

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

Motherwell, 26 November 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 Baird, Fellows, Hume, Jones, Logue, Lyle, McAnulty, McCulloch, McKay, McNally, O'Brien, G. O'Rorke, Shevlin and Stevenson.

CHAIR

Councillor Burrows (Convener) presided.

IN ATTENDANCE

The Committee Officer, 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 P. Hogg, Lunny, McShannon 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.

**REVENUE BUDGET MONITORING REPORTS 2014/2015 - FINANCE AND CUSTOMER SERVICES
AND COUNCIL SUMMARY**

2. There were submitted reports dated 28 and 30 October 2014 by the Head of Financial Services (1) advising of, respectively, the expenditure for financial year 2014/2015 for Finance and Customer Services (including Miscellaneous Services) and the Council Summary, which included both the General Fund Account and the Housing Revenue Account; (2) providing a comparison of actual expenditure and income against the estimated expenditure and income for the period from 1 April to 10 October 2014, together with explanations for the most significant variances; (3) projecting a year end surplus of £2.869m for the Council which was due to a number of factors, and (4) setting out, with regard to the Council Summary Report, the consolidated budget monitoring position of all Services with additional information available within Appendix 1 to the report.

Decided: that the reports and consolidated budget monitoring position in relation to the Council Summary be noted.

**CAPITAL BUDGET MONITORING REPORTS 2014/2015 - FINANCE AND CUSTOMER SERVICES
CAPITAL PROGRAMME AND COMPOSITE CAPITAL PROGRAMME**

3. There were submitted reports dated 29 and 30 October 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 2014/2015; (2) outlining the

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projected year end outturn position and resultant variances for both, and (3) enclosing in Appendix 1, a summary of the position of the Composite Services Capital Programme and HRA Capital Programme as at 10 October 2014..

Decided: that the reports be noted.

TREASURY MANAGEMENT MONITORING REPORT - 1 JULY TO 30 SEPTEMBER 2014

4. There was submitted a report dated 29 October 2014 by the Head of Financial Services (1) advising of the Council's net overall borrowing position as at 30 September 2014, as shown in Appendix 1 to the report; (2) providing information on debt restructuring, borrowing, 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 remained in accordance with those previously approved by the Sub-Committee.

Decided: that the Treasury Management activity for the period up to 30 September 2014, including the positive performance against key prudential indicators, be noted.

FINANCE AND CUSTOMER SERVICES SERVICE PLAN PERFORMANCE REPORT – SIX MONTHLY EXCEPTIONS REPORT – 1 APRIL TO 30 SEPTEMBER 2014

5. There was submitted a report (docketed) dated 13 November 2014 by the Executive Director of Finance and Customer Services (1) advising of performance results for the first six months of 2014/2015; (2) providing information regarding Service Plan activity including progress against the Corporate Plan, service priorities and indicators contained within the performance portfolio, and (3) setting out the Service priorities and performance portfolio indicators requiring improvement, outstanding from previous years, not performing within acceptable thresholds; exceeding target or on target, all grouped by Head of Service as detailed in Appendices A to E to the report.

Decided: that the report be noted.

PAYMENT OF LOCAL TAXATION AND BENEFIT UPDATE

6. With reference to paragraph 10 of the Minute of the meeting of this Sub-Committee held on 10 September 2014, there was submitted a report dated 1 October 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 30 September 2014; (2) indicating that performance against the indicators relating to the average number of days to process new claims and changes to Council Tax and Housing Benefit were averaging 26 days for new claims and 13 days for a change of event; (3) outlining the background to the Council Tax Reduction Scheme which replaced Council Tax Benefit on 1 April 2013, together with a comparison of the total award from 2013/14 to 2014/15; (4) intimating that following guidance from the Scottish Government and the Department for Work and Pensions the Council had been able to re-assess the support provided to affected households and that all existing awards had been increased to 100%, all new awards would be made at 100% and any refused applications would be reconsidered and awarded at 100% all backdated to 1 April 2014; (5) detailing the current position regarding the collection of outstanding debt for Community Charge for the period up to the end of September 2014, and (6) advising that the Scottish Government had indicated its intention to introduce legislation to inhibit further collection of Community Charge and that any response to the draft legislation would be reported to a future meeting of the Sub-Committee.

Decided: that the report be noted.

SCOTTISH WELFARE FUND UPDATE

7. There was submitted a report (docketed) dated 13 November 2014 by the Head of E-Government and Service Development providing an update on the progress of the implementation of the Scottish Welfare Fund and seeking approval of a number of changes to the staffing structure to meet the needs of the Service (1) outlining the background to the Scottish Welfare Fund which was introduced on 1 April 2013 as an interim two year scheme to deliver community care grants and crisis grants; (2) intimating that funding of £2,956,014 for grants and £423,360 for administration costs had been awarded on an annual basis and that a similar level of funding had been announced for 2015/2016; (3) providing details of the demand for the Scheme, including applications, awards, telephone enquiries and first and second tier reviews; (4) recommending that, in order to meet the changing demand on the Service, the staffing structure consist of one Service Manager at salary grade NLC14; 2 Team Leader posts at salary grade NLC8; 16 Decision Maker posts at salary grade NLC6 and 4 Customer Services Assistants at salary grade NLC4; (5) setting out the timeline for the introduction of the Scottish Welfare Fund Permanent Scheme which was scheduled to go live in April 2016; (6) proposing that the current arrangements with Civica to provide the IT solution for the Scottish Welfare Fund be extended for a further period of 12 months, and (7) advising that the additional funding of £214,103 was required to implement the proposals which would be met from one-off funds set aside to deal with the impact of Welfare Reform.

The Head of E-Government and Service Development then recommended that with regard to the proposals for the temporary staffing structure that this be approved for the period up to March 2016.

Decided:

- (1) that the significant progress made in the delivery of the Scottish Welfare Fund be noted;
- (2) that the interim administrative arrangements and associated funding proposals be continued until the introduction of the permanent scheme in April 2016;
- (3) that the proposed temporary staffing structure for the period up to March 2016 be approved;
- (4) that the current arrangements with Civica to provide an IT solution be extended for a further period of 12 months, and
- (5) that the report be remitted to the Policy and Resources (Human Resources) Sub-Committee for consideration.

SCOTLAND'S DRAFT BUDGET 2015-2016

8. There was submitted a report dated 22 October 2014 by the Executive Director of Finance and Customer Services providing an update on the announcement by the Cabinet Secretary for Finance, Employment and Sustainable Growth on the Scottish Government Draft Budget for 2015-2016 (1) intimating that overall funding provided by the Scottish Government from the UK Treasury would decrease by 1.7% in real terms in 2015/2016 with cuts of around 3% anticipated in 2016/17 and 2017/18, and (2) providing further details in respect of the Local Government budget element, Capital Investment, Welfare Reform, Devolved Taxation and Borrowing Powers and the Integration of Health and Social Care.

Decided:

- (1) that the publication of the draft Scottish Budget for 2015/2016 be noted;
 - (2) that it be noted that details of grant funding for individual Councils would be published in early December 2014, and
 - (3) that further information on funding affecting Local Government be reported to future meetings of the Sub-Committee.
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FINANCIAL OUTLOOK 2015/2016

9. There was submitted a report dated 7 November 2014 by the Executive Director of Finance and Customer Services providing an update on the financial outlook for the final year of the Council's approved three year savings strategy to 2015/2016 (1) outlining the background to the Council's approved three year savings package which amounted to £62.395m; (2) providing further detail of the financial planning considerations in respect of income, cost pressures and strategic priorities; (3) highlighting within the report the current position regarding the delivery of the approved savings for 2015/2016; (4) detailing possible risks and uncertainties, and (5) summarising a number of planning assumptions for financial year 2015/2016.

Decided:

- (1) that the updated financial planning projections for financial year 2015/2016 be noted, and
- (2) that further detailed work be undertaken to progress the revenue budget for 2015/2016 following the publication of the Local Government financial settlement in December 2014.

UPDATE ON SCOTTISH WIDE AREA NETWORK

10. There was submitted a report dated 30 October 2014 by the Head of E-Government and Service Development providing an update on negotiations regarding the Council's migration to the National Scottish Wide Area Network (SWAN) contract (1) outlining the background to the SWAN Programme which was a Scottish Government initiative and formed a major component of the Digital Public Services Strategy which in turn would deliver a single secure public services communications network for the use of all public service organisations; (2) intimating that following a number of workshops between the Council, Capita and NHS National Services Scotland there had been agreement in respect of the migration to the SWAN which would be cost neutral to the Council, and (3) advising that the due diligence process was still ongoing and that the Council would seek assurances that the underlying technical functionality of the SWAN infrastructure was sufficient to meet the Council's needs.

Decided:

- (1) that the migration of the Council's wide area network services to the National Scottish Wide Area Network Contract, subject to final technical due diligence being completed, at a cost of £3.2m over a three year period be approved, and
- (2) that the report be otherwise noted.

CUSTOMER SERVICES MID-YEAR UPDATE 2014/2015

11. There was submitted a report dated 29 October 2014 by the Head of E-Government and Service Development providing an update on the work currently underway to deliver the objectives of the Customer Services Strategy 2013-2018 (1) informing that the focus of the strategy was to ensure a greater use of the Council's website and other self-service approaches, whilst at the same time seeking to streamline existing customer dependency on telephone and face to face contact; (2) advising that the Council's main website had been significantly redesigned to focus on the tasks that were most important to customers and had been optimised to work on a variety of tablets, smart phones and mobile devices; (3) indicating that the new automatic call distribution system, which went live in October, provided customers with a number of new facilities to utilise; (4) providing an update on the ongoing work to improve the network of First Stop Shops; (5) intimating that the business as usual approach across the network of First Stop Shops between Christmas and New Year had been

scaled back and only Motherwell and Coatbridge First Stop Shops would be open over the festive period, and (6) providing an update on a number of key supporting initiatives including Myaccount (online) and customer experience information.

Decided: that the report be noted.

ICT UPDATE

12. With reference to paragraph 23 of the Minute of the meeting of this Sub-Committee held on 10 September 2014, there was submitted a report (docketed) dated 2 November 2014 by the Head of E-Government and Service Development providing an update on the Council's ICT Strategy (1) providing details of the key developments and milestones over the last 18 months; (2) intimating that ICT management was organised into four main areas, Service Delivery, Project and Programme Management, Development and Support and Infrastructure Management and thereon providing an update on each area; (3) detailing the current ICT governance and communication arrangements, and (4) setting out details of a number of the current and future planned activities and projects.

Decided: that the report be noted.

EXTENSION OF USE OF CAIRD DATA CENTRE AS ICT DISASTER RECOVERY SITE

13. With reference to paragraph 10 of the Minute of the meeting of this Sub-Committee held on 1 September 2010 when the Caird Building, Hamilton was approved for delivery of the Council's secondary Data Centre in support of the Council's ICT Disaster Recovery Strategy, there was submitted a report dated 23 October 2014 by the Head of E-Government and Service Development seeking approval, subject to the successful conclusion of the formal offer from South Lanarkshire Council, to extend the contract for the Data Centre rental within the Caird Building, Hamilton for delivery of the Council's secondary Data Centre in support of the Council's ICT Disaster Recovery Strategy.

Decided: that, subject to the successful conclusion of the formal offer from South Lanarkshire Council, the Caird Building, Hamilton continue to be used for delivery of the Council's secondary Data Centre in support of the Council's ICT Disaster Recovery Strategy for a further period of three years.

LOCAL CITIZEN ACCOUNT - MULTIVUE SYSTEM

14. With reference to paragraph 36 of the Minute of the meeting of the Policy and Resources Committee held on 19 April 2005 when, *inter alia*, funding of £85,000 for the purchase of software from Visionware for the Citizens Account was noted, there was submitted a report dated 28 October 2014 by the Head of E-Government and Service Development regarding the arrangements for the continued use of the Multivue System supplied by Visionware to support the operation of the Local Citizen Account (1) providing details of the ongoing annual maintenance costs for the Multivue System which amounted to £51,389; (2) setting out arrangements for the continued use of the Multivue System which would support the operation of the Local Citizen Account and (3) advising that to ensure life event information could be sent to all appropriate back office systems there was a requirement to spend a further £25,000 annually to develop integrations and linkages with other Council systems, and (4) intimating that annual monitoring takes place to ensure that the Multivue System continues to provide best value and there had been no concerns raised in respect of the contract.

Decided:

- (1) that the projected spend on the annual maintenance and system developments be noted;
- (2) that the annual monitoring arrangements as detailed within the report be noted, and
- (3) that the continued use of the Multivue System supplied by Visionware to support the operation of the Local Citizen Account be approved.

CONTRACT - PROVISION OF FIXED TELEPHONY LINES AND MINUTES

15. There was submitted a report dated 23 October 2014 by the Head of E-Government and Service Development seeking approval to tender for the provision of fixed telephony lines and minutes (1) intimating that the current contract terminates on 30 June 2015, and (2) proposing that the Council use the Scottish Government Fixed Telephony Service Framework to procure the services.

Decided: that approval be given to proceed to a mini competition for the Provision of Fixed Telephony Lines and Minutes via the Scottish Government Fixed Telephony Service Framework Contract for an initial period of three years with the option to extend for an additional year at the discretion of the Council.

RISK AND INSURANCE TEAM: PUBLIC AND EMPLOYER INSURANCE TENDER 2015

16. There was submitted a report dated 11 November 2014 by the Head of Revenue Services regarding the Council's Public and Employer Liability Insurance Tender (1) outlining the background to the current policy which was delivered via Travellers Insurance Company Limited; (2) intimating that Travellers Insurance Company Limited had announced their intention to break the long term agreement on liability cover and were reviewing their ratings on their entire book of business across the UK public sector; (3) advising that following renewal in April 2014 the Council's Risk and Insurance Team had worked with the Council's insurance broker to maintain a close watching brief on the market, to anticipate and prepare for the potential of a similar breach for the 2015 renewal; (4) informing that it had been confirmed that Travellers would be breaking the long term agreement on liability cover from 1 April 2015 indicating rating increases of 600% which would increase the premium to approximately £2.5m, and (5) proposing that the Council tender for public employer liability insurance for a period of six years at an estimated minimum contract value of approximately £2.6m.

Decided: that a competitive tendering exercise be undertaken for the Council's liability insurance policy.

ICT SERVICE DELIVERY PARTNERSHIP SOURCING OPTIONS

17. There was submitted a report (docketed) dated 2 November 2014 by the Head of E-Government and Service Development setting out options for sourcing the ICT Infrastructure Support Services for the Council (1) outlining the background to the current contract with Northgate Public Services which expires on 31 December 2016; (2) advising that following a series of workshops with the Council's ICT professionals and service leaders the criteria for which the sourcing scenarios would be based upon had been agreed; (3) indicating that the three options which would meet the Council's requirements were single sourcing, selective sourcing and multi sourcing services integrator; (4) providing details of the three sourcing options together with the pros and cons, and (5) detailing the proposed timeline for the procurement exercise together with the financial implications and potential risks.

Decided:

- (1) that the selection of option 3 multi sourcing services integrator for the provision of the Council's ICT Service Delivery Partnership be approved, and
- (2) that the procurement process for the ICT Service Delivery Partnership be commenced and the engagement of a sourcing consultant be approved.