

## FINANCE AND INFORMATION TECHNOLOGY RESOURCES COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 7 July 2009

**Chair:**

Councillor Eileen Logan

**Councillors Present:**

David Baillie, Walter Brogan, Gordon Clark, Pam Clearie, Russell Clearie, Peter Craig, Jim Handibode, Bobby Lawson, Anne Maggs, James Malloy (Depute), Archie Manson, Michael McCann, Jean McKeown, George Sutherland

**Councillors' Apologies:**

Graeme Campbell, Lynn Filshie, Graeme Horne, Edward McAvoy, Lesley McDonald, Mary McNeill, Danny Meikle, Henry Mitchell, Graham Simpson

**Attending:**

**Corporate Resources**

L Brown, Personnel Officer; P MacRae, Administration Officer

**Finance and Information Technology Resources**

L Hardie, Executive Director; J Allan, Risk and Audit Manager; K Brown, Head of Information Technology 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 19 May 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 Finance and Information Technology Resources - Workforce Monitoring - April and May 2009

A joint report dated 21 June 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 April and May 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 8 March 2009

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

*[Reference: Minutes of 19 May 2009 (Paragraph 5)]*

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#### **4 Finance and Information Technology Resources' Resource Plan 2009/2010**

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A report dated 5 June 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the Finance and Information Technology Resources' Resource Plan for 2009/2010. Details were provided on:-

- ◆ Resource achievements and performance during 2008/2009
- ◆ Resource objectives and actions for 2009/2010
- ◆ capital and revenue resources for 2009/2010
- ◆ the organisational structure of the Resource

In line with the Council's performance management arrangements, a mid year progress report on actions identified in the 2009/2010 Resource Plan would be submitted to a future meeting of the Committee.

**The Committee recommended to the Executive Committee:** that the Finance and Information Technology Resources' Resource Plan for 2009/2010 be approved.

*[Reference: Minutes of 1 July 2008 (Paragraph 6)]*

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#### **5 Lanark Common Good Fund - Path at Lindsay Loan and Lanark Racecourse Repairs**

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A report dated 4 June 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on a request for a contribution of £13,500 from the Lanark Common Good Fund towards the cost of the clearance works at the path at Lindsay Loan, Lanark and repair works at Lanark Racecourse.

The path at Lindsay Loan, Lanark was unkempt and, due to its overgrown nature, had encouraged anti-social behaviour in the area. Repair works were necessary to the fencing at Lanark Racecourse and re-seeding was required in the area. The costs of the works amounted to £5,000 and £8,500 respectively and it was proposed that those costs be met from the Lanark Common Good Fund.

**The Committee decided:** that the costs of the clearance works at the path at Lindsay Loan, Lanark and the repairs at Lanark Racecourse, amounting to a total of £13,500, be met from the Lanark Common Good Fund.

*[Reference: Minutes of 30 September 2008 (Paragraph 6)]*

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#### **6 Revenues Collection as at 31 May 2009 and Approval for Write Off**

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

- ◆ collection performance at 31 May 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 2007/2008, 2008/2009 and 2009/2010 totalling £1,088,073.07 relating to debtors who were in liquidation, had ceased trading or had been sequestrated
- ◆ non-domestic rates for 2006/2007 totalling £857,467.96, in accordance with the policy of writing off non-domestic rates debt over 3 years old
- ◆ irrecoverable Council Tax accounts from 1993/1994 to 2009/2010 to the value of £105,855.37 relating primarily to sequestrations and estates of the deceased
- ◆ sundry debts to a value of £140,589.11. The debts related to liquidations, sequestrations and estates of the deceased
- ◆ former tenant council house and lockup rent arrears from 2003/2004 to 2008/2009 totalling £44,573.16
- ◆ factoring charges to the value of £3,611.18 relating to sequestrations and estates of the deceased

**The Committee decided:**

(1) that the performance to date in revenue collection 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 £1,088,073.07
- ◆ non-domestic rates for the year 2006/2007 to the value of £857,467.96
- ◆ Council Tax debt from 1993/1994 to 2009/2010 to the value of £105,855.37
- ◆ sundry debts to the value of £140,589.11
- ◆ former tenant council house and lockup rent arrears to the value of £44,573.16
- ◆ factoring charges to the value of £3,611.18

*[Reference: Minutes of 19 May 2009 (Paragraph 7)]*

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## **7 Treasury Management Activity and Prudential Code Indicators for 2008/2009**

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A report dated 4 June 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on:-

- ◆ Treasury Management activities carried out during 2008/2009
- ◆ Prudential Code Indicators for 2008/2009

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management required the Council to prepare an annual report on its Treasury Management activities. The introduction of the Prudential Framework in April 2004 required councils to prepare a series of financial indicators that demonstrated affordability, prudence and sustainability with regard to capital financing decisions.

The Council had embarked on an ambitious programme of capital expenditure, the funding package for which included a planned increase in borrowing. The Prudential Code provided a framework to assist with the management of the financial implications and helped to demonstrate that the increase was both affordable and prudent.

The Council had recently asked PricewaterhouseCoopers to undertake an assessment of its Investment Risk Management Framework. The review gave a positive view on the Council's approach to managing investment risk and highlighted areas in which improvements and efficiencies could be made.

Details of the Council's Treasury Management activities in 2008/2009 and the Prudential Code Indicators were provided in Appendices 1 and 2 respectively to the report.

**The Committee decided:**

- (1) that the Treasury Management activities for 2008/2009, as detailed in Appendix 1 to the report, be noted; and
- (2) that the actual Prudential Code Indicators for 2008/2009, as detailed in Appendix 2 to the report, be noted.

*[Reference: Minutes of 1 July 2008 (Paragraph 11) and 19 May 2009 (Paragraph 8)]*

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## **8 Liability Claims 2008/2009 and Impact on Self Insurance Fund**

A report dated 4 June 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the rising trends in liability claims against the Council and the impact on the Council's Self Insurance Fund.

1745 claims had been lodged against the Council in 2008/2009 at a cost of £2.834 million. The number of claims had fallen since the previous year, however, the cost of claims was the highest for 5 years.

The main reasons for the increase in costs were:-

- ◆ fire damage to 2 schools
- ◆ slips, trips and falls on allegedly defective or icy pathways
- ◆ motor collisions

The higher cost of claims for 2008/2009 would impact significantly on the Council's Self Insurance Fund. However, projections indicated that the Self Insurance Fund would not fall into a deficit position until the start of 2011/2012. In the meantime, efforts would continue to reduce costs associated with liability claims.

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

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## **9 Trust Fund Expenditure 2008/2009**

A report dated 4 June 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on:-

- ◆ expenditure incurred by various trust funds during 2008/2009
- ◆ inactive trust funds as at 31 March 2009

The Council administered 110 trust funds, the value of which amounted to £873,000 as at 31 March 2009.

Details of all active funds and payments made in 2008/2009 and the balances of the funds as at 31 March 2009 were given in Appendix 1 to the report.

A total of £36,305.87 was held in inactive trusts from which no payment was made from fund balances. Details of those trusts were given in Appendix 2 to the report.

At its meeting on 30 September 2008, the Committee had agreed that a review of trust funds be undertaken. The aim of the review was to examine all trusts to ensure that they provided best value to their recipients. A final report on the review would be submitted to the Committee at its meeting on 27 October 2009.

**The Committee decided:** that the trust fund expenditure for 2008/2009 be noted.

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

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## **10 Charitable Trusts - Office of the Scottish Charity Regulator (OSCR) Compliance**

A report dated 4 June 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on the Council's performance in the Office of the Scottish Charity Regulator (OSCR) table in respect of compliance of returns for 2007/2008.

The OSCR aimed to ensure that all authorities with charitable trusts complied with the Charities and Trustee Investment (Scotland) Act 2005. It was accepted that full compliance could only be achieved over time and the OSCR had worked jointly with authorities and the Chartered Institute of Public Finance and Accountancy to determine an acceptable level of compliance for 2007/2008. The OSCR had produced a table of compliance for 2007/2008 which indicated that the Council was one of only 9 in Scotland which had been placed in the "Above Average" category.

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

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## **11 Rutherglen Common Good Fund - Rutherglen Library**

A report dated 19 June 2009 by the Executive Director (Finance and Information Technology Resources) was submitted on a contribution of £310,000 from the Rutherglen Common Good Fund towards the refurbishment of Rutherglen Library.

Rutherglen Library was located in a Category B listed building in Main Street, Rutherglen. As a result of the relocation of the adjoining Post Office to other premises in Rutherglen, the building, owned by the Rutherglen Common Good Fund, had become available for use.

At its meeting on 26 April 2006, the Executive Committee had approved an extension to Rutherglen Library and a contribution of £310,000 from the Rutherglen Common Good Fund towards the project. This contribution would be used in the current financial year.

**The Committee decided:** that it be noted that the contribution of £310,000 from the Rutherglen Common Good Fund towards the refurbishment costs of Rutherglen Library would be used in the current financial year.

*[Reference: Minutes of Executive Committee of 26 April 2006 (Paragraph 11)]*

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## **12 Urgent Business**

There were no items of urgent business.