

## ANGUS COUNCIL

MINUTE of MEETING of the **FINANCE AND INFORMATION TECHNOLOGY COMMITTEE** held in the Town and County Hall, Forfar on Tuesday 15 April 2003 at 4.35pm.

**Present:** Councillors ALEX KING, IAN MACKINTOSH, BILL MIDDLETON, GLENNIS MIDDLETON, BRIAN MILNE, PETER MURPHY, ROB MURRAY, ROBERT MYLES, PETER NIELD, HELEN OSWALD, BILL ROBERTON and RON SCRIMGEOUR.

**Apology:** An apology for absence was intimated on behalf of Councillor DAVID SELFRIDGE.

Councillor KING, Convener, in the Chair.

Prior to the commencement of business, as this was the last meeting of the Committee to be held before the elections, the Convener thanked all the officers for the support which he and the Committee had received over the last four years.

### 1. DECLARATIONS OF INTEREST

The Committee agreed to note that no declarations of interest were made.

### 2. MINUTE OF PREVIOUS MEETING

The [minute of meeting of this Committee of 11 March 2003](#) was approved as a correct record and signed by the Convener.

### 3. CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME 2002/2003

With reference to Article 2 of the minute of meeting of this Committee of 11 March 2003, there was submitted [Report No 499/03](#) by the Director of Finance advising the Committee of the capital expenditure incurred for the period from 1 April 2002 to 28 February 2003 and measuring the projected capital expenditure for the year against budgeted provision and available resources for the year.

The Report indicated that actual expenditure to the end of February totalled £7.121 million which equated to 64% of the revised budget of £11.189 million for the year. In addition to actual expenditure achieved, work was ongoing on a number of projects for which no payment had, as yet, been made. Such payments would, of course, be reflected within the actual spend levels of future statements. The position, although not unusual when compared with previous year trends, would be closely monitored by Departmental Directors with a view to maximising budgeted expenditure for the year.

Although the Composite Capital Programme was currently projecting an underspend, it was noted that the level of underspend was well within permitted carry forward limits pertaining to rephasing of resources from 2002/2003 for use within 2003/2004. In addition, as part of the budget process of 2003/2004, it was expected that the Director of Finance would review the position on the Composite Capital Programme and address issues relating to the projected spend position, possible slippage on projects and overall resources potentially available.

The Committee, for its interest, agreed:-

- (i) to note the position as at 28 February 2003 on the Composite Capital Programme as per the accompanying monitoring statement;
- (ii) to note that projections of the year-end position would be on-going and subject to further monitoring; and
- (iii) to authorise the Director of Finance to utilise capital financing resources to bring about the most advantageous year end position for financial year 2002/2003.

#### **4. HOUSING CAPITAL PROGRAMME - HRA BLOCK 2002/2003**

With reference to Article 3 of the minute of meeting of the Housing Committee of 1 April 2003, there was submitted [Report No 394/03](#) by the Director of Finance relating to the HRA Housing Capital Programme and the HRA Planned Maintenance Programme for 2002/2003.

The Report advised that the latest spend position to 28 February 2003 on the Housing Capital Programme was £4.595 million, which included internal fees to 31 December 2002. The actual spend achieved to 28 February 2003 on the 2002/2003 Planned Maintenance Programme equated to 50% of the budget of £1.426 million, with the total spend for the year currently assumed to be £1.378 million.

The Committee, for its interest, agreed to note the figures presented for the Housing Capital Programme and certain elements of the HRA Planned Maintenance.

#### **5. RENEWAL AND REPAIRS FUNDS**

With reference to Article 4 of the minute of meeting of this Committee of 11 March 2003, there was submitted [Report No 501/03](#) by the Director of Finance detailing the actual financial position of the Renewal and Repairs Funds for Property, Roads, Information Technology, Equipment, Vehicles and Printing. The Report indicated that the total balance available on the funds was £3,083,460.

The Committee agreed to note the contents of the Report.

#### **6. REVENUE MONITORING STATEMENT**

With reference to Article 6 of the minute of meeting of this Committee of 11 March 2003, there was submitted [Report No 502/03](#) by the Director of Finance on the actual revenue expenditure incurred and income received in respect of the Council's departments, as well as the Police, Fire and Valuation Joint Boards and the DLO's, for the period 1 April 2002 to 28 February 2003.

The Report indicated that, from the information contained in Sections B to F in the Appendix to the Report, under some of the cost heads, individual departmental actual expenditure was currently ahead of the phased budget. While there were no particular concerns arising from these areas, the position would continue to be monitored closely to ensure that overall net expenditure did not exceed departmental cash limited budgets.

The Committee, for its interest, agreed to note the contents of the Report.

#### **7. REVENUE BUDGET OUTTURN 2002/2003**

With reference to Article 7 of the minute of meeting of this Committee of 11 March 2003, there was submitted [Report No 503/03](#) by the Director of Finance updating the Committee on the likely revenue outturn for the financial year 2002/2003 on the General Fund and the Housing Revenue Account and indicating that there were no particular issues to draw attention to at this stage.

The Committee, for its interest, agreed to note the contents of the Report.

#### **8. REMISSION OF RATES**

With reference to Article 8 of the minute of meeting of this Committee of 11 March 2003, there was submitted [Report No 504/03](#) by the Director of Finance advising the Committee of an application for Remission of Rates and indicating that the granting of the application, as detailed in the Report, would be consistent with the Council's policy. The annual cost to the Council in respect of the application was £67.08.

The Committee agreed to approve the application for Remission of Rates, as detailed in the Appendix to the Report.

## 9. STOCK TAKE OF LOCAL GOVERNMENT PENSION SCHEME

With reference to Article 10 of the minute of meeting of the Personnel and Property Services Committee of 15 April 2003, there was submitted [Joint Report No 461/03](#) by the Chief Executive and the Director of Finance indicating Angus Council's response to the consultation exercise which had been undertaken by the Local Government Pension Committee with regard to the Office of the Deputy Prime Minister's stocktake of the Local Government Pension Scheme. A copy of the consultation paper, together with the Council's response, were attached to the Report.

The Committee, for its interest, agreed to homologate the action taken by the Director of Finance in submitting the response attached to the Report as Appendix 1, to both the Local Government Pension Committee and the Office of the Deputy Prime Minister.

## 10. FINANCIAL REGULATIONS - AMENDMENTS

With reference to Article 14 of the minute of meeting of this Committee of 12 March 2002, there was submitted [Report No 505/03](#) by the Director of Finance advising the Committee of the result of the ongoing review and monitoring of the Council's Financial Regulations to reflect the approved policies of the Council, including those amendments implemented under delegated authority in the preceding year. The Report highlighted the areas within Financial Regulations that had been updated to reflect the newly approved practices, with the relevant revised sections of Financial Regulations appended to the Report.

The Report concluded that the on-going review process in respect of Financial Regulations had resulted in an update to a number of sections, which reflected both policies of Angus Council and any relevant legal requirements that were considered suitable for approval by the Committee.

The Committee agreed:-

- (i) to note that this Report fulfilled the requirement arising from Report 355/02 to update members annually in respect of minor amendments to the Financial Regulations in the preceding year; and
- (ii) to approve the revisions to the Financial Regulations for operation within Angus Council as described in Section 3 of the Report and as appended to the Report.

## 11. 2003/2004 FINAL REVENUE AND CAPITAL BUDGET DOCUMENTS

With reference to Article 7 of the minute of meeting of this Committee of 12 March 2002, there was submitted [Report No 498/03](#) by the Director of Finance seeking approval of the 2003/2004 Final Revenue and Capital Budgets Volume and authorisation for it to be issued together with the Budget Guide Booklet.

The Report indicated that, at the time of the Council approving the total Revenue Budget for the 2003/2004 financial year, no apportionment of the Council's pay inflation provision and other corporate allocations had been made to departments. The allocation had now been made and was reflected in the Final Revenue Budgets for each department, published in the Final Revenue and Capital Budgets Volume. In addition to the allocation of these items, each Council department had also been given the opportunity to make any necessary virement adjustments to reflect changes in circumstances which had arisen since the base budgets had first been formulated in September 2002, with all such adjustments being made on a cost neutral basis within the approved budget totals agreed by the Council in setting the Council Tax.

At the special meeting of the Council on 13 February 2003, the Council had also approved the capital budget for the 2003/04 financial year. The Report highlighted the amendments which had been necessary in order to finalise each department's capital budget now included in the Final Revenue and Capital Budgets Volume.

The Committee agreed:-

- (i) to approve the amendments to departmental 2003/2004 revenue and capital budgets as detailed in the Report;
- (ii) to approve the contents of the 2003/2004 Final Revenue and Capital Budgets Volume (Annex B to the Report);
- (iii) to note that the department revenue budgets contained in the 2003/2004 Final Revenue and Capital Budgets Volume represented the Council's approved budget for monitoring purposes; and
- (iv) to approve the issuing of the 2003/2004 Final Revenue and Capital Budgets Volume together with the Budget Guide Booklet, in accordance with the distribution arrangements set out in the Report.

## **12. TREASURY MANAGEMENT STRATEGY STATEMENT - 2003/2004**

With reference to Article 10 of the minute of meeting of this Committee of 12 March 2002, there was submitted [Report No 506/03](#) by the Director of Finance apprising members of the proposed Treasury Management Strategy for Angus Council in 2003/2004.

The Report indicated that the production of a Treasury Management Strategy Statement for the forthcoming year was a requirement of the Treasury Management in the Public Services Code of Practice issued by the Chartered Institute of Public Finance and Accountancy in 2001. The Report also referred to the availability of the Treasury Management Systems Document, which covered detailed systems and procedures within the Treasury Management Section of the Finance Department.

The Committee, for its interest, agreed:-

- (i) to adopt the Treasury Management Strategy Statement as appended to the Report, for implementation within Angus Council;
- (ii) to note the requirements of the Treasury Management Policy Statement and Section 15 of the Council's Financial Regulations pertaining to Treasury Management; and
- (iii) to note the availability of the Treasury Management Systems Document, which covered detailed systems and procedures within the Treasury Management Section of the Finance Department, and the Treasury Management Practices Document.

## **13. BENEFIT FRAUD INSPECTORATE SECOND INSPECTION**

With reference to Article 9 of the minute of meeting of this Committee of 2 May 2000, there was submitted [Report No 507/03](#) by the Director of Finance advising the Committee of the Benefit Fraud Inspectorate's (BFI) second inspection Report on Angus Council's administration and counter fraud activity in Housing Benefit and Council Tax Benefit.

The Report indicated that the BFI had carried out this between June and September 2002. The BFI final report, which had been published in January 2003, a copy of which had been placed in the Member's Lounge, had acknowledged that Angus Council had responded positively to the recommendations made in the first Report published in May 2000. The current Report also noted that the extent of change required from 1 May 2000 represented a significant challenge and commended the Council for the improvements made.

A number of improvements had been recommended by the BFI and an Implementation Plan had been drawn up in order to take them forward, a copy of which was appended to the Report. The Department of Work and Pensions (DWP) required the Council to forward its Implementation Plan in a timetable which precluded a Report being prepared for Committee approval. Accordingly, the draft Implementation Plan had been presented to the Monitoring Group on 18 March 2003 for approval and had subsequently been forwarded to the DWP.

The Committee, for its interest, agreed:-

- (i) to note the contents of the BFI second inspection Report;
- (ii) to note the contents of the Implementation Plan appended to the Report;
- (iii) to note that Angus Council had been commended for the improvements made since the first inspection by the BFI; and
- (iv) to homologate the decision of the Monitoring Group to approve the Implementation Plan for forwarding to the Department of Work and Pensions.

#### **14. COUNCIL TAX COLLECTION PERFORMANCE**

With reference to Article 5 of the minute of meeting of this Committee of 7 May 2002, there was submitted Report No 508/03 by the Director of Finance giving the Committee an indication of the collection performance of Council Tax for the year ended 31 March 2003 and setting out comparisons with previous financial years.

The Report showed the indicative figure to the end of March 2003. However, this was somewhat provisional given that the final accounts process was in its early stages, but the final figure was not expected to move significantly.

Appendix A to the Report set out the detailed figures and showed the collection rate for 2002/2003 at 95.36% compared with 95.21% for 2001/2002 and again showed an increase in in-year performance. This meant that since 1996 there had been an annual improvement in the in-year collection rate. Up to the financial year 2001/2002, there had only been four other Councils that had achieved such an annual improvement. It was not known presently what the position at the end of 2002/2003 would be. If the information was available, it would be contained in the report on the collection of Council Tax to the next meeting of the Committee, as well as the information on Non-Domestic Rates and Community Charge.

The Committee agreed to note the contents of the Report.

#### **15. SCHOOLS PPP PROJECT**

With reference to Article 7 of the minute of meeting of the Education Committee of 15 April 2003, there was submitted [Joint Report No 483/03](#) by the Director of Education and the Director of Finance advising the Committee that Angus Council had received formal notification from the Scottish Executive Education Department that its bid to undertake a PPP Project aimed at improving schools in Forfar and Carnoustie had been successful. A copy of the notification was appended to the Report.

Considerable detailed work now required to be undertaken. That work would be taken forward timeously and it was hoped that further progress reports could be submitted periodically to the appropriate Committees as and when there was specific progress to report.

The Committee, for its interest, agreed:-

- (i) to note the contents of the Report and the letter from the Scottish Executive Education Department, a copy of which was appended to the Report; and
- (ii) to note that further Reports would be prepared for Committee consideration as the detailed planning for this project took shape.

#### **16. COMPUTER PROCUREMENT FRAMEWORK REVIEW**

With reference to Article 17 of the minute of meeting of this Committee of 7 May 2002, there was submitted [Report No 509/03](#) by the Director of Information Technology advising the Committee of the selection of suppliers under delegated authority for the supply of desktop computers, laptop computers, file servers, printers and scanners for corporate and educational use for the period 1 March 2003 to 31 August 2003 under the framework contract.

The Committee agreed to note the selection of suppliers under delegated authority for the period 1 September 2002 to 28 February 2003 as detailed in the Report.

#### **17. PILOT OF TELEPHONE SYSTEM USING VOICE OVER IP**

There was submitted [Report No 510/03](#) by the Director of Information Technology advising the Committee of a pilot Voice over IP telephone system at the Information Technology Department and the ICT Section of Education at Montrose Road, Forfar.

The Report indicated that, at present, the voice and data communications networks were completely separate systems. However, since the successful implementation of AngusNet the data networks at the majority of Council sites were now capable of carrying internal voice telephone calls over the existing Council infrastructure. This was due mainly to the increase in network bandwidth and quality of service now available.

In the medium to long term, it was anticipated that deploying a Voice over IP telephone system across Council sites could make savings over the running costs of the existing voice network, as well as offering significant operational benefits which were outlined in the Report.

There was currently a requirement to purchase a new PABX telephone system at the ICT Centre. It was therefore proposed to pilot a Voice over IP telephone system instead at similar cost and to include the Department of Information Technology in this pilot. The effectiveness of this pilot would be measured after installation to ascertain the savings and benefits that could be made should this technology be adopted across the Council.

The Committee agreed:-

- (i) to note the contents of the Report; and
- (ii) to approve the allocation of £23,000 from existing uncommitted balances in the IT Renewal and Repairs Fund to enable an initial pilot of Voice over IP technology.

#### **18. HARDWARE UPGRADE FOR REVENUES DIVISION**

With reference to Article 14 of the minute of meeting of this Committee of 7 May 2002, there was submitted [Report No 511/03](#) by the Director of Information Technology advising the Committee of the requirement to tender for the procurement of hardware relating to the Revenues Services of Finance. The Report also recommended the allocation of funds from the Information Technology Renewal and Repairs Fund for the procurement of elements relating to the Revenues Services.

The Report indicated that the Revenues Division used a software system provided by SX3. The company had developed a new version of the software to work in an Intranet/Internet environment to better allow e-Government related services to be delivered. It was proposed to undertake formal conversion projects with SX3 to an agreed timetable. To meet the target completion date of 1 November 2003, the project would start by early June 2003 at the latest. As the required upgrade to server equipment had to be completed in advance of this start date, it was proposed to begin the tender process for server procurement as soon as possible. The hardware previously procured as a result of Report 533/02 would be re-deployed to augment the performance of other Council systems.

The Committee agreed:-

- (i) to note the contents of the Report;
- (ii) to approve the allocation of £50,000 from current balances in the IT Renewal and Repairs Fund for the supply of hardware to upgrade systems in the Revenues Division of Finance; and
- (iii) to authorise the Director of IT to accept the most economically advantageous tender.

## 19. NETWORK HARDWARE UPGRADES AND REPLACEMENT

There was submitted [Report No 512/03](#) by the Director of Information Technology advising the Committee of the network hardware upgrades and replacements at several major sites throughout the Council to reduce congestion in data traffic and enhance network performance.

The Report indicated that the Department of Information Technology was reviewing the capacities of the Local Area Networks (LAN) within several major offices within the Council. The existing LAN infrastructure had been designed several years ago for much less data-intensive applications than were currently in use. Further planned application developments as the Council's e-Government strategy was implemented would increase the pressure on the infrastructure.

Several offices had been identified as requiring upgrades to their local networks and, in order to avoid data-congestion and provide increased capacity, the project would be carried out in four phases as outlined in the Report.

The Committee agreed:-

- (i) to note the contents of the Report; and
- (ii) to approve the provision of £60,000 from the IT Renewal and Repairs Fund to upgrade and replace network hardware and infrastructure as detailed in the Report.

## 20. EXCLUSION OF PUBLIC AND PRESS

The Committee resolved, in terms of Standing Order 27(2), that the public and press be excluded from the meeting during consideration of the following items, so as to avoid the disclosure of information which was exempt in terms of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973, paragraphs 6, 8, 9 and 10.

## 21. ANGUS DIGITAL MEDIA CENTRE - FINANCIAL MONITORING STATEMENT FOR THE PERIOD ENDED 31 JANUARY 2003

With reference to Article 18 of the minute of meeting of the Economic Development Committee of 10 April 2003, there was submitted [Joint Report No 472/03](#) by the Chief Executive and the Director of Finance outlining the financial performance of Angus Digital Media Centre Limited for the ten month period ended 31 January 2003.

The Committee, for its interest, agreed to note the contents of the Report.

## 22. EDUCATION DEPARTMENT MANAGEMENT INFORMATION SYSTEM

With reference to Article 12 of the minute of meeting of the Education Committee of 15 April 2003, there was submitted [Report No 481/03](#) by the Director of Education advising the Committee of the need for a robust electronic system to be purchased in order that schools could be effectively linked to centrally based services.

The Committee, for its interest, agreed to note the contents of the Report.