**GTCNI FINANCE & GENERAL PURPOSES COMMITTEE**

**MINUTES OF MEETING**

**16 NOVEMBER 2020 BY WEBEX**

**Present:** K Smith (Chair), S Lambe, B Morgan, (Chair of Council) S McElhinney, C McBride

Attending: S Gallaher (CEO), G Devlin (SEO), S Gondhia (TFA), L Dickson (PA), A Boyd (DE)

**Apologies**: G Gault, E Loughridge

**1. Welcome and Apologies**

The Chair welcomed members to the meeting and noted apologies.

**2. Declaration of Interests**

None declared

**3. Minutes of previous meeting**

The Chair expressed his concern regarding the issuing of papers and that he would prefer a paper copy. The CEO advised that under the present challenging circumstances it is difficult to provide hard copies. The matter would be reviewed ahead of the next full meeting.

The Chair took members through the minutes and there was one change to the date in respect of 2019/20 Accounts

Proposed: SL Seconded: CMcB

Action amendment of date by LD

**4. Matters Arising**

Members spoke about non-attendance at meetings and the CEO advised that this would be considered as an integral part of the Council’s annual Effectiveness Review planned for the Jan-Mar 21 period. Members enquired if the meeting was quorate and the CEO advised that one third of members were needed. Members agreed that non-attendance required action. It was noted that addressing this situation was included in the revised Governance Framework but this had not been adopted.

*10.52 GD left meeting*

**5. Finance Report** F&GP/20/20/P01

The Chair noted a typo on the Finance Report. Appendix 2 should read Appendix 1.

The TFA took members through the report highlighting income and expenditure for the 7 months to October 20 and advised members of the new adjusted budget. Members discussed the cost of the new registration database. Members were advised that it is assumed that our income will be in line with 19/20 and presented the forecast to March 2021.

Members were informed that the accounts for 2018/19 have been signed off and laid and that the 2019/20 accounts are with NIAO for auditing. No major issues are anticipated and that staff are working on assurances to reduce audit opinions.

Members were updated on ongoing business cases and advised that work was ongoing to get the registration system business case in a position for submission to DE at end of November. The business case for DSO Legal Support has been submitted and approved and the accommodation business case is, as agreed, on hold until the organisation’s needs can be more clearly defined.

It was enquired if consultancy resource is bought in for all business cases. The TFA advised that this was done for the registration database project given the scale of the project and level of investment but that business cases are usually prepared in-house.

The TFA explained the use of CPD and in the case of the Registration Database business case, given business commitments and staff resources it was decided to draw on external support through commissioning BCS, Members queried the cost of this and the CEO advised that there is approval for a spend of £45,000 but it may not cost this. The TFA said that one of the reasons that BCS were chosen is that they are part of the public sector, are familiar with DE/DoF requirements and have experience of working with the Economist Unit.

Members asked if there was a timeframe for completion. It was advised that presently the aim is for a tender being issued in the April –June 2021 period with implementation commencing during the summer of 2021. Members were advised that the project was in a critical phase between now and March 2021. That an option to work with GTCS would potentially eliminate the need for tender and reduce the timescale by 3 months and that we will know about the viability of the GTCS option within coming days.

Members enquired about the issues surrounding the GTCS option. The CEO indicated that GTCS had a bespoke system and we were exploring if they could become our supplier. This

would require the approval of their Council at least in principle at this stage. A proposition is being considered. . He added that he was speaking to his counterpart in GTCS but that we may have no alternative but to focus on a market tendering option. He was expecting to hear from GTCS in the coming week.

The Chair enquired if the problem was technical and was advised that it was more to do with the nature of any agreement. A Member asked if this was the first time a business case had been outsourced. The TFA said it was the first time (in her tenure) that a business case had been outsourced but that a robust business case was needed in this case.

Returning to the paper, the TFA indicated that the Internal Audit contract would be renewed for further two years. Members were updated on cash balances, interest rates and the deposit of cash assets across banks.

A member enquired about cover for attending Council meetings and asked how schools are being paid. The TFA said this was still happening and would circulate expense forms.

Action TFA

The Chair of Council enquired at to what risks recorded on the CRR belonged to this Committee. He indicated that he thought that Information Management, Project Management and Business Continuity should belong to this Committee and asked what actions are being taken to deal with these. He asked if these would be rated as critical and that he wanted the risks associated to this Committee highlighted. The TFA indicated that information management is being addressed. The CEO said that risks relevant to each Committee are reported and covered in the Risk Register report, The Chair of Council indicated that the bulk of the risks on the CRR belong to F&GP Committee and the CEO advised these would be covered later in the agenda. The Chair enquired if regulation legal support would be ongoing and the CEO indicated that a business case for renewal of the agreement with DSO for a further two years for legal services had been submitted. Within this period we would hope to have clear direction on professional regulation.

The Chair thanked the TFA.

**6. Reserves Policy** F&GP/20/20/P02

The Chair of Council enquired about the Business Plan and the CEO advised that this would be dealt with in a specific session being organised for members. The PA is to send a reminder email seeking availability of members. The Chair enquired if there would be written material beforehand and the CEO said material would be issued beforehand as appropriate.

The CEO reminded members that the revised Reserves Policy had been discussed by the F&GP Committee at the June meeting but had not been adopted by Council in light of the comments by some of the Committee in respect of their understanding of it. It has been decided to address this matter in the present meeting.

Action The TFA is to circulate the slide deck to members.

*11.45 members took a 5 minute break*

The CEO took members through the proposed Reserves Policy and advised that the Policy does not deal with the amount of reserves only the principles as to how reserves will be categorised and managed. A member enquired about current costs associated with regulation and the CEO said they are covered from operating costs not reserves but as Council is operating on a breakeven basis it would face challenge in meeting the full costs of regulation in due course. It was asked how other GTCs pay for regulation and the CEO advised that this was covered from their annual income which is mainly derived from registration fees. The Chair added that GTCNI registration fees were paid by DE in the early days of the Council. A query was raised as to what other income the Council could receive. The CEO outlined a number of possible options but pursuing such options would need to be on the basis on informed decisions of the Council. A member enquired if there would be a need for more staff to deal with regulation. The CEO indicated that this is likely though dependent on the process to be followed in light of revised legislation. If the range of sanctions open to the Council increased then there is every likelihood that caseload would increase.

*SMcE left meeting for 5 minutes*

Members discussed how reserves are categorised.

It was explained that GTCNI needs the approval of DE to access its reserves. That the level of pension liability (£1.1m) was being looked into presently by the Audit Office to determine if appropriate. It was noted that the restricted reserve, as based on the policy (including liabilities and contingency) currently equated to £2.2 million but that actual reserves held were £1.84m, It was stressed that the likelihood of all liabilities being called on at the same time or in the near future was presently low and there is no major cause for concern at present. The position did however reinforce the need for the Council to undertake a strategic review of income as reflected in the Corporate Plan The TFA explained that the pension liability would only be payable if GTCNI were to close.

The CEO asked if members were content with the policy. A member asked how the current position is reflected on the Risk Register. The CEO indicated it would be under Corporate Risk 6 referring to financial viability. Members advised that they were content to approve the policy but would like their concern noted regarding the current liabilities exceeding the reserves.

Members appreciated the work of the CEO and TFA on this policy

**7. Procurement and Contracts Register**  F&GP/20/20/P03

Members reviewed the Contracts Register. The TFA advised that GTCNI procure services under the NICS framework but in addition GTCNI have contracts arranged with suppliers in respect of registration IT system, HR, staff health, timekeeping, legal services, internal audit and website. Post Project Evaluations are carried out on contracts and a PPE is due on the website contract. A PPE review of the HR contract is also due.

The CEO mentioned that it was the recommendation of the HR Committee that the contract of HR services be extend for a further 12 months. The Chair of Council stated that this was before they saw any PPE. The CEO said the PPE is based on performance of the contract against what was in the Business Case. That there is the option to extend the current contract beyond March 2021 and the HR Committee discussed the matter acknowledging work that is ongoing, the time associated with any new procurement and concerns reflected in NIPSA survey.. The Chair of Council enquired as to the length of any contract extension. The CEO stated that the current contract included the option for two extensions of 12 months. The Chair of Council stated his understanding was that the DE attendee the HR Committee had indicated that it was unlikely that the business case, approvals and tendering could be completed by end of March. The Chair enquired if the work could be done in house and CEO said that while it was possible to draft a business case, GTCNI would be dependent DE and CPD for facilitating other aspects of the procurement process.

Members discussed matters surrounding the present HR provider. It was noted that the contract value was £116,000 and expenditure to date was £66,000 (ex VAT) which will continue to increase over the next year given the work presently in train. On the basis of the discussion the Committee did not express a firm view on the matter of contract extension.

In relation to Post Projects Evaluation the CEO said that there was one to be completed on this contract by end of December. The Chair asked if the views of staff could be taken into consideration. The CEO advised members to be wary as the HR Committee was taking forward work in respect of views expressed in NIPSA survey.

**8. Registration Systems Project Report** F&GP/20/20/P04

Members discussed the report presented and were given an update on this project. It was noted that work on the Business Case is being finalised with an aim for completion at end of November. That the option to enter into a business arrangement with GTCS to use their system was being explored but may be unlikely. The timescale associated with a tender procurement was discussed with members informed that the actual tender period would be at least 12 weeks and with time required beforehand to prepare the ITT it is expected to be 6-7 months before GTCNI will be in a position to formalise any contract for a new system.

*BM left meeting at 13.13*

**9. Corporate Risk Register (CRR) and Review** F&GP/20/19/P05

The CEO reminded members that a specific session on the CRR was being arranged and members where being asked to confirm availability. This will complement the sessions on Reserves Policy and Business Planning that is to take place before the next Council meeting. It was hoped to do the session on the CRR before end of December.

A member enquired if all Council members had received induction. The CEO informed that an induction day for the new Council had been held in October 19 with a further session in December 19. A review of training requirements will be incorporated into the Council Effectiveness Review process in the New Year.

The CEO is to look into the possibility of running a condensed version of the induction session (any topic not covered in current planned sessions) for members of the Committee.

**10. Chair’s expenses and hospitality**  F&GP/20/20/P06

There is nothing to report on this.

**11. GDPR/FOI/Complaints**

The CEO informed members that there was one ongoing FOI and one complaint that was being addressed via the office of the Public Service Ombudsman

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**12. Policy Review and Staff Handbook**

Deferred.

**13. AOB**

A Member enquired about outstanding registration fees and how much was still to be paid. The CEO said he was unsure of the exact position but a steady stream of payments were received since the beginning of November. The Committee will be updated on the position.

A member enquired as to the issuing of draft minutes and was informed they would be issued as soon as possible with the draft also going to Council in due course.

**14. Date of next meeting**

It was noted that a proposed schedule of meetings for 2020 was currently being prepared and would be circulated with Council papers.

The meeting ended at 13.28