

**Motherwell, 4 September 2001 at 2 pm.**

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

**PRESENT**

Councillor Pentland, Convener; Councillor Mathieson, Vice-Convener; Councillors Burns, Gray, Griffin, Holloway, Jones, Maginnis, J. Martin and Wallace.

**CHAIR**

Councillor Pentland (Convener) presided.

**IN ATTENDANCE**

The Core Services Officer; Director of Finance; Head of Accounting Services; Head of Information Technology Services, and Treasury Manager.

**APOLOGIES**

Councillors Cefferty, Glavin, Gorman, McCabe, Smith and Sullivan.

**REMIT FROM COMMUNITY SERVICES COMMITTEE OF 29 AUGUST 2001 - DEPARTMENT OF COMMUNITY SERVICES - STOCK ADJUSTMENTS FOR THE FINANCIAL YEAR 2000/2001**

1. With reference to paragraph 20 of the Minute of the meeting of the Community Services Committee held on 29 August 2001, when that Committee having considered a report dated 3 August 2001 by the Director of Community Services advising of a proposed transport stock adjustment within the department for materials and fuel for the financial year 2000/2001 and seeking approval to the stock adjustments, had agreed (1) that the stock adjustments for materials and fuel for the financial year 2000/2001 be approved, and (2) that a report be remitted to this Sub-Committee for consideration, the Sub-Committee considered the report.

**Decided:** that the stock adjustments, as detailed in paragraph 4 of the report, be approved.

**REMIT FROM EDUCATION COMMITTEE OF 29 AUGUST 2001 - ADDITIONAL FINANCIAL RESOURCES FOR SCHOOLS 2001/2002**

2. With reference to paragraph 14 of the Minute of the meeting of the Education Committee held on 29 August 2001, when that Committee, having considered a report dated 15 August 2001 by the Director of Education advising of additional financial resources for schools for 2001/2002 allocated by the Scottish Executive, had agreed (1) that the allocations to the school sector be noted, and (2) that the report be referred to this Sub-Committee for information, the Sub-Committee considered the report.

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

**REMITTS FROM POLICY AND RESOURCES (PROPERTY) SUB-COMMITTEE OF 30 AUGUST 2001**

**(1) COMPOSITE CAPITAL PROGRAMME**

3. With reference to paragraph 3 of the Minute of the meeting of the Policy and Resources (Property) Sub-Committee held on 30 August 2001 when that Committee, having considered a report dated 8 August 2001 by the Director of Housing and Property Services providing a summary of the financial performance of the Property Unit Capital Programme for 2001/2002, had agreed (1) that the financial position of the Capital Programme as at 20 July 2001 be noted; (2) that the virement of monies to meet the projected requirements of the Property and Land Disposal Programme, be approved, and (3) that the report be referred to this Sub-Committee for consideration of the virement of monies, the Sub-Committee considered the report.

**Decided:** that the transfer of the sum of £16,000, included in the Capital Programme for the Lady Anne Training Centre, to the Property and Land Disposal Programme be approved.

**(2) FUNDING OF FORMER DLO STAFF - REQUEST FOR VIREMENT**

4. With reference to paragraph 4 of the Minute of the meeting of the Policy and Resources (Property) Sub-Committee held on 30 August 2001, when that Committee, having considered a report dated 12 July 2001 by the Director of Housing and Property Services seeking approval of a virement of resources to fund the salary and associated costs of staff transferred to the Property Unit from the DLO in January 2001, had agreed (1) that the virement of funds from the Central Repairs and Maintenance Budget to the Property Unit Employee Costs Budget, as detailed in the report, be approved, and (2) that the report be referred to the Policy and Resources (Personnel) Sub-Committee and this Sub-Committee for consideration, the Sub-Committee considered the report.

**Decided:** that the permanent transfer of the sum of £71,500 from the Central Repairs Account (Repairs and Maintenance) Budget to the Property Unit (Employee Costs) Budget be approved with effect from 1 April 2001.

**FINANCIAL PLAN 2001/2002 TO 2003/2004**

5. There was submitted a report (docketed) dated 20 August 2001 by the Director of Finance (1) indicating that the Financial Plan set out the resources available to the Council; provided the foundation on which the Council could develop its spending plans and priorities, and covered the same period as the Corporate Plan; (2) highlighting the key points contained within the Plan, and (3) seeking that the Plan be approved.

**C**

**Decided:** that the Financial Plan 2001/2002 to 2003/2004 be approved.

**REVENUE BUDGET PROCESS 2002/2003**

6. There was submitted a report (docketed) dated 20 August 2001 by the Director of Finance advising of the procedures for determining the Council's Revenue Budget for 2002/2003 and providing a timetable for the budget process, as detailed in paragraph 3.7 of the report, including proposals for a special meeting of the Council and the Policy and Resources Committee on 14 February 2002.

**C**

**Decided:**

- (1) that the procedures established and timetable proposed for determining the Revenue Budget for 2002/2003 be noted, and
- (2) that the terms of the report be otherwise noted.

**REVIEW OF FINANCIAL REGULATIONS AND CONTRACT STANDING ORDERS**

7. **C** There was submitted a report (docketed) dated 29 August 2001 by the Director of Finance (1) advising that following the annual review of the Financial Regulations and Contract Standing Orders, a number of amendments had been identified, and (2) seeking approval of the amendments, as detailed in the Appendices to the report.

**Decided:** that the amendments to the Financial Regulations and Contract Standing Orders, as detailed in the report, be approved.

**REMIT FROM POLICY AND RESOURCES (PERSONNEL) SUB-COMMITTEE OF 11 JUNE 2001 - ABSENCE MANAGEMENT POLICY - STATISTICS FROM JANUARY TO MARCH 2001**

8. With reference to paragraph 28 of the Minute of the meeting of the Policy and Resources (Personnel) Sub-Committee held on 11 June 2001, there was submitted a report dated 15 May 2001 by the Head of Personnel Services providing absence statistics together with a commentary detailing the breakdown of figures within departments of the Council for the period from January to March 2001 for manual/craft employees, (non-manual staff and teachers) and providing a comparison with the statistics for April 1999 to March 2000.

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

**ANNUAL ACCOUNTS 2000/2001 AND FINANCIAL OUTTURN POSITION**

9. There was submitted a report dated 15 August 2001 by the Director of Finance (1) advising that the annual statutory accounts for the Council, together with those of the DLOs and DSOs, for the year ended 31 March 2001 had been submitted to the Controller of Audit by the due date of 30 June 2001; (2) indicating that, in terms of the overall outturn position, there was a general fund surplus of £11.757m and a surplus on the Housing Revenue Account of £1.407m, both of which were subject to audit; (3) summarising major significant features of the 2000/2001 accounts, and (4) highlighting areas of movement from the budgeted positions.

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

**DLO ANNUAL ACCOUNTS 2000/2001 AND FINANCIAL OUTTURN POSITION**

10. There was submitted a report dated 1 August 2001 by the Commercial Partnership Manager (1) summarising the information contained within the unaudited statutory accounts relating to the Council's Direct Labour Organisations for the year ended 31 March 2001 which were based on approximately 9/10 months of operational activity prior to their transfer to Public Private Partnership status, and (2) indicating that the closing stock balance had been adjusted by the sum of £128,739 to account for movements in stock.

**Decided:**

- (1) that the adjustment to the DLO accounts to reflect the closing stock balance be approved, and  
(2) that the contents of the report be otherwise noted.

**2000/2001 OUTTURN REPORTS**

**(1) FINANCE DEPARTMENT**

11. There was submitted a report dated 15 August 2001 by the Director of Finance presenting the Finance Department's final outturn position for the financial year from 1 April 2000 to 31 March 2001, providing a comparison of actual expenditure and income against budget and giving explanations of the more significant variances.

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

**(2) MISCELLANEOUS SERVICES**

12. There was submitted a report dated 15 August 2001 by the Director of Finance enclosing the Miscellaneous Services' final outturn budget monitoring report for the financial year from 1 April 2000 to 31 March 2001, providing a comparison of actual and income against budget and giving explanations of the more significant variances.

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

**REVENUE BUDGET MONITORING REPORTS 2001/2002**

**(1) FINANCE DEPARTMENT**

13. There was submitted a report dated 8 August 2001 by the Director of Finance comparing actual expenditure and income for the Department of Finance against the annual budget, giving a projected outturn for the department and providing explanations of the more significant variances.

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

**(2) MISCELLANEOUS SERVICES**

14. There was submitted a report dated 1 August 2001 by the Director of Finance comparing actual expenditure and income on Miscellaneous Services against the annual budget, presenting a projected outturn for the year and providing explanations of the most significant variances.

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

**(3) COUNCIL SUMMARY**

15. There was submitted a report dated 13 August 2001 by the Director of Finance (1) setting out the overall position on the Council's Revenue Budget for the year to 20 July 2001; (2) providing a comparison of actual expenditure and income against budget, and (3) indicating that expenditure and income patterns had yet to develop within the current financial year.

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

**COMPOSITE CAPITAL PROGRAMME 2001/2002 - MONITORING REPORT**

16. There was submitted a report dated 13 August 2001 by the Director of Finance (1) providing a summary of the financial performance of the Composite Capital Programme for 2001/2002; (2) giving an update on any movement of resources/expenditure budget since the programme was approved; (3) showing the projected year end outturn position, and (4) including information on current income and expenditure up to and including 20 July 2001.

**Decided:** that the financial position of the Composite Capital Programme as at 20 July 2001 be noted.

**FINANCE DEPARTMENT CAPITAL PROGRAMME 2001/2002**

17. There was submitted a report dated 16 August 2001 by the Director of Finance (1) summarising the financial performance of the Finance Department Capital Programme for 2001/2002; (2) including information on current expenditure to 20 July 2001; (3) showing a projected outturn for the year end, and (4) providing supporting explanations for significant movements.

**Decided:** that the financial position of the Finance Department Capital Programme as at 20 July 2001 be noted.

**TREASURY MANAGEMENT ANNUAL REPORT 2000/2001**

18. There was submitted a report dated 13 August 2001 by the Director of Finance setting out the major Treasury Management issues addressed and initiatives undertaken by the Council during the financial year 2000/2001 in terms of the approved Treasury Policy Statement.

**Decided:** that the report on the effects of the Treasury Management Strategy adopted in 2000/2001 be approved.

**TREASURY MANAGEMENT**

19. There was submitted a report dated 13 August 2001 by the Director of Finance advising of (1) the loan debt outstanding as at 30 June 2001; (2) long term and short term borrowing in respect of the period from 1 April to 30 June 2001, and (3) the interest rates issued by the Public Works Loan Board, together with a comparison with market interest rates.

**Decided:**

- (1) that the compliance of Treasury activity with the approved Treasury Policy Statement be noted, and
- (2) that the terms of the report be otherwise noted.

**PERFORMANCE MONITORING REPORT - PERIOD FROM 1 APRIL - 30 JUNE 2001**

20. There was submitted a report dated 16 August 2001 by the Director of Finance presenting performance monitoring and review information for the period from 1 April to 30 June 2001.

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

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**SERVICE PLAN 2001/2002 - MONITORING REPORT**

21. With reference to paragraph 6 of the Minute of the meeting of the Finance Committee held on 3 April 2001, there was submitted a report dated 15 August 2001 by the Director of Finance giving details of progress towards achieving the priority and key tasks identified in the Finance Department's Service Plan for 2001/2002.

**Decided:**

- (1) that a report on the progress in relation to Risk Management be submitted to a future meeting of this Sub-Committee, and
- (2) that the progress towards implementation of the Finance Department's Service Plan 2001/2002 be noted.

**AUDIT PLAN 2001/2002 - PROGRESS REPORT TO 23 JULY 2001**

22. There was submitted a report dated 31 July 2001 by the Director of Finance detailing progress for the year to 23 July 2001 in respect of the Audit Plan for 2001/2002 and other related matters.

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

**PUBLIC/EMPLOYERS LIABILITY CLAIMS - POSITION AS AT 30 JUNE 2001**

23. There was submitted a report dated 15 August 2001 by the Director of Finance (1) providing details of the status of insurance claims lodged against the Council during the period from 1 April 1996 to 30 June 2001; (2) reporting on the analysis of outstanding claims, and (3) advising on the outcome of the Members Awareness Session which had been held on 12 July 2001.

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

**INSURANCE FOR RIGHT TO BUY PROPERTIES**

24. Reference having been made to paragraph 2 of the Minute of the special meeting of the Finance Committee held on 27 March 2001, when it had been agreed that the offer by Independent Insurance Company Limited for the provision of a Block Buildings Insurance Policy be accepted, there was submitted a report (docketed) dated 13 August 2001 by the Director of Finance (1) advising that purchasers under the Right to Buy legislation had the option to insure their property through the Council's Block Buildings Policy; (2) indicating that the Independent Insurance Company Limited had gone into liquidation on 17 June 2001 and the policy had been taken over by Royal and Sun Alliance; (3) pointing out that claims from 15 May to 17 June 2001, the period prior to the transfer to Royal and Sun Alliance, would be met by the Policyholders Protection Boards for up to 90% of the agreed claim; (4) proposing that the Council meet the shortfall, estimated at approximately £2,500, from the commission received for administering the Policy, and (5) intimating that the arrangements with Royal and Sun Alliance were for one year only and the Policy would require to be re-tendered on 15 May 2002.

**Decided:**

- (1) that the change of Insurer to Royal and Sun Alliance, following the liquidation of Independent Insurance Company Limited, and the revised arrangements for settling claims be noted, and

- (2) that the Council meet the additional 10% of claims not met by the Policyholders Protection Board.

**AUDIT APPOINTMENT 2001/2002 -2005/2006**

25. There was submitted a report (docketed) dated 15 August 2001 by the Director of Finance advising that Audit Scotland had been appointed by the Accounts Commission to undertake the external audit for the Council for financial years 2001/2002 to 2005/2006.

**Decided:** that the appointment of Audit Scotland be noted.

**TENDER FOR THE SECURITY UPLIFT OF CASH IN TRANSIT**

26. There was submitted a report dated 16 August 2001 by the Director of Finance (1) advising that 4 tenders had been issued on behalf of the Council by the Authorities Buying Consortium for the security uplift of cash/cheques/documentation from Area Offices, laundromats and Leisure Centres for a period of 3 years commencing on 1 October 2001 with an option to extend the contract for an additional year at the discretion of the Council; (2) giving details of 3 companies which had responded, one of which had declined to offer, and (3) proposing that Group 4 Cash in Transit, Glasgow be selected as the supplier for the security uplift of cash in transit.

**Decided:** that the offer by Group 4 Cash in Transit in the sum of £68,024.90 per annum for the security uplift of cash in transit for a period of 3 years commencing on 1 October 2001 be accepted.

**INSTALLATION OF AIR CONDITIONING SYSTEM - FINANCE DEPARTMENT, PARK STREET, MOTHERWELL**

27. There was submitted a report dated 11 July 2001 by the Director of Housing and Property Services (1) giving details of 3 offers received for the installation of an air condition system to the Finance Department Offices in Park Street, Motherwell; (2) advising that the lowest offer, following checking, was that by G McAusland, Glasgow amounting to £58,315.88; (3) indicating that the sum of £25,000 had been included within the Finance Capital Programme 2001/2002 for this work and that the balance would be met from the Housing and Property Services (Upgrading Office Accommodation) Budget, and (4) indicating that the Director of Administration had progressed this matter in terms of his delegated powers.

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

**INDEMNITY - CLOTHING GRANTS**

28. There was submitted a report dated 13 August 2001 by the Director of Finance (1) advising that clothing grant cheques were issued during July and were able to be cashed at branches of the Clydesdale Bank within North Lanarkshire, and (2) indicating that arrangements had also been made to enable the cheques to be cashed at branches of the Royal Bank of Scotland, where there was no branch of the Clydesdale Bank, which had necessitated the signing of an indemnity.

**Decided:** that the action taken in signing the indemnity form, as attached to the report, be homologated.

**IT SERVICES ESTABLISHMENT CHANGES**

29. There was submitted a report dated 9 July 2001 by the Director of Finance seeking approval to delete 4 posts, as detailed in the report, from the establishment of the IT Services Division of the Finance Department and to transfer the associated budget to support a new telecommunications services contract, as outlined in the report.

**Decided:**

- (1) that the deletion of the 4 posts, as detailed in the report, from the IT Services Division establishment be approved, and
- (2) that the associated budget be utilised in support of new services provided by third party suppliers.

**PROVISION OF TELECOMMUNICATIONS SUPPORT SERVICE**

30. There was submitted a report dated 2 August 2001 by the Director of Finance (1) indicating that 8 tenders had been issued on behalf of the Council by the Authorities Buying Consortium for the provision of Telecommunications Support Services for a period of 3 years commencing on 1 October 2001 with an option to extend the contract for an additional 2 years, year on year, at the sole discretion of the Council; (2) giving details of the 3 offers received; (3) advising that following evaluation, Systems Solutions (Scotland) UK had been selected as the preferred supplier, for the reasons detailed in the report, and (4) stating that funding for the contract was contained within the IT Services Revenue Budget.

**Decided:** that the Director of Finance be authorised to enter into an agreement with Systems Solutions (Scotland) UK for the provision of a Telecommunications Support Services at an annual cost of £85,000 for an initial period of 3 years commencing on 1 October 2001 with an option to extend the contract period for an additional 2 years, year on year, at the discretion of the Council.

**PROVISION OF COMPUTER OPERATIONS SERVICES/SUPPORT**

31. There was submitted a report dated 6 August 2001 by the Director of Finance (1) indicating that 23 tenders had been issued on behalf of the Council by the Authorities Buying Consortium for the provision of Computer Operations Services/Support for a period of 3 years commencing on 1 January 2002 with an option to extend the contract for an additional 2 years, year on year, at the sole discretion of the Council; (2) giving details of the 6 offers received, one of which had been incomplete, and (3) proposing that Service and Systems Solutions (Sx3) be selected as the preferred supplier for Computer Operations Services/Support.

**Decided:** that the Director of Finance be authorised to enter into an agreement with Service and Systems Solutions (Sx3) for the provision of Computer Operations Services/Support at an annual cost of £220,000 for an initial period of 3 years commencing on 1 January 2002 with an option to extend the contract period for an additional 2 years, year on year, at the discretion of the Council.

**FRAMEWORK AGREEMENT FOR PROCUREMENT OF SUN MICROSYSTEMS HARDWARE AND OPERATING SOFTWARE**

32. There was submitted a report dated 31 July 2001 by the Director of Finance (1) advising that ten tenders had been issued on behalf of the Council by the Authorities Buying Consortium for a



framework agreement for procurement of Sun Microsystems hardware and operating software for a period of three years commencing on 1 October 2001 with an option to extend the contract for an additional two years, year on year, at the sole discretion of the Council; (2) giving details of the eight offers received, and (3) proposing that the six suppliers, detailed in Appendix 1 to the report, be selected as the preferred suppliers.

**Decided:** that the Director of Finance be authorised to include the six successful suppliers, listed in Appendix 1 to the report, in the framework agreement for the procurement of Sun Microsystems hardware and operating software for an initial period of three years commencing on 1 October 2001 with an option to extend the contract period for an additional two years, year on year, at the discretion of the Council.

### **MAINTENANCE OF MAIN COUNCIL TELEPHONE SWITCHES**

33. There was submitted a report dated 2 August 2001 by the Director of Finance (1) advising that five tenders had been issued on behalf of the Council by the Authorities Buying Consortium for the provision of maintenance of North Lanarkshire Council's main telephone switches for a period of three years commencing on 1 October 2001 with an option to extend the contract for an additional two years, year on year, at the sole discretion of the Council; (2) giving details of the two offers received, and (3) proposing that Kingston Business Communications Limited be selected as the provider for maintenance of North Lanarkshire Council's main telephone switches.

**Decided:** that the Director of Finance be authorised to enter into an agreement with Kingston Business Communications Limited at an annual cost of £41,100 for a telephone maintenance contract for an initial period of three years commencing on 1 October 2001 with an option to extend the contract period for an additional two years, year on year, at the discretion of the Council.

### **CONFERENCES**

#### **(1) "PARTNERSHIPS WITH CREDIT UNIONS"**

34. The Committee was advised of an invitation received from the Association of British Credit Unions Scotland to attend a conference entitled "Partnerships With Credit Unions" to be held in Glasgow on 29 September 2001.

**Decided:** that 1 Member be authorised to attend the conference.

#### **(2) "CII ANNUAL CONFERENCE - AN INDUSTRY OF OPPORTUNITY"**

35. The Committee was advised of an invitation received from CII Enterprises Limited to attend a conference entitled "CII Annual Conference - An Industry of Opportunity" to be held in Edinburgh from 19 to 21 September 2001.

**Decided:** that no attendance at the conference be authorised.

#### **(3) "RSA CONFERENCE 2001"**

36. The Committee was advised of an invitation received from KPMG to attend a conference entitled "RSA Conference 2001" to be held in Amsterdam from 15 to 18 October 2001.

**Decided:** that no attendance at the conference be authorised.

**(4) “IBM INTELLIGENT INFRASTRUCTURE CONFERENCE 2001”**

37. The Committee was advised of an invitation received from IBM to attend a conference entitled “IBM Intelligent Infrastructure Conference 2001” to be held in Dunblane on 17 October 2001.

**Decided:** that no attendance at the conference be authorised.

**It was agreed in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, that the public be excluded from the meeting for the following item on the grounds that the business involved the likely disclosure of exempt information as defined in paragraph 8 of Part 1 of Schedule 7A of the Act.**

**2001/2002 DSO MANAGEMENT ACCOUNTS**

38. There was submitted a report dated 10 August 2001 by the Director of Finance summarising the financial position of the Council’s DSOs for the period from 1 April to 20 July 2001.

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