

## **REPORT OF DIRECT SERVICES CONTRACTS COMMITTEE**

**(Meeting held 27 September 2000)**

### **1. NEW FOREST CATERERS (REPORT A) (MINUTE No 13)**

The Committee examined the trading account for the quarter year 1 April to 30 June 2000 and was pleased to note a satisfactory surplus in excess of that budgeted for.

The Chairman has written to all the catering managers on behalf of the Committee thanking them for their contribution to the business' performance.

The Committee has requested Policy and Resources Committee to approve expenditure from New Forest Caterers' Reserve Fund to finance the following purchases:

- i) £2,000 for a new coffee vending machine for Appletree Pantry (which includes provision free of charge of a new snack vending machine);
- ii) £1,500 for a new computer for central administration, which is important for processing financial information and stock control;
- iii) £2,800 for a new air cooling unit at Lymington Recreation Centre cafeteria, to provide a reasonable working temperature and a good environment for customers.

Subject to Policy and Resources Committee's approval, this means that a small proportion of the satisfactory surplus achieved by New Forest Caterers in 1998/99 and 1999/2000 can now be used to help the business and enhance the service to customers.

### **2. NEW FOREST COMMERCIAL SERVICES (REPORT B) (MINUTE No 14)**

The Committee examined the trading accounts for the quarter year 1 April to 30 June 2000, and was pleased to note that a satisfactory surplus had been achieved over New Forest Commercial Services' business as a whole.

Many contracts carried out by the engineering works section in particular need to operate on very tight margins to maintain competitiveness.

Building works is another highly competitive area of business, and close monitoring is being undertaken to establish how the level of the surplus might be improved. Performance on carrying out non-programmed repairs and maintenance work promptly continues to be consistently above target.

Members were pleased to note the satisfactory operation of the clinical waste collection service, which is much appreciated by customers.

Under the terms of the local agreements, New Forest Commercial Services employees in some service areas are entitled to annual performance payments based on the amount of the business' surplus. An accounting

practice which made 1999/2000 a 53 week year for wages expenditure resulted in the surplus for the year being lower than would have been the case under a 52 week financial year. So that employees do not suffer as a result of this accounting practice, the Committee has requested Policy and Resources Committee to approve expenditure of £12,450 from New Forest Commercial Services Reserve Fund to finance performance payments at the level that would have applied had 1999/2000 been a 52 week year. The sum requested is a very small proportion of the Reserve Fund.

**3. EXTERNAL WORKS CONTRACT – TOTTON AND ELING TOWN COUNCIL (REPORT C) (MINUTE No 15)**

The Committee noted progress towards a formal contract with the Town Council for property and grounds maintenance work. A number of points of principle have now been agreed with the Town Council, and detailed matters relating to employees and pricing are currently under discussion. A final agreement will only be entered into if both parties are satisfied with the arrangements. It is intended that the contract will be for four years, with an option for both parties to extend for another two years, and will come into effect on 1 November 2000.

The New Forest Commercial Services General Manager is authorised to submit formal prices for the contract in consultation with the Committee Chairman and Vice-Chairman (or with the appropriate portfolio holder if the process is not completed by 30 October). Subject to contract prices being accepted, and after proper consultations, four Town Council employees will transfer to New Forest Commercial Services under TUPE provisions. Policy and Resources Committee have also been requested to approve expenditure from New Forest Commercial Services Reserve Fund of a maximum of £20,000 to finance the purchase of vehicles and plant from the Town Council.

**Councillor M C Kidman  
CHAIRMAN**