

FINANCE AND INFORMATION TECHNOLOGY RESOURCES COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 13 September 2011

Chair:

Councillor Eileen Logan

Councillors Present:

David Baillie, Graeme Campbell, Gordon Clark, Pam Clearie, Peter Craig, Jim Handibode, Graeme Horne, Bobby Lawson, Anne Maggs, James Malloy (Depute), Lesley McDonald, Jean McKeown, Mary McNeill, Danny Meikle, Alan Scott, Graham Simpson, George Sutherland

Councillors' Apologies:

Walter Brogan, Russell Clearie, Lynn Filshie, Archie Manson, Edward McAvoy, Henry Mitchell

Attending:**Finance and Corporate Resources**

P Manning, Executive Director; J Allan, Risk and Audit Manager; K Brown, Head of Information Technology; P MacRae, Administration Officer; H McNeil, Head of Audit and Improvement; E Melrose, Personnel Officer; J Taylor, Corporate Finance Manager

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 14 June 2011 were submitted for approval as a correct record.

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

3 Revenue Budget Monitoring 2011/2012 - Finance and Information Technology Resources

A report dated 12 August 2011 by the Chief Executive was submitted comparing actual expenditure at 5 August 2011 against budgetary expenditure for 2011/2012 under the following headings:-

- ◆ Finance Services
- ◆ Information Technology Services
- ◆ Procurement Services
- ◆ Audit and Improvement Services

The Committee decided:

- (1) that the underspend on Finance and Information Technology Resources' revenue budget of £0.097 million (2%) and the forecast to 31 March 2012 of a breakeven position be noted; and
- (2) that the proposed budget virements detailed in Appendix C to the report be approved.

4 Capital Budget Monitoring 2011/2012 - Finance and Information Technology Resources

A report dated 12 August 2011 by the Chief Executive was submitted advising on progress of the capital programme 2011/2012 and summarising the expenditure position at 5 August 2011 for the following budget headings:-

- ◆ Finance Services
- ◆ Information Technology Services

The Committee decided: that the report be noted.

5 Finance and Information Technology Resources - Workforce Monitoring - May to July 2011

A joint report dated 19 August 2011 by the Chief Executive and the Executive Director (Corporate Resources) was submitted on the following employee information for Finance and Information Technology Resources for May to July 2011:-

- ◆ attendance statistics
- ◆ occupational health statistics
- ◆ accident/incident statistics
- ◆ disciplinary hearings, grievances and Dignity at Work cases
- ◆ analysis of leavers
- ◆ Joint Staffing Watch as at 11 June 2011

The Committee decided: that the report be noted.

[Reference: Minutes of 14 June 2011 (Paragraph 3)]

6 Contract for Provision of Fixed Line Telephony Services 2011 to 2015

A report dated 18 August 2011 by the Chief Executive was submitted on the outcome of the tender exercise for the delivery of the Council's fixed line telephony services.

Since 2003, the Council's telephone lines had been provided under a contract held by the global services arm of British Telecom. Services provided under the contract included line installation, call routing, usage reporting/alerting, fault management, service and account management and electronic billing. Lines and calls were delivered by OpenReach, the operational services arm of British Telecom.

The contract with British Telecom was due to expire in January 2012 and a tender exercise, conducted under the Office of Government Commerce Buying Solutions framework for fixed line telephony services, had been undertaken. Contracts concluded under the framework terms were for a maximum 4 year term with an optional extension of up to 1 year. The tender specified the retention of the Council's existing OpenReach provided lines and associated telephone numbers and a range of legal, technical and contractual elements.

5 bids had been received by the closing date. Following evaluation by Information Technology Services, together with Legal and Procurement Services, it was proposed that Azzurri Telecom be awarded the contract to provide fixed line telephony services for the Council for a 4 year period, with the option to extend for 1 further year, at a cost of £3.510 million over 4 years. Although it was not the lowest bid, it was considered that the bid by Azzurri Telecom offered the best overall combination of price, delivery and service. The contract would commence in September 2011 until August 2015.

The Committee decided:

- (1) that the contract for the provision of fixed line telephony services for the period September 2011 to August 2015, with an option to extend the contract for a further year, be awarded to Azzurri Telecom; and
- (2) that the Executive Director (Finance and Corporate Resources) engage with the appointed contractor to implement the contract for the tendered services.

[Reference: Minutes of 7 February 2006 (Paragraph 10)]

7 Lanark Common Good - Lanark Playpark Action Group

A report dated 18 August 2011 by the Chief Executive was submitted on a request by the Lanark Playpark Action Group (LPAG) for a contribution of £30,000 from the Lanark Common Good Fund towards a project at Lanark Loch.

LPAG had completed the initial phase of a project to improve provision of children's play areas in Lanark. Phase 2 of the project aimed to provide a large main play area at Lanark Loch with age group specific playing equipment and appropriate seating at picnic areas at a cost of approximately £150,000, excluding VAT. LPAG had secured £50,000 from the Council's Renewable Energy Fund towards the project and planned to apply to other organisations to gain further funding.

It was proposed that any award would be conditional on LPAG being able to demonstrate that funding for the project had been secured. Any change to the scope, scale or quality of the project might require the funding to be reconsidered.

The Committee decided: that a contribution of £30,000 towards phase 2 of the Lanark Playpark Action Group project at Lanark Loch be made from the Lanark Common Good fund subject to the conditions of award specified in the report.

8 Procurement Strategy

A report dated 22 August 2011 by the Chief Executive was submitted on an updated Procurement Strategy for all Council procurement activity.

The Strategy covered the following:-

- ◆ procurement governance and leadership
- ◆ strategy and objectives
- ◆ defining the supply need
- ◆ collaboration
- ◆ sourcing
- ◆ contract and supplier management
- ◆ purchasing processes

The structure of the Strategy was aligned with the Procurement Capability Assessment, a process which represented a key element of the Scottish Government's measures to improve procurement. The Strategy also included an action plan which identified specific actions against each of the strategic objectives within the document. Those actions would be monitored through IMPROVe, the corporate performance management system.

Reports on the delivery of actions would be submitted to the Committee on a mid year and year end basis.

The Committee recommended that the Procurement Strategy be approved.
to the Executive Committee:

[Reference: Minutes of 22 August 2006 (Paragraph 8)]

9 Public Contracts Scotland Quick Quote Trial

A report dated 5 September 2011 by the Chief Executive was submitted on the outcome of a pilot exercise on the use of the "Quick Quote" facility for low value/low risk tenders. At its meeting on 14 June 2011, the Committee had approved the trial of Quick Quote by Housing and Technical Resources and Enterprise Resources.

The outcome of the pilot exercise had been positive and it was now proposed to roll out the use of Quick Quote to all other Resources as the preferred method for low value quotations. It was also proposed to communicate with all known suppliers advising them to register with the national procurement portal.

The Committee decided: that, given the successful outcome of the pilot exercise, the Procurement Service begin the roll out of Quick Quote as the preferred method for low value quotations.

[Reference: Minutes of 14 June 2011 (Paragraph 9)]

10 Revenues Collection as at 31 July 2011 and Approval for Write-Off

A joint report dated 16 August 2011 by the Chief Executive and the Executive Director (Housing and Technical Resources) was submitted on:-

- ◆ collection performance at 31 July 2011 on revenues income which comprised Council Tax, non-domestic rates, sundry debts and community charge arrears
- ◆ the write-off of irrecoverable non-domestic rates, Council Tax, sundry debts, former council house tenant rent arrears and associated charges 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 2009/2010, 2010/2011 and 2011/2012 totalling £536,297.25 relating to debtors who were in liquidation, had ceased trading or had been sequestrated
- ◆ non-domestic rates debt for 2008/2009 totalling £903,611.80
- ◆ irrecoverable Council Tax accounts for 1993/1994 to 2011/2012 to the value of £141,296.91 relating primarily to sequestrations and estates of the deceased
- ◆ sundry debts to the value of £154,133.01 relating to liquidations, sequestrations and estates of the deceased
- ◆ former council house rent arrears and associated charges totalling £95,788.41
- ◆ factoring charges to the value of £2,861.19

The Committee decided:

- (1) that the achievements in revenue collection performance be noted;
- (2) that the write-off of the following irrecoverable debts be approved:-
 - ◆ non-domestic rates for the years 2009/2010, 2010/2011 and 2011/2012 totalling £536,297.25
 - ◆ non-domestic rates debt for 2008/2009 totalling £903,611.80
 - ◆ Council Tax debt from 1993/1994 to 2011/2012 to the value of £141,296.91
 - ◆ sundry debts to the value of £154,133.01
 - ◆ former tenant council house rent arrears and associated charges totalling £95,788.41
 - ◆ factoring charges to the value of £2,861.19

[Reference: Minutes of 14 June 2011 (Paragraph 8)]

11 Annual Investment Report 2010/2011

A report dated 11 August 2011 by the Chief Executive was submitted on the Annual Investment Report for 2010/2011.

In terms of the Local Government Investments (Scotland) Regulations 2010, the Council was required to prepare an Annual Investment Strategy before the start of each financial year and an Annual Investment Report after the financial year end. Both documents required to be approved by the Council.

The Annual Investment Strategy for 2010/2011 had been approved by the Council at its meeting on 23 June 2010 and covered the following areas:-

- ◆ permitted investments
- ◆ risk management
- ◆ borrowing in advance

The Annual Investment Report detailed the Council's activity in each of those 3 areas for 2010/2011.

The Committee recommended to the Executive Committee: that the Annual Investment Report 2010/2011 be endorsed and referred to the Council for formal approval in line with the Local Government Investments (Scotland) Regulations 2010.

12 Treasury Management Activity and Prudential Code Indicators for 2010/2011

A report dated 15 August 2011 by the Chief Executive was submitted on Treasury Management activity and interim Prudential Code Indicators for 2010/2011.

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's capital programme included, within its funding package, planned borrowing. The Prudential Code provided a framework to assist the management of the financial implications and helped to demonstrate that the borrowing was both affordable and prudent.

Details of the Council's Treasury Management activities in 2010/2011 and the Prudential Code Indicators were provided in Appendices 1 and 2 respectively to the report.

The Committee recommended to the Executive Committee: that the Treasury Management activity and interim Prudential Code Indicators for 2010/2011 be noted.

13 Treasury Management Activity - First Quarter Review

A report dated 5 September 2011 by the Chief Executive was submitted on the first quarter review of the Treasury Management activity 2011/2012.

Details were given on:-

- ◆ market performance
- ◆ debt management and borrowing strategy
- ◆ investment activity
- ◆ management of risk
- ◆ next quarter investment plans
- ◆ Treasury Management indicators

The Committee decided: that the report be noted.

[Reference: Minutes of 14 June 2011 (Paragraph 4)]

14 Renewal of e-Sourcing Software

A report dated 16 August 2011 by the Chief Executive was submitted on the extension of a contract for the provision of e-sourcing software. In terms of Standing Orders Nos 11.3 and 14.3 of the Council's Standing Orders on Contracts, the Chief Executive had awarded an extension to the contract with BiP Solutions for the provision of e-sourcing software. The contract extension had commenced on 1 June 2011 for a period of 12 months.

The Committee decided: that the action taken, in terms of Standing Orders Nos 11.3 and 14.3 of the Council's Standing Orders on Contracts, by the Chief Executive to award an extension to the contract with BiP Solutions Limited for the provision of e-sourcing software, commencing on 1 June 2011 for a period of 12 months, be noted.

15 Insurance Claims 2010/2011

A report dated 12 August 2011 by the Chief Executive was submitted on insurance claims made against the Council during 2010/2011.

The Council had in place insurance policies for employer's and public liability as well as motor and property insurance. Those constituted the main classes of insurance. Insurance was also in place for other miscellaneous risks. The Council was currently insured for the main classes of insurance by Chartis Insurance UK Limited. This was a 3 year contract which was due to expire on 31 March 2012, with an option to extend for a further 2 years to 31 March 2014.

The number and value of claims by Resource in 2010/2011 were detailed in Appendix 1 to the report. This showed a downward trend for the overall number of claims received to date for incidents during 2010/2011, which was 1,591, at an estimated cost of £1.901 million. Details were also given on the management of insurance “hot spots”.

The Committee decided: that the report be noted.

16 Former Council House Buildings Insurance Contract - Tender Exercise 2011/2012

A report dated 8 August 2011 by the Chief Executive was submitted on the outcome of the tender exercise for the owner occupiers’ buildings insurance contract.

In terms of Standing Order No 20.2 of the Council’s Standing Orders on Contracts, the Chief Executive, in consultation with the Chair and an ex officio member, had awarded the owner occupiers’ buildings insurance contract to Royal and Sun Alliance (RSA) for a period of 3 years commencing 1 October 2011, with an option to extend the contract for a further 2 years.

The Council’s tenants’ contents insurance policy was in place with RSA. This was due to expire on 30 September 2011. Renewal terms had been received for this contract and were favourable, therefore, a 2 year extension to the contract had been authorised.

The Committee decided:

- (1) that it be noted that a 2 year extension to the tenants’ contents insurance contract had been authorised; and
- (2) that the action taken, in terms of Standing Order No 20.2 of the Council’s Standing Orders on Contracts, by the Chief Executive, in consultation with the Chair and an ex officio member, to award the owner occupiers’ building insurance contract to Royal and Sun Alliance for a period of 3 years commencing on 1 October 2011, with an option to extend the contract for a further 2 years, be noted.

[Reference: Minutes of 30 September 2008 (Paragraph 15)]

17 Urgent Business

There were no items of urgent business.

Chair’s Remarks

The Chair, on behalf of the Members of the Committee, congratulated Paul Manning on his recent appointment to the post of Executive Director (Finance and Corporate Resources).