

## FINANCE AND INFORMATION TECHNOLOGY RESOURCES COMMITTEE

Minutes of meeting held in the Council Chamber, Council Offices, Almada Street, Hamilton on 9 November 2010

### Chair:

Councillor Eileen Logan

### Councillors Present:

Walter Brogan, Graeme Campbell, Gordon Clark, Pam Clearie, Russell Clearie, Peter Craig, Lynn Filshie, Graeme Horne, Lesley McDonald, Jean McKeown, Mary McNeill, Anne Maggs, James Malloy (Depute), Henry Mitchell, George Sutherland

### Councillors' Apologies:

David Baillie, Jim Handibode, Bobby Lawson, Edward McAvoy, Archie Manson, Danny Meikle, Alan Scott, Graham Simpson

### Attending:

#### Chief Executive's Service

A Strang, Chief Executive

#### Corporate Resources

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

#### Finance and Information Technology Resources

A MacQuarrie, Head of Procurement; P Manning, Head of Finance

### 1 Declaration of Interests

The following interests were declared:-

<b>Councillor(s)</b>	<b>Item(s)</b>	<b>Nature of Interest(s)</b>
McNeill and Sutherland	Lanark Common Good Fund – Tolbooth Maintenance	Trustee and member of the Management Committee respectively of the Lanark Tolbooth Heritage Centre Trust

### 2 Minutes of Previous Meeting

The minutes of the meeting of the Finance and Information Technology Resources Committee held on 31 August 2010 were submitted for approval as a correct record.

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

### 3 Revenue Budget Monitoring 2010/2011 - Finance and Information Technology Resources

A report dated 12 October 2010 by the Chief Executive was submitted comparing actual expenditure at 1 October 2010 against budgeted expenditure for 2010/2011 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 £0.138 million (1.9%), as detailed in Appendix A to the Chief Executive's report, and the forecast to 31 March 2011 of a breakeven position be noted.

*[Reference: Minutes of 31 August 2010 (Paragraph 3)]*

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#### **4 Capital Budget Monitoring 2010/2011 - Finance and Information Technology Resources**

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A report dated 13 October 2010 by the Chief Executive was submitted advising of progress on the capital programme 2010/2011 and summarising the expenditure position at 1 October 2010 for the following budget headings:-

- ◆ Finance Services
- ◆ Information Technology Services

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

*[Reference: Minutes of 31 August 2010 (Paragraph 4)]*

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#### **5 Finance and Information Technology Resources - Workforce Monitoring – July to September 2010**

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A joint report dated 13 October 2010 by the Chief Executive and the Executive Director (Corporate Resources) was submitted on the following employee information for Finance and Information Technology Resources for July to September 2010:-

- ◆ 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 June 2010

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

*[Reference: Minutes of 31 August 2010 (Paragraph 5)]*

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#### **6 Finance and Information Technology Resources' Resource Plan 2010/2011 - Quarter 2 Progress Report**

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A report dated 20 October 2010 by the Chief Executive was submitted on the Finance and Information Technology Resources' Resource Plan 2010/2011. Details were provided on progress made at the end of quarter 2, covering the period 1 April to 30 September 2010, in implementing the priority projects identified in the Resource Plan.

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

*[Reference: Minutes of 1 June 2010 (Paragraph 4)]*

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## **7 Lanark Common Good Fund - Tolbooth Maintenance**

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A report dated 12 October 2010 by the Chief Executive was submitted on a proposal to undertake remedial works at the Tolbooth, 4 to 8 High Street, Lanark.

The Tolbooth had been purchased by Clydesdale District Council in 1992 and was held in the Lanark Common Good account. The property was a Category B listed building, located within the conservation area of Lanark town centre.

Clydesdale District Council had entered into a lease arrangement with the Tolbooth Heritage Centre Trust for the premises. The Trust's objective was to promote and secure, by charitable means, the restoration and preservation of the building.

The terms of the lease clarified the respective parties' responsibilities for maintenance and renovation of the Tolbooth. The Council, as lessor, was responsible for repairs to render the property wind and watertight. There had been significant water penetration into the property which required remedial work. The estimated cost of the work was £6,000 and it was proposed to meet those costs from the Lanark Common Good Fund.

**The Committee decided:** that expenditure of £6,000 for remedial works to the Tolbooth, Lanark be met from the Lanark Common Good Fund.

*Councillors McNeill and Sutherland, having declared an interest in the above item, withdrew from the meeting during its consideration*

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## **8 Treasury Management - Use of Treasury Bills**

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A report dated 12 October 2010 by the Chief Executive was submitted on the use of Treasury Bills as a means of managing the Council's cash flow.

At its meeting on 23 June 2010, the Council had approved the Annual Investment Strategy for 2010/2011. Treasury Bills had been included in the Annual Investment Strategy as a permitted investment.

The Council's Treasury Management advisers, Arling Close, had recommended using Treasury Bills as a means of investing in the UK Government while achieving a higher yield than could be obtained by placing funds in the Debt Management Account Deposit Facility.

Treasury Bills had to be purchased through a Primary Participant. Primary Participants were banks which had agreed to bid at Treasury Bill tenders on behalf of investors. The Council would require a Primary Participant to purchase Treasury Bills on its behalf and for the Treasury Bills to be held in a custodian account.

Primary Participants could also act as custodians. If approval was given for the proposal, officers from Finance Services would, in conjunction with Procurement Services, commence the selection and engagement of Custodian Services.

**The Committee decided:**

- (1) that approval be given for the use of Treasury Bills as a means of managing the Council's cash flow requirements; and
- (2) that approval be given for the appointment of Custodian Services.

*[Reference: Minutes of South Lanarkshire Council of 23 June 2010 (Paragraph 3)]*

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## **9 Revenues Collection as at 31 August 2010 and Approval for Write Off**

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A joint report dated 13 October 2010 by the Chief Executive and the Executive Director (Housing and Technical Resources) was submitted on:-

- ◆ collection performance at 31 August 2010 on revenues income which comprised Council Tax, non-domestic rates and sundry debts
- ◆ the write-off of irrecoverable non-domestic rates, Council Tax, sundry debts, former council house tenant and lockup rent arrears 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 2008/2009, 2009/2010 and 2010/2011 totalling £200,145.74 relating to debtors who were in liquidation, had ceased trading or had been sequestered
- ◆ irrecoverable Council Tax accounts from 1993/1994 to 2010/2011 to the value of £119,941.49 relating primarily to sequestrations and estates of the deceased
- ◆ sundry debts to a value of £54,917.65. The debts related to liquidations, sequestrations and estates of the deceased
- ◆ former council house tenant and lockup rent arrears from 2004/2005 to 2010/2011 totalling £403,991.06
- ◆ factoring charges to the value of £2,253.26 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 2008/2009, 2009/2010 and 2010/2011 totalling £200,145.74
- ◆ Council Tax debt from 1993/1994 to 2010/2011 to the value of £119,941.49
- ◆ sundry debts to a value of £54,917.65
- ◆ former council house tenant and lockup rent arrears from 2004/2005 to 2010/2011 totalling £403,991.06
- ◆ factoring charges to the value of £2,253.26

*[Reference: Minutes of 31 August 2010 (Paragraph 8)]*

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## **10 Move to 4 Weekly Pay - Implementation Plan**

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A report dated 12 October 2010 by the Chief Executive was submitted on the implementation plan to change the pay frequency for Council employees from a 2 weekly to a 4 weekly frequency.

At its meeting on 16 March 2010, the Committee had authorised the commencement of work to develop a process to pay Council employees and members on a 4 weekly basis.

The move to a 4 weekly pay frequency would generate efficiencies through running payrolls less often and processing additional payments on a less frequent basis.

The last fortnightly pay would be on 4 February 2011. The first 4 weekly pay would be made 4 weeks later on 4 March 2011. To assist employees in managing the transition to a 4 weekly pay frequency, midway through the initial period, employees would be offered a sum of money equivalent to their 2 weekly pay. Employees would have the option to repay this advance over 10 or 23 pays.

Details were given on the communication and assistance programme which would be available to all employees prior to the implementation date.

Phase 2 of the project, involving the implementation of a 4 weekly pay frequency for teachers, was planned for April 2011. A further report on the implementation plan for this phase of the project would be submitted to a future meeting of the Committee.

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

*[Reference: Minutes of 16 March 2010 (Paragraph 7)]*

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## **11 Treasury Management Activity - Mid Year Review**

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A report dated 12 October 2010 by the Chief Executive was submitted on the mid year review of the Treasury Management Activity 2010/2011.

At its meeting on 11 February 2010, the Committee had adopted the Code of Practice for Treasury Management in the Public Services.

The Committee was responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies. In addition, in order to meet the requirements of the Treasury Management Code, recommendations in relation to the Council's treasury management policies, practices and activities would be referred to the Executive Committee.

Details were given on:-

- ◆ market performance
- ◆ debt management and borrowing strategy
- ◆ investment activity
- ◆ management of risk
- ◆ projected cash flow
- ◆ next quarter investment plans
- ◆ treasury management indicators

**The Committee recommended to the Executive Committee:** that the outcome of the mid year review of the Treasury Management Activity 2010/2011 be noted.

*[Reference: Minutes of 1 June 2010 (Paragraph 11)]*

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## **12 Statutory Performance Indicators - 5 Year Comparison 2005/2006 to 2009/2010**

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A report dated 12 October 2010 by the Chief Executive was submitted on Finance and Information Technology Resources' Statutory Performance Indicators for the financial year 2009/2010. Comparisons and explanations, where appropriate, were provided for the 5 year period covering 2005/2006 to 2009/2010.

**The Committee decided:** that Finance and Information Technology Resources' Statutory Performance Indicators for 2009/2010 be noted.

*[Reference: Minutes of 27 October 2009 (Paragraph 6) and Executive Committee of 3 November 2010 (Paragraph 14)]*

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**13 Urgent Business**

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There were no items of urgent business.