

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 22
October 2007 at 2. p.m.

Present: - Councillors M. Cook (Chairman), J. Brown, J. Fullarton, L. Wyse.
Apology:- Councillor N. Calvert.
Absent:- Councillor K. Gunn.
In Attendance:- Director of Technical Services, Head of Corporate Finance, Acting Head of Roads and Fleet, Catering and Building Cleaning Manager, Business Manager, Technical Services, Business Support Officer, Technical Services, DLO Roads Manager, Parks Manager, Team Leader, Technical Services Business Support, Corporate Finance, Committee Officer, (S. Seivwright.)

MINUTE

1. There had been circulated copies of the Minute of 28 August 2007.

**DECISION
NOTED**

- (a) the Minute of Meeting of 18 June 2007.
- (b) With reference to paragraph 2(b) of the Minute of 18 June 2007, Members were advised that the report would be submitted to the next meeting.
- (c) With reference to paragraph 4(b) of the Minute of 18 June 2007, it was noted that the information was not presently to hand, but that a report on the number and geographic spread of regenerations kitchens within Scottish Borders Schools would be prepared for the next meeting.
- (d) With reference to paragraph 5(b)(ii) of the Minute of 18 June 2007, it was noted that an APSE review was currently being conducted on grass cutting and that the findings of the review would be submitted to the Administration Policy Working Group in due course.

CHAIRMAN

2. The Chairman expressed concern that reports being submitted to this Committee were short on substance and in some cases could go directly to the Executive. He suggested that there was a need to re-visit the remit of Committee.

DECISION

AGREED that this item be continued to the next meeting to allow officers to consider and bring to the meeting proposals for substantive agenda items and the way forward for this Committee.

SBC CONTRACTS SIGNIFICANT TRADING OPERATION

3. There had been circulated a report by the Director of Technical Services on Contracts Significant Trading Operations for the period 1 April to 31 August 2007. It was noted that

based on the available data to August 2007, SBc Contracts were on target to meet the 2007/08 revised budgeted surplus target of £357k. The report explained that SBc Contracts had had a very successful first five months of the year in terms of tenders, winning a total of £6.4 million of tendered work at a success rate of 32% on value. This compared very favourably with the same period last year when £5.5 million of work was won at a success rate of 44% on value. Although last years success rate was considerably higher, there remained a number of decisions in the current year where the client had yet to make the final award of contract. Trunk road work continued to be very slow, the work undertaken in the first five months of year had amounted to only £56,000 compared with £1.4 million last year. With regard to resources, it was intended to make use of the newly available Council credit card facility within SBc Contracts. This would be of particular benefit at the Langlee recycling facility where there were around one thousand small transactions each year. In terms of training, a section of road had recently been installed at the Langlee training facility to help with the practical training of road workers. It was planned in the near future to install a deep manhole unit and pipe section to allow confined space training to be provided. There were currently two SQA and CITB fully accredited trainers and, as it was known that the SQA was planning to channel their future training only through designated training centres, it was hoped that the development efforts and emphasis placed on training within SBc Contracts, together with the upgraded facilities would make Langlee a natural choice as one of these designated training centres. It was noted that there had been a significant drop in the number of accidents which required to be reported to the HSE, which it was felt could be attributed to the training in place to mitigate accident risk. During the discussion which followed Members discussed the accuracy of projections, how the cost of soil etc removal was calculated, and improvements in the BEAR contracts.

DECISION

NOTED the report.

FLEET MANAGEMENT

4. 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 August 2007. The Head of Roads and Fleet explained that the data available for the first five months of the year indicated that the surplus would be around £6k lower than the budget of £25k. The level of skilled fitters employed now appeared to have stabilised at 12. It was hoped that the wage agreement reached with HR would result in the recruitment of additional fitters over the coming months. In the meantime attempts were being made to bridge the productive capacity shortfall through the use of overtime and sub-contracting to maintain the service. Members noted that in the projections made to year end it had been assumed that at least two of the vacant fitter positions would be filled before Christmas. The situation with regard to employment levels, cost and income would be monitored closely and further reports would be provided. In terms of resources, the position regarding essential upgrading work at Newtown St Boswells and Duns remained as reported to the last meeting. It was however noted that a forth-coming report to the Capital Management Group would include a full costing of requirements, including the depot safety issues highlighted at the last meeting. There continued to be potential Health, Safety and Welfare issues at both these depots which could ultimately lead to HSE prohibition notices. There were also a number of welfare issues related to the Newtown St Boswells depot office accommodation, which comprised two rented portacabins providing basic and cramped accommodation and was remote from the workshop. With regard to training, final training on the Tranman software was scheduled for 18 and 19 October and it was planned to go live with the new version on 19 October 2007. Members expressed concern at the depot safety issues and the conditions under which employees were currently expected to work. It was suggested that, depending on the timing and outcome of the report to the Capital Management Group, this Committee give consideration to undertaking site visits to both depots in order to see at first hand the conditions under which the depots operated and employees were expected to work.

DECISION

NOTED the report.

CATERING AND CLEANING

5. 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 31 August 2007. The Interim Manager, Catering and Cleaning, advised that there were a significant number of operational changes currently affecting the service. She advised that preparations for the Scottish Government pilot for free school meals for primary pupils in years one to three which was due to start on 29 October 2007, were well underway. Progress on the pilot and approval of the implementation programme were reported to the Education Executive Committee on 16 October 2007. Detailed budgets had been set for the free school meals pilot and a £55k budget trading surplus had been set for the year. The information requested at the last meeting was not presently available, but would be prepared for the next meeting. The new menu in primary schools was launched on 10 September 2007 and a menu for secondary schools was currently being updated. A seven point project plan for the implementation of the Hungry for Success Initiative had been developed by Education and Lifelong Learning in consultation with Technical Services and the new food procurement contracts had all been successfully let. Proposals for the implementation of cashless catering would be reported to the Executive on 30 November 2007. She further advised that the APSE review of catering and cleaning was now complete and it was intended to present the final report to Members in late October or November 2007. The updated Catering and Cleaning projections had indicated that the trading operation surplus was expected to be in line with the budget. There was an expected loss of income of £21k, projected underspend on employee costs of £67k, and pressure of £39k due to uncertainty over the effect on food costs as a result of the national flooding this summer. During the discussion which followed Members discussed the probable uptake of free school meals, whether the European procurement requirement precluded local suppliers, and the content of the meals.

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.

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 August 2007. The Parks Manager explained that the section continued to undertake 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 continued to monitor its performance in all areas and had contributed data to the APSE performance network for 2006/07. When the results were published later in the year the section would be in a position to bench mark results with comparable local authorities. The section had 86 full time permanent manual staff and recruited 46 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, particularly in the Ettrick and Lauderdale area, where three seasonal posts had remained unfilled all season. The four newly appointed apprentices had commenced a day release programme at Borders College, studying SVQ in Amenity Horticulture, level 2, progressing to level 3 next year. It was noted that a report on the future sourcing of plants previously grown at the Glencraig Nursery in Peebles, was being prepared and would be presented to the next meeting of the Committee. The budget trading surplus of £44k had been reduced to break-even following a revision of the income forecast for the year. Increased overtime worked had been funded by transport cost savings. There had been an increase of 7.5% in external customer charges in this financial year. It was further noted that whilst further significant increases were being proposed for 2008/09 some clients had indicated that further increases could not be sustained. Members sought clarity on various points including, the balancing of expenditure and income from contracts, and the approach taken in relation to private owners and RSL's.

DECISION

(a) NOTED the report.

(b) AGREED that a report on the future sourcing of plants previously grown at the Glencraig Nursery would be prepared for the next meeting.

The meeting concluded at 3 p.m