

**POLICY AND RESOURCES (FINANCE AND CUSTOMER SERVICES) SUB –
12 March 2008**

Motherwell, 12 March 2008 at 2 pm.

**A Meeting of the POLICY AND RESOURCES (FINANCE AND CUSTOMER SERVICES)
SUB-COMMITTEE**

PRESENT

Councillor Pentland, Convener; Councillors S. Coyle, Fagan, Griffin, Logue, J. Love, Lunny, Lyle, McCulloch, J. McGuigan, F. McKay, Murray, O'Brien, Shevlin, Shields and Annette Valentine.

CHAIR

Councillor Pentland (Convener) presided.

IN ATTENDANCE

The Committee Services Manager, Executive Director of Finance and Customer Services, Head of Financial Services, Head of Revenue Services and Head of E-Government and Service Delivery.

APOLOGIES

Councillors Burrows, M. Coyle and Jones

**DECLARATIONS OF INTEREST IN TERMS OF THE ETHICAL STANDARDS IN PUBLIC LIFE ETC.
(SCOTLAND) ACT 2000**

1. The Sub-Committee noted that there were no declarations of interest.

**REMIT FROM HOUSING AND SOCIAL WORK SERVICES COMMITTEE OF 27 FEBRUARY 2008 –
FORMER TENANT ARREARS WRITE OFF TO 31 MARCH 2006**

2. With reference to paragraph 12 of the Minute of the meeting of the Housing and Social Work Services Committee held on 27 February 2008, when that Committee, having considered a report dated 30 January 2008 by the Head of Housing and Social Work Resources seeking approval to write-off the current outstanding balance of £908,605.77 in respect of Former Tenant Arrears prior to 31 March 2006, had agreed (1) that the write-off of Former Tenant Arrears totalling £908,605.77 in relation to the period ending 31 March 2006 be approved, and (2) that the report be referred to this Sub-Committee for consideration, the Sub-Committee considered the report.

Decided: that the terms of the report be approved.

**FINANCE AND CUSTOMER SERVICES – SERVICE IMPROVEMENT PLAN KEY ACTIONS
2008/2009**

3. With reference to paragraph 5 of the Minute of the meeting of this Sub-Committee held on 16 January 2008 when, inter alia, the Service Improvement Plan for Finance and Customer Services in respect of the period from 2007/2008 to 2009/2010 had been approved, there was submitted a report (docketed) dated 4 March 2008 by the Executive Director of Finance and Customer Services seeking approval of the 2008/2009 key actions prepared in line with the service improvement planning arrangements 2007/2008 to 2009/2010 (1) advising that the Service Improvement Plan set out a total of 12 improvement actions which would be undertaken, either wholly or in part, by the Service during 2008/2009 with some extending into and beyond 2009/2010; (2) detailing 25 key actions for

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2008/2009 which were attached as Appendix 1 to the report; (3) intimating that a year end report summarising performance and progress against the planned improvement actions and detailed key actions previously identified for 2007/2008 would be submitted to the next meeting of this Sub-Committee, which would conclude the 2007/2008 service improvement planning arrangements, and (4) reporting that the Chief Executive's Office during the early part of 2008/2009 will examine where existing reporting arrangements may be further streamlined to integrate more closely corporate planning, service planning and performance management reporting mechanisms.

Decided:

- (1) that the 2008/09 key actions, prepared in line with service improvement planning arrangements 2007/08 to 2009/2010 and designed to support successful implementation of the over-arching improvement actions be approved;
- (2) that subsequent reports (a) concluding the 2007/2008 service improvement planning process, and (b) providing a performance update on progress against the 2008/2009 improvement actions and key actions be submitted to the this Sub-Committee at its meetings on 21 May 2008 and 5 November 2008 respectively;
- (3) that it be noted that the Chief Executive's Office will complete an exercise in early 2008/2009 to examine where existing reporting arrangements may be streamlined through closer integration, and
- (4) that the contents of the report be otherwise noted.

TREASURY MANAGEMENT STRATEGY 2008/2009 AND PRUDENTIAL INDICATORS 2008/2009 TO 2010/2011

- C** 4. With reference to paragraph 11 of the Minute of the meeting of this Sub-Committee held on 23 January 2007, there was submitted a report (docketed) dated 18 February 2008 by the Executive Director of Finance and Customer Services (1) outlining within the Appendix to the report, the Treasury Management Strategy for 2008/2009 in accordance with the CIPFA Code of Practice on Treasury Management, and (2) detailing the Prudential Indicators for 2008/2009 to 2010/2011, as required by the CIPFA Prudential Code for Capital finance in Local Authorities, as detailed within the Appendix to the report.

Decided:

- (1) that the Treasury Management Strategy 2008/2009 as outlined within the Appendix to the report be approved, and
- (2) that the Prudential Indicators and limits for 2008/2009 to 2010/2011 as detailed within the Appendix to the report be adopted.

REVENUE BUDGET MONITORING REPORT 2007/2008

(1) FINANCE AND CUSTOMER SERVICES

5. There was submitted a report dated 21 February 2008 by the Head of Financial Services comparing actual income and expenditure for Finance and Customer Services against the estimates for the year to 1 February 2008 and providing explanations for the major projected outturn variances.

Decided: that the terms of the report be noted.

(2) MISCELLANEOUS SERVICES

6. There was submitted a report dated 21 February 2008 by the Head of Financial Services comparing actual expenditure and income on Miscellaneous Services against estimates for the year to 1 February 2008, and providing a projected outturn for the year, together with explanations of the more significant variances.

Decided: that the terms of the report be noted.

(3) COUNCIL SUMMARY

7. There was submitted a report dated 22 February 2008 by the Head of Financial Services setting out the overall position on both the General Fund Account and the Housing Revenue Account for the financial year to 1 February 2008 (1) consolidating the budget monitoring position of all Services; (2) comparing projected outturn expenditure with the budget, and (3) providing explanations of significant variations, where applicable.

Decided: that the terms of the report be noted.

TRADING OPERATIONS/PPP SUMMARY POSITION

8. There was submitted a report dated 20 February 2008 by the Head of Financial Services (1) summarising the financial position of the Environmental Services Trading Accounts and the expected return from the Public Private Partnerships for the period from 1 April 2007 to 1 February 2008, and (2) detailing in Appendix 1 to the report actual surplus/deficit to date and projected outturn, with major outturn variances being highlighted and explained.

Decided: that the terms of the report be noted.

CAPITAL BUDGET MONITORING REPORT 2007/2008

(1) COMPOSITE CAPITAL PROGRAMME 2007/2008

9. There was submitted a report (docketed) dated 28 February 2008 by the Executive Director of Finance and Customer Services (1) providing an update on the movement in Resources and Expenditure Budgets since the approval of the Composite Capital Programme for 2007/2008; (2) summarising the financial performance of the Composite Capital Programme to date; (3) outlining the projected year-end outturn position and resultant variances, and (4) providing information on current expenditure up to and including 1 February 2008.

Decided: that the financial position of the Composite Capital Programme as at 1 February 2008 be noted.

(2) FINANCE AND CUSTOMER SERVICES CAPITAL PROGRAMME - 2007/2008

10. There was submitted a report dated 28 February 2008 by the Executive Director of Finance and Customer Services (1) providing an update on the current Capital Programme for Finance and Customer Services; (2) providing a summary of the financial performance of the Service as at 11 February 2008, and (3) seeking homologation of the action by the Executive Director of Finance

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and Customer Services in authorising virement of £85,000 from the budget allocated for the procurement of an Electronic Document Records Management System (EDRMS) to a new Wide Area Network project planned for 2008/09.

Decided:

- (1) that the position of the Finance and Customer Services Capital Programme as at 11 February 2008 be noted, and
- (2) that the action of the Executive Director of Finance and Customer Services in authorising virement from the budget allocation delaying the procurement of an EDRMS until 2008/2009 and bringing forward the first phase of the new Wide Area Network as detailed in paragraph 3.5 of the report be homologated.

**QUARTERLY PERFORMANCE MANAGEMENT EXCEPTIONS REPORT - QUARTER 3 -
1 OCTOBER TO 31 DECEMBER 2007**

11. With reference to paragraph 10 of the Minute of the meeting of this Sub-Committee held on 7 November 2007, there was submitted a report dated 18 February 2008 by the Executive Director of Finance and Customer Services (1) advising of the service performance within the quarter ending 31 December 2007 which falls outwith agreed thresholds; (2) providing information relating to performance issues; (3) advising of planned action to bring performance back within acceptable thresholds for the Services performance portfolio 2008/09, and (4) proposing amended performance targets as detailed in Appendix 2 to the report.

Decided:

- (1) that the current position of the indicators for Quarter 3 of 2007/08, be noted, and
- (2) that the performance targets outlined for 2008/09 as detailed in the report be approved.

TREASURY MANAGEMENT MONITORING REPORT

12. There was submitted a report (docketed) dated 15 February 2008 by the Head of Financial Services (1) advising of the Council's net overall borrowing position as at 31 December 2007 as shown in Appendix 1 to the report; (2) advising that there was no long-term borrowing undertaken during the period from 1 October to 31 December 2007; (3) summarising the short-term borrowing, the short-term investment transactions, and interest rate movements during this period, and (4) outlining the position with regard to the Prudential Code for Capital Finance in Local Authorities as at 31 December 2007, as shown in Appendix 2 to the report.

Decided: that the Treasury Management activity for the quarter ended 31 December 2007 and positive performance against key prudential indicators be noted.

LOCAL TAX COLLECTION AND BENEFIT UPDATE - FEBRUARY 2008

13. With reference to paragraph 18 of the Minute of the meeting of this Sub-Committee held on 16 January 2008, there was submitted a report dated 3 March 2008 by the Head of Revenue Services providing an update on Council Tax and Non-Domestic Rates Collection and Benefit Administration for the first 11 months of the current financial year as a comparison with the same period last year.

Decided: that the terms of the report be noted.

OPERATING MODEL FOR CUSTOMER CONTACT CENTRE

14. There was submitted a report (docketed) dated 21 February 2008 by the Head of E-Government and Service Development (1) outlining the background to the Customer Contact Centre which opened in March 2003; (2) reporting that the current operational arrangements did not provide any mechanisms for dealing with the impact of service failures on the Customer Contact Centre; (3) proposing that a new operating model be implemented which will put in place the appropriate contingency measures to ensure that the Customer Contact Centre will be able to respond to fluctuations in the volume of calls it is required to manage; (4) detailing the options available to produce additional temporary resources which can be called upon at short notice if demand increases more rapidly than planned or where a request for service is for a specific initiative lasting for a predefined period; (5) proposing that, where additional temporary resources are required, a 'ceiling' of 10 FTE Customer Services Assistant (NLC4) and one FTE Team Leader (NLC7) be agreed, which will ensure that staffing levels will not continue to rise indefinitely, and (6) summarising the financial implications.

Decided:

- (1) that the proposed operating model for the Customer Contact Centre be approved;
- (2) that the use of additional temporary staffing resources as outlined in paragraph 4 of the report be approved, and
- (3) that the report be remitted to the Policy and Resources (Human Resources) Sub-Committee for consideration.

E-GOVERNMENT AND SERVICE DEVELOPMENT - OPERATIONAL REVIEW

15. With reference to paragraph 4 of the Minute of the meeting of the Policy and Resources (Finance) Sub-Committee held on 13 March 2007, there was submitted a report (docketed) dated 21 February 2008 by the Head of E-Government and Service Development (1) advising of the need for some amendments to the structure of the E-Government and Service Development Division; (2) outlining the background to the exercise; (3) proposing changes to the structure as detailed in paragraph 3 of the report; (4) proposing that the structural changes to the Finance and Customer Services establishment be approved, and the revised staffing levels and annual savings for £30,420 to be utilised in the implementation of the Customer Services Strategy be noted, and (5) recommending that the report be remitted to the Policy and Resources (Human Resources) Sub-Committee for consideration.

Decided:

- (1) that the structural changes to the E-Government and Service Development Division of Finance and Customer Services establishment be approved;
- (2) that it be noted that the revised staffing levels and annual savings of £30,420 to be utilised in the implementation of the Customer Services Strategy, and
- (3) that the report be referred to the Policy and Resources (Human Resources) Sub-Committee for consideration.

FINANCE AND CUSTOMER SERVICES STRUCTURE REVIEW - RISK AND INSURANCE SECTION

16. With reference to paragraph 1 of the Minute of the meeting of the Policy and Resources (Finance) Sub-Committee held on 9 November 2004, there was submitted a report (docketed) dated 3 March 2008 by the Head of Revenue Services (1) seeking approval for the establishment of a Senior Risk

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and Insurance Assistant post graded NLC7, in order to deliver Improvement Action RS3, included in the overall Service Plan for 2008/09 which was designed to increase the level of claims handling in-house; (2) indicating that establishment of the post would result in quicker processing times for claims handling and improved customer service with greater control of all claims handling; (3) advising that historically, handling of claims has been subject to a periodic tender exercise and is currently administered by Marsh Limited and that, since the introduction in 2005 of inhouse claims handling, the involvement of Marsh Limited had reduced which had resulted in increased savings for the Council, and (4) recommending that the report be remitted to the Policy and Resources (Human Resources) Sub-Committee for consideration.

Decided:

- (1) that the proposals outlined in Section 4 of the report be approved;
- (2) that the creation of one NLC7 Senior Risk and Insurance Assistant be approved, and
- (3) that the report be remitted to the Policy and Resources (Human Resources) Sub-Committee for consideration.

PROGRESS REPORT ON CUSTOMER FIRST AND OTHER RELATED NATIONAL AND LOCAL PROJECTS

17. There was submitted a report dated 21 February 2008 by the Head of E-Government and Service Development (1) advising on the progress to date with Customer First, Shared Services, e-Care and other related national and local projects; (2) summarising the key highlights of the projects as detailed in paragraph 3 of the report, and (3) outlining a number of initiatives which will be progressed in the coming months as detailed in paragraph 4 of the report.

Decided: that the progress made to date be noted.

DRAFT ICT STRATEGY

18. There was submitted a report dated 27 February 2008 by the Head of E-Government and Service Development (1) reporting that work has been ongoing with E-Government and Service Development in recent weeks to prepare a revised draft of the Council's ICT Strategy; (2) advising that the structure and outline of the Strategy was presented to the Customer Service Development Working Group at its meeting on 29 January 2008, with the first draft being published on 22 February 2008; (3) indicating that the ICT Strategy provides a framework for every aspect of the ICT function and its relationship with other corporate strategies to meet the Council's strategic objectives, and (4) reporting that it is intended to present the final Strategy to this Sub-Committee in May.

Decided: that the progress on the development of the ICT Strategy be noted.

PAY CYCLE RATIONALISATION

19. There was submitted a report dated 19 February 2008 by the Head of Revenue Services (1) advising of the arrangements for reducing the number of pay cycles from seven to two, for employees within the Collective Agreement on Single Status; (2) detailing the rationalisation agreements in section 3 of the report; (3) advising of the transition arrangements for employees who will be 'short of cash during the pay cycle transfer, and (4) intimating that the rationalisation would result in an initial saving in the

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first year of £66,000 and annually thereafter £89,000 with a reduction of 37% annually in the number of payments made, and 77% in the number of pay cycles operated.

Decided: that the contents of the report be noted.

APPOINTMENT OF CONSULTANTS – LEASING ADVISORY SERVICE

20. With reference to paragraph 14 of the Minute of the meeting of this Sub-Committee held on 16 January 2008, there was submitted a report dated 27 February 2008 by the Head of Financial Services (1) indicating that tenders had been issued to three companies interested in providing a Leasing Advisory Service; (2) advising that two companies had completed and returned the tender documentation, and (3) recommending that, following the tender evaluation process, the contract be awarded to Sector Treasury Services in the sum of £19,500 per annum from 1 April 2008 to 31 March 2011, with an option to exercise a one years extension at the end of this period.

Decided: that the Leasing Advisory Service contract be awarded to Sector Treasury Services Limited in the sum of £19,500 per annum from 1 April 2008 to 31 March 2011 with an option to exercise a one years extension at the end of this period.

CONFERENCES

21. There was submitted a report dated 20 February 2008 by the Head of Central Services advising that an invitation had been received in respect of attendance at a conference, and seeking that consideration be given to that invitation.

Decided: that no attendance be authorised.