

Motherwell, 23 January 2007 at 2 pm.

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

PRESENT

Councillor Pentland, Convener; Councillors Fagan, Gormill, 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 E-Government and Service Development.

APOLOGIES

Councillors Burrows, Curley, McCabe, H. McGuigan and Smith.

WELCOME

The Convener welcomed Irene Gillespie who was recently appointed Head of E-Government and Service Development, to her first meeting of the Policy and Resources (Finance) Sub-Committee and wished her well in her new post.

FINANCE DEPARTMENT SERVICE IMPROVEMENT PLAN 2006/2007-2008/2009 AND REVENUE BUDGET 2007/2008

1. **C** There was submitted a report (docketed) dated 1 December 2006 by the Director of Finance (1) seeking approval of the Finance Department's Service Improvement Plan 2006/2007 to 2008/2009 and the Revenue Budget for 2007/2008; (2) submitting for consideration (a) the Service Improvement Plan for the Department of Finance in respect of the period 2006/2007 to 2008/2009 as detailed in Appendix A to the report, and (b) the proposed Revenue Budget for the Department of Finance in respect of the period 2007/2008 as contained in Appendix B to the report; (3) indicating that the proposed budget for the Department of Finance shows an increase of £599,294 and the basis of that increase; (4) advising that the departmental budgets will be consolidated to enable the Council to evaluate and consider the potential growth in service budgets prior to determining its overall spending plans and Council Tax levels for the forthcoming year, and (5) recommending that the Sub-Committee (a) approve the Service Improvement Plan 2006/2007 to 2008/09 as detailed 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 the efficiency savings from the departmental base budget as detailed in Part iv of Appendix B to the report; (e) note that any alterations to this Department's Service Improvement Plan required as a consequence of finalisation 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 2006/2007 to 2008/09, as contained in Appendix A to the report by the Director of Finance be approved;
- (2) that the level of CSP movements and increases 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 8 February 2007.

REVENUE BUDGET 2007/2008

(1) MISCELLANEOUS SERVICES

2. There was submitted a report (docketed) dated 20 December 2006 by the Director of Finance (1) seeking the Sub-Committee's approval of the Miscellaneous Services Revenue Budget for the financial year 2007/2008; (2) outlining the background relative thereto; (3) advising that the base budget for 2007/2008 had been prepared by incorporating CSPs into the current year's budget to reflect the increases required to maintain services at the existing level; in line with the Scottish Executive's spending review; (4) indicating that the Council will, at a meeting on 8 February 2007, consider the potential for growth in service budgets prior to determining its overall spending plans and Council Tax levels for the coming 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 1 and 2 to the report; (b) agree the base budget, as set out in Appendix 3 to the report, prior to consideration of efficiencies; (c) consider and make recommendations to the Policy and Resources Committee on efficiency savings as detailed in Appendix 4 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 set out in Appendices 1 and 2 to the report, be noted;
- (2) that the base budget for Miscellaneous Services, as detailed in Appendix 3 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 4 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 8 February 2007.

(2) JOINT BOARDS

3. There was submitted a report (docketed) dated 12 December 2006 by the Director of Finance (1) advising the Sub-Committee of the Joint Boards Revenue Budgets for the financial year 2007/2008; (2) outlining the background relative thereto; (3) advising that the revenue estimates for 2007/2008 had been prepared by incorporating expenditure pressures and service improvements advised to the Council by the Joint Boards and reflected within the indicative financial settlement from the Scottish Executive, and (4) providing a budget summary as detailed in 3.2 of the report.

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

FINANCE DEPARTMENT - STRUCTURE REVIEW

4. With reference to paragraph 11 of the Minute of the meeting of the Policy and Resources Committee held on 21 November 2006, there was submitted a report (docketed) dated 9 January 2007 by the Director of Finance (1) detailing proposed structural changes to the Finance Department's establishment which will further develop the service in line with the Chief Executive's approved change management programme; (2) outlining within Section 3 of the report, proposals for the implementation of the changes, and (3) setting out the financial implications of the proposals.

Decided:

(1) that the structural changes to the Finance Department's establishment be approved, and in so doing note the revised staffing levels and annual savings of £151,574, bringing total savings to £686,074 be noted, and

(2) that the report be referred to the Policy and Resources (Personnel) Sub-Committee for consideration.

REVENUE BUDGET MONITORING REPORTS 2006/2007

(1) FINANCE DEPARTMENT

5. There was submitted a report dated 1 December 2006 by the Director of Finance comparing actual income and expenditure for the Finance Department against estimates for the year to 10 November 2006 and providing explanations for the major projected outturn variances.

Decided: that the terms of the report be noted.

(2) MISCELLANEOUS SERVICES

6. There was submitted a report dated 4 December 2006 by the Director of Finance comparing actual expenditure and income on Miscellaneous Services against the estimates for the year to

10 November 2006 and presenting a projected outturn for the year together with explanations of the most significant variances.

Decided: that the terms of the report be noted.

COUNCIL SUMMARY

7. There was submitted a report dated 4 December 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 10 November 2006 (1) consolidating the budget monitoring position of each Department; (2) comparing projected outturn expenditure with the budget, and (3) providing explanations of the significant variances where applicable.

Decided: that the terms of the report be noted.

TRADING OPERATIONS/PPP SUMMARY POSITION

8. There was submitted a report dated 29 November 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 to 10 November 2006.

Decided: that the contents of the report be noted.

COMPOSITE CAPITAL PROGRAMME 2006/2007 - MONITORING REPORT

9. There was submitted a report (docketed) dated 18 December 2006 by the Director of Finance (1) providing an update on the movement in resources and expenditure budgets since the approval of the Composite Capital Programme 2006/2007; (2) summarising the financial performance of the Composite Capital Programme to date; (3) outlining the projected year end outturn position and resultant variances; (4) outlining the progress of projects as described in Section 3.5 of the report, and (5) highlighting the current issues as detailed in Section 4 of the report and the potential impact of the delay in realising capital receipts.

Decided:

- (1) that the financial position of the Composite Capital Programme as at 10 November 2006 be noted;
- (2) that the progress of projects as detailed in Section 3.5 of the report be noted;
- (3) that the current issues highlighted in Section 4 of the report and the potential impact of the delay in realising capital receipts be noted, and
- (4) that the contents of the report be otherwise noted.

FINANCE DEPARTMENT CAPITAL PROGRAMME 2006/2007

10. There was submitted a report dated 18 December 2006 by the Director of Finance giving an update on the current capital programme for the Finance Department and providing a summary of the financial performance of the Programme as at 10 November 2006.
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Decided: that the financial position of the Finance Department Capital Programme, as at 10 November 2006 be noted.

TREASURY MANAGEMENT STRATEGY 2007/2008 AND PRUDENTIAL INDICATORS 2007/2008-2009/2010

11. With reference to paragraph 2 of the Minute of the meeting of this Sub-Committee held on 21 March 2006, there was submitted a report (docketed) dated 11 January 2007 by the Director of Finance (1) outlining within the Appendix to the report the Treasury Management Strategy for 2007/2008, in accordance with the CIPFA Code of Practice on Treasury Management, and (2) detailing the Prudential Indicators for 2007/2008-2009/2010, as required by the CIPFA Prudential Code for Capital Finance in Local Authorities, as detailed within the Appendix to the report.

Decided:

- (1) that the Treasury Management Strategy 2007/2008 as outlined within the Appendix to the report be approved, and
- (2) that the Prudential Indicators and limits for 207/2008-2009/2010 as detailed within the Appendix to the report be adopted.

COUNCIL TAX AND NON-DOMESTIC RATES - PROGRESS REPORT

12. There was submitted a report dated 16 January 2007 by the Director of Finance (1) providing an update on the Council Tax and non-domestic rates collection performance during the period from 1 April to 30 November 2006 and comparing it to the same period last year, and (2) advising of a continued improvement in the recovery of Council Tax.

Decided: that the terms of the report be noted.

LOCAL GOVERNMENT FINANCE SETTLEMENT 2007/2008

13. With reference to paragraph 1 of the Minute of the meeting of this Sub-Committee held on 30 May 2006, there was submitted a report dated 14 December 2006 by the Director of Finance (1) advising of the Local Government Finance Settlement for the 2007/2008 financial year; (2) providing details of the settlement for North Lanarkshire together with a comparison with the aggregate position for Scotland; (3) informing that the new non-domestic business rate for Scotland for 2007/2008 had been set at 44.1p, the same as 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 2007 to enable the financial strategy for the next three financial years to be considered.

Decided: that the details of the financial settlement and ongoing work in developing the budget for 2007/2008 be noted.

CONFERENCES

14. There was submitted a report dated 5 January 2007 by the Director of Administration advising that nine invitations had been received in respect of attendance at conferences, and seeking that consideration be given to these invitations.

Decided:

- (1) that the Council be represented at:-

Conference	Venue	Date	Attendance
CIPFA in Scotland Annual Conference 2007	Glasgow	1 and 2 March 2007	2 Members

and

- (2) that otherwise no attendance be authorised.