

GROUNDS MAINTENANCE

Q4 Risk of Financial Loss

The risk of financial loss is small. External contracts form a small percentage of turnover, contract rates are increased by inflation, and adherence to the Council's Financial Regulations and budget monitoring regime further mitigate the risk of financial loss.

Q5 Use of Trading Accounts to Demonstrate Service Improvement/Achievement of Targets

The use of a trading account does not directly demonstrate service improvement or achievement of targets. It does facilitate bidding for external contracts.

Q6 Risk of Loss of Service or Reputation

The risk of loss of reputation is high due to high public expectations of the quantity of service to be provided.

Q7 Interest and Key Stakeholders

Grounds Maintenance is a high profile service of interest to Councillors, local businesses and the general public.

Although the ability of the operator to operate at breakeven is unlikely to be of general interest, it is important to be able to demonstrate that external contracts are carried out at no cost of the Council Tax payer.

Conclusion

On balance, it is considered that this service should be retained as a Significant Trading Operation.

HOME CARE

Q4. Risk of Financial Loss

The cost of this service is primarily staffing, paid on timesheets. The risk of financial loss is considered to be minimal due to the procedures for ensuring correct payment is made.

Q5. Use of Trading Accounts to demonstrate Service Improvement/Achievement of Targets

The main targets for this service are the achievement of Scottish Executive targets for increasing care delivered at home rather than in a care home setting. It is not considered that use of a trading account would assist in demonstrating this. Much of the service is free (Free Personal Care).

Q6. Risk of Loss of Service or Reputation

The risk of service or reputation loss is considered to be mitigated by the regime of inspection by the Care Communities against laterally set Care at Home Standards.

Q7. Interest to Key Stakeholders

This operation is of interest to Councillors and service users and their relatives. It is unlikely to be a major issue for the general public and highly unlikely that stakeholders would be interested in the trading outturn.

Conclusion

On balance, the Home Care Service should continue not to be reported as a Significant Trading Operation.

ROADS MAINTENANCE

Q4. Risk of Financial Loss

The risk of financial loss is small: external contracts form a small percentage of the turnover; contract rates are increased by an inflation index; demand for the service exceeds its current level, and adherence to the Council's Financial Regulations and budget monitoring regime further mitigate the risk of financial loss.

Q5. Use of Trading Accounts to demonstrate Service Improvement/Achievement of Targets

The use of a trading account does not directly demonstrate service improvement or achievement of targets. It does facilitate bidding for contracts, eg trunk roads maintenance as part of a consortium.

Q6. Risk of Loss of Service or Reputation

The risk of loss of reputation is high due to high public expectations of quality of service to be provided.

Q7. Interest to Key Stakeholders

Roads Maintenance is a high profile service of interest to Councillors, local businesses and the general public. It is therefore considered to be of interest to key stakeholders. The ability of the operator to operate at breakeven within contract is likely to be of interest to local businesses tendering for works as a demonstration of good practice.

Conclusion

Retain as a Significant Trading Operation.

FLEET SERVICES: WORKSHOP

Q4 Risk of Financial Loss

This would be incurred if the service carried out work for an external organisation, and Fleet Services have the potential to carry out work under the Shared Services agenda. However, the risk of financial loss is small: external contracts form a small percentage of the turnover; contract rates are increased by an inflation index; demand for the service exceeds its current level, and adherence to the Council's Financial Regulations and budget monitoring regime further mitigate the risk of financial loss.

Q5. Use of Trading Accounts to demonstrate Service Improvement/Achievement of Targets

The use of a trading account does not assist in demonstrating service improvement or achievement of targets.

Q6. Risk of Loss of Service or Reputation

As a support service, the loss of this service would not directly impact on the general public. Alternative arrangements could be made to support the delivering of front line services by using external contractors, but this could be expensive.

Q7. Interest to Key Stakeholders

The Council's fleet of vehicles is a very visible asset, and is frequently the subject of comment by Councillors and members of the public. It is therefore considered that the operation is of interest to key stakeholders. The trading account clearly shows the overall cost to the Council of maintaining its fleet of vehicles and cost is of interest to stakeholders, particularly as it relates to age of the assets.

Conclusion

Retain as a Significant Trading Operation.

NOTE: The budget for this service is below the significance threshold, but the actual cost exceeds 1% of the Council's net revenue budget.

FLEET SERVICES: FLEET MANAGEMENT

Q4 Risk of Financial Loss

The risk of financial loss is small: there are no external contracts and adherence to the Council's Financial Regulations and budget monitoring regime mitigate any risk.

Q5. Use of Trading Accounts to demonstrate Service Improvement/Achievement of Targets

The use of a trading account does not assist in demonstrating service improvement or achievement of targets.

Q6. Risk of Loss of Service or Reputation

There is a risk of service and reputation loss, in the Council chooses to run operations which need large plant (street sweeping, refuse collection, libraries, burial grounds, buses, grounds maintenance, roads maintenance) which has to be managed by the Council because of operator licence rules. If the Council loses its operator licence then the Council is at risk of being unable to provide the services which rely on these vehicles, and thereby also loses reputation

Q7. Interest to Key Stakeholders

The Council's fleet of vehicles is a very visible asset, and is frequently the subject of comment by Councillors and members of the public. It is therefore considered that the operation is of interest to key stakeholders. The trading account clearly shows the total cost to the Council of providing the fleet of vehicles. This is more likely to be of interest to stakeholders in terms of the cost at service level of the vehicles used. It is not considered that the performance of the trading account is likely to be of great interest to stakeholders.

Conclusion

The requirement of the Council to have an operator's licence for vehicles over 3.5 tonnes is key to the operation of Fleet Management on behalf of the Council. Operating as a trading operation does not add to (or detract from) the fulfilment of the terms of the operator's licence. It is therefore considered on balance that this service should continue not to be reported as a Significant Trading Operation.

BUILDING SERVICES

Q4. Risk of Financial Loss

The risk of financial loss is small: external contracts form a small percentage of the turnover; contract rates are increased by an inflation index; demand for the service exceeds its current level, and adherence to the Council's Financial Regulations and budget monitoring regime further mitigate the risk of financial loss.

Q5. Use of Trading Accounts to demonstrate Service Improvement/Achievement of Targets

The use of a trading account assists in demonstrating that the partnership agreement with the HRA achieves Best Value. It also facilitates tendering for work for external clients.

Q6. Risk of Loss of Service or Reputation

This service is a high-profile service to tenants and the risk of loss of reputation if service standards dropped would be high.

Q7. Interest to Key Stakeholders

This service is of interest to Councillors and tenants as key stakeholders. As rechargeable works to tenants is billed out at cost, the trading account performance would be of interest to these stakeholders.

Conclusion

Retain as a Significant Trading Operation.

BUILDING CLEANING

Q4. Risk of Financial Loss

No risk arises from variation in demand.

No risk arises from increased costs as the contract is index linked.

The risk of financial loss is therefore considered to be minimal.

Q5. Use of Trading Accounts to demonstrate Service Improvement/Achievement of Targets

Improvement of service standards is driven by the service specification and is not aided by the maintenance of a Trading Account.

Q6. Risk of Loss of Service or Reputation

No issues.

Q7. Interest to Key Stakeholders

It is not considered that the level of cleanliness of Council premises is likely to be a major issue of interest to Councillors or members of the public. Furthermore, it is even more unlikely that they would be interested in the trading outcome for this activity.

Conclusion

It is recommended that this is not reported as a Significant Trading Operation.

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