

FINANCE AND INFORMATION TECHNOLOGY RESOURCES COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 27 October 2009

Chair:

Councillor Eileen Logan

Councillors Present:

Walter Brogan, Pam Clearie, Peter Craig, Lynn Filshie, Jim Handibode, Graeme Horne, Bobby Lawson, Anne Maggs, James Malloy (Depute), Michael McCann, Lesley McDonald, Mary McNeill, Danny Meikle, Henry Mitchell, George Sutherland

Councillors' Apologies:

David Baillie, Graeme Campbell, Gordon Clark, Russell Clearie, Archie Manson, Edward McAvoy, Jean McKeown, Graham Simpson

Attending:

Corporate Resources

D Lang, Personnel Officer; P MacRae, Administration Officer; A Norris, Administration Assistant

Finance and Information Technology Resources

A MacQuarrie, Head of Procurement Services; P Manning, Head of Finance Services; R Miller, Information Technology Strategy, Security and Standards Manager; L O'Hagan, Accounting and Budgeting Manager

Chair's Remarks

The Chair welcomed Alisdair MacQuarrie to the meeting and congratulated him on his recent appointment to the post of Head of Procurement Services within Finance and Information Technology Resources.

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Finance and Information Technology Resources Committee held on 7 July 2009 were submitted for approval as a correct record.

The Committee decided: that the minutes be approved as a correct record.

3 Revenue Budget Monitoring 2009/2010 - Finance and Information Technology Resources

A report dated 14 September 2009 by the Executive Director (Finance and Information Technology Resources) was submitted comparing actual expenditure at 4 September 2009 against budgeted expenditure for 2009/2010 under the following headings:-

- ◆ Finance Services

- ♦ Information Technology Services
- ♦ Procurement Services

The Committee decided:

- (1) that the underspend on Finance and Information Technology Resources' revenue budget of £0.098 million (1.4%), as detailed in Appendix A to the Executive Director's report, and the forecast to 31 March 2010 of a breakeven position be noted; and
- (2) that the budget virements detailed in Appendices B and D to the Executive Director's report be approved.

[Reference: Minutes of 19 May 2009 (Paragraph 3)]

4 Capital Budget Monitoring 2009/2010 - Finance and Information Technology Resources

A report dated 14 September 2009 by the Executive Director (Finance and Information Technology Resources) was submitted advising on progress of the capital programme 2009/2010 and summarising the expenditure position at 4 September 2009 for the following budget headings:-

- ♦ Finance Services
- ♦ Information Technology Services

The Committee decided: that the report be noted.

[Reference: Minutes of 19 May 2009 (Paragraph 4)]

5 Finance and Information Technology Resources - Workforce Monitoring - June, July and August 2009

A joint report dated 7 October 2009 by the Executive Directors (Corporate Resources) and (Finance and Information Technology Resources) was submitted on the following employee information for Finance and Information Technology Resources for the period June to August 2009:-

- ♦ attendance statistics
- ♦ occupational health statistics
- ♦ accident/incident statistics
- ♦ disciplinary hearings, grievances and Dignity at Work cases
- ♦ analysis of leavers
- ♦ Joint Staffing Watch as at 13 June 2009

The Committee decided: that the report be noted.

[Reference: Minutes of 7 July 2009 (Paragraph 3)]

6 Finance and Information Technology Resources - Statutory Performance Indicators - 5 Year Comparison 2004/2005 to 2008/2009

A report dated 24 September 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on Finance and Information Technology Resources' Statutory Performance Indicators for the financial year 2008/2009. Comparisons and explanations, where appropriate, were provided for the 5 year period covering 2004/2005 to 2008/2009.

The Committee decided: that the report be noted.

[Reference: Minutes of 9 December 2008 (Paragraph 7) and Executive Committee of 7 October 2009 (Paragraph 7)]

7 Biggar Common Good Fund - Proposed Grant to Biggar Business Group

A report dated 30 September 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on a request from Biggar Business Group for a contribution of £1,000 from the Biggar Common Good Fund towards the cost of establishing a website for Biggar and the surrounding area.

Biggar Business Group, together with the Biggar and District Civic Society, planned to establish a website for Biggar and the surrounding area to:-

- ◆ attract and inform visitors about Biggar and its surroundings
- ◆ provide information about the attractions, facilities and events in and around Biggar for visitors and the local community
- ◆ assist in developing the economy and businesses in the area

The overall cost of setting up the website, including technical design, graphic design and publicity, was estimated at between £4,000 and £5,000. Biggar Business Group had requested a contribution of £1,000 towards the cost of the project and it was proposed that this be met from the Biggar Common Good Fund.

The Committee decided: that a contribution of £1,000 from the Biggar Common Good Fund be made to Biggar Business Group, in conjunction with Biggar and District Civic Society, for the purpose of establishing a website for Biggar and the surrounding area.

[Reference: Minutes of 7 July 2009 (Paragraph 5)]

8 Best Value Review - Accounting and Budgeting

A report dated 25 August 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the outcome of the Best Value Service Review (BVSR) of the Accounting and Budgeting Service.

The review of the Accounting and Budgeting Service had been undertaken as part of the Council's Best Value programme for 2009/2010. The objectives of the review were to:-

- ◆ review the Accounting and Budgeting function against the context of the Council's wider financial management structure and to ensure that best value was being obtained through the current arrangements

- ◆ examine and define the current method of delivering Accounting and Budgeting services across the Council with a view to improving the effectiveness of the Service
- ◆ establish whether the Service was delivered in an efficient, effective and economic manner and consider how the performance and contribution of the Service could be improved and measured
- ◆ establish whether the Service was meeting the needs of its stakeholders

Details were given on the potential options under review as follows:-

- ◆ retain the existing service delivery model – retain current structure
- ◆ reconfigure the existing service delivery model – restructure into teams
- ◆ outsource
- ◆ shared services

The option of retaining the existing service was the preferred option as it was considered that this:-

- ◆ offered value for money
- ◆ delivered an effective service
- ◆ presented the least risk to service delivery
- ◆ constituted the lowest financial risk

As a result of the review, consideration required to be given to the structure and functions of the Service. Details of a proposed interim structure for the Accounting and Budgeting Service were given in Appendix 3 to the report.

An Improvement Plan, which had been developed as a result of the review, had been attached as Appendix 2 to the report and contained a number of recommendations to ensure future improvements to service delivery.

The Committee decided:

- (1) that the key findings of the Accounting and Budgeting Best Value Service Review be noted; and
- (2) that the Improvement Plan recommendations, as detailed in Appendix 2 to the report, and the revised interim staffing structure for the Accounting and Budgeting Service be adopted as a basis for future improvements to service delivery.

9 Revenues Collection as at 31 August 2009 and Approval for Write off

A joint report dated 5 October 2009 by the Executive Directors (Finance and Information Technology Resources) and (Housing and Technical Resources) was submitted on:-

- ◆ collection performance at 31 August 2009 on revenues income which comprised Council Tax, non-domestic rates, community charge and sundry debts
- ◆ the write-off of irrecoverable non-domestic rates, Council Tax, sundry debts, former council house tenant rent arrears and lockup and factoring charges

Details were given on:-

- ◆ current collection performance
- ◆ collection of arrears

It was proposed that the following debts be written off:-

- ◆ non-domestic rates for the years 2007/2008, 2008/2009 and 2009/2010 totalling £878,879.28 relating to debtors who were in liquidation, had ceased trading or had been sequestrated
- ◆ irrecoverable Council Tax accounts from 1993/1994 to 2009/2010 to the value of £683,774.27 relating primarily to sequestrations and estates of the deceased
- ◆ sundry debts to a value of £99,671.31. The debts related to liquidations, sequestrations and estates of the deceased
- ◆ former tenant council house and lockup rent arrears from 2003/2004 to 2009/2010 totalling £108,198.12
- ◆ factoring charges to the value of £3,644.38 relating to sequestrations and estates of the deceased

The Committee decided:

- (1) that the achievement to date in revenue collection performance be noted;
- (2) that the write-off of the following irrecoverable debts be approved:-

- ◆ non-domestic rates for the years 2007/2008, 2008/2009 and 2009/2010 to the value of £878,879.28
- ◆ Council Tax debt from 1993/1994 to 2009/2010 to the value of £683,774.27
- ◆ sundry debts to the value of £99,671.31
- ◆ former tenant council house and lockup rent arrears to the value of £108,198.12
- ◆ factoring charges to the value of £3,644.38

[Reference: Minutes of 7 July 2009 (Paragraph 6)]

10 Extension of the Bulk Printing and Mailing Contract

A report dated 30 September 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the contract for the supply of bulk printing and mailing services.

Following a tender process, the contract for the supply of a managed printing, scanning and mailing service had been re-awarded in May 2006 to Shortext, now called Document Outsourcing Limited. The contract was for an initial period of 3½ years, with an optional extension of 2 years. The initial 3½ year contract period was due to expire on 30 November 2009.

It was proposed that the current contract with Document Outsourcing Limited be extended by 1 year to 30 November 2010. This would allow sufficient time to carry out a full European Union procurement process. It was anticipated that the tender exercise would be advertised in November 2009 with the award of contract taking place in May 2010.

The Committee decided: that the contract with Document Outsourcing Limited to supply the Council with bulk printing, scanning and mailing services be extended for a further 12 months until 30 November 2010.

[Reference: Minutes of 22 August 2006 (Paragraph 7)]

11 Electronic Document Records Management System (EDRMS) Deployment Across Resources

A report dated 30 September 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the deployment of the Electronic Document Records Management System (EDRMS) across the Council's Resources.

In September 2007, the Council had awarded a contract for the supply and installation of EDRMS to Kainos with the underlying enabling technology being provided by Meridio and Blackpearl. The primary benefit of the introduction of EDRMS was the removal of paper based records and the creation of a single version of all documents which could be directed to the correct user. EDRMS had initially been piloted in Planning and Building Standards Services, prior to a corporate roll out.

The roll out of the EDRMS system would result in increased usage of the system by the Council. Kainos had offered the Council a site licence as follows:-

- ◆ Corporate Meridio enterprise licence agreement for up to 5,300 users - £300,000
- ◆ 5 years support and maintenance for corporate enterprise agreement - £60,000
- ◆ full credit for all previous orders - £73,150
- ◆ a Blackpearl enterprise agreement for up to 1,500 users for £67,000 with year 1 support of £7,500

In addition, there would be a reduction in consultancy rates ranging from £700 to £1,200 to a fixed rate of £600.

It was proposed that the Information Technology (IT) Development Fund be used for the purchase of the licences. The consultancy costs for the implementation would be funded by individual Resources but, should this not be possible, the IT Development Fund could be used to meet those costs. Any financial support for consultancy costs from the IT Development Fund would then be repaid by Resources to that fund once the financial benefits of implementing the system had been achieved.

The Committee decided:

- (1) that approval be given for the purchase of a site licence as detailed above; and
- (2) that the funding approach, using the IT Development Fund, as detailed in the report be approved.

12 eProcurement Programme Update September 2009

A report dated 25 September 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the progress of the corporate eProcurement programme system implementation.

At its meeting on 12 December 2006, the Committee approved the implementation of Oracle iProcurement as the corporate eProcurement system. iProcurement had been live since May 2008. To date, the programme had been implemented in Finance and Information Technology, Corporate, and Housing and Technical Resources and partially implemented in Community and Enterprise Resources.

The implementation of iProcurement within Education and Social Work Resources was now underway. The Social Work Resources' project would be delivered by the eProcurement team and a lead officer and Head of Service had been identified to support the project. The

Education Resources' project would be delivered via a consultancy partnership approach, similar to that adopted for the implementation in Housing and Technical Resources. A tender had been issued for this contract. The cost of the consultancy partnership would be managed within existing approved budgets.

The original 3 year programme had started in May 2007 with an anticipated completion date of around March 2010. However, the move to a central Procurement Service had added to the programme and the planned completion date was now October 2010. Further support for employee costs and minor revenue costs for the eProcurement team would be required for the extended period. The anticipated cost of the 6 month extension was £165,000 and this would be met from the Information Technology Development Fund.

The Committee decided: that progress with the implementation of the corporate eProcurement solution be noted.

[Reference: Minutes of 12 December 2006 (Paragraph 9)]

13 Treasury Management Investment Activity - Quarterly Report – Period 1 April to 31 August 2009

A report dated 5 October 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the Council's Treasury Management activities for the period 1 April to 31 August 2009.

Previously, Treasury Management activity reports were submitted to Committee twice a year. However, following an assessment of the Council's Investment Risk Management Framework undertaken by PricewaterhouseCoopers (PWC), it was recommended that reports on investments and the management of risks be submitted to Committee on a quarterly basis.

Details were given on:-

- ♦ investment activity totalling £515.630 million
- ♦ management of risk
- ♦ market performance
- ♦ projected cash flow
- ♦ next quarter investment plans

The Committee decided: that the report be noted.

[Reference: Minutes of 7 July 2009 (Paragraph 7)]

14 International Financial Reporting Standards

A report dated 5 October 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the implications of the introduction of International Financial Reporting Standards (IFRSs) for local authorities.

From 2010/2011, local authorities' Statement of Accounts would be prepared under an IFRS based Code of Practice on Local Authority Accounting. This formed part of a wider public sector move to international financial reporting standards. The move to IFRS would bring a number of accounting changes. The main areas for change were as follows:-

- ♦ first time adoptions and accounting policies
- ♦ leasing

- ◆ PFI/PPP – main impact was that schools would go back onto the Council's balance sheet
- ◆ fixed assets – requirement to record components of assets and changes to investment assets
- ◆ employee benefits – requirement to include valuation for leave entitlement not taken by 31 March

To aid the transition to the new standards, the Council had engaged with CIPFA and PricewaterhouseCoopers (PWC) to provide specific advice and assistance at a cost of £14,500 in 2009/2010 and £8,600 in 2010/2011. The costs could be met from existing budgets. CIPFA and PWC had prepared a summary briefing detailing the main implications of the introduction of IFRS and this document was attached as an appendix to the report.

The Committee decided: that the report be noted.

15 Urgent Business

There were no items of urgent business.