

**POLICY AND RESOURCES (FINANCE AND CUSTOMER SERVICES) SUB –
26 February 2014**

Motherwell, 26 February 2014 at 2 pm.

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

PRESENT

Councillor Burrows, Convener; Councillor Spowart, Vice-Convener; Councillors Fagan, Hume, Jones, Logue, Lunny, Lyle, McAnulty, McCulloch, McKay, O'Brien, G. O'Rorke and Stevenson.

CHAIR

Councillor Burrows (Convener) presided.

IN ATTENDANCE

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

APOLOGIES

Councillors Clinch, Fellows, P. Hogg, McCabe, McShannon, Shevlin and Stocks.

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

1. The meeting noted that there were no declarations of interest.

FINANCE AND CUSTOMER SERVICES - SERVICE PLAN 2014/15

2. There was submitted a report (docketed) dated 23 January 2014 by the Executive Director of Finance and Customer Services submitting, for consideration, the Service Plan for Finance and Customer Services in respect of 2014/15, as detailed in Appendix A to the report.

Decided:

- (1) that the Service Plan 2014/15 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.

**REVENUE BUDGET MONITORING REPORTS 2013/2014 - FINANCE AND CUSTOMER SERVICES
(INCLUDING MISCELLANEOUS SERVICES), COUNCIL SUMMARY AND TRADING ACCOUNTS/
PUBLIC PRIVATE PARTNERSHIPS**

3. There were submitted reports dated 15 and 31 January 2014 by the Head of Financial Services (1) advising of, respectively, the expenditure for the financial year 2013/2014 for Finance and Customer Services (including Miscellaneous Services), the Council Summary, which included both the General Fund Account and the Housing Revenue Account, and the overall financial position of the

Environmental Services Trading Operations and the expected return from the Public Private Partnerships; (2) providing a comparison between actual and estimated expenditure and income for the period 1 April 2013 to 3 January 2014, together with explanations for the most significant variances; (3) projecting a year end surplus of £11.589m for the Council which was due to a number of factors; (4) setting out, with regard to the Council's summary report, the consolidated budget monitoring position of all Services with additional information available within Appendix 1 to the report, and (5) intimating that it was anticipated that a single combined Trading Account encompassing the external trading activity of Building Cleaning, Waste Management and Fleet Operations would be implemented as part of the 2014/15 revenue budget setting process.

Decided: that the terms of the reports and the consolidated budget monitoring position in relation to the Council Summary and the future implications for the Council trading activities be noted.

CAPITAL BUDGET MONITORING REPORTS 2013/2014 - FINANCE AND CUSTOMER SERVICES CAPITAL PROGRAMME AND COMPOSITE CAPITAL PROGRAMME

4. There were submitted reports dated 27 and 31 January 2014 by the Executive Director of Finance and Customer Services (1) advising of the performance of, respectively, the Finance and Customer Services Capital Programme and the Composite Capital Programme for 2013/2014; (2) outlining the projected year end outturn position and resultant variances for both, and (3) providing information on the current expenditure up to, and including, 3 January 2014.

Decided: that the financial outturn position of the Finance and Customer Services Capital Programme and the Composite Capital Programme 2013/2014 as at 3 January 2014, be noted.

TREASURY MANAGEMENT MONITORING REPORT – 1 OCTOBER TO 31 DECEMBER 2013

5. There was submitted a report dated 3 February 2014 by the Head of Financial Services (1) advising of the Council's net overall borrowing position as at 31 December 2013, as shown in Appendix 1 to the report; (2) providing information on the short term and long term borrowing, debt restructuring, short term investments and interest rate movements during the period, and (3) outlining the position with regard to the Prudential Code for Capital Finance in Local Authorities as detailed in Appendix 2 to the report and indicating that the performance against prudential indicators remains in accordance with those previously approved by the Sub-Committee.

Decided: that the Treasury Management activity for the period up to 31 December 2013, including the positive performance against the key prudential indicators, be noted.

PAYMENT OF LOCAL TAXATION AND BENEFIT UPDATE

6. There was submitted a report dated 3 February 2014 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 the Housing Benefit and Council Tax Benefit/Reduction Scheme for the period up to 31 January 2014, together with comparable figures for the same period in the previous financial year and details of Council Tax collection levels since 1993/94; (2) indicating that performance against indicators relating to the average number of days taken to process new claims and changes to Council Tax and Housing Benefit were averaging 25 days for new claims and 13 days for a change of event; (3) intimating that, on 1 April 2013, Council Tax Benefit was replaced by the Council Tax Reduction Scheme and the budget position continues to be monitored throughout the year to assess the support provided by the Scottish Government; (4) providing details of the payment performance

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for Council Tax and Non-Domestic Rates as at 31 January 2014, and (5) detailing the current position regarding the collection of outstanding debt for the Community Charge up to the end of January 2014.

Decided: that the terms of the report be noted.

**FINANCE AND CUSTOMER SERVICES QUARTERLY EXCEPTIONS REPORT PERFORMANCE
PORTFOLIO – 1 APRIL TO 31 DECEMBER 2013**

7. There was submitted a report (docketed) dated 27 January 2014 by the Executive Director of Finance and Customer Services (1) providing an overview of the performance of the indicators within the Finance and Customer Services performance portfolio for 2013/2014; (2) summarising the performance against targets for each Division, and (3) setting out those performance portfolio indicators not performing within acceptable thresholds; exceeding target, or on target, as detailed in Appendices A and B to the report.

Decided: that the contents of the report be noted.

**TREASURY MANAGEMENT STRATEGY 2014/15 AND TREASURY AND PRUDENTIAL
INDICATORS 2014/2015 TO 2016/2017**

8. With reference to paragraph 7 of the Minute of the meeting of this Sub-Committee held on 27 February 2013 when the Treasury Management Strategy for 2013/14 was approved and the treasury and prudential indicators for 2013/2014 to 2015/2016 were adopted, there was submitted a report (docketed) dated 3 February 2014 by the Executive Director of Finance and Customer Services (1) outlining within Appendix A to the report (a) the Treasury Management Strategy for 2014/15 in accordance with the Code of Practice on Treasury Management, and (b) the Treasury and Prudential Indicators for 2014/15 to 2016/17 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 2014/2015 onwards were prudent and affordable.

Decided: that the matter be referred to the Council with the recommendations:-

- (1) that the Treasury Management Strategy 2014/2015, as set out within Appendix A to the report be approved, and
- (2) that the Treasury and Prudential Indicators and borrowing limits for 2014/2015 to 2016/2017 as detailed within Appendix A to the report be adopted.

DISCRETIONARY HOUSING PAYMENT SCHEME - MONITORING UPDATE

9. There was submitted a report dated 4 February 2014 by the Head of Revenue Services providing an update on the operation of the Discretionary Housing Payment Scheme (DHP) and the funding provided by the Department of Work and Pensions (DWP) (1) highlighting the breakdown of the funding for financial year 2013/14 which amounted to a total of £1,292,016 with a projected spend of 92.38%; (2) informing that 5,028 applications had been received with 4,000 applicants receiving assistance as at 31 January 2014; (3) advising that the DWP had announced the baseline funding for each Council for 2014/15 and the Council had been awarded £692,677 which was an increase of £223,017 on the previous year; (4) indicating that, to maximise additional support based on the 2.5 multiplier, the Council would require to contribute £1,039,016 of funding for 2014/15 providing a total

DHP Fund of £1,731,693; (5) intimating that the Scottish Government had advised of their intention to provide local authorities with the necessary resources in 2014/15 to address the burden of the removal of Spare Room Subsidy (the Bedroom Tax) which would amount to £697,402 for the Council, and (6) informing that in order to reach the maximum additional support based on the 2.5 multiplier, the Council would require to contribute £341,614 which could be drawn against the Council's Welfare Reform funding to address the burden of the removal of the Spare Room Subsidy.

Decided:

- (1) that approval be given for the top up of the Discretionary Housing Payments Fund for 2014/15 by £1,039,016 from Government funding and £341,614 from the Council's Welfare Funds to address the burden of the removal of the Spare Room Subsidy, and
- (2) that the terms of the report be otherwise noted.

HOUSING BENEFIT "1996 RULE" AND REMOVAL OF SPARE ROOM SUBSIDY

10. There was submitted a report dated 21 January 2014 by the Head of Revenue Services in respect of the Department of Work and Pensions (DWP) Bulletin on the "Removal of Spare Room Subsidy" (RSRS) which was issued on 8 January 2014 (1) outlining the background to the RSRS which resulted in eligible rent for claimants being reduced by 14% or 25% if there was under occupancy of one bedroom or two or more bedrooms respectively; (2) intimating that for the period up to 21 January 2014 application of the removal of spare room subsidy had affected 8,200 households within North Lanarkshire with a reduction against eligible rent of £2.4m; (3) indicating that the Bulletin identifies that the DWP had become aware of circumstances where application of the removal of Spare Room Subsidy was incompatible with current benefit regulations and should not be applied to the eligible rent of an applicant where they have had continuous entitlement to housing benefit since at least 1 April 1996 and occupied the same dwelling since that date; (4) stating that as this affected both Local Authority and Registered Social Landlord (RSL) tenancies, contact had been made with each sector to advise them of the impact and to seek information regarding those tenancies which may be affected; (5) pointing out that information from RSLs was still awaited; (6) informing that 950 Local Authority households had been identified where the tenants had been resident within the same property since at least 1 April 1996 and had RSRS applied and, following a review of all these cases, 399 households had been identified leading to the reinstatement of their housing benefit amounting to a total of £152,000; (7) reporting that the award and backdating of housing benefit could lead to a tenants' rent account having an award of housing benefit and discretionary housing payments and technically their rent account could be in credit due to the duplication of support, and (8) advising that, as a consequence, the Council had issued letters to those affected households regarding the reinstatement of their housing benefit entitlement, clarifying the process for dealing with the apparent credit on their rent account and the intention of the DWP to re-introduce the RSRS.

Decided: that the terms of the report be noted.

SCOTTISH WELFARE FUND

11. There was submitted a report dated 13 February 2014 by the Head of E-Government and Service Development providing an update on the progress of the implementation of the Scottish Welfare Fund in terms of Crisis and Community Care Grants (1) outlining the background to the Scottish Welfare Fund which had been introduced on 1 April 2013; (2) providing a comparison of actual spend against the monthly budget at the end of each four week period from 1 April 2013 with a year to date total spend of £1,186,121; (3) advising that 5,047 Crisis Grant decisions and 2,807 Community Care Grant decisions had been made with a total award of £310,798 and £875,631 respectively, which represented 41% of the total fund available; (4) informing that to ensure there was sufficient capacity

within the Team to meet operational demands the Head of Human Resources had exercised delegated authority and approved the creation of five temporary posts for a period of six months to assist in dealing with the increased volume of calls at a cost of £50,000 which would be met from the funds already set aside to deal with the impact of Welfare Reform, and (5) indicating that in terms of the targets for processing applications (a) 98% of all Crisis Grant applications had been processed on the same day; (b) 100% of all crisis decisions had been made within the target of two working days; (c) 76% of all Community Care Grants had been processed within the target of 15 working days, and (d) 100% of high priority Community Care Grants had been processed within 24 hours.

Decided:

- (1) that the funding of £50,000 to provide additional temporary staff as detailed within the report be noted, and
- (2) that the progress of the Scottish Welfare Fund be noted.

RESPONSE TO SCOTTISH GOVERNMENT CONSULTATION ON THE DRAFT WELFARE FUNDS (SCOTLAND) BILL

12. There was submitted a report (docketed) dated 28 January 2014 by the Head of E-Government and Service Development seeking homologation of the Council's response to the Scottish Government Consultation on the Draft Welfare Funds (Scotland) Bill (1) outlining the background to the consultation, and (2) enclosing in Appendix 1 to the report, the Council's response to the consultation.

Decided: that the action taken by the Head of E-Government and Service Development in submitting the Council's response to the Scottish Government Draft Welfare Funds (Scotland) Bill be noted.

CUSTOMER SERVICES UPDATE

13. There was submitted a report (docketed) dated 12 February 2014 by the Head of E-Government and Service Development providing an update on the Customer Services provision through primary customer contact channels and the ongoing development of key supporting initiatives (1) intimating that telephone enquiries continued to be the most popular channel for requesting a service from the Council and for the period from 1 April to 31 December 2013 there were 435,343 incoming calls, 185,810 outbound calls and 40,009 online requests processed by the Contact Centre for the same period; (2) indicating that for the period 1 April to 31 December 2013 there were 197,043 visits to the First Stop Shops with 86% of customers seen within 10 minutes; (3) providing an update on the work ongoing to improve the facilities at the First Stop Shops in Motherwell, Cumbernauld, Wishaw and Airdrie; (4) informing that there were 1,574,031 visits to the Council website for the period from 1 April to 31 December 2013; (5) advising that 5,015 blue badge applications had been processed with 295 applicants being referred to the Occupational Therapist for a decision, and (6) providing an update on a number of key supporting initiatives including Information Statistics Division, Life Events Notifications, Electronic Data Audit, Authentication & Registration and Tell Us Once.

Decided: that the terms of the report be noted.

CIPFA FINANCIAL MANAGEMENT MODEL – UPDATE

14. With reference to paragraph 8 of the Minute of the meeting of this Sub-Committee held on 22 May 2013 at which the action plan for improvement of the financial management arrangements within the

Council had been enclosed, there was submitted a report (docketed) dated 16 January 2014 by the Head of Financial Services (1) setting out the background to the use of the CIPFA Financial Management Model which assesses Financial Management across the Council; (2) providing an update on the Action Plan which was developed to address those areas where there was scope for further improvement, and (3) intimating that the Council would continue to use the CIPFA Financial Management Model to ensure continuing improvement in Financial Management across the Council, with a full review of the Model to be undertaken by March 2015.

Decided: that the action taken to improve Financial Management arrangements within the Council be noted.

REMIT FROM THE HOUSING AND SOCIAL WORK SERVICES COMMITTEE OF 30 JANUARY 2014 – FORMER TENANT ARREARS WRITE-OFF TO 31 MARCH 2012

15. With reference to paragraph 24 of the Minute of the meeting of the Housing and Social Work Services Committee held on 30 January 2014, when that Committee having considered a report (docketed as relative to the meeting of that Committee) dated 30 January 2014 by the Acting Joint Head of Housing and Social Work Resources seeking approval to write-off Former Tenant Arrears prior to 31 March 2012, totalling £755,893 had agreed (1) to write-off Former Tenant Rent Arrears totalling £755,893, in relation to the period ending 31 March 2012, and (2) that the report be remitted to this Sub-Committee for consideration, the Sub-Committee considered the report.

Decided: that the terms of the report be approved.

PROCURING CHANGE – EU THRESHOLDS REVISION

16. With reference to paragraph 23 of the Minute of the meeting of this Sub-Committee held on 11 September 2013, when the revised Contract Standing Orders had been approved and adopted with effect from 2 December 2013, there was submitted a report dated 21 January 2014 by the Head of Revenue Services (1) advising that the EU financial thresholds had been re-valued with effect from 1 January 2014, and (2) intimating that the Council's Contract Standing Orders had been amended to reference the EU thresholds and all relevant Officers had been notified to apply the new thresholds in accordance with the regulations.

Decided: that the terms of the report be noted.

REPLACEMENT AND EXPANSION OF DE-DUPLICATION AND BACK-UP INFRASTRUCTURE

17. With reference to paragraph 27 of the Minute of the meeting of this Sub-Committee held on 15 January 2014, when it was agreed that the replacement and expansion of de-duplication and back-up infrastructure (AVAMAR) contract be awarded to EMC at a total cost of £136,000 for a three year period, there was submitted a report (docketed) dated 15 January 2014 by Head of E-Government and Service Development (1) indicating that it had been subsequently discovered that the AVAMAR solution was being discontinued; (2) advising that, following discussion with EMC and the Council's service delivery partner, Northgate, an alternative solution with EMC's data domain product had been agreed, and (3) intimating that, to ensure that there was no further delay within the project, the Executive Directors of Finance and Customer Services and Corporate Services had exercised their delegated authority to place an order for the de-duplication and back-up solution with EMC at a cost of £215,000 over a three year period.

Decided: that the action taken by the Executive Directors of Finance and Customer Services and Corporate Services in placing an order for the replacement and expansion of the de-duplication and back-up infrastructure with EMC at a total cost of £215,000 be noted.

SCOTTISH WELFARE FUND – PROCUREMENT OF FURNITURE AND DOMESTIC APPLIANCES

18. There was submitted a report (docketed) dated 27 January 2014 by the Head of E-Government and Service Development seeking approval to endorse the use of the Scottish Excel Framework for the supply of domestic furniture, including white goods, and to approve the outcome of a call-off contract by "direct award" (1) outlining the background to the Council's provision of Community Care and Crisis Grants to the residents of North Lanarkshire; (2) advising that Scotland Excel had established a collaborative framework agreement for the supply, delivery and installation of domestic furniture, including white goods; (3) intimating that there were three providers on the Scotland Excel Framework which had been developed specifically for Scottish Councils; (4) setting out in the report the outcome of the tender evaluation of the three suppliers; (5) indicating that, after checking, the lowest tender for the procurement of furniture and domestic appliances was that of The Furnishing Service Limited in the sum of £717,354.02, and (6) proposing that a call-off contract be awarded to The Furnishing Service Limited for a one year period from 1 April 2014 until 31 March 2015 with the option to extend for a further year until 31 March 2016 with a maximum estimated value of the fund of £5.8m over a two year period.

Decided: that the Sub-Committee endorse the use of the Scotland Excel Framework Agreement for the supply of domestic furniture, including white goods, and the award of a call-off contract by "direct award" to The Furnishing Service Limited for a period of one year from 1 April 2014 until 31 March 2015 with the option to extend for a further period of one year until 31 March 2016.

CONTACT CENTRE - AUTOMATED CALL DISTRIBUTION (ACD) TELEPHONY SYSTEM

19. With reference to paragraph 21 of the Minute of the meeting of this Sub-Committee held on 27 February 2013 when approval was given to procure a Contact Centre automated call distribution telephony system from the Government Procurement Service Collaborative National Framework, there was submitted a report dated 5 February 2014 by Head of E-Government and Service Development regarding the outcome of the tender process for the supply, installation, commissioning and maintenance of a Contact Centre ACD telephony system (1) setting out in the report the outcome of the tender evaluation which was based on a scoring matrix of 30% price and 70% quality; (2) indicating that, after checking and evaluation, the most economically advantageous tender was that submitted by Unify Enterprise Communications Limited in the sum of £471,791.56, and (3) advising that the Executive Director of Corporate Services was progressing the matter in terms of her delegated powers.

Thereon the Head of E-Government and Service Development advised that the contract would commence on 31 March 2014.

Decided: that the action being taken by the Executive Director of Corporate Services in progressing the acceptance of the contract for the supply, installation, commissioning and maintenance of a Contact Centre Automated Call Distribution Telephony System to Unify Enterprise Communications Limited for a five year period commencing on 31 March 2014 with the option to extend for a further two year period and thereafter renewable annually by mutual agreement between the supplier and the Council without further call for competition at a cost of £471,791.56 be noted.

CONTRACTS ACCEPTED UNDER FINANCIAL LIMITS – 27 NOVEMBER 2013 TO 26 FEBRUARY 2014

20. There was submitted a report (docketed) dated 7 February 2014 by the Head of E-Government and Service Development intimating that the contract highlighted within Appendix 1 to the report had been accepted by the Executive Director of Corporate Services in accordance with the contract Standing Orders during the period from 27 November 2013 to 26 February 2014.

Decided: that the contract accepted by the Executive Director of Corporate Services in the reporting period 27 November 2013 to 26 February 2014 be noted.

CONFERENCES

21. There was submitted a report (docketed) dated 30 January 2014 by the Head of Central Services advising of two invitations received in respect of attendance at conferences and seeking that consideration be given to these invitations.

Decided: that no attendance be authorised.