

## FINANCE AND INFORMATION TECHNOLOGY RESOURCES COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 19 January 2010

### Chair:

Councillor Eileen Logan

### Councillors Present:

David Baillie, Walter Brogan, Graeme Campbell, Gordon Clark, Russell Clearie, Peter Craig, Lynn Filshie, Jim Handibode, Graeme Horne, Bobby Lawson, Anne Maggs, James Malloy (Depute), Archie Manson, Michael McCann, Lesley McDonald, Jean McKeown, Mary McNeill, Danny Meikle, Henry Mitchell, Graham Simpson, George Sutherland

### Councillors' Apologies:

Pam Clearie, Edward McAvoy

### Attending:

#### Corporate Resources

L Brown, Personnel Officer; P MacRae, Administration Officer; A Norris, Administration Assistant

#### Finance and Information Technology Resources

L Hardie, Executive Director; K Brown, Head of Information Technology Services; A MacQuarrie, Head of Procurement Services; P Manning, Head of Finance Services

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### 1 Declaration of Interests

No interests were declared.

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### 2 Minutes of Previous Meeting

The minutes of the meeting of the Finance and Information Technology Resources Committee held on 27 October 2009 were submitted for approval as a correct record.

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

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

A report dated 10 November 2009 by the Executive Director (Finance and Information Technology Resources) was submitted comparing actual expenditure at 30 October 2009 against budgeted expenditure for 2009/2010 under the following headings:-

- ◆ Finance Services
- ◆ Information Technology Services
- ◆ Procurement Services

**The Committee decided:** that the underspend on Finance and Information Technology Resources' revenue budget of £0.092 million (1.02%), as detailed in Appendix A to the Executive Director's report, and the forecast to 31 March 2010 of a breakeven position be noted.

*[Reference: Minutes of 27 October 2009 (Paragraph 3)]*

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

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A report dated 10 November 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 30 October 2009 for the following budget headings:-

- ◆ Finance Services
- ◆ Information Technology Services

**The Committee decided:** that the report be noted.

*[Reference: Minutes of 27 October 2009 (Paragraph 4)]*

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#### **5 Finance and Information Technology Resources - Workforce Monitoring - September to November 2009**

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A joint report dated 11 January 2010 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 September to November 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 12 September 2009

**The Committee decided:** that the report be noted.

*[Reference: Minutes of 27 October 2009 (Paragraph 5)]*

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#### **6 Finance and Information Technology Resources - Resource Plan 2009/2010 - Quarter 2 Update**

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A report dated 3 November 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the Finance and Information Technology Resources' Resource Plan 2009/2010. Details were provided on progress made at the end of quarter 2, covering the period 1 April to 30 September 2009, in implementing the priority projects identified in the Resource Plan.

**The Committee decided:** that the report be noted.

*[Reference: Minutes of 7 July 2009 (Paragraph 4)]*

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#### **7 Structure Change - Procurement Service**

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A joint report dated 15 December 2010 by the Executive Directors (Corporate Resources) and (Finance and Information Technology Resources) was submitted on the staffing structure within Finance and Information Technology Resources' Central Procurement Service.

To reflect the need to focus on the delivery of Category Sourcing and Management and allow the Service to deliver efficiencies more quickly, it was proposed that 2 posts of Procurement Assistant on Grade 2, Level 1-4 (£16,497 to £25,768) be deleted from the Central Procurement Service structure and replaced by a post of Category Adviser on Grade 4, Level 2-5 (£35,768 to £40,914).

The proposal would result in a total saving of £4,050.

**The Committee decided:**

- (1) that 1 post of Category Adviser on Grade 4, Level 2-5 (£35,768 to £40,914) be established within the Central Procurement Service; and
- (2) that 2 posts of Procurement Assistant on Grade 2, Level 1-4 (£16,497 to £25,768) be deleted from the establishment of the Central Procurement Service.

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## **8 Revenues Collection as at 30 November 2009 and Approval for Write Off**

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A joint report dated 9 December 2009 by the Executive Directors (Finance and Information Technology Resources) and (Housing and Technical Resources) was submitted on:-

- ♦ collection performance at 30 November 2009 on revenues income which comprised Council Tax, non-domestic rates, community charge and sundry debts
- ♦ the write-off of irrecoverable 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:-

- ♦ irrecoverable Council Tax accounts from 1993/1994 to 2009/2010 to the value of £414,974.76 relating primarily to sequestrations and estates of the deceased
- ♦ sundry debts to a value of £65,091.06. 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 £229,519.23
- ♦ factoring charges to the value of £302.85 relating to sequestrations and estates of the deceased

**The Committee decided:**

- (1) that the achievement to date in revenue collection performance be noted; and
- (2) that the write-off of the following irrecoverable debts be approved:-
  - ♦ Council Tax debt from 1993/1994 to 2009/2010 to the value of £414,974.76
  - ♦ sundry debts to the value of £65,091.06
  - ♦ former tenant council house and lockup rent arrears to the value of £229,519.23
  - ♦ factoring charges to the value of £302.85

*[Reference: Minutes of 27 October 2009 (Paragraph 9)]*

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## 9 Review of Trust Funds

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A report dated 4 December 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the proposed arrangements for the management of the Council's trust funds from 2010/2011 to ensure maximum benefit for the intended recipients.

The Council administered a total of 110 trust funds, the value of which amounted to £873,000 as at 31 March 2009. Those trust funds could be categorised as:-

- ◆ area based
- ◆ education related
- ◆ social work related

At its meeting on 3 March 2009, the Committee had agreed that a review of active and inactive trust funds be undertaken to ensure that intended recipients benefited fully.

Details were given on:-

- ◆ current distribution methods
- ◆ proposed management of trust funds on an area basis
- ◆ proposed management of education trust funds
- ◆ proposals for the distribution of funds
- ◆ ongoing governance of the trust funds

It was proposed that:-

- ◆ the Carmunnock Parish Trust be transferred to Glasgow City Council as Carmunnock lay within that Council's area
- ◆ the James Alexander Book Trust, an inactive trust, be gifted to the Leadhills Miners' Library Museum
- ◆ the trust funds which provided for the upkeep of burial places at various locations within the Council continue to be held in trust
- ◆ the Murray Memorial Chapel trust fund be donated to the ongoing capital project to restore the Murray Memorial Chapel

No changes were proposed to arrangements for the operation of the:-

- ◆ social work trust funds
- ◆ Loudon Bequest
- ◆ Rutherglen Mortification Money

### **The Committee decided:**

- (1) that the proposals for the consolidation and ongoing management of non-education trust funds be approved;
- (2) that the James Alexander Book Trust be gifted to the Leadhills Miners' Library Museum, the Carmunnock Parish Trust be passed to Glasgow City Council and the Murray Memorial Chapel trust fund be donated to the ongoing capital project to restore the Murray Memorial Chapel;
- (3) that the trusts for the upkeep of lairs continue to be held by the Council;
- (4) that the Hamilton Grammar trust funds be combined into 1 trust fund;
- (5) that the individual education trusts funds continue with the option to offer schools the full capital value of low value trusts;

- (6) that the recommended minimum level of funds distributed of £10 for schools, £20 for individuals and £50 for groups be approved; and
- (7) that the arrangements for the ongoing governance of the trust funds within the Council be approved.

*[Reference: Minutes of 7 July 2009 (Paragraph 9)]*

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## **10 Second Year Extension of the Bulk Printing and Mailing Contract**

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A report dated 16 December 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the contract for the supply of bulk printing and mailing services.

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. This initial contract period had expired on 30 November 2009. However, at its meeting on 27 October 2009, the Committee had agreed to extend the contract for a further 12 months to 30 November 2010.

In terms of Standing Order No 17 of the Standing Orders on Procedures, due to a material change in circumstances, it was now proposed to extend the contract with Document Outsourcing Limited to supply the Council with bulk printing, scanning and mail services for a further 12 months until November 2011, subject to the terms and conditions detailed in the report.

**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 November 2011.

*[Reference: Minutes of 27 October 2009 (Paragraph 10)]*

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## **11 Prudential Indicators - Update to Capital Financing Requirement and Borrowing Limits**

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A report dated 8 December 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the requirement to update the Prudential Indicator for External Borrowing Limit following changes to accounting practice as a result of the introduction of International Financial Reporting Standards (IFRS).

By 2010/2011 local authorities would be required to prepare their accounts on an IFRS basis. As part of the transition towards compliance, there was a requirement to review the current accounting treatment of PPP school assets in 2009/2010.

Details were given on the following Prudential Indicators which were affected by external borrowing and required to be updated:-

- ◆ capital financing requirement
- ◆ operational limit for external debt
- ◆ authorised limit for external debt

**The Committee decided:** that the revised external borrowing Prudential Indicators be approved.

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## **12 Non-Domestic Rates Unoccupied Property Relief Policy**

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A joint report dated 9 December 2009 by the Executive Directors (Finance and Information Technology Resources) and (Housing and Technical Resources) was submitted on the development of the Non-Domestic Rates Unoccupied Property Relief Policy.

The Council was responsible for the billing and collection of non-domestic rates on behalf of the Scottish Government for approximately 9,000 non-domestic properties in South Lanarkshire. Unoccupied properties were entitled to relief from non-domestic rates under the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 1994.

The Unoccupied Property Regulations provided for the award of unoccupied property relief as a mandatory relief from non-domestic rates. However, the Regulations did not provide a definition of "unoccupied". Details of the Council's interpretation of an unoccupied property and the conditions to be met by ratepayers applying for unoccupied relief were given in Appendix 1 to the report.

**The Committee recommended to the Executive Committee:** that the Non-Domestic Rates Unoccupied Property Relief Policy be approved.

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## **13 Treasury Management Investment Activity - Quarterly Report**

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A report dated 8 December 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the Council's monitoring of its cash investments.

The Treasury Management Section within Finance and Information Technology Resources managed the Council's surplus cash funds. The primary consideration, when making investments, was the security of the funds. Consideration was given to ensuring that the Council had access to funds when necessary and that those funds were working as well as they could for the Council.

Details were given on:-

- ◆ investment activity
- ◆ management of risk
- ◆ market performance
- ◆ projected cash flow

It was proposed to continue to use the current investment framework in the next quarter. Investments would continue to be placed with institutions whose ratings were consistent with the Council's approved criteria and which maintained access to the UK Government's Credit Guarantee Scheme.

**The Committee decided:** that the report be noted.

*[Reference: Minutes of 27 October 2009 (Paragraph 13)]*

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## **14 Travel Provider**

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A report dated 8 December 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the review of travel provision within the Council.

The travel contract covered the provision of a travel service for Council employees and elected members. At its meeting on 18 September 2007, the Committee had awarded the Council's travel contract to Chambers Travel. This contract would expire on 31 January 2010 and the opportunity had been taken to review other providers in the market.

Following an assessment of quotations received from 7 companies and an evaluation of services, prices and added value offered by those companies, it was proposed that Click Travel be appointed as the supplier of travel services to the Council for a period of 1 year commencing on 1 February 2010 with the provision to review the contract annually.

The contract value consisted of transaction fees amounting to approximately £12,000 per annum.

**The Committee decided:** that Click Travel be appointed as the provider for the Council's travel services for a period of 1 year commencing on 1 February 2010 with the provision to review the contract annually.

*[Reference: Minutes of 18 September 2007 (Paragraph 8)]*

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## **15 Notification of Contract Awarded**

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A report dated 14 December 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on a contract recently awarded by Finance and Information Technology Resources.

In terms of Standing Order No 19.6 of the Council's Standing Orders on Contracts, Resources were required to notify the relevant Committee of contracts awarded. Details were given on the contract awarded to ROCELA for the implementation of Oracle i-Procurement within Education Resources for the period December 2009 to October 2010 at a fixed price of £226,400.

**The Committee decided:** that the report be noted.

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## **16 National Scrutiny Portal**

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A report dated 14 December 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the Council's role in the development of a Scrutiny Portal for Scotland.

The Portal would allow member Councils to hold data in one place. This information could then be accessed by scrutiny bodies. The Council had agreed to develop this solution and it was anticipated that the system would be live by November 2010.

A budget of £100,000 had been set for the project and the councils which had agreed to participate would contribute according to population. This initial cost would be offset by member councils, with the balance being funded from Finance and Information Technology Resources' underspend. Once the system was in production, an annual subscription would be charged to cover the ongoing costs.

**The Committee decided:**

- (1) that the Council take the lead role in the development of a Scrutiny Portal for Scotland;
- (2) that the budget cost of £100,000 for the development be noted; and
- (3) that the arrangements to recover the costs from other participants be noted.

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**17 Urgent Business**

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There were no items of urgent business.