

**POLICY AND RESOURCES (FINANCE AND CUSTOMER SERVICES) SUB –  
22 February 2012**

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**Motherwell, 22 February 2012 at 2 pm.**

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

**PRESENT**

Councillor Burrows, Convener; Councillor Sullivan, Vice-Convener; Councillors Cameron, M. Coyle, S. Coyle, Jones, Logue, J. Love, Lunny, McCulloch, J. McGuigan, F. McKay, Shevlin and Annette Valentine.

**CHAIR**

Councillor Burrows (Convener) presided.

**IN ATTENDANCE**

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

**APOLOGIES**

Councillors Fagan, McCabe and Pentland.

**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.

**FINANCE AND CUSTOMER SERVICES QUARTERLY EXCEPTIONS REPORT – PERFORMANCE  
PORTFOLIO - APRIL TO DECEMBER 2011**

2. With reference to paragraph 2 of the Minute of the meeting of this Sub-Committee held on 16 November 2011, there was submitted a report (docketed) dated 20 January 2012 by the Executive Director of Finance and Customer Services (1) advising of performance results for the third quarter of 2011/2012; (2) setting out, within Appendix A to the report, the Service Priorities and Performance Portfolio indicators that were not performing within acceptable thresholds, grouped by Head of Service, and (3) detailing those indicators that were on track, as set out in Appendix B to the report.

**Decided:** that the contents of the report be noted.

**REVENUE BUDGET MONITORING REPORTS 2011/2012 - FINANCE AND CUSTOMER SERVICES,  
COUNCIL SUMMARY AND TRADING ACCOUNTS/PUBLIC PRIVATE PARTNERSHIPS**

3. There were submitted reports dated 22 December 2011 and 20 and 5 January 2012 by the Head of Financial Services (1) advising of the overall financial position of, respectively, Finance and Customer Services, the Council Summary, which included both the General Fund Account and the Housing Revenue Account, and the Trading Accounts/Public Private Partnerships; (2) providing a comparison of actual expenditure and income against the estimated expenditure and income for the period from 1 April to 9 December 2011, together with explanations of the most significant variances, and (3)

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setting out, with regard to the Council Summary report, the consolidated budget monitoring position of all the services, with additional information available within Appendix 1 to the report.

In relation to the Council Summary report, the Head of Financial Services gave an update on the position and indicated that there had been an increase in the surplus to approximately £10m.

**Decided:** that the terms of the reports and the current position in relation to the Council Summary be noted.

**CAPITAL PROGRAMME MONITORING REPORTS 2011/2012 - FINANCE AND CUSTOMER SERVICES CAPITAL PROGRAMME AND COMPOSITE CAPITAL PROGRAMME**

4. There were submitted reports dated 23 December 2011 and 20 January 2012 by the Executive Director of Finance and Customer Services (1) advising of the performance of, respectively, the Capital Programme for Finance and Customer Services and the Composite Capital Programme, and (2) outlining the projected year end outturn position and resultant variances for the period from 1 April to 9 December 2011.

**Decided:** that the financial position of the Finance and Customer Services Capital Programme and the Composite Capital Programme, as at 9 December 2011, be noted.

**TREASURY MANAGEMENT MONITORING REPORT – 1 OCTOBER TO 31 DECEMBER 2011**

5. With reference to paragraph 5 of the Minute of the meeting of this Sub-Committee held on 16 November 2011, when the Treasury Management activity for the quarter ended 30 September 2011, including the positive performance against key prudential indicators, was noted, there was submitted a report (docketed) dated 20 January 2012 by the Head of Financial Services (1) advising of the Council's net overall borrowing position as at 31 December 2011, as shown in Appendix 1 to the report; (2) indicating that new long term borrowing of £30m had been undertaken during the period from 1 October to 31 December 2011; (3) summarising the short borrowing, the short term investment transactions and the interest rate movements during this period, and (4) outlining the position with regard to the Prudential Code for Finance in Local Authorities as 31 December 2011, as highlighted within Appendix 2 to the report.

**Decided:** that the Treasury Management activity for the quarter ended 31 December 2011, including the positive performance against the key prudential indicators, be noted.

**FINANCE AND CUSTOMER SERVICES - SERVICE PLAN 2012/2013**

6. With reference to paragraph 13 of the Minute of the meeting of the Policy and Resources Committee held on 16 June 2011, when (1) the move to two year Service Plans, with the extension of the 2011/2012 Service Plans for a further year, was approved; (2) the associated timescale for annual review was noted, and (3) the arrangements and timescale for the preparation and production of a Guidance Note, detailing the arrangements for the introduction of an annual review were noted, there was submitted a report (docketed) dated 20 January 2012 by the Executive Director of Finance and Customer Services submitting, for consideration, the Service Plan for Finance and Customer Services in respect of 2012/2013, as detailed in Appendix A to the report.

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**Decided:**

- (1) that the Service Plan 2012/2013 for Finance and Customer Services, as detailed in Appendix A to the report, be approved, and
- (2) that the contents of the report be otherwise noted.

**TREASURY MANAGEMENT STRATEGY 2012/2013 AND TREASURY AND PRUDENTIAL INDICATORS 2012/2013 TO 2014/2015**

7. With reference to paragraph 7 of the Minute of the meeting of this Sub-Committee held on 2 March 2011, when the Treasury Management Strategy for 2011/2012 was approved and the Prudential Indicators for 2011/2012 to 2012/2013 were adopted, there was submitted a report (docketed) dated 20 January 2012 by the Executive Director of Finance and Customer Services (1) outlining, within Appendix A to the report (a) the Treasury Management Strategy for 2012/2013 in accordance with the Code of Practice on Treasury Management, and (b) the Treasury and Prudential Indicators for 2012/2013 to 2014/2015, as required by the CIPFA Prudential Code for Capital Finance in Local Authorities, together with details of the Affordable Borrowing Limits required in terms of the Local Government (Scotland) Act 2003, and (2) detailing, within Appendix A to the report, the indicators which illustrated that the key objectives of the Prudential Framework had been satisfied and that the proposed Capital Investment Plans for 2012/2013 onwards were prudent and affordable.

**Decided:** that the matter be referred to the Council with the recommendation

- (1) that the Treasury Management Strategy 2012/2013, as set out within Appendix A to the report, be approved, and
- (2) that the Treasury and Prudential Indicators and Borrowing Limits for 2012/2013 to 2014/2015, as detailed within Appendix A to the report, be adopted.

**CIPFA FINANCIAL MANAGEMENT MODEL - UPDATE**

8. With reference to paragraph 9 of the Minute of the meeting of this Sub-Committee held on 2 March 2011, there was submitted a report dated 20 January 2012 by the Head of Financial Services (1) setting out the background to the use of the CIPFA Financial Management Model, which was a self-assessment tool that enabled an appraisal of the management of financial functions across the Council; (2) advising of the outcome of a review that had been undertaken during 2010/2011; (3) highlighting the strengths and actions for improvement, which had been incorporated into a revised Action Plan; (4) indicating that progress against the Action Plan would be monitored on an ongoing basis, and (5) intimating that a full review of financial management across the Council would be undertaken by March 2013.

**Decided:** that the actions taken to improve the financial management arrangements within the Council be noted.

**PAYMENT OF LOCAL TAXATION AND BENEFIT – UPDATE**

9. With reference to paragraph 9 of the Minute of the meeting of this Sub-Committee held on 16 November 2011, there was submitted a report dated 3 February 2012 by the Head of Revenue Services (1) updating the Sub-Committee on the payment performance of Council Tax and Non-Domestic Rates and the administration of Housing/Council Tax Benefit up to the end of January

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2012, together with comparable figures for the same period for the previous financial year and details of Council Tax collection levels since 1993/1994; (2) indicating that the Right Time Indicator, which related to the average number of days taken to process new claims and changes was averaging 10.2 days, compared with 10.6 days for the same period for the previous year despite a 14% increase in claims; (3) providing details of the benefits awarded as at January 2012 together with the details for the previous year and details of the effect on the current caseload of the Welfare Reform changes, and (4) detailing the current position regarding the collection of outstanding debt for the Community Charge as at January 2012.

**Decided:** that the terms of the report be noted.

### **CUSTOMER SERVICE KEY HIGHLIGHTS**

10. There was submitted a report (docketed) dated 23 January 2012 by the Head of E-Government and Service Development (1) advising that the Customer Management Implementation Plan provided a development programme to achieve the Council's vision of excellent customer service and was built around the key themes of the Customer Services Strategy; (2) highlighting the key achievements during the year together with statistical information in relation to the Customer Contact Centre, the First Stop Shops, the website and social media use; (3) indicating that North Lanarkshire Council chaired the National Chanel Shift Programme which sought to achieve a substantial increase in the volume of customer transactions being handled through cheaper communications such as on-line and smart-phones; (4) setting out the Council's experience in relation to the demand for online service provision for the period from 1 January to 31 December 2011; (4) outlining the response of the Customer Contact Centre during the adverse weather, and (5) detailing further steps to be taken to improve Customer Services.

**Decided:** that the progress on the Customer Management Implementation Plan be noted.

### **NON DOMESTIC RATES DEFERRAL SCHEME 2012/2013**

11. There was submitted a report (docketed) dated 13 February 2012 by the Head of Revenue Services (1) advising of the introduction of the Non Domestic Rates Deferral Scheme 2012/2013 which had been introduced by the Scottish Government in response to the continuing difficulties being experienced in the economy and which allowed rate paying businesses in Scotland to defer part of the 2012/2013 increase of 5.6%, with part, equivalent to 3.2%, being recovered in 2013/2014 and the remainder in 2014/2015; (2) summarising the expected operation of the scheme, and (3) indicating that businesses would be notified of the scheme in conjunction with their 2012/2013 Non Domestic Rates Notice, with details of the Scheme also being included on the Council's website.

**Decided:** that the implementation of the Non Domestic Rates Deferral Scheme 2012/2013 be noted.

### **PROCUREMENT CAPABILITY ASSESSMENT 2011**

12. There was submitted a report (docketed) dated 18 January 2012 by the Head of Revenue Services (1) intimating that Scotland Excel carried out an annual Procurement Capability Assessment for each Scottish local authority and produced a report on the results which each Council could then use as the basis for improving procurement capability across the organisation; (2) summarising the measures and processes of the Procurement Capability Assessment; (3) indicating that the Council had scored 32% in 2009, 42% in 2010 and 47% in the current 2011 assessment, which positioned the Council in the top quartile of 32 authorities; (4) setting out the outcome of the Assessment for 2011 together with

the results for 2010, as shown in Appendix 1 to the report; (5) pointing out that, as part of the Service and People First Change Management Programme and at the request of the Transformation Programme Board, a review of the Council's approach to procurement and procurement processes had been undertaken and consideration was currently being given to the opportunities for further improvement which had been identified; (6) indicating that the Scottish Government had advised that all local authorities were expected to attain a minimum score of 50% by the 2012 assessment, and (7) advising that the Corporate Procurement Working Group would be responsible for the delivery of the Improvement Plan.

**Decided:** that the outcome of the Procurement Capability Assessment be noted.

### **ICT SERVICE BENCHMARKING OUTCOMES**

13. There was submitted a report (docketed) dated 23 January 2012 by the Head of E-Government and Service Development (1) intimating that the Society of IT Managers (a) provided an annual benchmarking exercise covering a range of key performance indicators for the measurement of ICT services, and (b) had undertaken a User Satisfaction Survey, in both of which the Council had participated; (2) informing the Committee that the Scottish Government had intimated that the outcomes from the 2011 benchmarking exercise would be used to inform its future plans in relation to the implementation of the McClelland Review; (3) setting out the key outcomes from the benchmarking exercise and the user satisfaction survey; (4) concluding (a) that, overall, the outcomes had indicated that the Council's IT service was efficient, effective and attracted a high level of customer satisfaction from the Council's frontline services, and (b) that there was scope for improvement in a number of areas, including investment in ICT, speed of delivery of new systems and services, and skill level of users of ICT, and (5) indicating that the outcomes would be used to inform future plans and the E-Government and Service Development Division would continue to participate in future benchmarking and user satisfaction surveys to ensure that continuation of improvement could be demonstrated.

**Decided:** that the results and conclusions from the Benchmarking Exercise and ICT User Satisfaction Survey, undertaken by the Society of IT Managers, be noted.

### **CONTRACTS**

#### **(1) INSURANCE TENDER FOR RENEWAL OF THE COUNCIL'S NOMINATED LOSS ADJUSTER 2012**

14. With reference to paragraph 11 of the Minute of the meeting of this Sub-Committee held on 1 June 2011, when the competitive tendering of the provision of Loss Adjuster Services was approved, there was submitted a report (docketed) dated 20 January 2012 by the Head of Revenue Services (1) setting out, within the report, the process undertaken for the procurement of tenders for the Council's nominated loss adjuster for property claims, which would be for a period of four years from 1 April 2012 to 31 March 2016 at an indicative value of £320,000, and (2) intimating that, after checking and evaluation on the basis of 60% cost and 40% quality, the tender from GAB Robins, Glasgow was recommended for acceptance.

**Decided:** that the contract for the Council's nominated loss adjuster be awarded to GAB Robins, Glasgow for a period of four years from 1 April 2012 to 31 March 2016 at an indicative value of £320,000.

**(2) GENERAL BANKING SERVICES AND MERCHANT ACQUIRING SOLUTION CONTRACTS**

15. With reference to paragraph 15 of the Minute of the meeting of this Sub-Committee held on 24 August 2011 when the competitive tendering of banking services was approved, there was submitted a report (docketed) dated 23 January 2012 by the Head of Financial Services (1) setting out, within Appendix 1 to the report, the results of the tendering process for (a) Lot 1 – General Banking Services; (b) Lot 2 – Merchant Acquiring Solution, and (c) Lot 3 – both General Banking Services and the Merchant Acquiring Solution, which would run for a period of five years from 1 April 2012 to 31 March 2017 with an option to extend the contract for a further period not exceeding one year; (2) advising that, after checking and evaluation on the basis of 55% price and 45% quality for General Banking Services and 90% price and 10% quality for the Merchant Acquiring Solution, the tenders for all Lots submitted by the Clydesdale Bank plc, in the total indicative cost for both of £918,214, were most economically advantageous; (3) pointing out that annual savings of approximately £960 and £5,760 would be secured for, respectively, General Banking Services and the Merchant Acquiring Solution, over the maximum six year contract period, and (4) proposing that the contracts for General Banking Services and the Merchant Acquiring Solution be awarded to the Clydesdale Bank plc.

**Decided:** that the contracts for General Banking Services and the Merchant Acquiring Solution be awarded to the Clydesdale Bank plc for a period of five years from 1 April 2012 to 31 March 2017 with an option to extend the contract for a further period not exceeding one year at a total indicative cost of £918,214.

**(3) NATIONAL COLLABORATIVE CONTRACT FOR THE SUPPLY OF GAS AND ELECTRICITY**

16. With reference to paragraph 14 of the Minutes of the meetings of this Sub-Committee held on 5 November 2008 and 3 March 2010, when it was agreed that the Council would participate in, respectively, the National Electricity and Gas Contracts, there was submitted a report (docketed) dated 19 January 2012 by the Head of Revenue Services (1) advising that the current contracts for the supply of electricity and gas were due to end on, respectively, 31 March 2013 and 31 March 2014; (2) setting out the background to the development of the procurement strategy and the proposals for the new collaborative contracts for the supply of electricity and gas, which included the signing of an Agency Agreement by 31 March 2012 and with Scottish Procurement acting for and on behalf of those public bodies wishing to participate in the new arrangements, as detailed in the report, and (3) seeking approval to participate in the National Collaborative Electricity and Gas contracts.

**Decided:** that the Council's participation in the National Collaborative Electricity and Gas Contracts, as detailed in the report, be approved.

**(4) GENERAL STATIONERY AND OFFICE PAPER**

17. With reference to paragraph 14 of the Minute of the meeting of this Sub-Committee held on 5 November 2008, when, *inter alia*, participation in the National Office Supplies Contract was approved, there was submitted a report (docketed) dated 18 January 2012 by the Head of Revenue Services (1) advising that Scottish Procurement had recently established a new three year National Framework Agreement for the Supply of General Stationery and Office Paper, with an option to extend for a further year, which replaced the previous arrangement introduced in 2008; (2) indicating that Office Depot UK Limited had been selected and appointed to the Framework which allowed individual buying organisations to engage direct with the supplier without the need for further competition; (3) setting out the key benefits of utilising the Framework; (4) pointing out that, on a straight comparison, the new contract resulted in an increase of 13% which could be avoided by the rationalisation of the range of products resulting in an expected annual saving of £65,000, and (5) proposing that the National Collaborative Framework be utilised on the basis of the adoption of the rationalised range of products.

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**Decided:**

- (1) that the use of the National Collaborative Framework, on the basis of the rationalised range of products, be endorsed, and
- (2) that the procurement workstream efficiency savings be noted.

**(5) WATER COOLERS AND ASSOCIATED CONSUMABLES**

18. There was submitted a report dated 18 January 2012 by the Head of Revenue Services (1) seeking approval to participate in a Collaborative Procurement exercise for the provision of Water Coolers and Associated Consumables; (2) advising (a) that the current Framework for Water Coolers and associated consumables, which had been tendered by Scottish Excel, was due for renewal, and (b) that this contract had been downgraded and was now within the remit of local authorities to tender collectively or on an individual basis, and (3) setting out the background to the proposal to participate in collaborative procurement with a number of other Scottish local authorities, led by the City of Edinburgh Council, to establish a Framework Agreement, which the Council could use if advantageous to do so, with the outcome of the process being reported to a future meeting of this Sub-Committee.

**Decided:**

- (1) that the Council's participation in a Collaborative Procurement exercise for the Provision of Water Coolers and Associated Consumables be approved, and
- (2) that it be noted that a further report on the outcome of the procurement exercise will be reported to a future meeting of this Sub-Committee.

**(6) MOBILE TELEPHONY SERVICES: EXTENSION OF CONTRACT**

19. With reference to paragraph 15 of the Minute of the meeting of this Sub-Committee held on 26 May 2010, when it was agreed that the contract with T-Mobile for the provision of Mobile Telephony Services be extended for a further period of two years from 1 July 2010 to 30 June 2012, there was submitted a report (docketed) dated 18 January 2012 by the Head of E-Government and Service Development (1) advising that, in terms of the Council's Contract Standing Orders, it was permissible, providing best value could be demonstrated, to renew the contract; (2) detailing the outcome of the evaluation which had been undertaken, as set out in Section 3 of the report, and (3) proposing that the current contract with T-Mobile be renewed for a further two year period from 1 July 2012 to 30 June 2014, with an option to extend the contract for a further two year period to 30 June 2016.

**Decided:** that the renewal of the contract with T-Mobile for the provision of Mobile Telephony Services for a further period of two years from 1 July 2012 to 30 June 2014, with an option to extend the contract for a further two year period to 30 June 2016, under the National Collaborative Framework, be endorsed.

**(7) EXTENSION OF PAYMENT SERVICES AND CASH CARDS**

20. With reference to paragraph 16 of the Minute of the meeting of this Sub-Committee held on 27 May 2009, when the award of the contract for Payment Services and Cash Cards to Allpay.net Limited was noted, there was submitted a report (docketed) dated 20 January 2012 by the Head of Revenue Services (1) setting out the options available for the extension of the current contract for the Provision
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of Payment Services and Cash Cards with Allpay.net Limited for a further year at an estimated cost of £176,655, and (2) proposing that, as option 1, the extension of the current contract, was more cost effective and compared favourably with market rates, it be adopted.

**Decided:** that the current contract with Allpay.net Limited for the Provision of Payment Services and Cash Cards be extended for a further period of one year.

**(8) ENTERPRISE HARDWARE MAINTENANCE**

21. With reference to paragraph 18 of the Minute of the meeting of this Sub-Committee held on 24 August 2011, when the action taken to negotiate with the existing supplier, Oracle, and subsequently to enter into a contract with the supplier for the provision of Hardware Support Services for the Sun (Oracle)/Unix Servers was homologated, there was submitted a report (docketed) dated 1 February 2012 by the Head of E-Government and Service Development (1) advising that, having investigated the current options available for the provision of Hardware Support Services for the Unix Servers, including any potential national agreements through Procurement Scotland, the situation in relation to this contract remained unchanged, and (2) seeking authority to negotiate with the existing supplier, Oracle, for the extension of the contract for a further year and to continue to monitor the market.

**Decided:** that the negotiation with the existing supplier, Oracle, and the subsequent award of a contract for the provision of Hardware Support Services for the Council's Unix Servers for a further period of one year from 1 July 2012 to 30 June 2013 at an estimated cost of £95,000 be approved.

**REMIT FROM HOUSING AND SOCIAL WORK SERVICES COMMITTEE OF 26 JANUARY 2012 –  
FORMER TENANT ARREARS WRITE-OFF TO 31 MARCH 2010**

22. With reference to paragraph 31 of the Minute of the meeting of the Housing and Social Work Services Committee held on 26 January 2012, when that Committee, having considered a report (docketed as relative to the meeting of that Committee) dated 19 December 2011 by the Head of Housing and Social Work Resources seeking approval to write-off Former Tenant Arrears prior to 31 March 2010, totalling £668,376, had agreed (1) that the write-off of Former Tenant Arrears totalling £668,376, in relation to the period ending 31 March 2010 be approved; (2) that the report be remitted to this Committee for consideration, and (3) that the terms of the report be otherwise noted, the Sub-Committee considered the report.

**Decided:** that the terms of the report be approved.

**CONFERENCES**

23. There was submitted a report (docketed) dated 31 January 2012 by the Head of Central Services advising that invitations had been received in respect of attendance at two conferences and proposing that consideration be given to these invitations.



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**Decided:**

- (1) that the following attendance be approved:-

<b>Conference</b>	<b>Venue</b>	<b>Date</b>	<b>Attendance</b>
CIPFA Scotland Annual Conference 2012	Dundee	15/16 March 2012	One Member

and

- (2) that otherwise no attendance be authorised.

**CONVENER'S REMARKS**

The Convener indicated that, as this was the last meeting of the Sub-Committee prior to the Council Elections, he wished to thank Members for their participation and contribution to the work of the Sub-Committee.