

## **REPORT OF COMMERCIAL SERVICES JOINT COMMITTEE**

**(Meeting held on 7 June 2007)**

### **1. APOLOGIES**

None

### **2. APPOINTMENT OF CHAIRMAN**

Councillor Wise was appointed as Chairman of the Joint Committee for the remainder of the municipal year.

### **3. APPOINTMENT OF VICE CHAIRMAN**

Councillor Busk was appointed as Vice- Chairman of the Joint Committee for the remainder of the municipal year.

### **4. MINUTES**

The minutes of the meeting held on Thursday 1<sup>st</sup> March 2007 were confirmed and signed as a correct record.

### **5. DIRECTORS REPORT FOR THE PERIOD 1 APRIL 2006 TO 31 MARCH 2007**

Consideration was given to the Director's Report which covered the period 1<sup>st</sup> April 2006 to 31<sup>st</sup> March 2007.

#### **(a) Financial Position**

Financial information for the period was presented under Section 2 of the report and included a summary of income and expenditure by section, with variations of actual income and expenditure shown against profiled budgets, accompanying notes and accounts and outstanding debtor accounts.

The New Forest District Council (NFDC) accounts showed the overall figure for the year of a £61,000 net expenditure under spend against the revised budget. The variation against the net budget was .57% against the overall figure. Engineering Works achieved a surplus of £43,000 against a revised target of £22,000. The net overspend in the Refuse Collection and Street Cleansing section was £45,000 which would be off set by a £42,000 under spend in the Waste Management and Recycling section.

Test Valley Borough Council (TVBC) accounts to the end of March 2007 showed a £155,000 surplus. Much of the surplus was due to the removal of the asset rent charge from the accounts and efficiency savings resulting from the ABC scheme. The Vehicle Workshop returned a deficit of £43,000 for the year.

The way financial elements were reported was discussed. The NF accounts have a greater level of detail making comparisons within the partnership difficult. Members requested that the Assistant Director (TVBC) explore the options for reporting comparable financial information for future reports.

**(b) Operational Issues**

Reports for the operational sections (Section 3) focused on key activities that had been undertaken during the last quarter, achievements against agreed key performance indicators and progress on service objectives identified in the Service Plan for 2006/07. Progress against the 2006/07 Service Improvement Plan was also included.

The Committee were updated and discussed the following key issues:

- There had been a higher than expected sickness level at NFDC. A more robust sickness policy had been introduced and a reduction in the sickness levels in the Waste and Refuse sections was anticipated. A new procedure for managing sickness was being piloted within Commercial Services and would be reported to the Industrial Relations Committee (NFDC) in due course
- Sickness statistics indicated that the highest type of accident resulted from manual handling incidents. Reviews of operational issues relating to the handling of wheeled bins and plastic sacks has revealed that there are different risks associated with the two types of collection services and that on balance neither methodology was more prone to injury than the other.
- The Assistant Director (TVBC) informed the Committee of the revised timescales for the implementation of the 3 phases to re-balance the ABC rounds which would commence on 4<sup>th</sup> June. All rounds would be balanced by week commencing 24<sup>th</sup> June.
- In some areas of ABC, recycling by household was not being optimised. There was concern in the workforce that the number of heavy or overflowing bins had escalated. Investigations would be carried out to find a solution to this problem.
- There was a problem with vandalism in public toilets both in NFDC and TVBC.
- NFDC were carrying out a green audit across all services to ascertain if their carbon footprint could be reduced. The audit includes a review of the vehicle fleet. This will be included as a key target within the Commercial Services Service Improvement Plan for 2007/08.
- There had been problems filling a vacant vehicle fitter's post at TV. Discussions are being held with the Head of HR to discuss what options are available to make the remuneration package more attractive to potential applicants.

The HCC Schools contracts in Basingstoke continued to perform below budget. These contracts were due to be re-tendered later on this year with the existing contract expiring in December 2007. As the value of this contract was likely to fall between the range of £50,000 to £250,000 the tender would be submitted by the Director under his delegated powers, in consultation with the Chairman and Vice-Chairman of the Joint Committee and the Heads of Finance at the two authorities.

The Joint Committee agreed:

1. That Members note the proposal to re-tender for the HCC Basingstoke Schools Grounds Maintenance Contracts, later in the year.
2. That Members note the contents of the report.
3. That the success of the Partnership as illustrated in this report is given appropriate publicity and that efforts are made to promote the success of the partnership at appropriate opportunities.

## **6. JOINT INTERNAL AUDIT ANNUAL REPORT 2006-2007**

Consideration was given to the Joint Internal Audit Annual Report 2006-2007 which set out a summary of the audit work undertaken in the last financial year 2006/2007 and the audit programme planned for the current financial year 2007/2008. The conclusion from the work undertaken was that the fundamental procedures reviewed within the systems were operating successfully.

Audit work undertaken during the year fell short of the target, due to an Audit resource shortfall at NFDC and un-planned high priority work at both authorities. A more realistic work programme had been set for the current year which aimed to ensure key audits slipped from the previous year were undertaken.

The main audits undertaken during the last financial year were TV Building Maintenance, Procurement and NFDC Engineering Works Consultancy.

TVBC Contract Standing Orders were currently under revision. Higher thresholds were aligned at £100,000 and consideration was given to aligning the lower thresholds to provide an element of consistency for officers procuring for both Authorities. Due to current working practices it was not feasible to align the lower thresholds at the moment however this would be investigated and the Director of Commercial Services would report the findings back to the next meeting of the Committee.

It was agreed:

That Members note the contents of the report.

## **7. PARTNERSHIP REVIEW**

Consideration was given to a report which provided Members with an overview of the main points contained within the Final Report of the New Forest/Test Valley Partnership Review, as received by the Partnership Review Project Board at its meeting on 6<sup>th</sup> November 2006.

The report identified the progress made in addressing some of the key issues arising from the report and, where appropriate, the conclusions drawn from the appraisal of available options. The report also included the project objectives, an executive summary and minutes of the Partnership Review Project Board.

An informal meeting consisting of members of the Commercial Services Joint Committee, Joint Overview and Scrutiny Committee and Officers from New Forest District Council and Test Valley Borough Council was held on 7<sup>th</sup> June 2007 to discuss any issues and opportunities for the development of the partnership.

Alan Higgins, Environmental Health and Housing Consultant gave a presentation on the opportunities for development. The presentation looked at the project brief, methodology, waste strategy, partnership assessment tool, options for the future of the partnership, IT, HR and other issues to be addressed.

The Consultant's report set out five areas for consideration:

- The delivery of the waste strategy function within TVBC and NFDC.
- Future "delivery models" for the partnership .
- Single Terms & Conditions issues.
- The provision of integrated support service/management systems.
- Improving internal business processes and operational efficiencies.

It was recommended to Executive (TVBC):

That the effective relationship between strategic and operational responsibilities at TVBC be cemented by the permanent appointment of the Head of Environment & Health to a joint role as Assistant Director of Commercial Services (TVBC) subject to the approval of detailed terms and conditions by the TVBC Executive.

It was agreed:

1. That TVBC has regard to the requirements of the partnership in evaluating its financial and human resource systems.
2. That the work undertaken in securing improved internal business processes and operational efficiencies, be endorsed.

**Chairman**