

FINANCE AND INFORMATION TECHNOLOGY RESOURCES COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 9 December 2008

Chair:

Councillor Eileen Logan

Councillors Present:

David Baillie, Walter Brogan, Graeme Campbell, Pam Clearie, Peter Craig, Jim Handibode, Graeme Horne, Bobby Lawson, Anne Maggs, James Malloy (Depute), Archie Manson, Michael McCann, Lesley McDonald, Jean McKeown, Mary McNeill, Graham Simpson, George Sutherland

Councillors' Apologies:

Gordon Clark, Russell Clearie, Lynn Filshie, Edward McAvoy, Danny Meikle, Henry Mitchell

Attending:

Corporate Resources

D Lang, Personnel Officer; K Bartie, Administration Assistant; T Slater, Administration Officer

Finance and Information Technology Resources

L Hardie, Executive Director; J Allan, Risk and Audit Manager; K Brown, Head of Information Technology Services; P Manning, Head of Finance Services

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 30 September 2008 were submitted for approval as a correct record.

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

3 Revenue Budget Monitoring 2008/2009 - Finance and Information Technology Resources

A report dated 10 November 2008 by the Executive Director (Finance and Information Technology Resources) was submitted comparing actual expenditure at 31 October 2008 against budgeted expenditure for 2008/2009 under the following headings:-

- ◆ Finance Services
- ◆ Information Technology Services

The Committee decided:

- (1) that the underspend on Finance and Information Technology Resources' revenue budget of £0.047 million (0.6%), as detailed in Appendix A to the Executive Director's report, and the forecast to 31 March 2009 of a breakeven position be noted; and

- (2) that the budget virements detailed in Appendix C to the Executive Director's report be approved.

[Reference: Minutes of 30 September 2008 (Paragraph 3)]

4 Capital Budget Monitoring 2008/2009 - Finance and Information Technology Resources

A report dated 11 November 2008 by the Executive Director (Finance and Information Technology Resources) was submitted advising on progress of the capital programme 2008/2009 and summarising the expenditure position at 31 October 2008 for the following budget headings:-

- ♦ Finance Services
- ♦ Information Technology Services

The Committee decided: that the report be noted.

[Reference: Minutes of 30 September 2008 (Paragraph 4)]

5 Finance and Information Technology Resources - Workforce Monitoring - September And October 2008

A joint report dated 7 November 2008 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 and October 2008:-

- ♦ 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 September 2008

The Committee decided: that the report be noted.

[Reference: Minutes of 30 September 2008 (Paragraph 5)]

6 Finance and Information Technology Resources' Resource Plan 2008/2009 Quarter 2 Progress Report

A report dated 10 November 2008 by the Executive Director (Finance and Information Technology Resources) was submitted on the Finance and Information Technology Resources' Resource Plan 2008/2009. Details were provided on progress made at the end of quarter 2, covering the period 1 April to 30 September 2008, in implementing the priority projects identified in the Resource Plan.

The Committee decided: that the report be noted.

[Reference: Minutes of 2 July 2008 (Paragraph 6) and Executive Committee of 5 November 2008 (Paragraph 7)]

7 Finance and Information Technology Resources' Statutory Performance Indicators - 5 Year Comparison 2003/2004 to 2007/2008

A report dated 29 October 2008 by the Executive Director (Finance and Information Technology Resources) was submitted on Finance and Information Technology Resources' Statutory Performance Indicators for the financial year 2007/2008. Comparisons and explanations, where appropriate, were provided for the 5 year period covering 2003/2004 to 2007/2008.

The Committee decided: that the report be noted.

[Reference: Minutes of 27 November 2007 (Paragraph 11) and Executive Committee of 5 November 2008 (Paragraph 8)]

8 Insurance Contracts Tender Exercise 2009/2010

A report dated 29 October 2008 by the Executive Director (Finance and Information Technology Resources) was submitted on the tender exercise for the Council's main insurance contracts for:-

- ◆ combined liability/motor and claims handling
- ◆ property, terrorism and associated policies
- ◆ fidelity guarantee
- ◆ travel (education excursions/business travel)

The Council had placed an advertisement in the Official Journal of the European Union (OJEU) asking insurers to quote for the above insurance policies for a contract period of 3 to 5 years. Responses would be received on 17 December 2008 and it was anticipated that the tender evaluation process would be completed by mid January 2009.

Due to the timescales involved, it was proposed that the Executive Director (Finance and Information Technology Resources), in consultation with the Chair of the Finance and Information Technology Resources Committee, be authorised, on behalf of the Council, to approve the most satisfactory offers.

A report on the outcome of the insurance tender exercise would be submitted to the meeting of the Finance and Information Technology Resources Committee to be held on 3 March 2009.

The Committee decided: that, due to the timescales involved, the Executive Director (Finance and Information Technology Resources), in consultation with the Chair of the Finance and Information Technology Resources Committee, be authorised, on behalf of the Council, to approve the most satisfactory offers for the provision of the following insurances:-

- ◆ combined liability/motor and claims handling
- ◆ property, terrorism and associated policies
- ◆ fidelity guarantee
- ◆ travel (education excursions/business travel)

[Reference: Minutes of 30 September 2008 (Paragraph 8)]

9 Fraud Prevention and Detection Initiative

A report dated 12 November 2008 by the Executive Director (Finance and Information Technology Resources) was submitted on a proposal to join with North Lanarkshire Council to subscribe to an anti fraud poster and leaflet campaign, FRAUDLINE.

Initially, the campaign would target insurance fraud. It would commence on 1 March 2008 and would consist of:-

- ◆ enclosing alert leaflets with every insurance claim acknowledgement and claim form issued
- ◆ displaying posters covering 6 major anti fraud messages to be advertised over the year in a variety of public locations
- ◆ advertising a hotline number for citizens to use to report concerns

Joint contracting with North Lanarkshire Council would attract a minimum discount of 10% on the annual price as well as a bulk discount for leaflets and posters. The anticipated cost to South Lanarkshire Council was £6,000.

The Committee decided: that the Council, in conjunction with North Lanarkshire Council, place an order with FRAUDLINE for 1 year at a cost of £6,000.

10 Revenues Collection as at 31 October 2008 and Approval for Write off

A joint report dated 11 November 2008 by the Executive Directors (Finance and Information Technology Resources) and (Housing and Technical Resources) was submitted on:-

- ◆ collection performance at 31 October 2008 on revenues income which comprised Council Tax, community charge arrears, non-domestic rates and sundry debts
- ◆ the write-off of irrecoverable non-domestic rates, Council Tax, sundry debts, former 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 2006/2007, 2007/2008 and 2008/2009 to the value of £558,741.88 relating to debtors who were in liquidation, had ceased trading or had been sequestrated
- ◆ irrecoverable Council Tax accounts from 1993/1994 to 2008/2009 to the value of £267,101.24 relating primarily to sequestrations and estates of the deceased
- ◆ sundry debts to the value of £52,705.09. The debts related to liquidations, sequestrations and estates of the deceased
- ◆ former tenant council house and lockup rent arrears totaling £16,847.17
- ◆ factoring charges to the value of £745.27 relating to sequestrations and estates of the deceased

The Committee decided:

- (1) that the achievements in revenue collection performance be noted; and

(2) that the write-off of the following irrecoverable debts be approved:-

- ◆ non-domestic rates for the years 2006/2007, 2007/2008 and 2008/2009 to the value of £558,741.88
- ◆ Council Tax debt from 1993/1994 to 2008/2009 to the value of £267,101.24
- ◆ sundry debts to the value of £52,705.09
- ◆ former tenant council house and lockup rent arrears to the value of £16,847.17
- ◆ factoring charges to the value of £745.27

[Reference: Minutes of 30 September 2008 (Paragraph 9)]

11 Certified Annual Accounts 2007/2008 and External Auditor's Report to the Council

A report dated 10 November 2008 by the Executive Director (Finance and Information Technology Resources) was submitted on the certified Annual Accounts of the Council for 2007/2008. The accounts had been audited by the External Auditor, PricewaterhouseCoopers, and had received a clear audit certificate. In line with normal audit practice, PricewaterhouseCoopers had submitted a report on a number of areas identified in the course of the audit where operational improvements could be made to the financial management of the Council. Details were given on the response to the Auditor's report which had been approved by the Executive Committee at its meeting on 5 November 2008.

The Accounts would be available for inspection in:-

- ◆ Finance Services' offices in Almada Street, Hamilton
- ◆ public libraries
- ◆ Q and A offices

In addition, arrangements would be made to publish the accounts on the Council's website. Appropriate advertisements would publicise those arrangements.

The Committee decided: that it be noted that the final accounts and audit certificate for 2007/2008 had been approved at the meeting of the Executive Committee on 5 November 2008.

[Reference: Minutes of 27 November 2007 (Paragraph 10) and Executive Committee of 5 November 2008 (Paragraph 9)]

12 Addition to Counterparty List - Debt Management Office Deposit Facility

A report dated 2 October 2008 by the Executive Director (Finance and Information Technology Resources) was submitted on action taken to open a Debt Management Office Deposit Facility which had been added to the previously approved Counterparty list.

When dealing with day to day cash flows, the Council regularly found itself in a position where large cash deposits could accumulate. To obtain a good return on cash surpluses, the Council was able to lend to reputable financial institutions and maintained an appropriate list of authorised organisations known as the Counterparty List.

In view of the current global financial environment, the Council had strictly adhered to the approved Counterparty criteria. This ensured that the security of the funds was the main priority when selecting an institution with which to place monies.

The UK Debt Management Office (DMO) managed Government debt and the Exchequer cash flows. The DMO offered a deposit facility which allowed local authorities to deposit surplus cash on flexible terms and receive a market related rate of interest. As the money would be held by the Treasury, the scheme implicitly carried the Government's own credit rating thus offering the highest available security.

In view of the requirement to progress this matter as soon as possible and in terms of Standing Order No 36(c), the Executive Director, in consultation with the Chair and an ex officio member, had approved the opening of a Debt Management Office Deposit Facility, with a deposit limit of £80 million, and had added this to the previously approved Counterparty List.

A summary of the revised South Lanarkshire Council Counterparty Policy was attached as an appendix to the report.

The Committee decided: that the action taken, in terms of Standing Order No 36(c), by the Executive Director, in consultation with the Chair and an ex officio member, in approving the opening of a Debt Management Office Deposit Facility, with a deposit limit of £80 million and adding this to the previously approved Counterparty List, be noted.

[Reference: Minutes of 3 May 2005 (Paragraph 9)]

13 Procurement of a Contract for the Supply and Support of Mobile Communications Services

A report dated 3 November 2008 by the Executive Director (Finance and Information Technology Resources) was submitted on the requirement to re-tender for the contract for the provision of mobile communications services.

In May 2004, the Council had awarded a 3 year contract for the supply of mobile communications services to Vodafone. The agreement had subsequently been extended for 2 years in 2007 and was due to expire in May 2009. No further extension was permissible under the Council's Standing Orders on Contracts. The re-tendering process was currently under way for the procurement of a new contract for the period from May 2009 until February 2013.

If the competition process resulted in a change of supplier, it would be necessary to transfer the Council's mobile phones, Blackberries and mobile data devices to the new supplier. If this was the case, existing Vodafone airtime accounts would continue until they expired. It would, therefore, be necessary to maintain account management, billing and support services with Vodafone for a period of 2 years from the start of the new contract.

The Committee decided: that the report be noted.

[Reference: Minutes of 12 December 2006 (Paragraph 8)]

14 Notification of Contacts Awarded

A report dated 3 November 2008 by the Executive Director (Finance and Information Technology Resources) was submitted on the contracts awarded by Finance and Information Technology Resources in the period from 30 May to 7 November 2008.

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 of the contracts awarded by Finance and Information Technology Resources were provided in the appendix to the report.

The Committee decided: that the report be noted.

15 Caird Data Centre Shared Services

A report dated 11 November 2008 by the Executive Director (Finance and Information Technology Resources) was submitted on initiatives to provide Information Technology (IT) hosting services in the Caird Data Centre, Hamilton for other public sector bodies.

The Data Centre, which had transferred to the Council's ownership following local government re-organisation in 1996, supported all of the Council's business critical applications. Due to the increasing amount of available space as a direct result of technology developments, opportunities had been identified that would allow the Council to make use of the excess capacity in the Caird Data Centre in return for an income.

The Data Centre facilities were already used by a small number of public sector bodies for hardware hosting. Details were provided on a number of other public sector organisations who had shown interest in the shared service approach.

The Committee decided: that the progress being made to maximise the use of assets and generate income by exploiting excess capacity in the Caird Data Centre, Hamilton be noted.

Councillor McCann left the meeting after this item of business

16 Annual Report on Mainstreaming Equalities and Diversity - Finance and Information Technology Resources

A report dated 24 November 2008 by the Executive Director (Finance and Information Technology Resources) was submitted on the strategic and operational work being undertaken by Finance and Information Technology Resources to meet the commitments in the Council's Equal Opportunities Policy and related statutory duties.

Finance and Information Technology Resources had recently incorporated a number of actions into the Resource Action Plan. Those actions reflected the Resource's commitment to equalities and diversity in respect of the following Council values:-

- ◆ Working with and Respecting Others
- ◆ Excellent Employer

The Committee decided: that the work undertaken by Finance and Information Technology Resources in terms of the Council's Equal Opportunities Policy and related statutory duties be noted.

[Reference: Minutes of 19 February 2008 (Paragraph 14)]

17 Urgent Business

There were no items of urgent business.