

## FINANCE AND INFORMATION TECHNOLOGY RESOURCES COMMITTEE

Minutes of special meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 11 February 2010

### Chair:

Councillor Eileen Logan

### Councillors Present:

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

### Councillors' Apologies:

Walter Brogan, Peter Craig, Archie Manson, Edward McAvoy

### Attending:

#### Corporate Resources

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; L O'Hagan, Finance Manager (Accounting and Budgeting); J Taylor, Corporate Finance Manager

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### 1 Declaration of Interests

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No interests were declared.

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### 2 Minutes of Special Meeting

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The minutes of the special meeting of the Finance and Information Technology Resources Committee held on 5 February 2010 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 2010/2011

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A report dated 5 February 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on the outcome of the budget process and the revenue budget proposals for 2010/2011.

The revenue budget total for 2010/2011 was £724.779 million and was made up as follows:-

	£ million
Total Services Gross Expenditure	£871.380
Deduct: Total Services Gross Income	<u>-210.107</u>
Net Service Spending	=£661.273
Add: Financing Costs, etc	+ 71.465
Deduct: Surplus from Trading Services	<u>- 7.959</u>
<b>Net Expenditure</b>	<b>£724.779</b>

This sum would be funded as follows:-

	£ million
♦ Government Grant	£599.280
♦ Council Tax	125.499
<b>Total</b>	<b>£724.779</b>

**The Committee recommended to the Executive Committee:** that the Revenue Budget proposals for 2010/2011 be approved.

*[Reference: Minutes of Executive Committee (Special) of 5 February 2010 (Paragraph 2)]*

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#### **4 Prudential Code Indicators 2010/2011 to 2012/2013**

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A report dated 4 February 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on updated Prudential Code indicators based on the current capital programme for period 2010/2011 to 2012/2013.

The Prudential Code indicators provided a framework to:-

- ♦ assist the management of the implications of additional borrowing
- ♦ demonstrate that increased levels of spending were affordable

The indicators required to be updated before the commencement of each financial year to reflect changes to the planned levels of expenditure and the sources of funding.

To meet the objectives of the Prudential Code, the Council was required to:-

- ♦ report a number of indicators
- ♦ use those indicators to demonstrate the affordability and sustainability of its capital plans
- ♦ show good treasury management practice

The Prudential Code and the resulting indicators focused on the following main areas:-

- ♦ capital expenditure plans and asset management
- ♦ treasury management practices

Details were given on both those areas.

The Prudential Code indicators for 2010/2011 to 2012/2013 were detailed in Appendix 1 to the report together with explanations for each indicator. Details were also given on the updated position for 2009/2010.

A report would be submitted to a future meeting of the Committee showing actual achievement against the 2009/2010 indicators.

**The Committee decided:** that the updated Prudential Code indicators, based on the current capital programme for the period 2010/2011 to 2012/2013, be approved.

*[Reference: Minutes of 12 February 2009 (Special) (Paragraph 4)]*

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## **5 Treasury Management Strategy 2010/2011**

A report dated 4 February 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on the Council's Treasury Management Strategy for 2010/2011.

In terms of the Council's Financial Regulations and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice, the Treasury Management Strategy required to be submitted to this Committee. The Strategy for adoption by the Council was detailed in the appendix to the report.

New investment regulations were expected from the Scottish Government over the next few months and an update to the Strategy might be required after those regulations were introduced.

**The Committee recommended to the Executive Committee:** that the Treasury Management Strategy for the Council, as detailed in the appendix to the report, be approved.

*[Reference: Minutes of 12 February 2009 (Special) (Paragraph 5)]*

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## **6 Adoption of CIPFA Code of Practice for Treasury Management**

A report dated 4 February 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on the key elements of the revised Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice.

In response to recent difficulties faced by the banking sector, CIPFA had revised the Code of Practice for Treasury Management in public services. Details were given on:-

- ◆ changes to the Treasury Management Code
- ◆ proposed clauses for inclusion in the Council's Financial Regulations
- ◆ amendments to the wording of the Council's Treasury Management Policy Statement to define the policies and objectives of its treasury management activities

**The Committee decided:**

- (1) that the revised CIPFA Treasury Management Code of Practice be adopted;
- (2) that the Treasury Management Policy Statement, as detailed in the revised CIPFA Treasury Management Code of Practice, be approved;
- (3) that the Council's Financial Regulations be amended to include the clauses recommended in the new CIPFA Treasury Management Code of Practice; and
- (4) that the Council's Treasury Management Policy be amended to follow the form of wording suggested in the new CIPFA Treasury Management Code of Practice.

*[Reference: Minutes of 30 April 2002 (Paragraph 5)]*

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## **7 Council Tax Energy Efficiency Scheme**

A report dated 4 February 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on the Council Tax Energy Efficiency Scheme.

In terms of the Climate Change (Scotland) Act 2009, from 1 April 2010, the Council was required to establish a scheme reducing the council tax payable on houses where there had been energy efficiency improvements. Those improvements included the use of:-

- ◆ technologies reliant on sources of energy other than fossil fuel and nuclear fuel
- ◆ materials which, when manufactured for use, produced or involved lower emissions of greenhouse gases than other materials
- ◆ surplus heat from electricity generation or other industrial sources for district heating or other purposes

Householders who carried out an approved scheme of works were eligible for a discount of up to £75 on the council tax payable on their property. The discount would be refunded to the Council by the company running the approved scheme.

Currently, only 1 energy supplier in Scotland, Scottish Gas, had offered to work in partnership with councils on the operation of a Council Tax Energy Efficiency Scheme. It was proposed that the Council accept an offer from Scottish Gas to work on the scheme. Under the terms of the approved scheme offered by Scottish Gas, the Council would be reimbursed by up to £75 per household for up to 2 installed measures, as long as the customer paid for the measure to be carried out. As there were no additional operating costs to the Council for the scheme, it was proposed that no referral fee be taken by the Council and that the full discount of up to £75 be passed to the council tax payer.

**The Committee decided:**

- (1) that the offer from Scottish Gas to work in partnership in the provision of a council tax energy efficiency scheme from 1 April 2010 be accepted; and
- (2) that no referral fee be taken by the Council for the operation of the scheme with Scottish Gas and that the full discount of £75 be passed to council tax payers in South Lanarkshire.

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## **8 Urgent Business**

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There were no items of urgent business.