

REPORT OF COMMERCIAL SERVICES JOINT COMMITTEE

(Meeting held on 2 March 2006)

1. DIRECTORS REPORT FOR THE PERIOD 1 APRIL TO 31 DECEMBER 2005

(a) Financial Position

Financial information was presented in a newly agreed format with summary income and expenditure shown by section with variations of actual income and expenditure shown against profiled budgets.

Overall the NF business units were showing a net underspend of £28,937 against a net expenditure of over £8m. Within these figures 2 business units, Building Works and Refuse Collection / Street Cleansing, were currently showing small overspends against budget. The overspend of £36,000 in Building Works related to additional works undertaken on gas servicing and a shortfall in income on reactive maintenance works against actual costs. A revised budget had been agreed with colleagues in Housing.

The overspend of £41,000 on Refuse Collection / Street Cleansing related to shortfalls in income for special collections and grey garden waste sacks together with continued pressures on the fuel budgets. This overspend was partially offset by an underspend of £29,000 on the Waste Management and Recycling budget.

The Engineering Works business unit had achieved a surplus of £41,000 on external works. This compares favourably with the full year target of £40,000.

The TVBC Commercial Services accounts to the end of December indicated a surplus of £131,666 and they remain on target for achieving the budgeted surplus target of £48,000. The only area of particular concern was the Vehicle Workshops account, which was showing a deficit of £45,000. Some of this deficit (£12,000) could be attributed to the under recovery on existing external contracts with Serco, Faun, Testway and TLS. A full review of the workshop operations was being undertaken to ensure that a balanced trading position could be established for 2006/07.

(b) Operational Issues

Following the informal meeting of the Joint Committee on 8th December, the project brief for the review of support services, financial systems and strategic functions had been finalised. The Chairman expressed concerns that no timetable had been set for the completion of the review. It was agreed that a target of 2 months would be set for the completion of the project.

Members discussed the implementation of the new ABC waste collection system in Test Valley. The scheme was running smoothly although it was early days and the heavy week had yet to be tested. A second roll out of the scheme would be in August with the third phase in December 2006.

To ensure the smooth transition to ABC collections some changes to employee terms and conditions have had to be negotiated. As an incentive Members were requested to approve a one off payment, to be paid at 31 March 2006, and to be funded from within existing budgets.

The successful completion of environmental improvement works to New Milton High Street by the Engineering Works section was reported. Concern was raised that, although it was stated within the report that the environmental improvements to Station Road, New Milton were substantially completed the week before Christmas, this was not the case. It was made clear that Commercial Services have been sub-contracted by Raynesway Construction and had completed all the work they were engaged to undertake. Any outstanding works were the responsibility of Raynesway Construction. The Committee requested a letter be sent to Raynesway Construction to advise them of their concerns.

Arrangements for the recruitment of the newly approved Health and Safety Co-ordinator post, to be partly funded by TVBC were underway.

Gas Servicing work was continuing to schedule with 73% of appliances completed by the end of December.

The longer term aim of taking responsibility for the delivery and management of some Housing planned maintenance works by the Building Works Section was highlighted, particularly with regard to external decorations. This area of work has traditionally been undertaken through the use of sub-contractors. The report sought Member approval for the recruitment of 2 new painters to complete part of the 2006/07 painting programme as the first step to delivering this work through directly employed tradesmen.

The TV Grounds Maintenance team reported on successful negotiations with Testway Housing to extend their grounds maintenance contract for a further 3 years.

At NF a review of grounds maintenance provision delivered partly by external contracts had been completed with a new contract successfully tendered and awarded. The new arrangements will result in a more efficient and effective service delivery with work being undertaken on a geographical basis.

The extension of the NF garden waste scheme was highlighted with arrangements for making the district wide scheme available from April 2006 well underway.

NFDC Central Purchasing unit were close to implementing the IDEA Marketplace E Procurement system. The new system will provide greater opportunities to participate in regional and nationally negotiated contracts.

The Joint Committee has agreed:-

- (1) That the recruitment of two New Forest Painter/Decorators to undertake the external decorating programme, be approved.
- (2) That the additional one-off extraordinary payment for all staff employed on refuse collection in recognition of changes to their terms and conditions of employment, be agreed in principle.
- (3) That the Director of Commercial Services send a letter to Raynesway Construction to express the Committee's concerns that works to the improvement to Station Road, New Milton had not been completed.
- (4) That the content of the report be noted.

CHAIRMAN