

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 3
December 2008 at 2.00 p.m.

Present: - Councillors M. Cook (Chairman), J. Brown, N. Calvert, J. Fullarton, G. Garvie, K. Gunn, L. Wyse.
Apologies:- Director of Technical Services.
In Attendance:- Head of Roads and Fleet Management, Fleet Manager, Parks Manager, DLO Roads Manager, Head of Property & Facilities Management, Business Manager - Technical Services, Area Cleaning Manager, Area Catering Services Manager, Committee Officer (F. Henderson.)

MINUTE

1. There had been circulated copies of the Minute of 6 October 2008.

DECISION

APPROVED the Minute of 6 October 2008.

REVIEW OF REMIT AND SCOPE OF THE TRADING OPERATIONS SUB-COMMITTEE

2. There had been circulated copies of a joint report by the Directors of Technical Services and Corporate Resources which proposed changes to the remit and scope of the Trading Operations Sub-Committee. The report explained that the Trading Operations Sub Committee received regular reports on those services operating as Trading Operations (as defined by the Local Government in Scotland Act 2003) which were all within the Technical Services Department - SBc Contracts; Vehicle Maintenance; Grounds Maintenance and Catering and Building Cleaning. It was further explained that In recent months areas for improvement and review in the business of the sub committee had been identified by both Members and Officers and in particular the lack of clarity of the sub committee's remit. The report format in the past had not focussed on potential risks faced by Trading Operations and how the financial projections link to operational issues and it was considered that the SBc Contracts, with significant external trading, would benefit from more attention on the key operational decisions that drive the organisation and the link of the sub committee's work to improving performance in trading operations had not been transparent and there were. There had also been little consideration by the sub committee of strategic decisions relating to the exposure to and nature of external trading and charging by other services across the Council as a whole, where these charges were made in a competitive environment.
3. In devising a revised remit for the sub committee, the report proposed that there be a consideration of the key differences and risks between 'trading organisations' and other services and these were detailed in the report together with the proposed new remit for the Sub-Committee.

DECISION

(a) AGREED:-

- (i) that SBc Contracts continued as a significant trading operation.
- (ii) to consider the points made in paragraph 3.4 to 3.7 of the report in order to recommend an approach to Executive regarding the links to other Committees and Working Groups.
- (iii) that Sub-Committee retain its name in the interim and that it be re-considered at a later date.

(b) **AGREED to recommend to Executive:-**

- (i) that Catering and Cleaning, Grounds Maintenance and Fleet Management cease to be classed as trading operations and be transferred to the General Fund Revenue Budget within Technical Services; and
- (ii) that the letting of industrial units, car-parking facilities, printing services, professional and support services, civic halls, theatres, museums, and care/residential services are not reclassified as trading operations and that their budgets continue to be reported as at present.
- (iii) that the remit of the Sub-Committee be changed to that set out in Appendix I.

PRIVATE BUSINESS

4. **DECISION**

AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in the Appendix to this Minute on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 1 and 8 of part 1 of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

MINUTE

1.

SBc CONTRACTS TRADING OPERATION.

2. The Sub- Committee considered an update report on SBc Contracts Trading Operation.

GROUND'S MAINTENANCE

3. The Sub-Committee considered an update report on Grounds maintenance.

CATERING AND BUILDING CLEANING

4. The Sub-Committee considered an update report on Catering and Cleaning Trading Operations.

FLEET MANAGEMENT

5. The Sub-Committee considered an update report on Fleet Management Trading Operation

The Meeting concluded at 4.30 p.m.

APPENDIX 1

Remit of Trading Sub Committee

- To ensure an appropriate level of scrutiny to the financial risk held by the authority as a result of exposure to external trading, charging and competition.
- To monitor detailed performance and financial information for SBc Contracts Significant Trading Organisation.
- To be an initial sounding board for the setting of priorities and policy for the Council regarding the level and nature of exposure of the organisation to operating external trading risks.
- To be an initial sounding board for the setting of long term strategy for the development of the use of trading and charging powers.
- To consider initial alternative options for service delivery such as partnering and joint working for services in the organisation where there is a trading element.
- To manage the Council's overall external risk as a result of external trading and charging.
- To consider the most effective means of managing such risk – for example, policies and procedures on income management, management structures.
- To be an initial sounding board to consider appropriate charges and profit margins for work undertaken by the Council in an external competitive environment.
- To maximise the benefit to the Council, and to the well-being of the Scottish Borders through effective use of trading powers.