

**POLICY AND RESOURCES (FINANCE AND CUSTOMER SERVICES) SUB –
25 February 2015**

Motherwell, 25 February 2015 at 2 pm.

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

PRESENT

Councillor Burrows, Convener; Councillor Spowart, Vice-Convener; Councillors Baird, Clinch, Fagan, Hume, Jones, Lunny, Lyle, McAnulty, McCabe, McCulloch, McNally, O'Brien, G. O'Rorke and Stevenson.

CHAIR

Councillor Spowart (Vice-Convener) presided.

IN ATTENDANCE

The Committee Officer, Executive Director of Finance and Customer Services, Head of E-Government and Service Development, Head of Financial Services and Head of Revenue Services.

APOLOGIES

Councillors Logue, McKay, McShannon, Shevlin and Stocks.

**DECLARATIONS OF INTEREST IN TERMS OF THE ETHICAL STANDARDS IN PUBLIC LIFE ETC.
(SCOTLAND) ACT 2000**

1. The meeting noted that there were no declarations of interest.

FINANCE AND CUSTOMER SERVICES - SERVICE PLAN 2015/2016

2. There was submitted a report dated 26 January 2015 by the Executive Director of Finance and Customer Services submitting, for consideration, the Service Plan for Finance and Customer Services in respect of 2015/2016, as detailed in Appendix A to the report.

Decided:

- (1) that the Service Plan for 2015/2016 for Finance and Customer Services, as detailed in Appendix A to the report, be approved, and
- (2) that the contents of the report be otherwise noted.

**FINANCE AND CUSTOMER SERVICES QUARTERLY EXCEPTIONS PERFORMANCE PORTFOLIO
REPORT – 1 APRIL TO 31 DECEMBER 2014**

3. There was submitted a report dated 26 January 2015 by the Executive Director of Finance and Customer Services (1) providing an overview of the performance of the indicators within the Finance and Customer Services Performance Portfolio for 2014/2015; (2) summarising the performance against targets for each Division, and (3) setting out those performance portfolio indicators not performing within acceptable thresholds, exceeding target or on target, as detailed in Appendices A and B to the report.

Decided: that the contents of the report be noted.

**POLICY AND RESOURCES (FINANCE AND CUSTOMER SERVICES) SUB –
25 February 2015**

CIPFA FINANCIAL MANAGEMENT MODEL 2014/2015 – UPDATE

4. With reference to paragraph 14 of the Minute of the meeting of this Sub-Committee held on 26 February 2014 when the action taken to improve financial management arrangements within the Council had been noted, there was submitted a report dated 30 January 2015 by the Head of Financial Services (1) setting out the background to the use of the CIPFA Financial Management Model which assessed financial management across the Council; (2) providing an update on the Action Plan which had been developed to address those areas where there was scope for further improvement; (3) detailing a number of improvements across the organisation since the last review, and (4) intimating that the Council would continue to use the CIPFA Financial Management Model to ensure continued improvement in financial management across the Council, and that progress against the identified action plan would be monitored on an ongoing basis and reported to the Sub-Committee by March 2016.

Decided: that the action taken to improve financial management arrangements within the Council, and improvement proposals contained within the report, be endorsed.

REVENUE BUDGET MONITORING REPORTS 2014/2015 - FINANCE AND CUSTOMER SERVICES AND COUNCIL SUMMARY

5. There were submitted reports dated 23 and 26 January 2015 by the Head of Financial Services (1) advising of, respectively, the expenditure for financial year 2014/2015 for Finance and Customer Services (including Miscellaneous Services) and the Council Summary, which included both the General Fund Account and the Housing Revenue Account; (2) providing a comparison of actual expenditure and income against the estimated expenditure and income for the period from 1 April 2014 to 2 January 2015 together with explanations for the most significant variances; (3) projecting a year end surplus of £5.224m for the Council which was due to a number of factors, and (4) setting out, with regard to the Council Summary Report, the consolidated budget monitoring position of all Services with additional information available at Appendix 1 to the report.

Decided: that the reports and consolidated budget monitoring position in relation to the Council Summary be noted.

CAPITAL BUDGET MONITORING REPORTS 2014/2015 - FINANCE AND CUSTOMER SERVICES CAPITAL PROGRAMME AND COMPOSITE CAPITAL PROGRAMME

6. There were submitted reports dated 23 and 26 January 2015 by the Executive Director of Finance and Customer Services (1) advising of the performance of, respectively, the Finance and Customer Services Capital Programme and the Composite Capital Programme for 2014/2015; (2) outlining the projected year end outturn position and resultant variances for both, and (3) enclosing, in Appendix 1, a summary of the position of the Composite Services Capital Programme and the HRA Capital Programme as at 5 January 2015.

Decided: that the report be noted.

PAYMENT OF LOCAL TAXATION AND BENEFIT UPDATE

7. With reference to paragraph 6 of the Minute of the meeting of this Sub-Committee held on 26 November 2014, at which an update report on this matter had been noted, there was submitted a report dated 23 January 2015 by the Head of Revenue Services (1) updating the Sub-Committee on payment performance of Council Tax and Non Domestic Rates and the administration of Housing

Benefit and Council Tax Benefit/Reduction Scheme for the period up to 31 December 2014; (2) providing a breakdown of the method of payment for the current year as at January 2015; (3) indicating that performance against the indicators relating to the average number of days to process new claims and changes to Council Tax and Housing Benefits were averaging 24 days for new claims and 13 days for a change of event; (4) outlining the background to the Council Tax Reduction Scheme which replaced Council Tax Benefit on 1 April 2013, together with a comparison of total award on a monthly basis from 2013/14 to 2014/15; (5) intimating that, following guidance from the Scottish Government and Department of Work and Pensions (DWP), the Council had been able to re-assess the discretionary housing payments provided to affected households and that any existing awards had been increased to 100%, all new awards would be made at 100% and any refused applications would be reconsidered and, if applicable, awarded at 100%, all backdated to 1 April 2014; (6) detailing the current position with regard to the collection of outstanding Community Charge for the period up to 31 December 2014, and (7) advising that as the Scottish Government was currently consulting on the Community Charge Debt (Scotland) Bill and had issued a call for evidence, seeking responses by 7 January 2015, a response had been submitted on behalf of the Council, following consultation with the Convener.

Decided: that the report be noted.

TREASURY MANAGEMENT MONITORING REPORT – 1 OCTOBER TO 31 DECEMBER 2014

8. There was submitted a report dated 30 January 2015 by the Head of Financial Services (1) advising of the Council's net overall borrowing position as at 31 December 2014, as shown in Appendix 1 to the report; (2) providing information on debt restructuring, borrowing, short-term investments and interest rate movements during the period, and (3) outlining the position with regard to the Prudential Code for Capital Finance in Local Authorities, as detailed in Appendix 2 to the report, and indicating that the performance against Prudential Indicators remained in accordance with those previously approved by the Sub-Committee.

Decided: that the Treasury Management activity for the period up to 31 December 2014, including the positive performance against key prudential indicators, be noted.

TREASURY MANAGEMENT STRATEGY 2015/16 AND TREASURY AND PRUDENTIAL INDICATORS 2015/2016 TO 2017/2018

9. With reference to paragraph 9 of the Minute of the meeting of the Council held on 27 March 2014 when the Treasury Management Strategy for 2014/2015 had been approved and the Treasury and Prudential Indicators for 2014/15 to 2016/2017 had been adopted, there was submitted a report dated 29 January 2015 by the Executive Director of Finance and Customer Services (1) outlining, within Appendix A to the report, (a) the Treasury Management Strategy for 2015/16 in accordance with the Code of Practice on Treasury Management, and (b) the Treasury and Prudential Indicators for 2015/2016 to 2017/2018, as required by the CIPFA Prudential Code for Capital Finance in Local Authorities, together with details of the affordable borrowing limits required in terms of the Local Government (Scotland) Act 2003, and (2) detailing, within Appendix A to the report, the Indicators which illustrated that the key objectives of the Prudential Framework had been satisfied and that the proposed Capital Investment Plans for 2015/2016 onwards were prudent and affordable.

Decided: that the matter be referred to the Council with the recommendations:-

- (1) that the Treasury Management Strategy 2015/2016, as set out within Appendix A to the report, be approved, and
- (2) that the Treasury and Prudential Indicators and borrowing limits for 2015/2016 to 2017/2018, as detailed in Appendix A to the report, be adopted.

Councillor Spowart, seconded by Councillor Fagan, moved suspension of Standing Orders for the following item of business which received unanimous assent of the Sub-Committee.

SCOTTISH WELFARE FUND UPDATE

10. With reference to paragraph 7 of the Minute of the meeting of this Sub-Committee held on 26 November 2014 when, *inter alia*, the proposed temporary staffing structure for the period up to March 2016 had been approved, there was submitted a report dated 25 January 2015 by the Head of E-Government and Service Development (1) outlining the background to the Scottish Welfare Fund which was introduced on 1 April 2013 as an interim two year scheme to deliver community care grants and crisis grants and providing an update on the progress of the implementation of the Fund; (2) advising that funding of £2,956,014 for grants and £423,360 for administration costs had been provided on an annual basis for the period 2013/14 to 2015/16; (3) intimating that although the Scottish Public Services Ombudsman had been due to take responsibility for second tier review hearings from April 2015, this had been delayed for a year to allow the Scottish Government to finalise arrangements; (4) indicating that a usage model for allocation of resources from 2016/2017 was currently under consideration; (5) providing details of the demand for the scheme, which had increased month on month, including applications, awards, telephone enquiries and first and second tier reviews; (6) recommending that, in order to meet the changing demands on the Service including the introduction of Universal Credit, the temporary posts contained within the Staffing Structure be made permanent; (7) proposing that the current temporary 2nd Tier Review Officer post, at salary grade NLC8, be extended until 31 March 2016, and (8) setting out the timeline and progress towards the introduction of the permanent scheme.

Decided:

- (1) that the significant progress made in the delivery of the Scottish Welfare Fund be noted;
- (2) that the demand on the Service and current spend to date be noted;
- (3) that the temporary posts contained within the staffing structure be made permanent;
- (4) that the temporary post of 2nd Tier Review Officer, at salary grade NLC8, be extended for the period up to 31 March 2016, and
- (5) that the report be remitted to the Policy and Resources (Human Resources) Sub-Committee for consideration.

UNIVERSAL CREDIT ROLL OUT

11. There was submitted a report dated 16 February 2015 by the Head of Revenue Services providing an update on the introduction and roll out of Universal Credit in North Lanarkshire (1) advising that Universal Credit would be introduced in North Lanarkshire on 9 March 2015, with initially only single claimants with housing costs being eligible to claim Universal Credit; (2) intimating that the Department for Work and Pensions (DWP) had estimated that the level of claims in the first year would be around 5,780; (3) setting out details of the arrangements in respect of the payment of Universal Credit and the delivery of universal support; (4) indicating that the DWP had developed a learning and development presentation which would be provided to the appropriate Council officers, and (5) providing details of the ongoing negotiations with the DWP in relation to the Universal Credit Support Delivery Partnership Agreement, including funding levels.

Decided: that the contents of the report be noted.

FIRST STOP SHOP SUPPORT FOR UNIVERSAL CREDIT INTRODUCTION

12. There was submitted a report dated 22 January 2015 by the Head of E-Government and Service Development regarding the introduction of Universal Credit in North Lanarkshire (1) advising that whilst the Department for Work and Pensions (DWP) expected customers to be directed to them, there was a recognition that during the transition period there would be a significant impact on the Council's First Stop Shops and thereafter the Scottish Welfare Fund as the roll-out moved forward, and (2) proposing that, in order to address the anticipated increase in footfall in the network of First Stop Shops, the six temporary posts of Customer Services Officer at salary grade NLC5 be extended for a further period of six months.

Decided:

- (1) that the six temporary posts of Customer Services Officer, at salary grade NLC5, be extended for a further period of six months, and
- (2) that the report be remitted to the Policy and Resources (Human Resources) Sub-Committee for consideration.

FORMER TENANT ARREARS WRITE-OFF TO 31 MARCH 2013

13. With reference to paragraph 27 of the Minute of the meeting of the Housing and Social Work Services Committee held on 29 January 2015, when that Committee, having considered a report dated 29 January 2015 by the Joint Acting Head of Housing and Social Work Resources seeking approval to write-off former tenant arrears prior to 31 March 2013 totalling £716,021, had agreed (1) to write-off former tenant arrears totalling £716,021 in relation to the period ending 31 March 2013, and (2) 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.

UPDATE ON IMPLEMENTATION OF ICT STRATEGY - ICT TRANSFORMATION PROGRAMME UPDATE

14. With reference to paragraph 12 of the Minute of the meeting of this Sub-Committee held on 26 November 2014, there was submitted a report dated 27 January 2015 by the Head of E-Government and Service Development providing an update on the implementation of the North Lanarkshire ICT Strategy (1) providing details of the key developments and milestones in respect of Network Redesign, Flexible and Mobile Working and High Schools Bandwidth Upgrade; (2) advising that, in line with agreed governance procedures, another three further projects had been approved to proceed, and (3) setting out details of the three additional projects, School Service Desk Phase 2, Paperlite Project, and Desktop Upgrade to Support Digital Services, as detailed in Appendix 1 to the report.

Decided: that the terms of the report be noted.

PROCUREMENT OF SINGLE VENDOR FOR IT NETWORK EQUIPMENT

15. There was submitted a report dated 27 January 2015 by the Head of E-Government and Service Development regarding the provision of IT network equipment (1) detailing the financial and service benefits of identifying a single vendor for the supply of IT network equipment, and (2) proposing that a

procurement exercise be undertaken to identify a single vendor for IT network equipment for a five year period with the option to extend for a further period of two years at an estimated cost of £3.6m.

Decided: that a procurement exercise be undertaken to secure a single vendor for the Council's IT network equipment for a period of five years with the option to extend for a further period of two years at an estimated cost of £3.6m.

PUBLIC AND EMPLOYER LIABILITY INSURANCE TENDER 2015

16. With reference to paragraph 16 of the Minute of the meeting of this Sub-Committee held on 26 November 2014, when it was agreed that a competitive tendering exercise be undertaken for the Council's liability insurance policy, there was submitted a report dated 6 February 2015 by the Head of Revenue Services regarding the outcome of the tender process for the renewal of the Council's combined Liability Insurance Programme (1) setting out the evaluation process and scoring methodology which had been based on a benchmark analysis exercise based on historical claim data; (2) advising that submissions from Maven Public Sector and Travellers Insurance Company had failed to achieve the minimum score to progress through the selection stage, and (3) indicating that, after checking and evaluation, the most economically advantageous tender was that submitted by Risk Management Partners, London, with a deductible excess of £500,000, a target aggregate cap of £2.75m and premium of £201,780.

Decided: that the Executive Director of Corporate Services be authorised to accept the offer from Risk Management Partners, London for the Council's Public and Employer Liability Insurance with a deductible excess of £500,000, a target aggregate cap of £2.75m and premium of £201,780, for a five year period.