

**Motherwell, 31 May 2005 at 2 pm.**

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

**PRESENT**

Councillor Pentland, Convener; Councillor Burrows, Vice-Convener; Councillors Curley, Gormill, Holloway, Jones, McAuley, Maginnis, J. Martin, Morgan and Murray.

**CHAIR**

Councillor Pentland (Convener) presided.

**IN ATTENDANCE**

The Chief Committee Services Manager, Director of Finance; Head of Accounting Services; Head of Revenue Services, and Production Services Manager, Finance Department.

**APOLOGIES**

Councillors McCabe and Smith.

**CONVENER'S REMARKS**

The Convener welcomed Shiree Donnelly, Trainee Accountant, to the meeting and advised the Sub-Committee (1) that Shiree had joined the Council's Training Programme in January 2002, after graduating from Glasgow Caledonian University with a BA (Hons) Degree in Accountancy; (2) that she had an excellent exam record, passing each of the CIPFA Stages at the first attempt, and (3) that the Council had recently received notification that Shiree had won the Archie Gillespie Memorial Prize, which is awarded to the top student in Local Government in Scotland in the CIPFA examinations.

Councillor Pentland presented Shiree with a bouquet of flowers and on behalf of the Sub-Committee congratulated her on her final exam success and being awarded the Archie Gillespie Memorial Prize.

**REVENUE BUDGET MONITORING REPORTS 2004/2005 – PROVISIONAL OUTTURN**

**(1) FINANCE DEPARTMENT**

1. There was submitted a report dated 3 May 2005 by the Director of Finance (1) comparing provisional outturn expenditure and income for the Finance Department for 2004/2005 against the annual budget, and (2) providing explanations for the major variances.

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

**(2) MISCELLANEOUS SERVICES**

2. There was submitted a report dated 6 May 2005 by the Director of Finance (1) comparing provisional outturn expenditure and income of Miscellaneous Services for 2004/2005 against the annual budget; (2) presenting provisional budget variances, and (3) providing explanations of the most significant variances.

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

**(3) COUNCIL SUMMARY**

3. There was submitted a report dated 11 May 2005 by the Director of Finance (1) setting out the provisional outturn position on the Council's General Fund Account and the Housing Revenue Account for the financial year 2004/2005; (2) consolidating the budget monitoring position of each department; (3) comparing projected outturn expenditure against the budget; (4) providing explanations of significant variances where applicable, and (5) indicating an over all year-end surplus projection of £2.746m within the General Fund Account, due to a combination of pro-active long-term debt management and departmental efficiencies as detailed in the report.

**Decided:**

- (1) that the over all year-end surplus projection of £2.746m within the General Fund Account be noted, and
- (2) that the contents of the report be otherwise noted.

**DEPARTMENTAL RACE EQUALITY ACTION PLAN - PROGRESS REPORT**

4. With reference to paragraph 5 of the Minute of the meeting of this Sub-Committee held on 27 January 2004 when the Finance Department's Race Equality Action Plan was approved, there was as submitted a report dated 19 April 2005 by the Director of Finance providing details on the progress towards implementation of the Finance Department's Race Action Plan.

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

**TRADING OPERATIONS / PPP SUMMARY POSITION - PROVISIONAL OUTTURN**

5. There was submitted a report dated 11 May 2005 by the Director of Finance summarising the provisional financial position of the trading accounts and the expected return from the Public Private Partnerships, for the period from 1 April 2004 to 31 March 2005.

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

**COMPOSITE CAPITAL PROGRAMME 2004/2005**

6. There was submitted a report dated 11 May 2005 by the Director of Finance (1) summarising the financial performance of the Composite Capital Programme for 2004/2005; (2) giving the provisional outturn figures with all known expenditure and income up to 31 March 2005; (3) highlighting the major movements and variances, and (4) indicating that the movements in both resources and expenditure had resulted in an underspend of £9.954 m.

**Decided:**

- (1) that the provisional outturn position of the Composite Capital Programme for 2004/2005, be noted, and
- (2) that the underspend of £9.954m to be carried forward into 2005/2006 to fund those elements of the Programme that could not be undertaken or completed prior to 31 March 2005, be noted.

**FINANCE DEPARTMENT CAPITAL PROGRAMME 2004/2005 - MONITORING REPORT**

7. There was submitted a report dated 11 May 2005 by the Director of Finance (1) summarising the financial performance of the Finance Department Capital Programme for 2004/2005; (2) detailing the provisional outturn position for the year to 31 March 2005, and (3) highlighting the significant movements.

**Decided:** that the provisional outturn position of the Finance Department Capital Programme, as at 31 March 2005 be noted.

**TREASURY MANAGEMENT MONITORING REPORT**

8. There was submitted a report dated 9 May 2005 by the Director of Finance (1) advising of the overall borrowing position as at 31 March 2005, as shown in Appendix 1 to the report; (2) detailing in Appendix 2 to the report, loans repaid during the period from 1 January to 31 March 2005 with no additional long-term borrowing undertaken; (3) outlining a breakdown of the short term borrowing and investment transactions during the same period as shown in Appendix Three to the report; (4) setting out short-term investment transactions for the quarter ending 31 March 2005 as shown in Appendix 4 to the report; (5) giving details of the interest rate movements during this period, and (6) outlining the position with regard to the prudential indicators as at 31 March 2005 as shown in Appendix 5 to the report.

**Decided:** that the contents of the report and the positive steps being taken to reduce overall costs, be noted.

**DEPARTMENT OF FINANCE PERFORMANCE MONITORING REPORT - PERIOD 1 JANUARY TO 31 MARCH 2005**

9. There was submitted a report dated 29 April 2005 by the Director of Finance advising on the current performance monitoring against a selection of key performance indicators across the Finance Department for the period from 1 January to 31 March 2005 as detailed in Appendices 1-8 of the report.

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

**FINANCE DEPARTMENT SERVICE IMPROVEMENT PLAN 2003/2006 - MONITORING REPORT**

10. There was submitted a report dated 3 May 2005 by the Director of Finance providing details of progress towards achievement of the actions identified in the Finance Department Service Improvement Plan for 2003/2006.

**Decided:** that the progress on the implementation of the Finance Department Service Improvement Plan 2003/2006, be noted.

**FINANCE DEPARTMENT PERFORMANCE REPORT 2004/2005**

11. There was submitted a report dated 11 May 2005 by the Director of Finance setting out some of the major achievements of the Department of Finance in a number of key areas during 2004/2005.

**Decided:** that the Finance Department Performance Report 2004/2005 be noted.

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**COUNCIL TAX - COLLECTION ARRANGEMENTS AND PERFORMANCE UPDATE**

12. There was submitted a report dated 4 May 2005 by the Director of Finance (1) advising of the Council Tax collection performance for 2004/2005, which had shown an improvement of 0.4% over the previous year, and (2) reporting on the work of the Debt Recovery Team.

**Decided:**

- (1) that the improvement in Council Tax collection be noted, and
- (2) that the continued actions for recovery by the Debt Recovery Team be noted.

**PUBLIC/EMPLOYERS LIABILITY CLAIMS - POSITION AS AT 31 MARCH 2005**

13. There was submitted a report dated 3 May 2005 by the Director of Finance providing details of the status of insurance claims lodged against the authority during the period from 1 April 1996 to 31 March 2005, and summarising the findings of the analysis of outstanding claims.

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

**INSURANCE RENEWALS 2005/2006 - TERRORISM COVER**

14. With reference to paragraph 17 of the Minute of the meeting of this Sub-Committee held on 22 March 2005, there was submitted a report dated 3 May 2005 by the Director of Finance providing details of the renewal of the Council's terrorism cover for 2005/2006 at a cost of £109,281.

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

**MANAGEMENT RESPONSIBILITY - REVENUE SERVICES DIVISION**

15. With reference to paragraph 3 of the Minute of the meeting of this Sub-Committee held on 5 November 2002, there was submitted a report (docketed) dated 9 May 2005 by the Director of Finance (1) outlining the background to the review and current position of staff within the Revenue Services Division of the Department; (2) seeking (a) the realignment of responsibilities within the Revenue Services Division of the Debtor's Section and Debt Recovery Team and Administration Section, and (b) to regularise the staff resources identified for the scanning pilot.

**Decided:**

- (1) that the transfer of the Debtor's Section and alteration of managerial responsibility as outlined in Section 3 of the report be approved;
- (2) that the transfer of the Administration Section and alteration of the managerial responsibility as outlined in Section 4 of the report be approved;
- (3) that the proposal to regularise the staff resources in relation to the scanning pilot be continued for further consideration, and
- (4) that the matter be referred to the Policy and Resources (Personnel) Sub-Committee for consideration.

**PROCURING CHANGE**

**(1) EXEMPTION FROM CONTRACT STANDING ORDERS - E-TENDERING/E-AUCTION**

16. With reference to paragraph 9 of the Minute of the meeting of this Sub-Committee held on 7 September 2004 when it was agreed, *inter alia*, to use the PECOS e-procurement software system which provides the technology to conduct e-tenders/e-auctions, there was submitted a report (docketed) dated 4 May 2005 by the Director of Finance (1) outlining the background to this process; (2) recommending a trial whereby in terms of Contract Standing Order 3.4, the Council exempts up to three contracts over the period to September 2005 from Standing Orders to allow the Procurement Section to test the effectiveness of the e-tendering/e-auctioning software, and (3) indicating that following the outcome of the trial, if satisfactory, amendments to Standing Orders be proposed to accommodate the e-auction/e-tendering process.

**Decided:** that in terms of Contract Standing Order 3.4, the Council exempts up to three contracts over the period to September 2005 from Standing Orders to establish the effectiveness of the e-tendering/e-auctioning software.

**(2) MANAGEMENT POSTS**

17. With reference to paragraph 9 of the Minute of the meeting of this Sub-Committee held on 7 September 2004, there was submitted a report (docketed) dated 4 May 2005 by the Director of Finance (1) proposing to supplement the resources available to direct and manage the development of the Council's Procurement Strategy and implement the e-procurement system within the Council; (2) outlining the background to the strategy and implementation process, and (3) recommending the appointment of a temporary Project Manager on a one year contract at grade PO18 and the regrading of the post of Procurement Manager to PO18 to reflect the extension of the responsibilities of the post.

**Decided:**

- (1) that the creation of a Project Manager post (PO18) for a one year temporary contract be approved;
- (2) that the regrading of the Procurement Manager to PO18 be approved, and
- (3) that the report be referred to the Policy and Resources (Personnel) Sub-Committee for consideration.

**ICT SERVICE DELIVERY PARTNERSHIP TENDER EXERCISE - UPDATE REPORT**

18. With reference to paragraph 15 of the Minute of the meeting of this Sub-Committee held on 26 March 2005, there was submitted a report dated 29 April 2005 by the Director of Finance (1) advising on the progress to date on the current tendering exercise to select an ICT Service Delivery Partner to deliver a range of ICT services to all Council Departments; (2) outlining the background to this exercise; (3) indicating that tenders had been received from suppliers, and (4) intimating that following a detailed evaluation of all tenders a further report would be brought forward to a future meeting of the Sub-Committee.

**Decided:** that the progress to date be noted.

**CONTRACT HIRE TENDER FOR THE SUPPLY, LEASE AND MAINTENANCE OF CAR LEASES IN RESPECT OF COUNCIL EMPLOYEES**

19. There was submitted a report (docketed) dated 13 May 2005 by the Director of Finance (1) seeking approval for the award of contract for the Contract Hire Tender for the Supply, Lease and Maintenance of new right hand drive cars for the period from 1 June 2005 to 31 May 2009; (2) outlining the background relative thereto, and (3) detailing the evaluation process applied to each of the offers submitted.

**Decided:** that the appointment of the six companies detailed in paragraph 3.5 of the report be approved, subject to their acceptance of the Council's standard terms and conditions.

**CONFERENCE**

20. There was submitted a report (docketed) dated 23 May 2005 by the Director of Administration advising of an invitation received in respect of attendance at a conference, and seeking that consideration be given to this invitation.

**Decided:** that the Council be represented at the undernoted conference:-

<b>Conference</b>	<b>Venue</b>	<b>Date</b>	<b>Attendance</b>
CIPFA Annual Conference 2005 - Raising the Bar - Building Innovative and Enterprising Public Services	Manchester	14-16 June 2005	Councillors Pentland and McCabe