

**POLICY AND RESOURCES (FINANCE AND CUSTOMER SERVICES) SUB –
1 March 2017**

Motherwell, 1 March 2017 at 2 pm.

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

PRESENT

Councillor Burrows, Convener; Councillors Baird, Bonnar, Brooks, Hume, Kelly, Love, Lunny, McAnulty, McCulloch, McKay, A. McVey, O'Brien, G. O'Rorke, Stevenson and Stocks.

CHAIR

Councillor Burrows (Convener) presided.

IN ATTENDANCE

Head of Business for Financial Solutions, Head of Revenue and E-Government Solutions and Democratic Services Manager.

APOLOGIES

Councillors J. Coyle, Jones, Shevlin and Spowart.

CONVENER'S OPENING REMARKS

The Convener indicated that, as this was the last meeting of the Sub-Committee prior to the Council Elections, he wished to thank the Members and Officers for their participation and contribution to the work of the Sub-Committee.

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

1. No declarations were noted.

REVENUE BUDGET MONITORING REPORT 2016/17 – COUNCIL SUMMARY

2. There was submitted a report dated 6 February 2017 by the Head of Business for Financial Solutions (1) advising of the overall financial position for both the General Fund Account and the Housing Revenue Account for the financial year to 31 March 2017; (2) projecting a year end surplus of £8.463m which was due to a number of factors, details of which were contained within the report; (3) providing a comparison of projected outcome expenditure with the budget for the period 1 April 2016 to 6 January 2017, together with explanations for the most significant variances, and (4) setting out the consolidated budget monitoring position of all Services, with additional information available within the Appendices to the report.

Decided: that the report be noted.

CAPITAL BUDGET MONITORING REPORT 2016/17 – COMPOSITE CAPITAL PROGRAMME

3. There was submitted a report dated 7 February 2017 by the Head of Business for Financial Solutions (1) advising of the Composite Capital Programme for 2016/17; (2) outlining the projected year end outturn position and resultant variances, and (3) providing a summary of the position of the Composite Services Capital Programme and the HRA Capital Programme as at 6 January 2017, within Appendix 1 to the report.

Decided: that the report be noted.

TREASURY MANAGEMENT MONITORING REPORT – 1 OCTOBER TO 31 DECEMBER 2016

4. There was submitted a report dated 7 February 2017 by the Head of Business for Financial Solutions (1) advising of the Council's net overall borrowing position as at 31 December 2016, 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 1 October to 31 December 2016, 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 2016, including the positive performance against Key Prudential Indicators, be noted.

TREASURY MANAGEMENT STRATEGY 2017/18 AND TREASURY AND PRUDENTIAL INDICATORS 2017/18 TO 2019/20

5. With reference to paragraph 7 of the Minute of the meeting of this Sub-Committee held on 2 March 2016, there was submitted a report dated 7 February 2017 by the Head of Business for Financial Solutions (1) outlining with Appendix A to the report, (a) the Treasury Management Strategy for 2017/18 in accordance with the CIPFA Code of Practice on Treasury Management, and (b) the Treasury and Prudential Indicators for 2017/18 to 2019/20, 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 2017/18 onwards were prudent and affordable.

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

- (1) that the Treasury Management Strategy 2017/18, as set out within Appendix A to the report be approved, and
- (2) that the Treasury and Prudential Indicators and borrowing limits for 2017/18 to 2019/20, together with the policy on Repayment of Loan Fund Advances 2017/18, as detailed in Appendix A to the report, be adopted.

**REVENUE AND E-GOVERNMENT SOLUTIONS QUARTERLY EXCEPTIONS REPORT – APRIL TO
DECEMBER 2016**

6. There was submitted a report dated 9 February 2017 by the Head of Revenue and E-Government Solutions (1) advising of Revenue and E-Government Solutions performance results for the third quarter of financial year 2016/17, and (2) setting out those performance portfolio indicators not performing within acceptable thresholds and the corrective action required, those exceeding targets and those on target as detailed in Appendices A and B of the report.

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 30 November 2016, there was submitted a report dated 1 February 2017 by the Head of Revenue and E-Government Solutions (1) updating the Sub-Committee on payment performance for Council Tax and Non Domestic Rates, and the administration of Housing Benefit and the Council Tax Reduction Scheme for the financial year 2016/17, together with comparable figures for the same period for the previous financial year and details of Council Tax Collection levels since 1993/94; (2) indicating that the average number of days to process new claims and changes to Council Tax and Housing Benefit was 21 days for new claims and 8 days for a change of circumstances; (3) outlining the background to the Council Tax Reduction Scheme, which had replaced Council Tax Benefit on 1 April 2013, together with a comparison of the total award on a monthly basis from 2015/16 to 2016/17; (4) informing that, in relation to Discretionary Housing Payments, £3.518m had been paid from the funding received from the Department for Work and Pensions (DWP), for all successful applications received as at 31 January 2017, and (5) advising (a) that the Scottish Government had introduced legislation to impose a higher Council Tax charge for properties in Bands E to H by changing the multiplier which determined the charge ratio across Council Tax Bands from 1/9th to 1/360th and increasing the ratio for the higher banded properties; (b) that the change was effective from 1 April 2017 and applied to Council Tax charges only, and (c) that single person households with a net annual income of up to £16,750 and all other households with a net annual income of up to £25,000 and with less than £16,000 in savings were eligible to apply for a full exemption from the increased charge through the Council Tax Reduction Scheme.

Decided: that the report be noted.

**REMIT FROM THE HOUSING AND SOCIAL WORK SERVICES COMMITTEE OF
2 FEBRUARY 2017 – FORMER TENANT ARREARS WRITE OFF TO 31 MARCH 2015**

8. With reference to paragraph 17 of the Minute of the meeting of the Housing and Social Work Services Committee held on 2 February 2017, when that Committee, having considered a report dated 17 January 2017 by the Head of Housing Solutions seeking approval to write-off former tenant rent arrears prior to 31 March 2015 totalling £807,006, had agreed (1) to write-off former tenant rent arrears totalling £807,006 in relation to the period ending 31 March 2015, 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.

SCOTTISH WELFARE FUND – PERFORMANCE REPORT 2016/17

9. With reference to paragraph 7 of the Minute of the meeting of this Sub-Committee held on 30 November 2016, there was submitted a report dated 3 February 2017 by the Head of Revenue and E-Government Solutions (1) providing a performance update for the Scottish Welfare Fund activity for the first three quarters of 2016/17; (2) outlining the background to the Scottish Welfare Fund, which was governed by the Welfare Funds (Scotland) Act, the Welfare Funds (Scotland) Regulations, and the Scottish Welfare Fund Statutory Guidance, to deliver Community Care Grants and Crisis Grants; (3) indicating that the total number of applications to the Fund had increased by 8% for the first three quarters of 2016 compared to 2015, details of which were provided within Tables 1 and 2 of the report; (4) highlighting that all Crisis applications had been adjudicated within 24 hours of receipt, with 98% of those applications adjudicated within 4 hours; (5) detailing, within Table 3 of the report, the spend analysis for the first three quarters of 2016/17; (6) informing that the priority setting for the Fund remained at high and was restricted to the most compelling cases, and (7) setting out within Table 5 of the report, an overview of the subsidy North Lanarkshire Industries had received from the Fund for the first three quarters of 2016/17.

Decided:

- (1) that the progress and performance of the Scottish Welfare Fund, to date, be noted, and
- (2) that the report be otherwise noted.

TENDER FOR THE PROVISION OF CASH COLLECTION SERVICES

10. With reference to paragraph 23 of the Minute of the meeting of this Sub-Committee held on 14 September 2016, there was submitted a report dated 16 February 2017 by the Head of Business for Financial Solutions (1) seeking approval to commence a competitive tendering process for the provision of Cash Collection Services; (2) advising that the current contract terminated on 30 September 2017, and (3) intimating (a) that the proposed contract was for a period of 3 years with the option to extend for a further period not exceeding 1 year, and (b) that the estimated contract value based on current service levels was approximately £150,000 per annum or £600,000 over the full four year contract period.

Decided: that a competitive tendering process be undertaken for the provision of Cash Collection Services.

REQUEST FOR EXTENSION OF CONTRACT VALUE FOR PROCUREMENT OF LOCAL AREA NETWORK (LAN) AND WIRELESS LOCAL AREA NETWORK (WLAN) EQUIPMENT

11. With reference to paragraph 30 of the Minute of the meeting of this Sub-Committee held on 9 September 2015, when it was agreed that the framework contract for the provision of Local Area Network (LAN) and Wireless Local Area Network (WLAN) Equipment be awarded to CSA Waverley, in partnership with Virgin Media, at a projected spend of £3,011,238 over the four year contract period, there was submitted a report dated 10 January 2017 by the Head of Revenue and E-Government Solutions (1) advising that at the time of contract award the pound to dollar exchange rate was approximately \$1.50: £1.00, however, it had subsequently dropped to \$1.22:£1.00, a drop in value of 19%, which was approximately £600,000 against the value of the contract; (2) intimating (a) that the initial scope of the contract was estimated over the entire estate using general templates, however, as the work progressed there had been variation in the quantities of equipment required, particularly the volume of wireless access points had increased significantly due to demand within the High School establishment; (b) that it was expected that the Primary Schools estate would follow a similar pattern to that of the High School establishment, and hence the demand was greater than that

originally estimated, and (c) that it was estimated that both of the variations within schools would result in an additional £200,000 of spend to complete the work, and (3) seeking approval to extend the value of the framework contract by £800,000 to a total value of £3,811,238.

Decided: that the value of the framework contract for the Provision of LAN and WLAN Equipment to CSA Waverley, in partnership with Virgin Media, be extended by £800,000 to a total value of £3,811,238.

SUPPLY OF SERVER AND STORAGE HARDWARE

12. There was submitted a report dated 27 January 2017 by the Head of Revenue and E-Government Solutions (1) detailing the benefits of identifying a single supplier for IT Server and Storage Infrastructure Equipment and Services, and (2) proposing that an evaluation and procurement process be undertaken to identify a single supplier for IT Server and Storage Infrastructure Equipment and Services for a period of 5 years at an estimated cost of £1.8m.

Decided: that an evaluation and procurement process be undertaken to identify a single supplier for IT Server and Storage Infrastructure Equipment and Services for a period of 5 years at an estimated cost of £1.8m.

INSURANCE TENDER FOR RIGHT TO BUY PROPERTIES

13. With reference to paragraph 29 of the Minute of the meeting of this Sub-Committee held on 9 September 2015, when it was agreed that the Right to Buy Properties Insurance contract with Zurich Municipal be extended for a further period of 1 year, there was submitted a report dated 27 January 2017 by the Head of Revenue and E-Government Solutions (1) advising that as the contract with Zurich Municipal expired on 15 May 2017, and OJEU Open Tender opportunity was advertised on the Public Contracts Scotland Portal on 20 December 2016, following consultation with the Council's Corporate Procurement team and the Council's insurance broker (AON); (2) summarising, within Appendices 1 and 2 to the report, the outcome of the tender evaluation process which was based on 60% price and 40% quality; (3) indicating that, following completion of the evaluation, the most economically advantageous tender was that submitted by Marsh-Ageas, in the sum of £2,139,850.88, and (4) proposing that the contract for Right to Buy Properties Insurance be awarded to Marsh-Ageas, for a period of 3 years commencing on 15 May 2017 with the option to extend for a further period of 1 year.

Decided: that the contract for Right to Buy Properties Insurance be awarded to Marsh-Ageas, for a period of 3 years commencing on 15 May 2017 with the option to extend for a further period of 1 year at a total cost of £2,139,850.88.

WEB FILTERING SOLUTION FOR BOTH THE CORPORATE AND SCHOOL ENVIRONMENTS

14. There was submitted a report dated 1 February 2017 by the Head of Revenue and E-Government Solutions (1) detailing the benefits of identifying a single supplier for Web Filtering Equipment and Services for both the Corporate and School Environments, and (2) proposing that an evaluation and procurement process be undertaken to identify a single supplier for Web Filtering Equipment and Services for both the Corporate and School environments for a period of 5 years at an estimated cost of £350k.

Decided: that an evaluation and procurement process be undertaken to identify a single supplier for Web Filtering Equipment and Services for both the Corporate and School environments for a period of 5 years at an estimated cost of £350k.

OFFICE EQUIPMENT WITH PRINT MANAGEMENT SOFTWARE 2017-2023

15. With reference to paragraph 22 of the Minute of the meeting of this Sub-Committee held on 14 September 2016, when it was agreed that a procurement exercise be undertaken using the Scottish Procurement Office Equipment Framework to procure a new Multi Function Device (MFD) provision and support contract with the inclusion of enhanced print management software, there was submitted a report dated 20 February 2017 by the Head of Revenue and E-Government Solutions (1) summarising, within Appendices 1 and 2 to the report, the outcome of the tender evaluation process which was based on 60% price and 40% quality; (2) indicating that, following completion of the evaluation, the most economically advantageous tender was that submitted by Canon UK Limited; (3) highlighting that, in accordance with the agreed approach to measuring and recording procurement savings, the proposed contract had provided a saving of circa 38% when compared against the current contract rates and related spend, and (4) proposing that the contract for Office Equipment with Print Management Software be awarded to Canon UK Limited, for a period of 5 years commencing on 1 April 2017 with the option to extend for a further year.

Decided:

- (1) that the contract for Office Equipment with Print Management Software be awarded to Canon UK Limited, for a period of 5 years commencing on 1 April 2017 with the option to extend for a further year, and
- (2) that the use of Print Management Software to help deliver a secure, more cost effective print environment throughout the Council be noted.