet, Parks Manager, Management Accountant, Environmental Services, Team Leader, Technical Services Business Support, Corporate Finance, Committee Officer, (H. Reid.)

MINUTE

1. There had been circulated copies of the Minute of 18 June 2007.

DECISION

NOTED the Minute of Meeting of 18 June 2007.

SBC CONTRACTS SIGNIFICANT TRADING OPERATION

2. There had been circulated a report by the Director of Technical Services on Contracts Significant Trading Operations for the period 1 April to 30 June 2007. It was noted that based on the available data to June 2007, SBc Contracts were on target to meet the 2007/08 budgeted surplus target of £318k. SBc Contracts Manager explained that SBc Contracts had had a very successful first quarter in terms of tenders, winning a further £5.6 million of tendered work at a success rate of 37% on value. This compared very favourably with the same period last year when only £2.5 million of work was won at a success rate of 39% on value. This new work won coupled with the high level of tender work secured in 2006/07 supported the belief that SBc Contracts would exceed last year's turnover in this financial year. With regard to resources the latest improvement would be the replacement of the Peebles depot with the new Eshiels facility. The latest recruitment exercise had been relatively successful and offers of employment had been made to 20 applicants who would be taken on over the coming weeks pending successful reference checks. However further members of the existing staff had now left employment. It was noted that the new employees should contribute positively to this year's financial outcome by boosting the labour account recovery and reducing reliance on sub-contractors. Members asked questions on the accuracy of the projections, on the Bear contract awards and on Health and Safety measures.

DECISION

(a) NOTED the report; and

(b) AGREED that for the next meeting a more realistic, specific and detailed projection surplus report be submitted.

FLEET MANAGEMENT

3. There had been circulated a report by the Director of Technical services to update Members on the performance Fleet Management Trading operation from 1 April to 31 June 2007. The Head of Roads and Fleet explained that the data available for the first quarter of the year indicated that the surplus would be around £2k lower than the budget of £25k. Members noted that there had been

an alarming and sudden decline in the number of fitters currently employed. In the past four weeks 6 skilled fitters had left Council employment, and a seventh fitter having been granted early retirement. This left the overall number of fitters employed in the workforce at only 12 against a budgeted establishment of 20. It was noted that this was an issue that needed to be addressed quickly as it posed both financial and service threats for Fleet Management, as recently the service had made proposals to both Eildon Housing and to Borders College to undertake maintenance on their respective vehicle fleets. Recruitment and retention had been an issue for some time and was now becoming acute. The remedial measure under consideration to rectify the problem would be the payment of a market rate premium but no budget had been allocated in 2007/08 to pay for a market related wage supplement. It was also noted that resources were required to undertake essential depot upgrading work at the Newtown and Duns depots, which would be the subject of a forth-coming report to the Capital Management Group detailing a full costing of the requirements. Members discussed the costs involved in the payment of a market rate premium and the possibility of rationalising the function.

DECISION

NOTED the report.

CATERING AND CLEANING

4. There had been circulated a report by the Director of Technical Services to update Members on the Catering and Cleaning operation from 1 April to 30 June 2007. The Acting Head of Catering and Cleaning advised that the Scottish Executive had chosen Scottish Borders Council as one of the five Scottish authorities to pilot free school meals for Primary pupils in years one to three. The pilot was scheduled to start in mid October 2007 and would run for a six month period until March 2008. The Scottish Executive had advised that they would fund the projects and had identified an approximate sum of £593,000, which would be provided through a specific grant in two instalments, one in September and one in December. It was noted that the Executive had assumed an uptake of 85% pupils taking the free meals, so based on this information, a desktop exercise had been undertaken to calculate the additional staffing requirements to provide the service and the additional costs of food supplies, additional running costs and one off items of equipment required. A detailed report setting out the proposed expenditure plans would be drawn up in consultation with Corporate Finance to be presented to Senior Managers and Members, by mid September. As the uptake of meals in 2006-2007 in Scottish Borders Primary Schools was 36% take-up of the primary school population and if as the Scottish Executive predict, 85% of the P1 – P3 pupils were to stay for lunch then the projected meal numbers would rise significantly. The most immediate concerns would be the lack of kitchen production capacity, insufficient chilled and frozen food storage capacity, insufficient dining room capacity and difficulties in employing sufficient additional experienced and trained catering staff to cater for the pupils. It was anticipated around 26 new staff and a similar number of increases in working hours would be required. Following on from the menu planning workshop held in May 2007, a revised protocol had been developed for the planning of the primary school menu and this was currently being piloted for the new Autumn and Winter 2007-2008 Primary School Menus. Members were also updated on the implementation of the Hungry for Success Initiative with a seven point plan having been developed by Education and Lifelong Learning with Technical Services. Whilst detailed budgets would need to be established for the Free School Meals pilot a £55k budget trading surplus had been set for the year. There would be pressures on the surplus due to the impact of food cost inflation as a result of weather conditions, and due to loss of income on some contracts which were a factor in the loss of surplus during the 2006/07 financial year. Members asked questions on the rational of the pilot covering the whole school network and on the numbers of regeneration kitchens still in operation within the Scottish Borders.

DECISION

(a) NOTED the report; and

(b) AGREED that details on the percentage and geographic spread of regeneration kitchens within the Scottish Borders be submitted to the next meeting of the Committee.

MEMBER

Councillor Calvert left the meeting during consideration of the undernoted item.

GROUNDS MAINTENANCE

5. 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 30 June 2007. The Parks Manager explained that the section was currently carrying out its summer maintenance programme including grass cutting and collection, flower bed maintenance, weed control and litter picking. Additional budget funding of £35,000 to increase the frequency of grass cutting in cemeteries from previous years was being used to fund increased overtime being worked allowing the section to improve the utilisation of equipment. It was noted that Grounds Maintenance current contract with SBHA, would end on 2 of March 2008 and if not renewed would result in an income reduction in the current year, negotiations were on going with SBHA to extend this contract. The section had 86 full time permanent manual staff and recruited 50 seasonal staff for approximately twenty six weeks per year to cover the increased work load during the growing season. The recruitment and retention of seasonal staff continued to present a challenge to the section and it was explained that the use of agency staff may have to be considered to fill short term seasonal vacancies in future years. The particularly wet weather conditions in the first quarter had made staff planning particularly difficult although four apprentices had been recruited and their induction had taken place. Applications for the four posts were received from in excess of 70 applicants. The posts were initially two year fixed term contracts, funded through natural wastage of other posts. It was also noted that a report on the future sourcing of plants previously grown at the Glenraig Nursery in Peebles was being prepared and would be presented to a future meeting of the Committee. With reference to paragraph 6(c) of the Minute of 19 June 2007 there was tabled a discussion note on the grass cutting service provided by the Grounds Maintenance Service. Members asked questions SBHA contract, on the criteria for grass cutting and on the budget setting process for the trading surplus. Discuss took place on various proposals to take the service forward to meet the aspirations of the Scottish Borders Council Tax Payers.

DECISION

(a) NOTED the report;

(b) AGREED:-

- (i) that more information on the operations budget setting process be submitted to the next meeting of the Committee; and**
- (ii) that any proposals for increased grass cutting would require to be considered in early October to enable any increased expenditure to be considered with the Budget Setting process.**

REVIEW ON ONE AREA OF SERVICE

6. Members agreed that consideration for adopting a strategy for a review on one particular area of service be deferred until the next meeting of the Committee.

DECISION

AGREED

The meeting concluded at 4.10 p m