

**Motherwell, 24 January 2006 at 2 pm.**

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

**PRESENT**

Councillor Pentland, Convener; Councillor Burrows, Vice-Convener; Councillors Gormill, Holloway, Homer, Jones, Lyle, Maginnis, J. Martin, Morgan, Morris 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 Head of Information Technology Services.

**APOLOGIES**

Councillors Curley, Fagan, McAuley, McCabe and Smith.

**REMIT FROM PLANNING AND ENVIRONMENT COMMITTEE OF 16 NOVEMBER 2005 - GENERAL DEBTORS BAD DEBT WRITE OFFS**

1. With reference to paragraph 16 of the Minute of the meeting of the Planning and Environment Committee held on 16 November 2005, when that Committee, having considered a report dated 16 November 2005 by the Director of Planning and Environment seeking approval to formally write off debts which were deemed un-collectable, had agreed (1) to note that the Director of Finance, under his delegated powers, had written off debts under £250 to the value of £1,335.21; (2) that debts over £250 to the value of £19,137.77 be written off, and (3) 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.

**FINANCE DEPARTMENT SERVICE IMPROVEMENT PLAN 2005/2006 TO 2007/2008 AND REVENUE BUDGET 2006/2007**

2. **C** There was submitted a report (docketed) dated 1 December 2005 by the Director of Finance (1) seeking approval of the Finance Department's Service Improvement Plan 2005/2006 to 2007/2008 and the Revenue Budget for 2006/2007; (2) submitting for consideration (a) the Service Improvement Plan for the Department of Finance in respect of the period 2005/2006 to 2007/2008 as detailed in Appendix A to the report, and (b) the proposed Revenue Budget for the Department of Finance in respect of the period 2006/2007 as contained in Appendix B to the report; (3) indicating that the proposed budget for the Department of Finance shows an increase of £0.510m and the basis of that increase; (4) advising that departmental budgets will be consolidated to enable the Council to evaluate and consider the potential for growth in service budgets prior to determining its overall spending plans for the forthcoming year, and (5) recommending that the Sub-Committee (a) approve the Service Improvement Plan for the Department of Finance as contained in Appendix A to the report; (b) note the level of CSP movements and increases to the departmental base budget as detailed in Parts I and II of Appendix B to the report; (c) agree the departmental base budget as detailed in Part III of Appendix B to the report; (d) consider and make recommendations to the Policy and Resources Committee on efficiency savings from the departmental base budget as detailed in

Part IV of Appendix B to the report; (e) note that any alterations to the Service Improvement Plan for the Department of Finance required as a consequence of finalisation of the Council's budget, will be brought to the attention of this Sub-Committee, and (f) otherwise note the contents of the report.

**Decided:**

- (1) that the Service Improvement Plan for the Department of Finance in respect of the period 2005/2006 to 2007/2008, as contained in Appendix A to the report by the Director of Finance be approved;
- (2) that the level of CSP movements and increases affecting the departmental revenue budget as set out in Parts I and II of Appendix B to the report by the Director of Finance be noted;
- (3) that the departmental base budget as set out in Part III of Appendix B to the report by the Director of Finance be agreed, subject to the consideration of efficiency savings;
- (4) that the proposed efficiency savings as detailed in Part IV of Appendix B to the report by the Director of Finance, be approved, and referred to the Policy and Resources Committee for consideration;
- (5) that it be noted that any alterations to the Service Improvement Plan for the Department of Finance required as a consequence of finalisation of the Council's budget will be brought to the attention of the Sub-Committee, and
- (6) that otherwise the contents of the report be noted.

**This paragraph was dealt with by the Council at its special meeting on 9 February 2006.**

**REVENUE BUDGET 2006/2007**

**(1) MISCELLANEOUS SERVICES**

3. There was submitted a report (docketed) dated 13 December 2005 by the Director of Finance (1) seeking the Sub-Committee's approval of the Miscellaneous Services Revenue Budget for the financial year 2006/2007; (2) outlining the background relative thereto; (3) advising that the base budget for 2006/2007 had been prepared by incorporating CSPs into the current year's budget to reflect expenditure pressure areas; transfer of responsibility and new initiatives announced by the Scottish Executive; (4) indicating that the Council will, at a meeting on 9 February 2006, consider the potential for growth in service budgets prior to determining its overall spending plans and Council Tax levels for the following year, and (5) recommending that the Sub-Committee (a) note the level of Current Service Provision (CSP) movements and increases, as set out in Appendices I and II to the report; (b) agree the base budget, as set out in Appendix III to the report; (c) consider and make recommendations to the Policy and Resources Committee on efficiency savings as detailed in Appendix IV to the report; (d) note that any alterations to the Service Improvement Plan for the Department of Finance required as a consequence of finalisation of the Council's budget will be brought to the attention of this Sub-Committee, and (e) otherwise note the contents of the report.

**Decided:**

- (1) that the Miscellaneous Services level of CSP movements and increases as detailed in Appendices I and II to the report, be noted;
- (2) that the base budget for Miscellaneous Services, as detailed in Appendix III to the report, be approved;
- (3) that the Sub-Committee approve and recommend to the Policy and Resources Committee the corporate efficiency savings, as detailed in Appendix IV to the report;

- (4) that any alterations to the department's Service Improvement Plan required as a consequence of finalisation of the Council's budget be brought to the attention of the Sub-Committee, and
- (5) that the contents of the report be otherwise noted.

**This paragraph was dealt with by the Council at its special meeting on 9 February 2006.**

## **(2) JOINT BOARDS**

- 4. There was submitted a report (docketed) dated 13 December 2005 by the Director of Finance (1) advising the Sub-Committee of the Joint Board's Revenue Budgets for the financial year 2006/2007; (2) outlining the background relative thereto; (3) advising that the Revenue Estimate for 2006/2007 had been prepared by incorporating expenditure pressures and service improvements advised to the Council by the Joint Boards and reflected within the financial settlement from the Scottish Executive, and (4) providing a budget summary as detailed in Section 3.2 of the report.

**Decided:** that the budgets for the Joint Boards as detailed in Section 3.2 of the report, be noted.

## **INVESTMENT CRITERIA RATINGS**

- 5. With reference to paragraph 5 of the Minute of the meeting of this Sub-Committee held on 22 March 2005, there was submitted a report (docketed) dated 10 January 2006 by the Director of Finance (1) informing of the criteria to which the Council will refer when selecting financial institutions for investment purposes; (2) seeking approval of the revised criteria-based Counterparty List, as detailed in Appendix I to the report, and (3) advising that a further report regarding the Counterparty List may be brought to the Sub-Committee during 2006/2007 following the release of the Scottish Executive's Investment Guidance.

**Decided:**

- (1) that the introduction of the criteria-based Counterparty List, as detailed in Appendix I to the report be approved;
- (2) that the Director of Finance submit a further report regarding the Counterparty List following the release of the Scottish Executive's Investment Guidance, and
- (3) that the contents of the report be otherwise noted.

## **REVENUE BUDGET MONITORING REPORTS 2005/2006**

### **(1) FINANCE DEPARTMENT**

- 6. There was submitted a report dated 30 December 2005 by the Director of Finance comparing actual expenditure and income for the Finance Department against estimates for the year to 9 December 2005; showing projected outturn variances, and providing explanations for the major projected outturn variances.

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

**(2) MISCELLANEOUS SERVICES**

7. There was submitted a report dated 9 January 2006 by the Director of Finance comparing actual expenditure on Miscellaneous Services against the estimates for the year to 9 December 2005 and presenting a projected outturn for the year together with explanations on the most significant variances.

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

**(3) COUNCIL SUMMARY**

8. There was submitted a report dated 6 January 2006 by the Director of Finance setting out the overall position on both the General Fund Account and the Housing Revenue Account for the financial year to 9 December 2005 (1) consolidating the budget monitoring position of each department; (2) comparing projected outturn expenditure with the budget, and (3) providing explanations for the significant variances where applicable.

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

**TRADING OPERATIONS / PPP SUMMARY POSITION**

9. There was submitted a report dated 29 December 2005 by the Director of Finance summarising the financial position of the Trading Accounts and expected return from the Public Private Partnerships, for the period from 1 April to 16 December 2005.

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

**COMPOSITE CAPITAL PROGRAMME 2005/2006 - MONITORING REPORT**

10. There was submitted a report (docketed) dated 5 January 2006 by the Director of Finance (1) summarising the financial performance of the Composite Capital Programme for 2005/2006; (2) outlining the projected year-end outturn position and the resultant variances; (3) highlighting in Sections 5 and 6 of the report areas of slippage and potential risk, and (4) providing information on current expenditure up to and including 9 December 2005.

**Decided:**

- (1) that the financial position of the Composite Capital Programme as at 9 December 2005 be noted;
- (2) that the areas of slippage and potential risk highlighted in Sections 5 and 6 of the report, be noted, and
- (3) that the contents of the report be otherwise noted.

**FINANCE DEPARTMENT CAPITAL PROGRAMME 2005/2006**

11. There was submitted a report dated 6 January 2006 by the Director of Finance summarising the financial performance of the Finance Department Capital Programme for 2005/2006, including information on current expenditure up to and including 9 December 2005 and providing explanations for significant movements.
- 
-

**Decided:** that the financial position of the Finance Department Capital Programme, as at 9 December 2005, be noted.

**DEPARTMENT OF FINANCE PERFORMANCE MONITORING REPORT - PERIOD FROM 1 OCTOBER TO 31 DECEMBER 2005**

12. There was submitted a report (docketed) dated 10 January 2006 by the Director of Finance advising of current performance against a selection of key performance indicators across the Finance Department for the period from 1 October to 31 December 2005, as detailed in Appendices 1 to 8 of the report.

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

**LOCAL GOVERNMENT FINANCE SETTLEMENT 2006/2007 TO 2007/2008**

13. With reference to paragraph 1 of the Minute of the meeting of this Sub-Committee held on 6 September 2005, there was submitted a report dated 29 December 2005 by the Director of Finance (1) advising of the Local Government Finance Settlement for the years 2006/2007 and 2007/2008; (2) providing details of the settlement for North Lanarkshire together with a comparison with the aggregate position for Scotland; (3) informing that as from 1 April 2006 the non-domestic rate poundage will be cut to 44.9p as a first step in reducing poundages to match those in England; (4) outlining the current position regarding the budget process, and (5) indicating that the final budget report would be presented to the Council during February 2006 to enable the financial strategy for the next three financial years to be considered.

**Decided:** that the details of the financial settlement and on-going work in developing the budget for 2006/2007 be noted.

**COUNCIL TAX - PROGRESS REPORT**

14. There was submitted a report dated 12 January 2006 by the Director of Finance (1) providing an update on Council Tax collection performance during the period from 1 April to 30 December 2005 and comparing it with the same period last year, and (2) advising of a continued improvement in the recovery of Council Tax.

During discussion it was suggested that in future reports a similar update be provided on the collection of non-domestic rates.

**Decided:**

- (1) that in future reports an update be provided on the collection of non-domestic rates, and
- (2) that otherwise the terms of the report be noted.

**PRUDENTIAL CODE FOR CAPITAL FINANCE - PRUDENTIAL INDICATORS 2006/2007 TO 2008/2009**

15. There was submitted a report (docketed) dated 4 January 2006 by the Director of Finance regarding the Prudential Code for Capital Finance and seeking approval of the Prudential Indicators for 2006/2007 – 2008/2009 which include mandatory and local indicators, all as detailed in Appendix 1 to the report.

**Decided:**

- (1) that the Prudential Indicators and limits detailed within Appendix 1 to the report be approved, and
- (2) that further reports monitoring the effectiveness and robustness of the Indicators be submitted to future meetings of the Sub-Committee.

**LEASING ADVICE TENDER : APPOINTMENT OF FINANCIAL ADVISORY CONSULTANTS**

16. With reference to paragraph 19 of the Minute of the meeting of this Sub-Committee held on 6 September 2005, there was submitted a report (docketed) dated 2 December 2005 by the Director of Finance (1) advising that tenders were issued to five companies for the provision of Leasing Advice Services for the period from 1 April 2006 to 31 March 2007; (2) indicating that three companies had responded, and (3) proposing that the contract for the provision of Leasing Advice Services to North Lanarkshire Council be awarded to the Leasing Partnership Limited.

**Decided:** that the contract for the provision of Leasing Advice Services to North Lanarkshire Council be awarded to the Leasing Partnership Limited for the period from 1 April 2006 to 31 March 2007.

**REVIEW OF CAR LEASING SCHEME**

17. There was submitted a report (docketed) dated 13 January 2006 by the Director of Finance (1) summarising the current position of the operation of the Car Leasing Scheme, and (2) providing a basis for aligning the Car Leasing Scheme and the Car Mileage Reimbursement Scheme.

**C**

**Decided:**

- (1) that the Car Leasing Scheme as outlined in the report be approved;
- (2) that the Director of Finance and the Director of Administration be authorised to prepare the detailed terms of the Scheme, and
- (3) that budgets be adjusted to reflect the changes in the Scheme.

**FUTURE OF AUTHORITIES BUYING CONSORTIUM (ABC)**

18. There was submitted a report dated 13 January 2006 by the Director of Finance (1) intimating that the Council was one of twelve member Councils of the Authorities Buying Consortium which had operated since Local Government Re-organisation in April 1996, and (2) outlining the developments and direction which the Authorities Buying Consortium Joint Committee were considering to enable ABC as an organisation to react to the changing environment within which procurement operates.

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

**CONFERENCES**

19. There was submitted a report dated 18 January 2006 by the Director of Administration advising that three invitations had been received in respect of attendance at conferences, and seeking that consideration be given to these invitations.

**Decided:** that no attendance at any of the conferences be authorised.