

FINANCE AND INFORMATION TECHNOLOGY RESOURCES COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 14 June 2011

Chair:

Councillor Eileen Logan

Councillors Present:

David Baillie, Walter Brogan, Gordon Clark, Pam Clearie, Russell Clearie, Peter Craig, Lynn Filshie, Jim Handibode, Lesley McDonald, Mary McNeill, Anne Maggs, James Malloy (Depute), Archie Manson, Danny Meikle, Henry Mitchell, Alan Scott, Graham Simpson, George Sutherland

Councillors' Apologies:

Graeme Campbell, Graeme Horne, Bobby Lawson, Edward McAvoy, Jean McKeown

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

J Allan, Risk and Audit Manager; P Manning, Head of Finance

1 Declaration of Interests

The following interest was declared:-

| <i>Councillor(s)</i> | <i>Item(s)</i> | <i>Nature of Interest(s)</i> |
|----------------------|---------------------------------------------------|----------------------------------------------------------|
| A Scott | Governance of Trust Funds – 2010/2011 Expenditure | Potential involvement in future audit of the trust funds |

2 Minutes of Previous Meeting

The minutes of the meeting of the Finance and Information Technology Resources Committee held on 29 March 2011 were submitted for approval as a correct record.

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

3 Finance and Information Technology Resources - Workforce Monitoring - February to April 2011

A joint report dated 19 May 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 February to April 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 12 March 2011

The Committee decided: that the report be noted.

[Reference: Minutes of 29 March 2011 (Paragraph 6)]

4 Treasury Management Activity - Fourth Quarter Review

A report dated 17 May 2011 by the Chief Executive was submitted on the fourth quarter review of the Treasury Management Activity 2010/2011.

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 29 March 2011 (Paragraph 10)]

5 Finance and Information Technology Resources' Resource Plan 2011/2012

A report dated 20 May 2011 by the Chief Executive was submitted on the Finance and Information Technology Resources' Resource Plan for 2011/2012. Details were provided on:-

- ◆ Resource achievements and performance during 2010/2011
- ◆ Resource objectives and actions for 2011/2012
- ◆ capital and revenue resources for 2011/2012
- ◆ 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 2011/2012 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 2011/2012 be approved.

[Reference: Minutes of 9 November 2010 (Paragraph 6)]

6 Risk Management Activity During 2010/2011

A report dated 10 May 2011 by the Chief Executive was submitted on risk management activity during 2010/2011.

The actions highlighted within the Risk Management Workplan had resulted from the assessment of the Council's progress on risk management using the Best Value 2 (BV2) toolkit and other risk management standards.

The 2010/2011 Risk Management Workplan was attached as Appendix 1 to the report. Progress in delivering the Workplan had been assessed using the same rating mechanism as "Improve", the Council's performance management system. At the end of March 2011, 79% of actions had been completed or were nearing completion.

Details were given on the main risk management achievements for 2010/2011.

Appendix 2 to the report gave details of Resources' compliance with the Risk Management Strategy. There had been an overall annual improvement in performance of 24% since the year end Risk Management Report for 2009/2010. The Risk Management Strategy would be updated during 2011/2012.

Actions from the 2010/2011 Workplan which had not been completed would be reviewed and, where appropriate, included in the 2011/2012 Workplan. Other actions from internal and external reviews would also be included in the 2011/2012 Risk Management Workplan.

The Committee decided:

- (1) that progress in risk management activity during 2010/2011 be noted; and
- (2) that the proposed approach to determine areas of risk management work for 2011/2012 be approved.

[Reference: Minutes of Risk and Audit Scrutiny Forum of 19 May 2011 (Paragraph 4)]

7 Treasury Management - Use of Money Market Funds

A report dated 17 May 2011 by the Chief Executive was submitted on Money Market Funds which could be used as a means of managing cash flow.

At its meeting on 10 February 2011, the Council approved the Annual Investment Strategy for 2011/2012. This Strategy included the use of Money Market Funds (MMFs) as a permitted investment. MMFs were pooled funds which invested in the short-term money market through deposits, Government Bonds and commercial paper. Those funds allowed investors to participate in a more diverse and high-quality portfolio than if they were to invest individually. All investors in an MMF had a claim on a pro rata share of the fund's assets in line with the number of shares or units they owned.

The following measures were currently used to manage the Council's cash flow position:-

- ◆ deposit of surplus cash in banks and building societies which met the Council's counterparty requirements
- ◆ use of the Government's Debt Management Office (DMO) deposit account
- ◆ purchase of Treasury Bills from the Government

MMFs offered a higher interest rate than some banks and the DMO without increasing the risk to the Council. Investments would be restricted to MMFs which had obtained a AAA rating from the credit rating agencies and a maximum of £10 million would be placed with any one MMF. This was in accordance with the criteria set out in the Annual Investment Strategy.

The Committee decided: that approval be given for the use of Money Market Funds as a means of managing the cash flow requirements for the Council.

[Reference: Minutes of 10 February 2011 (Paragraph 7)]

8 Revenues Collection as at 31 March 2011 and Approval for Write-Off

A joint report dated 13 May 2011 by the Chief Executive and the Executive Director (Housing and Technical Resources) was submitted on:-

- ◆ collection performance at 31 March 2011 on revenues income which comprised Council Tax, non-domestic rates, sundry debts and community charges arrears
- ◆ the write-off of irrecoverable non-domestic rates, Council Tax, 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 2008/2009, 2009/2010 and 2010/2011 totalling £48,080.18 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 £175,613.90 relating primarily to sequestrations and estates of the deceased
- ◆ former tenant council house rent arrears and associated charges totalling £768,911.17
- ◆ factoring charges to the value of £933.37

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 £48,080.18
- ◆ Council Tax debt from 1993/1994 to 2010/2011 to the value of £175,613.90
- ◆ former tenant council house rent arrears and associated charges totalling £768,911.17
- ◆ factoring charges to the value of £933.37

[Reference: Minutes of 29 March 2011 (Paragraph 9)]

9 Public Contracts Scotland "Quick Quote" Trial

A report dated 20 May 2011 by the Chief Executive was submitted on a proposed pilot exercise on the use of the "Quick Quote" facility for low value/low risk tenders.

In 2009, the Scottish Government had launched "Quick Quote" as part of the facilities available to public bodies and suppliers on the national tender web site "Public Contracts Scotland". "Quick Quote" was an online quotation request facility which was used to provide competitive quotes for low value/low risk procurement exercises from suppliers who were registered on the national procurement portal. In terms of the Council's Standing Orders on Contracts, the "Quick Quote" facility would be for quotations of a value of less than £50,000.

It was proposed that the "Quick Quote" pilot exercise be undertaken within Housing and Technical Resources and Enterprise Resources for a 2 month period. If the exercise proved successful, the Procurement Service would begin a consultation with all Resources with a view to recommending "Quick Quote" as the preferred method for low value quotations. Prior to the pilot exercise, it was proposed to issue a communication, examples of which were contained in the appendix to the report, to suppliers advising them to register with the national procurement portal.

The Committee decided:

- (1) that the "Quick Quote" facility be piloted by Housing and Technical Resources and Enterprise Resources for a 2 month period; and
- (2) that the communications detailed in the appendix to the report be circulated to suppliers.

10 Governance of Trust Funds - 2010/2011 Expenditure

A report dated 20 May 2011 by the Chief Executive was submitted on payments made to beneficiaries of the trust funds administered by the Council.

The Council administered a total of 110 trust funds, the value of which amounted to £864,000 as at 1 April 2010.

During 2010/2011, expenditure totalled £40,000 of which £38,000 was distributed to beneficiaries of the trust funds. The remaining £2,000 consisted of fees payable for the management of the Loudon Bequest's investment portfolio. The expenditure was partly offset by income of £31,000 resulting in a deficit of £9,000 and a closing balance on the funds of £855,000.

Details of all active funds and payments made in 2010/2011, together with the balances of the funds as at 31 March 2011, were given in Appendix 1 to the report.

The Committee decided: that the report be noted.

[Reference: Minutes of 19 January 2010 (Paragraph 9)]

Councillor A Scott, having declared an interest in the above item, withdrew from the meeting during its consideration

11 Contract for the Provision of Enterprise Broadband Services

A report dated 30 April 2011 by the Chief Executive was submitted on the extension of a contract for the provision of Enterprise Broadband Services.

In terms of Standing Order No 14.3(b) of the Council's Standing Orders on Contracts, the Chief Executive had awarded an extension to the contract with Virginmedia for the provision of Enterprise Broadband Services. The contract extension would commence on 12 July 2011 for a period of 12 months.

The Committee decided that the action taken, in terms of Standing Order No 14.3(b) of the Council's Standing Orders on Contracts, by the Chief Executive to award an extension to the contract with Virginmedia for the provision of Enterprise Broadband Services, commencing on 12 July 2011 for a period of 12 months, be noted.

12 Urgent Business

There were no items of urgent business.