**Minutes of the 17th Meeting of the Finance and General Purposes Committee held on Wednesday 17 June 2020, by Zoom Teleconferencing**

**Present:** Keith Smith,Shaunagh Lambe, Catherine McBride, Siobhan McElhinney (Raymond Beggs – Observer)

**Apologies:** Emma Loughridge, Brendan Morgan

**In Attendance:** Sam Gallaher (CEO), (GD), Majella Matthews, (F&CM), Sima Gondhia (Temporary Finance Accountant) (SG), Lesley Dickson (LD) PA, Alan Boyd (DE – Host)

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| 1. **Welcome, Introduction and Apologies**   Apologies were noted. The Chair thanked AB for hosting today’s meeting.   1. **Declarations of Interest**   There were no declarations of interest.     1. **Matters Arising**   The CEO addressed the Pensions Liability, explaining that following receipt of the annual actuarial report the liability to be reflected in the 2019-20 Accounts had increased from £465k to £1,185k. The increased liability was presented in the context of the current reserves and cash balances and members were appraised of the potential significant effect on same. Members were further revised that the Reserves Policy was currently being reviewed and that a meeting to discuss the draft Policy and the possible Departmental undertakings was being organised.  Members queried the significant change in the liability and if any other NDPB’s had the same experience. It was advised that the NIAO had agreed to check with other NDPBs as the increase is very significant and would have a serious effect on the Council’s reserves and would create pressures for the GTCNI as it is presently operating at breakeven. Members noted that this would be highlighted as a corporate risk under financial sustainability.  SMcE enquired if AB was attending as a part of the meeting or as facilitator and if he could provide some clarity on this matter. AB advised he was there in an oversight capacity as part of Special Measures regime and said that the only people who would know about this would be the DE Financial Team but that he would take the question back to them for advice. He indicated that he knew GF would be happy to facilitate a meeting on the matter, and the CEO advised that officers would contact the Department  Members commented on the large amount of paperwork they were having to deal with and their challenges with understanding.  It was agreed that some form of online training sessions might prove useful to members. This will be explored.  The CEO advised that the pension liability would be scheduled as a substantive item for the next meeting.   1. **Minutes**   The Minutes of the previous meeting were reviewed and amendments noted. Members expressed their concerns about the ‘unacceptable internal audit reports and the need for a timescale to address their findings.  SMcE asked for a sentence voicing the concern of members to be added at the end of Page 6 of the Minutes  At page 7 of the Minutes it was noted that the CEO was to report back from the previous Chair of ARAC if any whistleblowing complaints had been received in 2019-20 The CEO advised that it had recently come to his attention that a whistleblowing complaint had been raised with the Chair of ARAC in April 2019 and which had been addressed by the Department and not dealt with internally within the organisation. The CEO confirmed that the 19/20 Governance Statement will be amended accordingly.  SL enquired if the whistleblowing complaint had been dealt with and closed. The CEO advised that he had not as yet received a report from the Department on whisleblowing and was unaware of what the matter was.  The Chair enquired about timescales for completion.  The CEO advised that the report was produced for the Department and Internal Audit was responding to the individuals and that a report of some form would be sent to Council in due course. He was aware that there were circa 70 issues to be responded to.  SMcE enquired from AB if he could clarify for members. AB said they were close to the stage where the responses would be sent, but the matter would be between Tracey McCavigan and Derek Baker and work was progressing. The CEO said they would find out at the next MOM meeting.  The Chair asked if the Committee would get sight of these issues but the CEO advised that they were confidential.  The Chair asked RB if he had any further comments and he responded citing concerns that the CEO did not confirm that F&GP had access to the issues.  The Chair confirmed that there were a lot of concerns and noted that these would be addressed at the next meeting.  Members went on to consider of the VES payments for staff and asked for clarification. SGh that this was a DE/DoF approved and funded Voluntary Exit Scheme. It was advised that vacancies arising from the VES could not be filled..  CMcB expressed her concerns about the risks facing the Council and the Unacceptable internal audit findings.   1. **Accommodation**   The Chair spoke to the report and enquired if the report was approved would it then go to Council.  SGh advised members that this was very much an initial draft and a starting point. The report final report would go to Council but she was unsure when this would happen. She indicated that the lease on Albany House had been renewed for 2 years and the rent for the building is £66k pa  The Chair enquired why the GTC had been renting so much space and it was advised that space requirements were being examined but that all of the space in Albany House is presently being utilised.  The Chair enquired why the rent is termed in the report as a “licence fee” and it was explained that Stranmillis’ term.  SMcE asked why Stranmillis was being considered as it was costly and other organisations use places such as Springvale. SMcE enquired as to how someone knew to approach the CEO and SGh advised that someone else on Council said that their organisation had also been approached. SMcE asked that costs at Springvale are explored and also suggested going out of Belfast as a wider range of options was needed.  Members were advised a range of public and private sector offerings were being considered  The Chair returned to the paper and the other options presented.to He asked about the make-up of the annual running costs.  Members were referred to the accompanying spreadsheet and brought through the breakdown of the running costs.  The Chair noted that there were 9 options and asked where these options came from. It was explained that these were in part refreshed from a previous Accommodation business case prepared in 2016. The Chair went on to enquire about discussions with the NI Executive and asked about the remit.  He highlighted the use of Education Authority properties as options and asked why Options 3a and 3b were on the list when they had no space. It was explained that the options had to be included and rejected as part of the process The Chair asked that for the next meeting that just feasible options should be included. The CEO explained that we are obliged to demonstrate that we have gone through the process, that a wide range of options have been considered and we have to show that these options have been narrowed down.  The Chair moved on to the option of the Headline Building in Belfast.  CMcB asked if any other properties had been looked at outside of Belfast as this could save a lot of money.  Further discussion took place about out of city options, the effect on staff, parking and the capacity for cost savings. Members agreed that all options needed to be considered.  SMcE advise that this work is a big task to do and asked if SGh was getting assistance. The CEO said that there is a business case to write and this can only be done within our available resources, that there is also a need to progress within other items of work and that the management group would look at this.  SL indicated that there is a lot of work involved and that while at present the bulk of staff are based in Belfast, future staff may not be. The CEO said this factor will be taken into consideration and reassured the Committee he was not presenting this as a final business case but just a draft for comment and that their comments would be taken on board. Members were reminded that the GTC does not have complete control over this move.  SMcE asked to include consideration of Covid and that in future the Council could be streamlined and that we should keep to public sector property, and widen the net to include transport links and infrastructure. She emphasised that this is not our money and therefore research and consideration of options need to be conducted in an intelligent manner. The Committee agreed.  SMcE was asked to provide any details of Springvale.  The Chair then asked about purchasing a property and the CEO said this could be considered as an option but given the financial position unlikely to be realistic. The Chair then took members through a list of properties for sale and rent which he had downloaded from the internet. The CEO said the decision regarding purchasing would rest with DOF. SL said the business case needed to be revised to add these items and asked SGh if she needed any help. SG asked members to send her their options and she would add them to the business case and said that the F&CM would be involved in this also.  SMcE asked about timescales and the CEO advised that there was a lot of work on at the moment and we are working in very challenging circumstances. He said he was very reluctant to introduce a timescale as officers are so busy. SMcE suggested a timescale that would be suitable for everyone. The CEO said the lease has been extended for 2 years and outlined the work which has to be done in that time but said this work would need to be completed by the end of the summer to get approval certainly by the end of the financial year.  Discussion took place about a suitable time to hold a meeting to consider a further draft of the business case and it was agreed that the end July, beginning of August would be best for an update meeting.  The CEO discussed ways to raise income and how we could fund the purchase of a building however it was noted that DoF may not allow an NDPB to invest in property or to borrow. Members were advised that this would be checked out with DoF. .  SL left the meeting at 12.06  Members discussed staff travel to work and the Chair said that staff must be brought with the Committee on this matter. He said that at the meeting in July/August the list would be discussed including rental or purchase and a target of £15 max per sq ft and car parking to be included.  RB enquired if DE had any spare capacity and why this is not being presented. The CEO advised that direction has been taken from DoF and assumes they would have raised the matter with there was anything further to consider. The Chair asked RB to make the CEO aware of any properties coming to his attention.   1. **Any Other Business**   The Chair addressed the new website and enquired about the costs. The CEO informed that the cost was £26,000 with a further £9,000 provided for to cover support and maintenance costs over the course of the 3 year contractThe Chair said he would like an evaluation of the website with regard to value for money. said the CEO advised that the website would be due for a post project evaluation which would address these matters He went on to state that the website offers a lot of capacity but it is not being used at present and is in a holding position.  Further discussions took place regarding the recruitment of a Communications Officer and the current website traffic. The CEO advised that some infrastructure needs to be put in place and that next year it is expected that the council will begin to be outward looking again  Members discussed operations at sister GTC’s and how GTCNI could benefit from collaborative opportunities..  RB thanked the Chair and asked if the CEO could outline why Council is in Special Measures. The CEO gave his view saying that whistleblowing and communications to the Department had raised concerns about compliance, risk management and governance. It was acknowledged that there was an action point outstanding from the last Council meeting to write to the Permanent Secretary to ask why we were in Special Measures as there were concerns about the operation of the Council.  CMcB asked when the next Council meeting would be and the CEO advised that it was scheduled for next week. He advised that the minutes of this meeting would be send out within 7 working days. The Chair advised RB that the explanation will come from the Chair of Council when he receives the reply from the Permanent secretary. RB expressed his concerns that the CEO was unclear as to why the Council is in Special Measures and the CEO advised that the reasons as articulated were as communicated to him. The Chair and CEO discussed the management and operation of Council and the CEO said that matters were being raised with the Department and not internally in the organisation. The Chair enquired from AB if he was aware of any further details.  AB advised of the ToRs agreed for the MOM meetings and said that the audit findings highlighted governance arrangements and operational issues and also the issue of the delay in procuring a new Registration database  The Chair advised that RB requested that Headstogether contract be considered at F&GP in terms of a Value for Money review..  The CEO explained that RB had wanted to undertake this review but had been informed to direct the matter to the ARAC, F&GP Committee or Council. Officers could provide a background paper at the next meeting for the matter to be considered.  RB said his email said “I suggest you direct your request to ARAC or F&GP”  The CEO disagreed and said it was for the Committee to decide on the merit of a VFM exercise and needed a clear rationale for doing so and agree terms of reference.. He said he was happy to provide for the Committee a summary of expenditure in the first instance.. RB said he could not understand why the documents and information requested were not given to him and he did not see any evidence of what the money was being spent on. He added he was content that F&GP look at this matter.  The CEO said he would circulate details prior to the next meeting and highlighted a substantial portion of the expenditure had been commissioned by Council members themselves. He said he could provide a breakdown of the percentages.  The Chair said it was standard practice that there should be VFM exercise completed. The CEO advised that this was officers responsibility in line with contract indicating that more was spent on HR in the past year than had been budgeted and outlined the broad areas of expenditure The Chair asked the CEO to provide a breakdown and added that RB had said he would undertake VFM himself. It was recommended that this item should go through Council.  CMcB indicated that she was new on Council and unclear on HR matters and would like information on these. The Chair asked if there was a proposal on VFM for Heads Together. The CEO said he was happy to give a breakdown but thought it premature to do a VFM study. He said that HTG were properly appointed and outlined to the member who HTG were. She enquired if there had been problems. The CEO said there had been no complaints about the work they have done for Council, but the recent NIPSA survey indicated that staff were not happy. CMcB enquired if staff had left because of this. The CEO said not that he knew of and advised that one member of staff had left because of getting other job and others on VES and ill health.  CMcB asked if whistleblowing had anything to do with this and the CEO said he did not know details but that this will work itself through. .  The Chair asked if protocols for sending out papers could be added to the Agenda. The CEO said the issuing of documents need to be discussed as there had been a problem with zipped folders. He explained the Council view that email had been considered as it was less costly than postage. He added he was looking at other portals for distribution.  The Chair thanked everyone and AB for hosting the meeting.   1. **Date of Next meeting**   The next accommodation meeting is scheduled to take place at end of July, beginning of August and the next full F&GP is scheduled for 21 September.    Signed………………………….. Dated ……………………………. | Action  CEO  CEO  Action  CEO  LD  CEO  LD  Action  Action  SMcE  All  Action  CEO  Chair  Action  CEO  Action |
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