

Motherwell, 21 March 2006 at 2 pm.

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

PRESENT

Councillor Pentland, Convener; Councillor Burrows, Vice-Convener; Councillors Curley, Fagan, Gormill, Holloway, Homer, Jones, McAuley, Maginnis, J. Martin 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 Lyle, McCabe, Morgan and Smith.

REMIT FROM HOUSING AND TECHNICAL SERVICES COMMITTEE OF 15 MARCH 2006 - FORMER TENANTS ARREARS WRITE OFF TO 31 MARCH 2004

1. With reference to paragraph 14 of the Minute of the meeting of the Housing and Technical Services Committee held on 16 March 2006, when that Committee having considered a report dated 16 February 2006 by the Director of Housing and Property Services seeking approval to write-off the current outstanding balance of £633,370.30 in respect of Former Tenant Arrears for the financial year 2003/2004, including balances outstanding prior to 1 April 2003 had agreed (1) that the write-off of the Former Tenant Arrears totalling £633.370.30 in relation to the period ending 31 March 2004 be approved, and (2) that the report be referred to this Sub-Committee for consideration, the Sub-Committee considered the report.

Decided: that the terms of the report be approved.

ANNUAL TREASURY STRATEGY 2006/2007

2. There was submitted a report (docketed) dated 2 March 2006 by the Director of Finance (1) advising of the borrowing requirements of the Council for 2006/2007; (2) outlining potential sources of borrowing; (3) indicating the potential outlook for the interest rates; (4) detailing the Prudential Indicators which the Council is requested to approve as set out in the Appendix to the report, and (5) setting out the strategy to be followed by 2006/2007 in relation to the Council's Treasury Management activity which has been prepared in accordance with the CIPFA Code of Practice on Treasury Management.

Decided:

- (1) that the Treasury Management Strategy for 2006/2007 be approved, and
- (2) that the CIPFA Prudential Indicators and the limits detailed within the Appendix to the report be noted.

REVENUE BUDGET MONITORING REPORTS 2005/2006

(1) FINANCE DEPARTMENT

3. There was submitted a report dated 22 February 2006 by the Director of Finance comparing actual income and expenditure for the Finance Department against estimates for the year to 3 February 2006 and providing explanations for the major projected outturn variances.

Decided: that the terms of the report be noted.

(2) MISCELLANEOUS SERVICES

4. There was submitted a report dated 17 February 2006 by the Director of Finance comparing actual expenditure on Miscellaneous Services against the estimates for the year to 3 February 2006, presenting a projected outturn for the year and providing explanations of the more significant variances.

Decided: that the terms of the report be noted.

(3) COUNCIL SUMMARY

5. There was submitted a report dated 24 February 2006 by the Director of Finance (1) setting out the overall position of the Council's General Fund Account and the Housing Revenue Account for the year to 3 February 2006; (2) consolidating the budget monitoring position of each Department; (3) comparing projected out-turn expenditure with budget; (4) providing explanations of significant variances where applicable, and (5) detailing in Appendix 1 to the report a summary of the financial position for the year to 3 February 2006.

Decided: that the contents of the report be noted.

TRADING OPERATIONS/PPP SUMMARY POSITION

6. There was submitted a report dated 20 February 2006 by the Director of Finance summarising the financial position of the Trading Accounts and the expected return from the Public Private Partnerships for the period from 1 April 2005 to 3 February 2006.

Decided: that the contents of the report be noted.

COMPOSITE CAPITAL PROGRAMME 2005/2006 - MONITORING REPORT

7. There was submitted a report dated 21 February 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 the current expenditure up to and including 3 February 2006.

Decided:

- (1) that the financial position of the Composite Capital Programme as at 3 February 2006 be noted;

- (2) that the projected outturn of the Capital Programme as at 3 February 2006 as set out in Sections 3 and 4 of the report, be noted;
- (3) that the areas of slippage and potential risk areas highlighted in Sections 5 and 6 of the report be noted, and
- (4) that the contents of the report be otherwise noted.

FINANCE DEPARTMENT CAPITAL PROGRAMME 2005/2006 - MONITORING REPORT

8. There was submitted a report dated 28 February 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 3 February 2006 and providing explanations of significant movements.

Decided: that the financial position of the Finance Department Capital Programme, as at 3 February 2006 be noted.

TREASURY MANAGEMENT MONITORING REPORT

9. There was submitted a report (docketed) dated 15 February 2006 by the Director of Finance (1) advising of the Council's overall borrowing position as at 31 December 2005 as detailed in Appendix 1 to the report; (2) detailing in Appendix 2 to the report, the long-term borrowing and repayment transactions during 1 October to 31 December 2005; (3) outlining a breakdown of the short-term borrowing and repayment during the same period as shown in Appendix 3 to the report; (4) setting out a breakdown of the short-term investment transactions for the quarter ended 31 December 2005, as shown in Appendix 4 to the report, and (5) intimating the position with regard to the Prudential Indicators for 2005/2006 as detailed in Appendix 5 to the report.

Decided:

- (1) that the positive steps taken to reduce overall interest costs in terms of the approved Treasury Policy Statement be noted, and
- (2) that the contents of the report be otherwise noted.

COUNCIL TAX PROGRESS REPORT

10. There was submitted a report dated 14 March 2006 by the Director of Finance (1) providing an update on the Council Tax collection performance during the period from 1 April 2005 to 28 February 2006 and comparing it with the same period last year, and advising of a continued improvement in the recovery of Council Tax, and (2) giving details of collection of Non Domestic Rates as at the end of February 2006.

Decided: that the terms of the report be noted.

TENDER FOR THE PROVISION OF PLASTIC SWIPE CARDS IN POST OFFICE TRANSACTIONS

11. There was submitted a report (docketed) dated 14 March 2006 by the Director of Finance (1) advising on the outcome of the tendering exercise for the provision of Swipe Cards for the payment of accounts (including rent, Council Tax) by magnetic Swipe Cards at the Post Office; (2) outlining the
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background to this tendering exercise; (3) advising that the Director of Administration, following consultation with the Convener, awarded (a) the contract for the Post Office and Pay Point transactions to the Co-op Bank for the sum of £530,557.00, and (b) the contract for the supply of swipe cards to Custom Cards at a cost of £23,116.20; (4) informing that both contracts are for a period of two years commencing on 1 April 2006 with an option to extend for an additional year at the discretion of the Council, and (5) anticipating total savings of £142,000 over the two year period of both the contracts.

Decided:

- (1) that the action taken by the Director of Administration to award the contract for the Post Office and Pay Point transactions to the Co-op Bank for the sum of £530,557.00 and the contract for the supply of swipe cards to Custom Cards at a cost of £23,116.20 be homologated;
- (2) that the total savings of £142,000 over the two year period of both the contracts be noted;
- (3) that dependent on the satisfactory performance of the contract over the two years, the Policy and Resources (Finance) Sub-Committee will have the option to extend the contract for a further year, and
- (4) that the contents of the report be otherwise noted.

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) SERVICE DELIVERY PARTNERSHIP - INITIAL EFFICIENCY SAVINGS

12. With reference to paragraph 16 of the Minute of the meeting of the Sub-Committee held on 6 September 2005, there was submitted a report (docketed) dated 8 March 2006 by the Director of Finance (1) advising on the initial achievements in the first three months of the new ICT Service Delivery Partnership; (2) outlining the background to this term contract for the ICT Service Delivery Partnership, and (3) giving details of the significant IT related financial savings through improvements in Service Delivery in a number of areas as outlined in Section 3 of the report.

Decided: that the progress made by the ICT Service Delivery Partnership to date be noted.

RENEWAL OF INSURANCE POLICIES

13. There was submitted a report (docketed) dated 13 March 2006 by the Director of Finance (1) indicating that tenders had been issued to 18 companies interested in providing insurance for all classes of insurance to commence on 1 April 2006 for a five year period to 31 March 2011 following expiry of the current policies; (2) advising that quotations had been received from six companies for insurance, four for engineering inspection and three for claims handling; (3) intimating that the Director of Administration, following consultation with the Convener was progressing the awarding of the contracts as detailed in paragraph 4 of the report, in line with the Public Contracts (Scotland) Regulations 2006, and (4) indicating that the total cost of the individual policies for 2006/2007 as detailed in paragraph 5 of the report amounts to £2.327m (including 5% Insurance Premium Tax), compared to a total insurance cost for 2005/2006 at £3.278m resulting in a saving to the Council in 2006/2007 of £0.951m.

Decided:

- (1) that the action taken by the Director of Administration to award insurance contracts as outlined in the report be approved, and
 - (2) that the contents of the report be otherwise noted.
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CONFERENCES

14. There was submitted a report (docketed) dated 3 March 2006 by the Director of Administration advising that five invitations had been received in respect of attendance at conferences, and seeking that consideration be given to these invitations.

Decided:

- (1) that the following conference attendance be homologated:-

Conference	Venue	Date	Attendance
The New Bankruptcy and Diligence Bill	Edinburgh	28 February 2006	Councillor Burrows

and

- (2) that otherwise no attendance be authorised.