



MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE POLICY AND GOVERNANCE COMMITTEE HELD IN ANTRIM CIVIC CENTRE ON TUESDAY 5 SEPTEMBER 2017 AT 6.30PM

- In the Chair:** Councillor D Hollis
- Members Present:** Alderman –W DeCourcy,
Councillors – J Bingham, T Girvan, M Goodman, P Hamill, T Hogg, M Maguire, P Michael, N McClelland, B Webb
- Non-Committee Members Present:** Councillors – J Smyth, M Magill
- Officers Present:** Director of Organisation Development – Ms A McCooke
Director of Finance and Governance – Ms C Archer
Legal Advisor – Mr P Casey
ICT Officer – Mr C Bell
Member Services Officer – Mrs V Lisk

CHAIRMAN'S REMARKS

The Chairman welcomed everyone to the September Meeting of the Policy and Governance Committee and reminded all present of recording requirements.

1. APOLOGIES

Alderman F Agnew, Councillors B Duffin, N Kells, A Logue

2. DECLARATIONS OF INTEREST

None.

3. REPORT ON BUSINESS TO BE CONSIDERED

3.1 FIN/GEN/2 REVIEW OF RESERVES

Introduction

This paper considered the Council's reserve position. It considered the current policy (and application of that policy) and made recommendations for changes to that policy, following a considered assessment of the Council's risk profile.

Background

The Council approved a 'Reserves Policy' in September 2016. Integral to this policy was the requirement that each earmarked reserve be reviewed annually as part of the budgetary process.

Financial reserves are held for three main purposes:

- A working balance to reduce the impact of uneven cash flows and avoid unnecessary temporary borrowing.
- A contingency to cushion the impact of unexpected events or emergencies.
- A means of building up funds, often referred to as earmarked reserves to meet known or predicted requirements.

Usable reserves

The General Fund reserve and earmarked reserves form what are called collectively Council's 'usable reserves'. The usable reserves maintained by Council and their purpose are detailed below:

- General Fund – working balance and contingency
- Renewal and Repairs Fund – a general reserve for both unforeseen works and planned minor projects
- Capital Grants Unapplied – this reserve comprises capital grants received in advance of spend

Reserves Policy

Council's current policy is that general reserves should be maintained equating to at least 10% of gross revenue and capital spend.

Unusable reserves

There is a further category of reserves, 'unusable reserves', which arise out of the interaction of legislation and proper accounting practice to store revaluation gains or as adjustment accounts to reconcile accounting requirements driven by reporting standards to statutory requirements. These reserves, which are not resource backed, cannot be used for anything other than their defined purpose.

Examples of such unusable reserves include:

- Revaluation Reserves- this records unrealised gains and losses in the value of property, plant and equipment
- Capital Adjustment Account-this is a specific accounting mechanism used to reconcile between how assets are depreciated and how they are funded.

Current Reserves Position

The current reserves position of the Council was shown below.

	* 16/17 £'000	15/16 £'000	Purpose
Usable Reserves			
Earmarked Reserves:			
Capital Grants Unapplied	176	37	Grant received in advance of spend
Capital Fund	-	1,216	As agreed by Council in November 2016 the balance as at 2015/16 was applied towards the cost of the Voluntary Severance Scheme in 16/17.
Renewal and Repairs Fund	698	510	Monies set aside for: DEA projects: £484k (15/16: £350k), Rebranding: £80k (15/16: £80k), Building planned maintenance programme: £134k (15/16: £80k)
Other Balances and Reserves	1,032	1,056	NIHE loan repayment reserve
Capital Receipts Reserve	417	-	Available to apply to future capital schemes
Total earmarked reserves	2,323	2,819	
General Funds:			
Renewal and Repairs Fund	150	338	Reserve for unforeseen works

	* 16/17 £'000	15/16 £'000	Purpose
General Fund	7,632	7,892	Working balance and contingency
Total General Funds	7,782	8,230	
Total usable reserves	10,105	11,049	
Unusable Reserves			
Capital Adjustment Account	80,004	76,394	Legislative / proper accounting practice
Revaluation Reserve	35,322	34,625	
Pensions Reserve	35,322	34,625	
Accumulated Absences Account	(29,573)	(16,375)	
Total unusual reserves	85,433	94,100	
Total unusual reserves	85,433	94,100	

* The 16/17 figures are based on the unaudited financial statements

General Reserves – Current Balance and Recommended Minimum Balance

As above, the General Reserves comprises the General Fund and Repairs and Renewals Fund.

In setting the rates for 17/18, an amount of £757,000 was applied from the General Fund Reserve leaving a forecast balance at 31/03/18 of £6.8m.

Monies were also anticipated to be applied from the Repairs and Renewals Fund:

	General Fund Balance £'000	R & R Fund Balance £'000	Total
Balance @ 01/04/17	7,632	848	8,480
Budgeted use	(757)	(456)	(1,213)
Estimated Balance @ 31/03/18	6,875	392	7,267

The estimated gross revenue and capital spends for 17/18, and the associated calculated minimum recommended reserves balance were shown below:

2017/18 Estimates	£'000
Gross Revenue Spend	60,671
Gross Capital Spend	11,527
	72,198
Minimum recommended reserve balance (10%)	7,220

The budgeted outturn reserves position for 17/18 of £7,267k therefore falls within the current policy recommendation (of £7,220k).

Principles to Assess the Adequacy of Reserves

CIPFA and the Local Authority Accounting Panel best practice guidance states that:

'local authorities should establish reserves including the level of those reserves based on the advice of their chief finance officers. Authorities should make their own judgements on such matters taking into account all the relevant local circumstances. Such circumstances vary. A well-managed authority, for example, with a prudent approach to budgeting should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. In assessing the appropriate level of reserves, a well-managed authority will ensure that the reserves are not only adequate but are also necessary. There is a broad range within which authorities might reasonably operate depending on their particular circumstances.'

To assess the adequacy of the usable reserves, Council should take account of the strategic, operational and financial risks facing Council both currently and in the medium term. Assessment of risk should include external risks e.g. flooding, as well as internal risks, e.g. the ability to deliver planned efficiency savings.

Factors that require consideration include:

- Budget assumptions for inflation and interest rates
- Estimates of the level and timing of capital receipts
- Council's track record in budget and financial management
- Demand led pressures e.g. waste tonnage
- The treatment of planned efficiency savings/productivity gains
- Risks inherent in any significant new funding arrangements, major outsourcing arrangement or major capital development
- The financial impact should major contingent liabilities crystallise
- The adequacy of Council's insurance arrangements
- Council's virement and end of year procedures in relation to budget under and over spends
- The general financial climate and future funding arrangements
- Changes or potential changes to the rate base within the Borough
- The profile of cash flows experienced by Council.

Whilst all of these factors were considered in setting the annual budget, the level of risk and uncertainty that was assigned to each factor was relevant in determining an appropriate level of reserves.

Assessment of Adequacy and the Case for Change

Council is now developing its fourth budgetary cycle since its inception in 2015, as a result of a merger between two legacy Councils.

This period from merger had seen a period of:

- Staff restructuring
- Alignment of services
- Finalisation of legacy capital projects and development of a joint capital programme
- Absorption of new services
- Implementation of efficiencies and consequent generation of savings

In terms of financial management, Council now has a much better understanding of its cash flows and merged service budgets, on an ongoing and more timely basis.

Adequate insurance arrangements remain in place and there are currently no major contingent liabilities or legal disputes that would add to the financial risk for Council.

Economically it has been a period of low inflation and low interest rates. This stability is forecast to continue. Against this however there is financial uncertainty, especially with regard to grant funding, surrounding the economic impact of the UK leaving the EU and the future of the NI Assembly.

The Council's rate base remains stable. There is however some uncertainty with regard to the University of Ulster (a major contributor to the rates within the Borough) and the change of use of its Jordanstown campus. A significant appeal decision is also outstanding in relation to Belfast International Airport.

Notwithstanding some of the uncertainties outlined above, the risk profile of the Council is considered to be lower that was the case in the first two years of the Council.

In consideration of the factors outlined above it is proposed to restate the recommended minimum general reserves balance to a level reflective of the reduced risk currently experienced.

Two options are presented in terms of changing the basis of the reserves position:

- (1) Amend the basis of the calculation; and / or
- (2) Amend the % that is applied in the calculation (from the current 10%).

Basis of the calculation

The current policy applies a percentage to Gross Revenue and Gross Capital spend. There is a case to be made for basing the calculation on Gross Revenue spend only (thus ignoring Gross Capital spend). This would simplify the metric.

Gross Revenue spend incorporates the minimum revenue provision (MRP) costs of capital projects; therefore capital expenditure is already factored in. Also, in the event of an unexpected liability arising, capital expenditure can usually be deferred to mitigate short term financial pressures.

Amend the % applied

The table below presents options based differing percentages.

% to be applied	Recommended minimum level of Reserves based on	
	£61M Gross Revenue Spend	£72M Gross Revenue and Capital Spend
7.5%	4,575	5,400
8%	4,880	5,760
9%	5,490	6,480
10%	6,100	7,200

The majority of Council's spend e.g. payroll and operational expenditure is on a fairly even monthly cycle. Setting the metric closer to a 'monthly average' spend would appear to be sufficiently prudent given the Council's current risk profile. This is in the region of £5.6m.

Other considerations

As part of this review of reserves the position of other NI local authorities was also considered. Whilst the other NI local authorities have their own risk profile and financial uncertainties the proposed change as outlined in the recommendation below is broadly consistent with the general reserves held by these authorities were the % of general reserves varies from 6% to 15%.

(It is worth noting that many other authorities do not have a specific policy on reserves such as is the case within Antrim and Newtownabbey Borough Council).

An extract from the Local Government Annual Report 2017 (5 July 2017) was circulated in appendix 1 for information.

Proposed by Councillor Hamill
Seconded by Councillor Goodman and agreed that

Members, in considering the factors above agree to set the minimum adequate level of general reserves to 9% of Gross Revenue Spend.

ACTION BY: John Balmer, Head of Finance

3.2 G/LEG/14/175 REQUEST FOR ACCESS TO ALLEN PARK TO CARRY OUT WORKS

Officers received a request from a homeowner at Milltown Road, Randalstown to access Council land in order to place cables underground from his property to an electricity pole on Council land at Allen Park. The homeowner is building a new house on his existing site.

The work would entail digging a trench 600mm deep by 300mm wide encroaching 10 metres onto Council land to an existing electricity pole to facilitate the laying of trunking for an underground cable. The work would be done by a contractor appointed by the homeowner and would be completed within one day.

Officers met with the homeowner on site and are of the opinion that this would have minimum impact to Council land.

Proposed by Councillor Hogg
Seconded by Councillor Bingham and agreed that

the works request for access to Allen Park, Randalstown be approved subject to clarification about post work liability and the homeowner agreeing to:

- 1. reinstate Council land to its current condition;**
- 2. compensate the Council for any financial loss caused due to the works being carried out on Council land;**
- 3. indemnify the Council for any liabilities associated with the works; and,**
- 4. a Wayleave Agreement between the parties.**

ACTION BY: Paul Casey, Legal Services Manager

3.3 CCS/EDP/10 DISABILITY ACTION PLAN (DAP) 2016–2020

Members were advised that the Council was required to submit a Disability Action Plan (DAP) to the Equality Commission. The DAP is a statement of the Council's commitment to the promotion of equality of opportunity for disabled people and complements its Equality Scheme under Section 75 of the Northern Ireland Act 1998.

The plan was designed to ensure that the Council fulfils its statutory obligations in compliance with Section 49A of the Disability Discrimination Act 1995 (DDA 1995) (as amended by Article 5 of the Disability Discrimination (Northern Ireland) Order 2006) through to 2016.

The Disability Discrimination Act places duties on public authorities, when carrying out their functions, to have due regard to the need to:

- promote positive attitudes towards disabled people; and
- encourage participation by disabled people in public life.

These are collectively referred to as 'the disability duties'.

In March 2017 it was agreed to issue the draft Disability Action Plan (DAP) 2016–2020 for a 12 week consultation period. The consultation exercise was completed and a total of 7 respondents participated; 2 organisations, and 5 individuals.

Appendix 1 noted the additional actions which were highlighted in red text, and which included the following key points:

- work with Autism NI to achieve Autism Impact Award Champion status.
- training in hearing loss
- work in partnership with Disability Sport NI to roll out the Disability Sports Hub Project.

Proposed by Councillor Webb

Seconded by Councillor Goodman and agreed that

the Disability Action Plan (DAP) 2016–2020 be approved.

ACTION BY: Lisa Hall, Customer Services Manager

3.4 NOMINATION TO EXTERNAL BODIES and 3.14 APPOINTMENT TO EXTERNAL BODIES

The Director of Finance and Governance requested that items 3.4 and 3.14 be deferred to a future meeting and this was agreed.

ACTION BY: Colette Archer, Director of Finance and Governance.

3.5 CE/GE/40 CORPORATE IMPROVEMENT PERFORMANCE REPORT 2016/17

Members were advised that a working draft of Corporate Improvement Performance Report for 2016/17 had been prepared. A copy of the report was circulated for Members' attention. A final draft was to be presented to the Council meeting on 25 September 2017.

The Performance Report was a requirement of Section 92 of the Local Government (Northern Ireland Act) 2014 which requires Councils to publish information on its performance by 30 September each year.

The report provided an overview on how we performed against:

- Our eight Corporate Improvement Objectives, as set out in the 2016/17 Corporate Improvement Plan which was approved by Council in June 2016;
- The seven statutory indicators and standards that were set by Central Government Departments for Planning Services, Economic Development and Waste Management – as defined in the Local Government

(Performance Indicators and Standards) Order (Northern Ireland) 2015 and;

- Our self-imposed indicators and standards.

Proposed by Councillor McClelland

Seconded by Councillor Hogg and agreed that

the final Corporate Improvement Plan progress report be approved as a working draft.

ACTION BY: Helen Hall, Head of Performance and Transformation

3.6 FI/FIN/9 PROMPT PAYMENT PERFORMANCE

Members were reminded the Department for Communities (DfC) issued revised guidance (Local Government Circular 19/2016) on prompt payments and the recording of invoice payments in November 2016. This guidance requested councils to record specific performance targets of 10 working days and 30 calendar days and continue a cycle of quarterly reporting on prompt payment performance by councils to the DfC and its publication on their website.

The Council's prompt payment performance for the period 1 April 2017 to 30 June 2017 was set out below:

The default target for paying invoices, where no other terms are agreed, is 30 days. (N.B. 30 days target is 30 calendar days and 10 days is 10 working days).

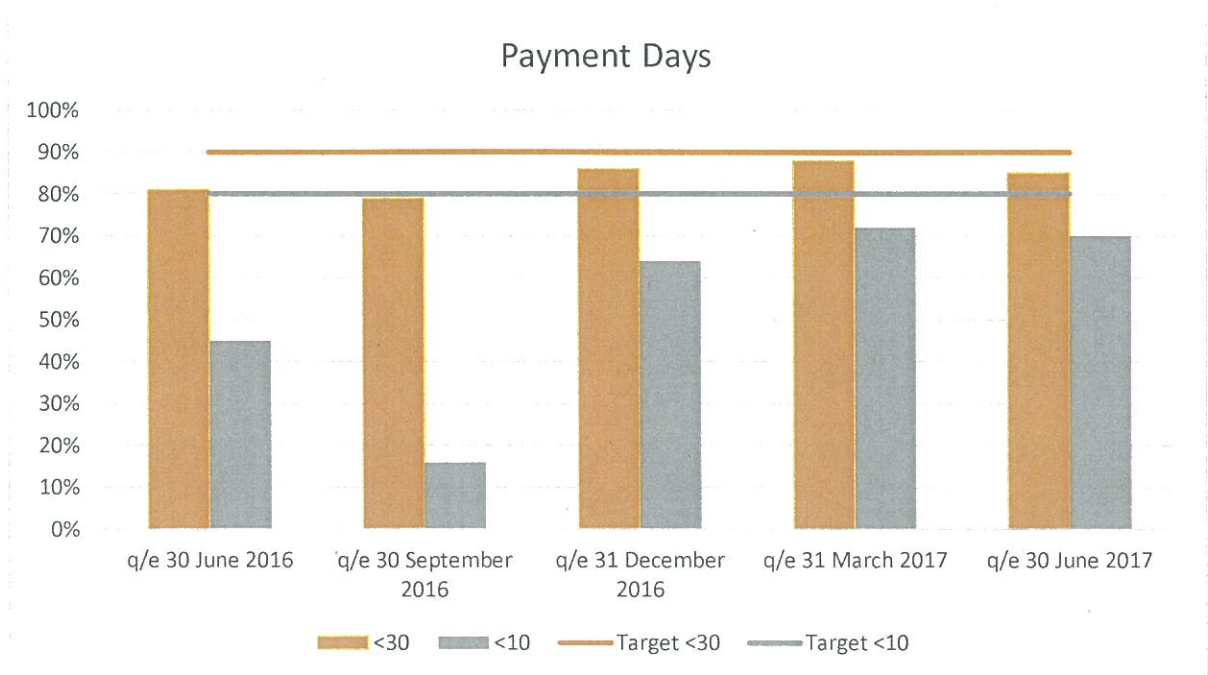
- During the above period the Council paid 6,384 invoices totalling £11,603,960
- The Council paid 5,403 invoices within the 30 day target. (85%)
- The Council paid 4,449 invoices within the 10 day target. (70%)
- The Council paid 981 invoices outside of the 30 day target. (15%)
- The Council has set a target of paying 90% of invoices within 30 days and 80% within 10 days.

The results for each quarter of the 2016/17 financial year and the first quarter of the 2017/18 were as follows:

Period	Total Number of Invoices Paid	% Paid Within 30 Days	% Paid Within 10 Days
Target		90%	80%
2016/17			
q/e 30 June 2016	5,273	81%	45%
q/e 30 Sept 2016	7,192	79%	16%
q/e 31 Dec 2016	8,160	86%	64%

q/e 31 March 2017	6,494	88%	72%
2017/18			
q/e 30 June 2017	6,384	85%	70%

The performance presented graphically highlights the improvement made over the last two quarters of 2016/17. Whilst performance was down slightly in the first quarter of 2017/18, 134 invoices (2.1%) were paid in 11 days, just outside the 10 day target.



The Council recognises the importance of paying its suppliers promptly. As previously reported to improve performance new software had been introduced.

This Optical Character Recognition (OCR) software implemented in quarter 4 of 2016/17 is now well embedded. An action plan was in place to maximise the efficiencies of this process with the aim to register 60% of invoices received via OCR by 31 March 2018.

We also plan to communicate with our suppliers and advise them on the importance of following the Council's Terms & Conditions of Contract for the payment of invoices and we would continue to proactively work with budget holders to process invoices efficiently.

Procedures and performance would continue to be kept under review and performance updates would be provided to Members.

Proposed by Councillor Maguire
 Seconded by Councillor Webb and agreed that

future reports include details of the value of unpaid invoices and also the aging of those invoices that were greater than 30 days.

ACTION BY: Ann Hamilton, Financial Controller

3.7 FC/FA/8 ANNUAL REVIEW OF PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT

Members were reminded that the Council approved the Prudential Indicators for 2016/17 to 2018/19 and the Treasury Management Strategies for 2016/17 on 29 February 2016.

Under the Prudential Code and the Code of Practice on Treasury Management in the Public Services the Council was required to monitor and review its prudential indicators, the key objective of which was to ensure that, within a clear framework, the capital investment plans of the Council were affordable, prudent and sustainable and that treasury management decisions were taken in accordance with good professional practice.

The council's Treasury Management Policy requires mid - year and annual reports on treasury management activities.

This report compares the approved Prudential Indicators with the outturn position for 2016/17 and the annual report on the Council's borrowing and investment activities for 2016/17.

A copy of the annual report was circulated for Members' information.

Proposed by Councillor Maguire
Seconded by Councillor Goodman and agreed that

the report be noted.

NO ACTION

3.8 CCS/CPRM /3 WEBSITE/SOCIAL MEDIA UPDATE

This report was to provide Members with an update on the current use of its website and social media performance.

Both the website and social media have performed favourably against the targets set for Quarter 1, as outlined in the Council's Annual Business Plan.

Website

From April – June 2017 www.antrimandnewtownabbey.gov.uk had an average of 45,677 unique visitors per month, representing a 10% increase in unique visitors per month when compared to April – June 2016 when the site had an average of 41,610 unique visitors per month.

Notably, 50.9% of visits are accessed via mobile, so planning digital applications that are compatible with mobile devices is essential as we work

towards our digital goals. As our social media channels develop and engagement increases there would be even more traffic driven towards the website.

Our most popular pages ranked as follows for April-June 2017:

- Events
- Waste and recycling
- Valley Leisure Centre
- Antrim Forum

Social Media

The Council's Twitter had at 5,700 followers at 31 March 2017, and the our Facebook page had 2,600 followers.

Online and offline social media promotion was continuing to attract followers and the Communications Team are using a social media management tool to help with planning and performance monitoring. Benchmarking analysis and best practice research was also helping to improve performance.

As at August 2017, Facebook had 3830 followers and Twitter recently passed the 6000 followers milestone.

A Digital Roadmap was being developed for Communications and Marketing, and it would outline a path for the Council's success in achieving its strategic goals. A further report would be made to Members, setting out our key milestones to ensure the full use of digital platforms and technology to better engage and communicate with our citizens.

Members congratulated officers on the progress achieved in this area.

Proposed by Councillor McClelland
Seconded by Councillor Michael and agreed that

the report be noted.

NO ACTION

3.9 CCS/EDP/7 ANNUAL PROGRESS REPORT FOR EQUALITY COMISSION

Section 75 requires public authorities to have due regard for the need to promote equality of opportunity between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation, men and women generally, persons with a disability and persons without and persons with dependants and persons without.

The Council's Equality Scheme describes certain arrangements that as a public authority Council has set-up and is obliged to apply and follow as a means of fulfilling the duties imposed on it by Section 75(1) and (2) i.e. the

duties to have regard to the need to promote equality of opportunity, and regard to the desirability of promoting good relations.

This includes arrangements for training staff, assessing and consulting on the likely impact of policies adopted or proposed to be adopted by the authority on the promotion of equality of opportunity, and monitoring any adverse impact of those policies that have been adopted. On an annual basis Council must provide a progress report to the Equality Commission to outline how those arrangements have been applied and to assess how effective they have been in supporting the Council to comply with the Section 75 duties. The progress report for 2016 to 2017 was circulated in Appendix 1 for Members' information.

Proposed by Councillor Girvan
Seconded by Councillor Bingham and agreed that

the report be noted.

NO ACTION

3.10 CCS/EDP/9 QUARTERLY SCREENING REPORT AND EQUALITY TRAINING

Members were reminded that under the Council's Equality Scheme it was agreed to report a quarterly screening update, in relation to Section 75 duties. For information, Appendix 1 detailed the agreed methodology applied to new and revised policies.

New or revised policies continued to be monitored under the screening process and would be reported to Committee in due course.

For the reporting period April to June 2017 (Appendix 2) the 'Council Cemetery Rules and Regulations and Council Cemetery Charges 2016/17' was retrospectively screened and was circulated in Appendix 3.

Members were reminded that any new or revised policies from 1 June 2017 were required by the Department of Agriculture and Rural Affairs (DAERA) to be impact assessed based on Rural Needs. The practical application of formal Rural Proofing within the existing screening process was being developed and would be reported to Council in due course.

Proposed by Councillor Hogg
Seconded by Councillor Maguire and agreed that

the report be noted.

NO ACTION

3.11 FC/G/25 SCRUTINY ARRANGEMENTS FOR PAYMENTS

Historical position

Members were reminded that the Policy and Governance Committee had routinely been in receipt of a payments report. This report had been provided to Members for information / for noting only. It was not presented for approval, given that the administration of payments (for expenditure already authorised in line with the constitution of the Council) was a matter delegated to the Chief Executive and Directors.

Changes to reporting

Members were reminded that at the meeting of Full Council in May 2017, a new approach to business planning was agreed.

It was noted that performance against the Annual Business Plan would be reported in summary form to Full Council on a quarterly basis, using a traffic light system.

Where items were considered to be already achieved ("green") or on track ("yellow"), no further information need be provided. Only where items were assessed as "amber" (at risk) or "red" (not achieved), would further detailed information be provided to the most appropriate Committee / Council.

As a result, routine reports going to Committee simply for noting would ordinarily be expected to link into the Annual Business Plan – and be as a result of concern regarding the achievability of agreed targets.

There is no statutory requirement for Council to review the Payments lists; and the administration of Payments is not an area of concern. Benchmarking with the other 10 Councils in Northern Ireland had highlighted that only one other Council performs an approval role. Therefore, in line with the revised approach as already agreed by Members, the Payments Report does not need to be reviewed by Members each month.

Scrutiny arrangements

In light of the removal of the Payments Report as a standing agenda item on the Policy and Governance Committee, the following arrangements will be put in place to facilitate any Members who wish to scrutinise the payment data.

Once a month, (coinciding with the timing of the Policy and Governance Committee), provision would be put in place to allow Members the opportunity to review the payments report and pose any queries.

Outside of these more formal arrangements, the Finance team would continue to make themselves available to Members to address any queries or concerns as and when they arise, as has historically been the position.

The Audit Committee would continue to seek and receive assurances from, inter alia the Council's Internal Auditors, regarding the robustness of the Accounts Payable process. This provides Members with the assurance that the Accounts Payable process is operating effectively.

Proposed by Councillor Hogg
 Seconded by Councillor Bingham that

Members note the revised scrutiny arrangements for payments made by the Council and that Councillor Maguire's objection to this be noted.

NO ACTION

3.12 HR/GEN/19 REPORT ON ATTENDANCE

Background

The purpose of this report was to provide an update on absence for the period from **1 April 2017 to 30 June 2017**. For comparative purposes, the table below outlined the sickness absence for the same period for 2016-2017 and 2015-2016.

Absence Update

Quarter 1 was **ahead of target by 0.76 average days per employee**.

The Council achieved a 2.81 average days per employee against a target of 3.57, a decrease of 0.88 average days per employee against the same period last year. The decrease is due to a substantial reduction in long term absence of 618.29 days.

While short term absence increased by 24 days, there was a net reduction in absence days by 594.29 days. Both short and long term absence will continue to be managed closely with reducing the long term absence a key priority.

At the end of the first quarter 85% of employees had 100% attendance.

	2015/2016	2016/2017	2017/2018	
Month	1 Apr to 30 June 2015	1 Apr to 30 June 2016	1 Apr to 30 June 2017	Variance from same period last year
No. FTE *	712.92	662.8	657.03	-5.77
No. of days lost to sickness	1575.75	2442.44	1848.15	-594.29
Days lost to Long Term Absence	1022.12	2072.11	1453.82	-618.29
Day lost to Short Term Absence	553.63	370.33	394.33	+24.0
Average Days Lost per Employee	2.21	3.69	2.81	-0.88

Number of full time equivalent staff employed by the Council based on the total days available for work in the period under review.

The top three reasons for absence were noted below with current action being taken to address these.

Reason	Action
--------	--------

<p>Other Category E.g: Cancer Related Illness, Surgery and Post Op Debility etc</p>	<ul style="list-style-type: none"> • Well-being Action plans for individual cases. • Phased returns variety of reduced hours, alternative work and/or adjusted duties. • Use of leisure facilities to help with returns from surgery in suitable cases. E.g. Pool
<p>Stress, depression, mental health and Fatigue</p>	<ul style="list-style-type: none"> • Inspire, confidential counselling to all staff. • Cognitive behavioural Therapy (CBT) sessions for staff in appropriate cases. • Immediate letter sent to advise of Carecall, • Immediate Meeting with employee and line manager or alternative person if issue is with the Line Manager in WRS cases. • Referrals to Nurse Led Clinic and/or OH doctor • Regular Welfare Review Meetings to agreed action plans, Use of the Leisure Facilities, • Piloting of the Wellness Recovery Action Plan, helping staff to recognise stress earlier and the interventions that can be put in place to help • Harassment advisors available in all departments and various locations
<p>Musculo-Skeletal problems</p>	<ul style="list-style-type: none"> • Manual Handling Training • Referrals to Nurse Led Clinic and/or OH doctor, • Regular Welfare Review Meetings to agreed action plans, • Access to Physiotherapy subject to OH recommendation. • Wellbeing action plans. • Phased returns variety of reduced hours, alternative work and/or adjusted duties. • Work station/ergonomical assessments • Taster sessions of Pilates • Investigation of workplace accidents and implementation of any appropriate recommendations

Long Term Absence Cases at 30 June 2017

At 30 June 2017 there were 14 long term absence cases, as summarised below.

Community Planning and Regeneration	Finance and Governance	Chief Executive	Organisation Development	Operations
3	1	0	1	9

Of these 14 cases, 2 will retire due to ill health, 4 have returned to work and the remaining 8 people continue to be provided with ongoing support to enable a return to work.

Members congratulated officers on the progress achieved in this area.

Proposed by Councillor Girvan

Seconded by Councillor McClelland and agreed that

the report be noted.

ACTION BY: Joe Simpson, HR Manager

3.13 ST/HS/207 AGENCY STAFF UPDATE

Members were reminded that agency staff were used across the Council to provide temporary cover for absence such as:

- Maternity leave
- Secondments
- Sickness absence
- Vacant posts.

The use of agency staff was subject to a rigorous approval process which required the approval of the Corporate Leadership Team.

There was budgetary provision for the majority of posts filled via departmental salary budgets, salary contingency and grant funding.

The table below provided an update for Members on the use of agency staff as at July 2017 as compared to July 2016.

Reason for Agency Worker	July 2017	Position Covered	July 2016	Comments
Additional Resource	97	32 x Seasonal Grounds Maintenance Ops Cleaner, Sentry Hill 3 x Waste Management Operatives ESD Receptionist Antrim Forum 7 x On Call Recreation Assistant/Leisure Attendant 45 x Summer Scheme Leader 6 x Assistant Youth Support Worker 2 x Youth Intervention Project Coordinator	*98	Decrease of 1
Filling Funded Posts	5	2 x Affordable Warmth Project Officer Grange Community Project Officer 2 x PCSP Support Officer (PT)	4	Increase of 1
Covering Sickness/ Maternity Leave	12	Information Governance Assistant 2 x Recreation Attendant Arts Technician Payroll Assistant Grounds Maintenance Operative 4 x Waste Operative, ESD Technical Officer HRC Attendant	10	Increase of 2 due to sickness absences and maternity leave.

Covering vacancies until structures filled	29	IT Systems Assistant Caretaker (Lilian Bland Pavilion) Admin Assistant (Cleansing) Clerical (Cleansing) Clerical (Building Control) Receptionist (Clotworthy) Payroll Manager Activity Coach – Disability 4 x Grounds Maintenance Operative Central Services Supervisor Conferencing & Cultural Events Manager Arts Technician Caretaker (JLSP) 2 x Planning Assistants 4 x Waste Operatives, CSD 2 x waste Operatives, ESD 2 x Tackling Deprivation Officer (1FT, IPT) Team Leader Parks CSD HR Officer Conferencing Admin	10	Increase of 19 due to vacant posts
Covering career breaks/secondments	4	IT System Support Assistant E Communications Officer Clerical Officer Leisure Grounds Maintenance Operative	7	Decrease of 3
TOTAL	147		*129	

*Members were advised that the total number of agency staff reported to the Committee as at July 2016 was 77 which omitted 52 Summer Scheme agency staff. The revised total of 129 now includes these.

The table above excluded limited ad-hoc agency cover which was necessary to provide operational cover, at short notice.

Appendix one (circulated) set out expenditure on agency workers in July 2017. The cost of agency staff for the period 1 April 2017 to 31 July 2017 is 6.12% of all staffing costs compared to 5.24% for the same period last year.

Proposed by Councillor Goodman
Seconded by Councillor Hamill and agreed that

the report be noted.

NO ACTION

3.14 APPOINTMENT TO EXTERNAL BODIES

This was dealt with at item 3.4.

The undernoted supplementary item was considered at this point.

SUPPLEMENTARY REPORT F1/GEN/1 COMMISSION FOR VICTIMS AND SURVIVORS – REQUEST FOR PRESENTATION

Members were advised of correspondence received from the Commission for Victims and Survivors (copy circulated) requesting the opportunity to:

- Present an overview of the Commissions work;
- Update Members on the Commissions priorities; and
- Clarify the Commission's role in the wider context of victims and survivors in Northern Ireland.

Proposed by Councillor Hogg

Seconded by Councillor Michael and agreed that

the Commission for Victims and Survivors be invited to make a presentation to the next meeting of the Policy and Governance Committee and that a special invitation to attend be extended to all Members.

ACTION BY: Member Services

PROPOSAL TO PROCEED 'IN CONFIDENCE'

Proposed by Councillor Webb

Seconded by Councillor Bingham and agreed that

the following Committee business be conducted 'In Confidence'.

The Chairman advised that audio-recording would cease at this point.

ITEMS IN CONFIDENCE

3.15 IN CONFIDENCE FI/PRO/TEN/2 INTERNAL AUDIT SERVICE ARRANGEMENTS: JANUARY 2018 TO DECEMBER 2019

INTRODUCTION

The Council had a contract in place for the provision of Internal Audit Services. That contract is due to expire on 31 December 2017. This therefore provides an opportunity to review how the service should be provided going forward.

The purpose of this report was to present a range of possible service options, the costs, benefits and risks attached to each and to recommend a preferred option.

The report was presented in the sections below:

- Current arrangements
- Benchmarking of current arrangements

- Options for the provision of the Internal Audit Service
- Benefits and risks for each option
- Cost model for each option
- Conclusion
- Recommendation

CURRENT ARRANGEMENTS

The Internal Audit Service within Council currently operates as a 'Co-Sourced' arrangement i.e. there is:

- a contracted-in Head of Internal Audit, provided by a private sector Internal Audit Service Provider (currently PwC), who spends on average, a day a week fulfilling this role (40 days per annum),
- 2 Full Time Equivalents (FTE) Council staff (one Internal Auditor and one Internal Audit Assistant), who undertake the vast majority of the audit fieldwork; and
- a contractual agreement in place with the private sector Internal Audit Service Provider to provide additional or specialist resource where needed.

The Head of Internal Audit is responsible for the quality assurance of all of the work undertaken by the Internal Audit Service (both the in-house audit team and the additional / specialist resource). Robust quality assurance arrangements are an important element of the Public Sector Internal Audit Standards (PSIAS) Quality Assurance and Improvement Programme and as per the PSIAS, the Head of Internal Audit must hold a professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced.

The in-house Internal Auditor had recently attained this professional qualification, and therefore was now be in a position to fulfil this role.

The costs of the Internal Audit Service since inception of the Council (and current year budget) was as follows:

	2017/18 (Budget) £	2016/17 (Actual) £	2015/16 (Actual) £
Staff costs	86,425	82,512	55,311
Other costs	5,298	3,430	1,155
Contract costs	31,600	32,906	97,518
Total	123,323	118,848	153,984

Please note that the majority of the contract costs in 2016/17 and 2017/18 (budget) relate to the provision of a Head of Internal Audit (c. £27,000 p.a.).

BENCHMARKING OF CURRENT ARRANGEMENTS

The Council's costs / arrangements had been informally benchmarked, with that of the other 10 Councils within NI.

There was a considerable mix of arrangements in place across the 11 Councils:

- 6 of the 11 Councils operate a co-sourced arrangement (i.e. a mix of in-house staff with additional externally provided resources); 2 are in-house and 3 are fully outsourced;
- Of the 9 Councils for which we have cost information, Antrim and Newtownabbey Council's Internal Audit costs are mid-range (4th out of 9 Councils)
- Of the 8 Councils with an in-house resource (whether that be a co-sourced arrangement or fully in-house) and where we have personnel information, Antrim and Newtownabbey Council's Internal Audit staff complement is mid-range (5th out of 8 Councils).

OPTIONS FOR THE PROVISION OF THE INTERNAL AUDIT SERVICE

There were a number of options available ranging from an in-house service through to a completely outsourced service.

Each option was described below:

Option 1 In-house
The Internal Audit Service is resourced by Council employees. This will be a Head of Internal Audit and an Internal Audit Assistant. Additional specialist resources can be bought in when and if required, via a call off contract.
Option 2 Co-sourcing
The Internal Audit Service is resourced by both Council employees and by an external provider. A contract is put in place with a third party provider, which specifies a minimum number of days that the third party provider will be expected to deliver. <i>(This is the current model).</i>
Option 3 Fully Outsourced
The internal Audit Service is resourced solely by an external contractor. <i>(In this instance, TUPE would apply).</i>

BENEFITS AND RISKS FOR EACH OPTION

The non-monetary risks and benefits associated with each option were presented below:

Benefits	Risks
Option 1: Fully In-House	
<ul style="list-style-type: none"> • Knowledge of the Council, processes and people and culture • In-house capacity with respect to Internal Audit • Cohesive feel of the Internal Audit Service • Ability to flex the logistics of the Internal Audit Plan 	<ul style="list-style-type: none"> • Limited flexibility in availability of resource / capacity / resilience, (although this can be overcome with a call off contract) • Training needs are to be met by the Council, which can be costly for specialist areas (although this can be mitigated with a call off contract for specialist services as and when required) • Compliance with PSIAS quality assurance needs careful management given the size of the Internal Audit function • Insights into other organisations / sectors is more restricted
Option 2: Co-sourced	
<ul style="list-style-type: none"> • Knowledge of the Council, processes and people and culture provided by in-house personnel • Flexibility of resource / capacity / resilience and access to specialist resource • Third party can provide insights into other organisations / sectors and into emerging good practice / innovation within the Internal Audit arena 	<ul style="list-style-type: none"> • If different reporting formats / approaches are adopted by the in-house and third party elements of the co-source function, this can feel disjointed to the organization • Compliance with PSIAS quality assurance may need careful management • May be less ability to flex the logistics of the Internal Audit Plan
Option 3: Fully Outsourced	
<ul style="list-style-type: none"> • All training costs covered by contractor • Specialist skills available at short notice • Experience and insight from other organisations and business sectors • Flexibility of resource and capacity 	<ul style="list-style-type: none"> • Lack of in-house knowledge of the Council, processes and people and culture • Reduced flexibility with regard to internal audit plan and prioritisation of workload. • Requires additional contract management resources • Reduced accessibility to staff for general advice or concerns • No full-time internal audit presence

In summary, though the three main options (in house, co-sourced; and outsourced) each have their pros and cons, the outsourced model was the least favourable.

Though the co-sourced option may appear to be more favourable on first glance, there are measures that can but put in place with a fully in-house

function, that would mitigate the risks associated with that option. Therefore, with careful management, the in-house and co-sourced arrangements are broadly comparable in non-monetary terms, and therefore the key deciding factor is that of cost.

COST MODEL FOR EACH OPTION

A costing model for each of the described options was circulated.

In summary, to deliver the agreed audit plan, the modelled costs would be:

Options	Cost Per Annum £
Option 1 Fully in-house	91,500
Option 2 Co-sourcing – external provider performs the Head of Internal Audit role	116,000
Option 3 Fully Out-sourced	175,000

The cost model shows that an 'In-house' service provision was the cheapest option.

CONCLUSION

It was no longer considered necessary to utilise the contracted service provider to fulfil the Head of Internal Audit. This can now be fulfilled in-house.

The non-monetary benefits of a fully in-house function are broadly comparable with that of a co-sourced model, if supplemented by a call-off contract.

The monetary benefits of a fully in-house function outweigh that of the co-sourced or outsourced options.

Proposed by Councillor Girvan

Seconded by Councillor Goodman and agreed

to proceed with a fully in-house arrangement, supplemented by a call-off contract;

that a procurement exercise be undertaken to secure access to additional specialist resource, as and when required and the contract should be a call off contract with no guarantee of any work;

that the job title of the Internal Auditor be amended to Head of Internal Audit.

ACTION BY: John Balmer, Head of Finance

PROPOSAL TO MOVE OUT OF 'IN CONFIDENCE'

Proposed by Councillor Webb

Seconded by Councillor Bingham and agreed that

any remaining Committee business be conducted in 'Open Session'.

The Chairman advised that audio-recording would re-commence at this point.

There being no further business the meeting ended at 7.45 pm.

Council Minutes have been redacted in accordance with the Freedom of Information Act 2000, the Data Protection Act 1998 and legal advice.

