

# Minutes

## Finance and Resources Committee

10.00 am, Thursday, 31 October 2013

### Present

Councillors Rankin (Convener), Bill Cook (Vice-Convener), Corbett, Dixon, Doran (substituting for Councillor Ricky Henderson), Edie, Godzik, Griffiths, Jackson, McVey, Ross, Walker and Whyte.

### 1. Minute

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#### Decision

To approve the minute of the Finance and Budget Committee of 19 September 2013 as a correct record.

### 2. Key Decisions Forward Plan

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The Finance and Resources Committee Key Decisions Forward Plan for 1 November to 31 December 2013 was presented.

#### Decision

To note the Key Decisions Forward Plan for November-December 2013.

(Reference – Finance and Budget Committee Key Decisions Forward Plan November-December 2013, submitted.)

### 3. Business Bulletin

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The Finance and Resources Business Bulletin for October 2013 was presented.

#### Decision

To note the Business Bulletin.

(Reference - Finance and Budget Committee Business Bulletin, submitted.)

### 4. Governance of Major Projects: Progress Report

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The former Policy and Strategy Committee, at its meeting on 7 August 2012, agreed the role and remit of the Corporate Programme Office (CPO), which included governance of major projects; namely those with a value of £5m plus, or which were particularly sensitive to the Council's reputation. Committee considered the scheduled quarterly update report, which advised of progress made across these projects.

## **Decision**

- 1) To note the current synopsis of the dashboard reports for the major projects portfolio as set out in appendix 1 to the report;
- 2) To note the proposed schedule of assurance reviews in appendix 2 to end March 2014; and
- 3) To note the current analysis of the status of recommendations from assurance reviews in appendix 3, and the current status of priority actions in appendix 4.

(Reference – report by the Director of Corporate Governance, submitted.)

## **5. Revenue Budget 2013/14 – Half Year Position**

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Details were provided of the projected current-year revenue monitoring position for the Council at the half-year position, which showed a balanced overall outturn subject to ongoing management of a number of risks and pressures.

### **Decision**

- 1) To note the projected balanced revenue monitoring position at the half-year position;
- 2) To note the proposed mitigating actions to manage emerging pressures within Corporate Budgets;
- 3) To note the balanced position projected on the HRA, after utilisation of £10m for voluntary debt repayments, funding capital investment or transfer to reserves; and
- 4) To note that, in view of the range of existing and emerging risks affecting service areas, key budget pressures and savings must be actively managed to ensure that a balanced position is delivered at the year-end.

(Reference – report by the Director of Corporate Governance, submitted.)

## **6. Revenue Budget Monitoring 2012/2013 – Month 5 Position**

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Committee was advised of the financial position after five months of the financial year and updated on the projected outturn for the year 2013/14.

### **Decision**

- 1) To note the service was currently projecting a balanced revenue position,
- 2) To note the risks to the Corporate Governance 2013/14 budget position.

(Reference – report by the Director of Corporate Governance, submitted.)

## **7. Capital Monitoring 2013/2014 – Half Year Position**

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Details were provided of the overall position of the Council's capital budget at the half year position and the projected outturn for the year.

## **Decision**

- 1) To note the projected capital outturn positions on the General Fund and the HRA at month 5;
- 2) To approve that future receipts where either ring-fencing or a 20% allocation to services has not already been approved will now become a corporate resource to meet future capital expenditure requirements;
- 3) To approve the commitment from service directors not to seek to ring-fence receipts from asset disposals;
- 4) To note the prudential indicators at month five; and
- 5) To note that the Director of Services for Communities was closely monitoring the capital receipts position.

(Reference – report by the Director of Corporate Governance, submitted.)

## **8. Welfare Reform – Financial Update**

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The Corporate Policy and Strategy Committee had agreed on 6 August 2013 that reports on the continuing financial pressures and associated risks arising from the implementation of welfare reform were to be referred to the Finance and Budget Committee. An update was provided on the current financial impacts of the Scottish Welfare Fund (SWF), Discretionary Housing Payment, Council Tax Reduction Scheme, and the increase in housing arrears since the introduction of the Under Occupancy regulations on 1 April 2013.

## **Decision**

- 1) To note the considerable underspend in the CG fund and the actions that would be taken to mitigate this;
- 2) To note the additional DHP funding being made available from the Scottish Government and Department of Works and Pensions;
- 3) To note the CTRS funding continued to be part of the Local Government settlement negotiations; and
- 4) To note the increased demand on services due to the Welfare reform Act 2012.

## **Declaration of interest**

Councillor Corbett declared a financial interest in the above item as an employee of Shelter Scotland, and left the meeting during the discussion of this item.

(Reference – report by the Director of Corporate Governance, submitted.)

## **9. Protecting Vulnerable Groups (PVG) Scheme – Payment of Registration Fees for Existing Employees**

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Committee was advised that the Council had until October 2013 to complete the retrospective Protecting Vulnerable Groups (PVG) registration for approximately 10,000 existing employees undertaking regulated work. The decision taken in February 2011 at the Policy and Strategy Committee that existing employees should bear the cost of

PVG registration had been subject to Trade Union opposition. The majority of Scottish local authorities had now decided to fund the cost of PVG registration for existing employees, and the Scottish Government had recently instructed Health Boards to pay the registration fee for NHS staff. Given these precedents and the likelihood of industrial action if the policy continued to be followed, Committee was asked to note the revised position and confirm that the Council would pay the PVG registration fee for existing staff, with refunds given to those who had already paid.

### **Decision**

To note the revised position and confirm that the Council would pay the PVG registration fee for all existing employees, and refund the fee to those who had already paid.

(Reference – report by the Director of Corporate Governance, submitted.)

## **10. Capital Coalition Pledge 26 – Request for Further Information**

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Having noted the position regarding the commitment to no compulsory redundancies, the Council, at its meeting on 30 May 2013, had asked for a further report to go to the Finance and Resources Committee on the numbers, skill sets and end destinations of those employees who had not been successfully redeployed.

### **Decision**

To note the report, subject to amendment of the figures in the first table of appendix 1 for accuracy.

(Reference – report by the Director of Corporate Governance, submitted.)

## **11. ICT and Digital Transformation Programme: Our Future ICT Service**

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Committee was advised that the contract for outsourced ICT services, currently held by BT, was due to expire on 31 March 2016. Services, requirements and costs had changed over the duration of the contract, and it was proposed that ICT services would be re-procured through a competitive dialogue process to ensure the Council's needs were met.

### **Decision**

- 1) To note the content of the report;
- 2) To approve the ICT re-procurement based on a competitive dialogue process;
- 3) To note that progress was being made in data capture for defining the ICT requirements and that key external resources had been appointed; and
- 4) To note that the next quarterly update would come to Committee in February 2014.

(Reference – report by the Director of Corporate Governance, submitted.)

## 12. Cleaning Services for the Usher Hall and Assembly Rooms

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Approval was sought for the appointment of GBM Cleaning Services for a four-month period until 31 March 2014, in order that it co-terminated with other cleaning contracts which would be replaced by a new city-wide contract beginning 1 April 2014.

### Decision

To approve the appointment of GBM Cleaning Services for a four month period until 31 March 2014.

(Reference – report by the Director of Corporate Governance, submitted.)

## 13. Contracts Awarded under Delegated Authority

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An update on contracts awarded under the waiver of Standing Orders process for the period 1 November 2012 to 31 August 2013 was provided.

### Decision

To note the report and the authorisations made under delegated authority.

(Reference – report by the Director of Corporate Governance, submitted.)

## 14. Partnership and Procurement Arrangements with Edinburgh and Lothians Greenspace Trust

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Committee considered a report which sought a waiver of contract Standing Orders to allow the Edinburgh and Lothians Greenspace Trust (ELGT) to continue to deliver improvement works to the Council's parks, play parks and green spaces. The Trust, created by the Council in association with neighbouring local authorities and central government agencies, had the ability to access external funding streams which the Council could not.

### Decision

- 1) That Contract Standing Orders be waived meantime to allow works to continue to be delivered by Edinburgh and Lothians Greenspace Trust; and
- 2) To request that further information on why ELGT was uniquely placed to be able to deliver on Council outdoor projects be brought to a future meeting of the Finance and Resources Committee.

(Reference – report by the Director of Services for Communities, submitted.)

## 15. Policy on Fraud Prevention

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Details were provided of the draft Policy on Fraud Prevention which had been developed in consultation with internal audit, employment law and HR policy team, finance and staff side trade unions. The policy was intended to form part of a suite of policies developed to complement each other and create a comprehensive package of employee and management responsibilities and employee rights.

### Decision

- 1) To approve the draft Policy on Fraud Prevention; and

- 2) To approve the development of a joint implementation plan to facilitate the implementation of the policy provisions.

(Reference – report by the Director of Corporate Governance, submitted.)

## **16. School Holiday Respite/Playschemes for Disabled Children and Young People for the Period April 2014-31 March 2017**

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An update was provided on the recently undertaken procurement process for school holiday respite/playschemes for disabled children and young people for the period 1 April 2014-31 March 2017.

### **Decision**

- 1) To approve the award of a combined contract to the Action Group (trading as INC Consortium, which includes Action Group, Fabb Scotland, Kidzcare Ltd, Lothian Autistic Society and The Yard) for playschemes (Lot 1), and activity days and residential (Lot 2) for a period of 3 years (with option to extend for a further 2 years;
- 2) To delegate authority to officers to award Lot 3 to suitable internal or external party, provided that costs are met from within the original budget; and
- 3) To authorise the Director of Children and Families to agree the final terms of the contract and enter into the contract for Lots 1 and 2.

### **Declaration of interest**

Councillor Edie declared a financial interest in the above item as a Board Member of the Care Inspectorate, and left the meeting during the discussion of this item.

(Reference – report by the Director of Children and Families, submitted.)

## **17. Contract for Treatment and Disposal of Residual Waste**

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Approval was sought for the award of a 3-Lot contract for the treatment and disposal of residual waste for a term of three years, with an option to extend for a further two twelve month periods.

### **Decision**

- 1) To approve the appointment of Hamilton Waste and Recycling Ltd to Lot 1 – Receipt and Treatment of Community Recycling Centre (CRC) Residual Waste (subject to agreement between the Council and contractor on the final terms of the contract);
- 2) To approve the appointment of Levensat Ltd to service Lot 2 - Receipt and Treatment of Residual Waste from Street Cleaning Activities (subject to agreement between the Council and contractor on the final terms of the contract); and
- 3) To approve the appointment of Levensat Ltd to service Lot 3 - Receipt and Treatment of Mechanical Street Sweeping Waste (subject to agreement between the Council and contractor on the final terms of the contract);

(Reference – report by the Director of Services for Communities, submitted.)

## **18. Finance and Resources Policy Development and Review Sub-Committee Work Programme**

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Details were provided of the Finance and Resources Policy Development and Review Sub-Committee work programme for the period 8 November 2013 to 16 May 2014.

### **Decision**

To approve the work programme.

(Reference – Finance and Resources Policy Development and Review Sub-Committee work programme, submitted.)

## **19. Extension of Statutory Compliance Contracts for Council non-Housing Properties**

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A review of current arrangements for Statutory Compliance Contracts for the Council's non-housing properties had taken place and a procurement process to update and consolidate the suppliers was being progressed. Approval was sought for the extension of the current arrangements up to 30 June 2014, or when the new contracts were in place, whichever was the sooner, in order that the Council could continue to meet its legal obligations.

### **Decision**

- 1) To note that the extension of the current contractual arrangements would mitigate the risks to mandatory statutory compliance programmes;
- 2) To note that a procurement process was in place to consolidate and tender the Council's statutory compliance contracts for non-housing properties; and
- 3) To approve the extension of the existing contractual arrangements as required until 30 June 2014, or until the contracts currently going through the procurement process were in place, whichever was sooner, to allow the procurement and implementation of new, consolidated statutory compliance projects.

(Reference – report by the Director of Services for Communities, submitted.)

## **20. Resolution to consider in private**

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### **Decision**

The Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following items of business on the grounds that they involved the disclosure of exempt information as defined in Paragraph 12 of Schedule 7(A) of the Act.

## 21. Property Conservation – Resolution of Outstanding Financial Issues

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Approval was sought for adoption of proposals for the resolution of certain financial issues relating to Statutory Notice payments and the delegated authority to administer the process.

### Decision

Detailed in the Confidential Schedule, signed by the Convener, with reference to this minute.

(Reference – report by the Director of Services for Communities, submitted.)

## 22. Scottish Welfare Fund – Provision of Community Care Grant Products/Services

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Approval was sought for the extension of the contract for Community Care Grant products/services provided by the Bethany Christian Trust until 31 March 2014. It was proposed that the Council participate in the Scotland Excel Framework for provision of these services from 1 April 2014 to 12 May 2015, with the option to extend for up to a further two one year periods to 12 May 2017.

### Decision

- 1) To participate in the Scotland Excel Framework for the provision of Scottish Welfare Fund products/services from 1 April 2014-12 May 2015, with the option to extend for up to two one year periods to 12 May 2017;
- 2) To extend the contract with the Bethany Christian Trust for the period 1 January 2014 to 31 March 2014;
- 3) That a contract amendment be made at 31 March 2014 to recompense the Bethany Christian Trust for any loss of administration fees incurred as a result of a contract value shortfall for the period 1 April 2013 to 31 March 2014; and
- 4) To note the savings and additional product/service choices as detailed in the report by the Director of Corporate Governance.

(Reference – report by the Director of Corporate Governance, submitted.)

## 23. Miscellaneous Debts – Write Off

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Committee was asked to approve the write-off of miscellaneous debts totalling £174,347.21 that were outstanding and deemed uncollectable.

### Decision

- 1) To approve the write-off of £174,347.21 of miscellaneous debt, as detailed in appendix 1 to the report by the Director of Corporate Governance.
- 2) To ask that a review of the Council approach to debt in connection with commercial lettings be undertaken, including looking to initiate debt recovery procedures before large debts are accrued.

(Reference – report by the Director of Corporate Governance, submitted.)