

**A**

**Minutes of Policy & Resources Committee Meeting of Mid Ulster District Council held on Wednesday 9 July 2014 at 8pm, in the Council Offices, Burn Road, Cookstown**

**Present:** Councillor McPeake, Chair  
Councillor Ford, Vice Chair

**Councillors:** Ashton, Bateson, Buchanan, Elattar, Glasgow, McFlynn, McGinley, S McGuigan, McLean, Mallaghan, Molloy, M Quinn, Reid, Totten

**Officers:** Chief Executive  
Clerical Officer  
Lead Finance Officer  
Lead Human Resource Officer  
Head of Development Services, MDC  
Head of Arts & Culture Services, CDC

**PR1/14 Apologies**

Apologies were received on behalf of Councillors McLean and Molloy.

**PR2/14 Declarations of Interest**

There were no declarations of interest.

**PR3/14 Policy & Resources Committee Terms of Reference for Transitional Period**

The Chief Executive advised members that the Mid Ulster District Council at its meeting on 26 June 2014 established four committees to take forward the work of the Council during the transitional period and that the Terms of Reference for these committees had been set by the Council.

The main areas for the Policy & Resources Committee were Finance, Human Resources, ICT, Governance, and Marketing & Communications. In addition any areas that were not covered by the other committees would come into the Policy & Resources Committee.

## **PR4/14      Transition Working Groups**

### **Finance & Procurement Transition Working Group**

The Lead Finance Officer presented the Finance & Procurement Transition Working Group Update Paper a copy of which had been previously circulated.

The Committee NOTED the report.

### **Human Resources Transition Working Group**

The Human Resources Officer presented the Human Resources Transition Working Group Update Paper a copy of which had been previously circulated.

The Committee NOTED the report.

### **ICT Transition Working Group**

The Head of Development Services, Magherafelt District Council, presented the ICT Transition Working Group Update Paper a copy of which had been previously circulated.

The Committee NOTED the report.

### **Communications Transition Working Group**

The Head of Arts & Culture Services, Cookstown District Council, presented the Communications Transition Working Group Update Paper a copy of which had been previously circulated.

The Committee NOTED the report.

## **PR5/14      Mid Ulster Council Corporate Plan for Transitional Period**

The Chief Executive presented the Corporate Plan for the Transitional Period, a copy of which had been previously circulated. The Chief Executive advised that the plan was essentially a Work Plan to achieve the aims of the Shadow Council by 1 April 2015.

The Committee ADOPTED the report.

## **PR6/14      DoE Consultation on Model Standing Orders**

The Chief Executive presented the Draft Local Government (Standing Orders) Regulations (NI) 2014 and Model Standing Orders, a copy of which had been previously circulated.

Members AGREED that this matter be discussed at the next Party Reps meeting, that parties provide their views to the Chief Executive prior to this meeting and that a workshop session be arranged to which all Members of Council be invited.

#### **PR7/14 Environmental Health & Building Control Group Structures**

The Chief Executive presented a paper on the future direction for group structures in Environmental Health and Building Control a copy of which had been previously circulated.

The Chief Executive advised that this matter had been discussed at officer level and consensus reached on the way forward, a copy of the report prepared on the proposed direction for the future of group structures within councils and transferring functions had been circulated with the agenda papers.

Members AGREED with the suggested approach for the future of group structures for Environmental Health and Building Control.

Members also AGREED with the suggested approach for Property Certificates and Houses in Multiple Occupation on the basis that these functions will be dispersed across councils as soon as possible and until then costs of these functions be apportioned based on usage of the service not population.

A further paper is to be brought to Council on arrangements for the delivery of Animal Welfare and Emergency Planning within an 11 council model.

On the proposal of Councillor McGuigan, seconded by Councillor Reid the Committee RECOMMENDED the adoption the report.

#### **PR8/14 Local Government Reform Joint Forum Scheme of Transfer of Staff**

The Human Resources Officer presented the Local Government Reform Joint Forum Scheme of Transfer of Staff a copy of which had been previously circulated.

This Scheme of Transfer for Local Government Staff is made under Schedule 10 of the Local Government Act (NI) 2014 and sets in place the arrangements for the transfer of staff to the 11 new council structures. It confirms that existing contractual terms and conditions will be protected in accordance with current employment legislation such as TUPE.

On the proposal of Councillor McFlynn, seconded by Councillor Reid the Committee RECOMMENDED the adoption the report.

**PR9/14 Procurement of Content Management Solution for Council Intranet And Website**

The Head of Development Services, Magherafelt District Council, presented the Procurement of Content Management Solution for Council Intranet and Website a copy of which had been previously circulated.

As part of developing and implementing a communication plan the development of a new website and intranet were recognised as key solutions in developing good communication practices across the organisation. Procurement of a system is required to enable the council to achieve that goal through a competitive process. Provision of a CMS accessible via a browser interface for min 50 users is required. Implementation of an Intranet to facilitate internal collaboration, news, events and internal applications, documents, policies and communications. Implementation and design of a fully responsive website presence for Mid Ulster Council. Training and on-going support.

On the proposal of Councillor Mallaghan, seconded by Councillor Bateson the Committee RECOMMENDED the adoption the report.

**PR10/14 Procurement of a Unified Communications System**

The Lead Finance Officer, presented the Procurement of a Unified Communications System for Council report a copy of which had been previously circulated.

The Lead Finance Officer advised that cost could be in the region of £100,000 plus VAT. The original ICT convergence budget approved by the Statutory Transition Committee (STC) included a specific budget allocation of £30,000 plus VAT which was based on the anticipated costs of replacing a telephone PABX on a like for like basis. However, further analysis of business needs has identified that a simple replacement PABX will not deliver on the operational requirements and, in particular, will not address the issues associated with transferring (in) staff, who will require access to central government unified communications infrastructure. At the time of budget approval the STC recognised the need for potential virement between budget headings and there may also be potential for Cookstown and Dungannon District Councils to contribute some funds from legacy Council budgets which had been previously earmarked for their own telephony upgrades.

On the proposal of Councillor Mallaghan, seconded by Councillor McGuigan the Committee RECOMMENDED the adoption the report.

## **PR11/14 Procurement of Mid Ulster Council Insurances**

The Lead Finance Officer, presented the Procurement of Mid Ulster Council Insurances report a copy of which had been previously circulated.

The Mid Ulster Council, although only legally obliged to maintain Employers Liability insurance (minimum limit of indemnity £10million), will seek to mitigate its exposure to insurable risks by maintaining appropriate insurances with reputable insurers of sound financial standing.

On the proposal of Councillor McGuigan, seconded by Councillor Mallaghan the Committee RECOMMENDED the adoption the report.

## **PR12/14 Managing Convergence of District Rates Consultation**

The Lead Finance Officer presented the Response to DFP Rating Policy Division's consultation on Managing Convergence of District Rates report a copy of which had been previously circulated.

The Lead Finance Officer advised that The NI Executive has agreed to allocate up to £30million to fund transitional arrangements to manage rates convergence and has developed an outline scheme which will adjust the district rate bills of those ratepayers facing increases as a result of RPA. Land & Property Services will implement the (final) scheme by applying a reduction to the domestic and non-domestic District Rates which will be used to calculate rates bills. It will not involve grants being made to Councils nor will it require Councils to strike more than one rate for their respective areas.

The final scheme will have regard to the proposed eligibility for Transitional Relief (TR) for rates convergence, including the need for thresholds and any other conditions to ensure that the scheme works effectively and stays within budget.

The final scheme will also have regard to the period over which relief will be given, e.g. 4 years, and the level of relief to be given in each year, e.g. Year 1 - 80%, Year 2 - 60%, Year 3 - 40% and Year 4 - 20%

Members AGREED that a further paper is issued on this matter with options on the implications to ratepayers clearly identified.

Members also AGREED that to expedite this matter that this topic is discussed at the next Party Reps meeting.

**PR13/14      Designation of Local Government Auditor**

Members NOTED receipt of a letter dated 18 June 2014 from the Department of the Environment regarding the Designation of Local Government Auditor.

**PR14/14      Department Funding for Change Managers/Change Management Teams**

Members NOTED receipt of a report from the Lead Finance Officer advising members that the Department of the Environment has offered Mid Ulster District Council funding for Change Managers/Change Management Teams for the period 2014/2015.

**PR15/14      Risk Register for the Transitional Period**

Members NOTED receipt of a report from the Lead Finance Officer advising members of the Risk Register for the Transitional Period.

**PR16/14      Business Cases for Redundancy Linked to Local Government Reform**

Members NOTED receipt of a letter dated 3 June 2014 from the Department of the Environment regarding the Local Government Act (NI) 2014: Application of Clause 123(4) – Severance.

*The meeting ended at 10.25 p.m.*

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Chair

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Date

**B**



**Subject:** Off Street Car Parking

**Reporting Officer:** Chief Executive

<b>1</b>	<b>Purpose of Report</b>
1.1	To seek Members approval for Mid Ulster District Council to participate in the existing DRD arrangements in respect of Off Street Car Parking for the period 1 April 2015 to 31 October 2016.

<b>2</b>	<b>Background</b>
2.1	Under the provisions of Local Government Reform, Council will be responsible for off-street parking (excluding park and ride and park and share car parks) from 1 April 2015. A list of the car parks is provided at Appendix A.
2.2	The delivery of the car parking function is a significant activity which the Department for Regional Development operate with the aid of two key contracts; an enforcement contract with NSL Services Ltd and an electronic processing contract with Spur Information Systems Ltd. A significant amount of in-house processing is also conducted by DRD staff.
2.3	The logistics of the provision of car parking services include a wide range of activities and present a considerable administrative challenge. The current range of activities includes; Secure cash collection, reconciliation and banking from pay and display machines, enforcement through deployment of uniformed, trained, Traffic Attendants with the requisite management and IT support, and payment processing, debt management and recovery, correspondence management and a system of independent tribunals. A more complete list of the activities is provided at Appendix B
2.4	Service delivery also relies on a number of agreements and protocols; with DVLA and their cross-border equivalent to obtain vehicle keeper details and the Enforcement of Judgements Office to allow debt recovery.

2.5	<p>Agreements are in place with electronic providers for payment processing and with NI Direct to provide access to photographs to substantiate penalties. Agreements are also in place to cover maintenance of pay and display machines, clamp and removal services and a vehicle pound. A list of the required agreements and protocols is provided at Appendix C.</p> <p>A trading account, showing the cost of providing this service which is based on the current DRD costs has been set out. This provides the revenues from car parking charges per car park and from the issue of penalties. Costs are based on the DRD expenditure in 2012/2013. The trading account provides a note of the net contribution from off-street car parks. However this contribution will be taken off by the Department for Finance and Personnel against the total budget transferring to the Council. The trading account is set out also at Appendix D.</p>
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<b>3</b>	<b>Key Issues</b>
3.1	<p>The provision of any services by DRD would be based on a Service Level Agreement (SLA) which would run from 1/4/2015 to 31/10/2016 with an option to extend after that period. The council will agree to operate the agreement for the full period, however during the period reasonable adjustments to the provision of services will be possible.</p>
3.2	<p>Should the Council wish to avail of the DRD contract and in-house services a lead-in time of at least six months will be required to agree the SLA and put in place the additional arrangements to service the Council.</p>
3.3	<p>The benefits of these arrangements are;</p> <ul style="list-style-type: none"> <li>• The Council will have flexibility to alter the tariffs, opening hours or car parks and to increase or decrease the number of hours traffic attendants are deployed for enforcement.</li> <li>• Commitment is limited to October 2016 but the option exists to continue after that date.</li> <li>• Charges to the Council for the services are at the same rate as paid by DRD thus benefitting from economies of scale. Charges are transparent and subject to audit.</li> <li>• Services will be operational from 1 April with a seamless transfer.</li> <li>• The Council will benefit from protocols in place with DRD for keeper details and an independent adjudication service from the outset.</li> </ul>

<p>3.4</p> <p>3.5</p>	<ul style="list-style-type: none"> <li>• The Council will have an 18 month period to learn from the operation of car parks and to prepare alternative arrangements if required.</li> <li>• There are no employment or TUPE implications.</li> </ul> <p>The downside is that Council will rely on DRD and its contractors for the provision of this service and will not have discretion in respect of its new enforcement function.</p> <p>Adoption of the existing DRD arrangements has been recommended by the LGR Transfer of Functions Working Group and the Regional Transition Operational Board (RTOB).</p>
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<p><b>4</b></p>	<p><b>Resource Implications</b></p>
<p>4.1</p> <p>4.1.1</p> <p>4.1.2</p> <p>4.1.3</p> <p>4.2</p> <p>4.3</p>	<p><b><u>Financial</u></b></p> <p>Members will note from the trading account that Off Street Parking generated a nett income of £288k in 2012/2013. However this contribution will be taken off by the Department for Finance and Personnel against the total budget transferring to the Council.</p> <p>It should be noted that DRD reduced the car parking tariffs in Magherafelt and Dungannon prior to Christmas 2013. The financial information provided to Council does not reflect the reduction in tariffs and the corresponding reduction in income. Further due diligence work is required to ensure that the deduction by DFP reflects current income.</p> <p>Costs presented to Council by DRD do not include a number of key components such as street lighting, signage and capital maintenance. Further work is therefore required to ensure that these costs are reflected in the budget transfer.</p> <p><b><u>Human resources</u></b></p> <p>N/A</p> <p><b><u>Assets and other implications</u></b></p> <p>The car parks listed in Appendix A will transfer to Council on 1 April 2015 and further work will be required to ensure that the car parks are fit for purpose and that all legal issues are in order.</p>

<b>5</b>	<b>Other Considerations</b>
5.1	It is clear that and the complexity and logistics of car parking services will preclude Council setting up alternative arrangements within the timescale for Local Government Reform.
5.2	The Council could decide to dispense with enforcement. However other services such as cash collection, reconciliation and maintenance of pay and display machines or pay on foot stations provided under the contract would still be required. Revenues would also be quickly eroded if enforcement ceased.
5.3	The Council could alternatively decide to abandon charging and this would minimise any requirement for enforcement. Costs would then be reduced to relatively minimal levels on the assumption that free car parks would continue to be free from rates.
5.4	Abandoning charging would however have significant consequences on two fronts. The impact on traffic management in town centres should not be underestimated. Car parks are likely to fill up with all-day parkers, potentially limiting or curtailing access to retail in town centres.
5.5	Most significantly however the financial benefit set out in the trading account would be lost. As set out above DFP have assumed this level of benefit in their overall transfer to the Council. Therefore the Council would be required to reduce expenditure elsewhere to compensate or increase rates accordingly.

<b>6</b>	<b>Recommendations</b>
6.1	Members approval is sought for Mid Ulster District Council to participate in the existing DRD arrangements in respect of Off Street Car Parking for the period 1 April 2015 to 31 October 2016.

<b>7</b>	<b>Documents Attached</b>
7.1	Appendix A : List of Off Street Car Parks in Mid Ulster Appendix B : List of Activities for Charged Car Parking Appendix C : List of Agreements and Protocols Appendix D : Trading Account – Mid Ulster Car Parks

Asset Description and Location	Town	DIVISION	Council Area	Net Book Value	Off Street Receipts Revenue 2015/16	Est PCN Income 2015/16	Rates	Minor Maintenance	TOTAL Direct MTA Costs Premises, Misc & Maintenance 2015/16	TOTAL Expenses MTA Costs Premises, Misc & Maintenance CAR PARK Specific 2015/16 £	Planted Area £	Cleaning Hours	Number of P+D Machines	Est P&D Maintenance Charge £	Number of TA hours 2015/16	Est TA Charge £	Number of PCN issued 2015/16	Est PCN Charge £
ANNE ST EAST	Dungannon	WEST	MID ULSTER	63,967	-10,471	-3,975	4,845	0	4,845	4,845	0	0	1	510	59	1,106	75	787
CASTLE HILL (31 Market Square)	Dungannon	WEST	MID ULSTER	188,178	-57,511	-13,091	10,659	0	10,659	10,659	609	0	3	1,531	174	3,274	247	2,591
CHURCH STREET/PERRY STREET	Dungannon	WEST	MID ULSTER	112,651	-12,031	-4,876	9,798	0	9,798	9,798	609	0	2	1,021	66	1,236	92	965
SCOTCH ST NTH split valuation	Dungannon	WEST	MID ULSTER	159,834	-33,357	-10,282	12,813	0	12,813	12,813	609	0	2	1,021	146	2,749	194	2,035
RAINEY ST	Magherafelt	WEST	MID ULSTER	419,644	-153,951	-27,825	8,925	14,348	23,273	23,273	773	0	4	2,042	380	7,142	525	5,507
UNION ROAD split valuation	Magherafelt	WEST	MID ULSTER	87,500	-68,476	-14,416	5,345	6,483	11,828	11,828	0	0	3	1,531	758	14,237	272	2,853
CENTRAL (39 King Street)	Magherafelt	WEST	MID ULSTER	231,052	-22,169	-7,473	886	6,600	7,485	7,485	0	0	2	1,021	189	3,556	141	1,479
HILLHEAD ROAD	Castledawson	WEST	MID ULSTER	19,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAIN ST	Clogher	WEST	MID ULSTER	27,238	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CORNMILL	Coalisland	WEST	MID ULSTER	85,699	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LINESIDE	Coalisland	WEST	MID ULSTER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BURN ROAD	Cookstown	WEST	MID ULSTER	186,752	0	0	0	0	0	0	0	0	0	0	16	291	0	0
LOY ST	Cookstown	WEST	MID ULSTER	63,173	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ORRITOR STREET	Cookstown	WEST	MID ULSTER	10,000	0	0	0	0	0	0	0	0	0	0	0	3	0	0
UNION PLACE	Cookstown	WEST	MID ULSTER	155,581	0	0	0	0	0	0	0	0	0	0	3	64	0	0
ANNE ST WEST (17 Anne St)	Dungannon	WEST	MID ULSTER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PERRY STREET (Split Valuation)	Dungannon	WEST	MID ULSTER	60,217	0	0	0	0	0	0	0	0	0	0	1	15	0	0
SCOTCH ST SOUTH split valuation	Dungannon	WEST	MID ULSTER	253,602	0	0	0	0	0	0	0	0	0	0	2	29	0	0
ENFIELD ROAD	Fivemiletown	WEST	MID ULSTER	55,126	0	0	0	0	0	0	0	0	0	0	0	0	0	0
THE COMMONS	Fivemiletown	WEST	MID ULSTER	35,808	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAIRHILL	Maghera	WEST	MID ULSTER	57,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ST. LURACH'S ROAD (12 Hall Street)	Maghera	WEST	MID ULSTER	140,575	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KING STREET	Magherafelt	WEST	MID ULSTER	61,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UNION ROAD split valuation	Magherafelt	WEST	MID ULSTER	87,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
				2,562,098	-357,966	-81,938	53,271	27,431	80,702	80,702	2,600	0	17	8,677	1,794	33,702	1,546	16,218

Enforcement	44,980
Processing	16,218
Cash collections	10,302
	71,500

Number of Cash Collections weekly 2015/16	Number of Cash Collections annually 2015/16	Est Cash Collection Charge £	Total Enforcement Costs £	Net Effect (Surplus)/Deficit £
1	52	396	2,799	-6,802
3	156	1,189	9,194	-50,749
2	104	792	4,624	-2,485
2	104	792	7,206	-23,621
8	416	3,170	18,634	-139,868
6	312	2,377	20,999	-50,064
4	208	1,585	7,641	-14,515
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	291	291
0	0	0	0	0
0	0	0	3	3
0	0	0	64	64
0	0	0	0	0
0	0	0	15	15
0	0	0	29	29
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
26	1,352	10,302	71,500	-287,703

## **Appendix B – List of activities required to provide a charged car parking service;**

### **Off & On Street Enforcement**

1. Off & On Street Enforcement
  - Location of Works
    - i. Council Boundaries
  - Service Hours
    - i. Restrictions per location
    - ii. List of contraventions
    - iii. Charging and non charging days
  - Patrol Requirements
    - i. Core deployed hours
    - ii. Required deployed hours
    - iii. Special Events
  - Operational Bases
  - Vehicles and Transport
    - i. Mobile unit requirements
    - ii. Urban Clearway requirements
  - Staffing and Personnel
  - Training
  - Uniforms
  - Enforcement Equipment
  - TA and Other Employees Conduct
  - CCTV Equipment
  - Blue Badge Enforcement
  
2. Management of Off Street and On Street Controlled Parking Zones
  - Description of Service and Income Statement
    - i. Existing off street car park schedules
  - Potential Future Developments
  - Accommodation and equipment provided by Transport NI
  - Car Park and CPZ operating times
  - Car Park Cleaning, maintenance of planted areas and general maintenance
  - Parking Equipment provided by Transport NI
  - Car Parking Equipment specifications for new equipment
  - Cashless Parking facility

3. Parking Equipment Maintenance & Fault Reporting
  - General Requirements
  - Quarterly Maintenance
  - Fault Reporting and Repairs
  - Response Times
  - TA Reported Faults
  - Fault Reporting
  
4. Cash Collection
  - General Requirements
  - Cash Collection Process
  - Transport / Security and Cash Room
  - Cash Collection Staff
  - Car Par Reconciliation Requirements
  
5. Vehicle Removals and Wheel Clamping
  - General Operational Requirements
  - Hours of Operation
  - Specification of the Clamping Unit
  - Specification of the Removal Unit
  - Specification of the Pound
  - Description of the Wheel clamping operation
  - Description of the vehicle removal operation
  - Pound Requirements
  - Pound Management
  - Payment and Control mechanisms
  - Payment centre, bank lodgements and reconciliation
  - Disposal of vehicles
    - i. Award of contract for crushing
    - ii. Award of contract for auction
  
6. Contract Management
  - Reporting on the Operation of the contract
  - KPI management
  - Invoices and Payments
  - Dispute Resolution
  - Disposal Schedule
  - Commencement and Exit strategies
  - Business Continuity Plans and Tests



## **PCN Processing**

### 1. IT Penalty Charge Notice Processing System

- Specification of the requirements of the PCN Processing system
  - i. Interface with Hand Held Computers
    - Specification of the Hand Held Computers, Software & Photographs
  - ii. Payments
    - Specification of the Payment Channels
      - a. Internet
      - b. Automated Telephone
      - c. Post Office Counters
  - iii. Challenges
  - iv. Representations
  - v. Debt Management
  - vi. Appeals
  - vii. Statutory Declarations
  - viii. Clamping and Removals
  - ix. Scanning
  - x. Data Migration from vehicle
  - xi. Hardware Hosting & Networking
  - xii. User Locations
  - xiii. Hand Held Computers, Software & Photographs
  - xiv. Case Progression & Notice Issuing
  - xv. Reporting
  - xvi. Standard letters
  - xvii. Word Processing
  - xviii. Work Queues and Referrals
  - xix. Interface with DVA & DVCS
  - xx. Interface with Oracle and Transport NI Accounts
  - xxi. Telephone call logging facility
  - xxii. Supporting Databases
    - Street & Car Park inventories
    - P&D Machines

- Restrictions
- Contraventions & Exemptions
- Restrictions per location

## 2. PCN Processing

- Staff Training & Management to provide a service that includes the following;
  - i. Receipting Payments and Bank Reconciliation
  - ii. Challenges
  - iii. Representations
  - iv. Appeals
  - v. Statutory Declarations
  - vi. Debt Management
  - vii. Appeals Tribunal
  - viii. Correspondence - ( Councillor, MLA, MP, Advice Centre etc)
  - ix. Report Development and retrieval
  - x. Data Archiving
  - xi. System Back Up
  - xii. System Security
  - xiii. Audit Trail
  - xiv. System Upgrades
  - xv. Management of Change Controls
  - xvi. Beta Testing
  - xvii. Business Continuity Plan & Test
  - xviii. Contract Invoice Reconciliation
  - xix. Application of Service Credits & Dispute Resolution
  - xx. Data Security
  - xxi. Freedom of Information
  - xxii. Management of SLAs
  - xxiii. Development of Specifications for new initiatives
  - xxiv. Procurement

## **Appendix C – List of Agreements, protocols and contracts with other providers required to provide a charged car parking service;**

**Roads Service Client** - Currently hold the Off Street Car Park Maintenance Budget. They authorise the maintenance work to car park surfaces, signs and lines.

**Roads Service Direct** - Carry out the maintenance work on off street car park surfaces, signs and lines as authorised by Roads Service Client.

**Advanced Parking Solutions (APS) & Parkeon** - APS provide the Metric ticket machines that are used in a small number of Off Street Car Parks. Parkeon provide the more commonly used Skidata machines. Both companies have a reporting facility that processing office staff access to confirm information in relation to fault or finance queries.

**Driver and Vehicle Agency (DVA)** - They are the sole driver, vehicle and vehicle operator licensing authority in GB and they provide Parking Enforcement with details of the registered keeper of vehicles for use in enforcement of parking offences.

**Driver and Vehicle Computer Services Division (DVCS)** - They carry out a similar function in the Republic of Ireland to the DVA in N Ireland. DVCS and DVA signed a Memorandum of Understanding in February 2010 that facilitates the transfer of vehicle keeper data between the two authorities. This information is used to enforce against Republic of Ireland vehicle owners that failed to pay parking charges for contraventions while in N Ireland.

**The Enforcement of Judgments Office** - Where the Parking Enforcement Processing Unit cannot collect an unpaid parking charge they have the option of clamping & removing the vehicle or lodging the debt with the Enforcement of Judgments Office (EJO). The Enforcements of Judgments Office (EJO) provide a centralised service for the enforcement of civil court judgments. They deal with enforcing money judgments and also enforce other types of civil judgments such as those that are connected with the possession of land and property. It is not a debt-collecting agency.

**Land & Property Services** - Land & Property Services (LPS) is responsible for Land Registry and Registry of Deeds. Parking Enforcement may register charges in Land Registry or Registry of Deeds to secure parking enforcement debt against a property or land belonging to the debtor.

**Northern Ireland Traffic Penalty Tribunal (TPT)** - The TPT hears appeals against Penalty Charge Notices issued by or on behalf of the Roads Service.

**Cobalt** - Cobalt provides a service that enables the motorist to pay a PCN at any time, night or day, by IVR\* or web, wherever they are. The service provides a transaction process completed entirely on secure servers. *\*IVR (Interactive voice response) is a technology that allows a computer to interact with humans through the use of voice and keypad phones*

**Streamline** - Streamline enable the online and automated telephone payment service to accept credit and debit card payments.

**Newnet** - Newnet provides a hosting service for the Spur software application. Their hosted services

include servers, routers, switches, firewalls, load balancing and software backed with technical support and a dedicated account management team.

**Blue Badge** - The Blue Badge Scheme is an important service for people with severe mobility problems that enables badge holders to park close to where they need to go. The scheme operates throughout the UK, and is administered in Northern Ireland by Roads Service at Castle Barracks, Enniskillen. The concessions apply to on-street parking and include free use of pay-and-display bays on street. Blue Badge holders have dedicated Blue Badge bays in Off Street Car Parks but all off street parking bays are charged.

The Blue Badge Enforcement team work closely with the Blue Badge Unit to detect and enforce against Blue Badge fraud.

**Parkmobile** -The Parkmobile, Cashless Payment System is available in all Pay and Display Off-Street car parks and On-Street charged car parking locations in Northern Ireland. This system provides an alternative method of paying for parking other than using coins at the Pay and Display machines. The motorist registers their details with Parkmobile and once registered they can pay for and manage their parking using their mobile phone, mobile app or on-line. One benefit of this facility is that the motorist does not have to estimate their parking time as they control when they start and stop their parking. There is no need to display a Pay and Display ticket on their vehicle as Traffic Attendants can check if parking has been paid using Parkmobile. Details of how the service operates is provided on the Pay and Display machines at each location

**Wilson's Auctions** – Agreement in place to facilitate the auction of a vehicle that has been removed for debt. The revenue accrued from this action is taken off the debt amount

**T-Met** - Agreement in place to facilitate the crushing of a vehicle that has been removed for debt. The revenue accrued from this action is taken off the debt amount

## Mid Ulster

	2015/16	
	Councils	
		£000s
Receipts		
Off Street		358
Penalty Charge Notice		82
<b>Total Revenue</b>		<b>440</b>
Rent		-
Rates		53
Maintenance and other		27
<b>Total Direct Costs</b>		<b>81</b>
Enforcement [includes P&D machine charge, and TA charge (1,794 hrs) @£18.79 per hr]		45
Processing [PCN charge (1,546 PCNs @ £10.49)]		16
Cash collection [1,352 visits @£7.62 per visit]		10
Payment on foot		0
<b>Total Enforcement Costs</b>		<b>71</b>
<b>Total Costs</b>		<b>152</b>
<b>Surplus/(Deficit)</b>		<b>288</b>

### Assumptions

1. All revenue and costs stated are as at 1st April 2015.
2. Enforcement, processing and cash collection costs are based on current levels of service.
3. Additional costs in relation to enforcement, processing and cash collection may be incurred through disaggregation of service. This will involve additional recharges to councils.
4. Park and ride and Park and share sites are excluded.

**C**

<b>Subject</b>	Consideration of report “Proposed Procurement Approach” (which includes recommended procurement limits)
<b>Reporting Officer</b>	Lead Officer for Finance

<b>1</b>	<b>Purpose of Report</b>
1.1	To consider the adoption of the Proposed Procurement Approach report and to request Council’s authorisation to develop a procurement policy on the basis of this report.

<b>2</b>	<b>Background</b>
2.1	Members of the Finance and Procurement Transition Working Group have reviewed the procurement practices within the three predecessor councils and current guidance and developed the attached report.

<b>3</b>	<b>Key Issues</b>
3.1	The Finance and Procurement Transition Working Group recommend that the Council adopts option 3 within the report.
3.2	In broad terms this would result in: <ul style="list-style-type: none"> <li>• Up to £1,000 – no quotation required but must demonstrate that costs are reasonable</li> <li>• £1,000 to £5,000 – 2 written price checks required and must demonstrate that costs are reasonable – approved by authorised officer</li> <li>• £5,000 to £30,000 – a minimum of 4 written quotations – approved by Director</li> <li>• £30,000 to EU threshold – advertised in regional press – approved by Council</li> <li>• Single tender actions – request via Director to Chief Executive – up to £30,000 approved by Chief Executive, otherwise approved by Council</li> <li>• All single tender actions above £1,000 reported to Council or Committee as agreed</li> <li>• All procurements in excess of £1,000 notified to procurement team.</li> </ul>

<b>4</b>	<b>Resource Implications</b>
4.1	<b>Financial</b> Should result in more cost effective procurement.

4.2	<b><u>Human resources</u></b> Training will be provided to enable individual departments to handle all procurements (subject to Procurement team sign off on certain occasions) up to £30,000.
4.3	<b><u>Assets and other implications</u></b> N/A

<b>5</b>	<b>Other Considerations</b>
5.1	N/A.

<b>6</b>	<b>Recommendations</b>
6.1	That the Committee recommends that the Council adopts the attached report (and enclosed recommendation) and authorises the officers to develop an appropriate policy and documentation, etc. in line with the report's recommendation.

<b>7</b>	<b>List of Documents Attached</b>
7.1	Appendix 1 - Paper "Proposed Procurement Approach"



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# Mid Ulster Council – Proposed procurement approach

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May 2014

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## The Northern Ireland Local Government Procurement Strategy

The above strategy was prepared by the Local Government Procurement Group in April 2013. The strategy contains recommendations in relation to procurement and seeks to provide a platform for obtaining best value for money from its procurement expenditure. The strategy recommends that an advertising threshold of £30,000 is applied uniformly across all Councils. The strategy highlights that if the threshold for Council advertising was £30,000, the likelihood of local contractors being invited to quote for business below this would be much greater.

The Central Procurement Directorate has issued guidance on spending limits for tenders and quotations below advertising limits as follows:

### For Goods and Non Constructions Services

Procurement Limit (Value of item)	Process Required
Up to £5,000	Departments should carry out a price check with at least two contractors/suppliers to ensure VFM. Price checks should be documented.
From £5,000 to £30,000	A minimum of two tenders invited in accordance with a SLA with a CoPE or a tender process undertaken by a CoPE.
>£30,000 and <EU threshold	Advertise on esourcingNI.

## Proposed Procurement Limits for Mid Ulster Council

Following a review of the current procurement arrangements in each Council as well as the requirements of funders such as SEUPB and DARD the recommended procurement limits for the new Mid Ulster Council are detailed below. These have been designed to

Procurement Limit (Value of item)	Process Required	Approval Required
Up to £1,000	No quotations required. Must demonstrate that costs are reasonable.	Authorised signatory
From £1,000 to £5,000	2 written price checks obtained. Must demonstrate that costs are reasonable.	Authorised signatory
From £5,000 to £30,000	A minimum of 4 written quotations sought.	Director
>£30,000 and <EU threshold	Publicly advertised tender in the regional press	Council
Single tender action **	Request submitted through Director to Chief Executive	Up to £30,000 – Chief Executive approval Over £30,000 – Council approval.

**\*\*Note** – All single tender actions over £1,000 will be reported to full Council, Committee or sub-committee of Council as agreed. All Single Tender Actions should have a written record setting out the reasons why the procedure was used. Only in exceptional circumstances will single tender actions be used. The relevant circumstances are summarised below:

- When the open or restricted procedure has been discontinued;
- Where no tenders, suitable tenders or applications are submitted in response to an invitation to tender using the open or restricted procedure but only if the original terms of the proposed contract have not been substantially altered;
- When, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the public contract may be awarded only to a particular economic operator;
- When (but only if it is strictly necessary) for reasons of extreme urgency brought about by events unforeseeable by, and not attributable to, the contracting authority, the time limits specified in the regulations for the open, restricted and negotiated procedures cannot be met. Unforeseeable events mean events which fall outside the field of normal economic and social activity e.g. floods or earthquakes which necessitate urgent services to assist victims.

## Implementation of procurement limits

### Current procurement resources

The resourcing of procurement related activities differs across the three Council areas.

- **Dungannon** – has a procurement team made up of a manager (procurement forms part of her duties) and an officer. All procurement with a value above £1,000 is undertaken by the procurement team. Procurement with a value under £1,000 is undertaken by officers in individual departments.
- **Cookstown** - Procurement is undertaken by relevant officers in individual departments.
- **Magherafelt** – The policy officer develops policy, updates the Council website on tender opportunities and opens all received tenders. Procurement is undertaken by relevant officers in individual departments.

No officer, in any of the three Councils, has a formal procurement qualification.

### Options regarding implementation of procurement limits

A number of options exist regarding the implementation of the proposed procurement limits:

#### Option 1 -

- All procurement with a value above £1,000 is led and recorded by a central procurement team.
- Procurement with a value under £1,000 is undertaken by officers in individual departments.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• A dedicated team with specialist skills in procurement will exist.</li> </ul>	<ul style="list-style-type: none"> <li>• Will require significant resources to staff and meet increased expected demand from a larger Council.</li> </ul>
<ul style="list-style-type: none"> <li>• Procurement exercises will be consistent and ensure compliance with Council policy and procurement legislation.</li> </ul>	<ul style="list-style-type: none"> <li>• Centralising procurement in a large organisation for goods over £1,000 may result in delays in obtaining goods and services if the central procurement unit is not adequately resourced.</li> </ul>
<ul style="list-style-type: none"> <li>• Most procurement information will be held in one central repository that can be easily monitored and evaluated.</li> </ul>	<ul style="list-style-type: none"> <li>• Inflexibility in not being able to respond to Operational demands within the timescales that they require particularly across a large geographic area.</li> </ul>
	<ul style="list-style-type: none"> <li>• Procurement team and operational departments may not fully understand each other's requirements. Responsibility lines may be unclear.</li> </ul>

**Option 2 -**

- All procurement is undertaken by relevant officers in individual departments
- The procurement team is notified of all procurement with a value above £1,000.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Operational responsiveness in being able to meet operational demands within the timescales that they require.</li> </ul>	<ul style="list-style-type: none"> <li>• Operational staff may not have the skills or expertise to undertake procurement exercises particularly with larger value contract and those that above the EU threshold.</li> </ul>
<ul style="list-style-type: none"> <li>• Responsibility lines will be clear.</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement exercises may not be consistent.</li> </ul>
<ul style="list-style-type: none"> <li>• No central resource required.</li> </ul>	<ul style="list-style-type: none"> <li>• Council policy and procurement legislation may not be complied with.</li> </ul>
	<ul style="list-style-type: none"> <li>• Procurement information will not be held in one central team. This may make it difficult to monitor and evaluate procurement from an audit perspective.</li> </ul>

**Option 3 -**

- **Up to £30,000**

Up to £30,000, the full procurement process will be completed by each Department. The central procurement team will provide:

- Training;
- Templates; and
- Advice.

Approval for the process will be signed off by the central procurement team at the following control points:

- Before Quotations are sought for items valued £5,000 to £30,000.
- Before order is placed for items valued £5,000 to £30,000.

The procurement team is to be notified of all procurement with a value above £1,000.

- **Over £30,000**

The full procurement process will be led by the central procurement team.

- **Over the EU Threshold**

The full procurement process will be led by the central procurement team.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>A dedicated team with specialist skills in procurement will exist.</li> </ul>	<ul style="list-style-type: none"> <li>Operational staff may not have the skills or expertise to undertake procurement exercises.</li> </ul>
<ul style="list-style-type: none"> <li>Procurement exercises will be consistent and ensure compliance with Council policy and procurement legislation with larger value contracts and those over the EU threshold where there is more risk.</li> </ul>	<ul style="list-style-type: none"> <li>Procurement information will not be held in one central team. This may make it difficult to monitor and evaluate procurement from an audit perspective.</li> </ul>
<ul style="list-style-type: none"> <li>The support and approval process will ensure that procurement exercises are consistent across the Council and ensure compliance with Council policy and procurement legislation with contract values below £30,000.</li> </ul>	
<ul style="list-style-type: none"> <li>Procurement across the Council will be monitored and evaluated by a central procurement team.</li> </ul>	
<ul style="list-style-type: none"> <li>Operational responsiveness in being able to meet operational demands below £30,000 within the timescales that they require.</li> </ul>	
<ul style="list-style-type: none"> <li>The procurement team will be able to give advice and support the Operational teams without requiring significant resources.</li> </ul>	

### Recommended implementation approach

It is recommended that Option 3 be adopted as the procurement approach implemented by the Mid Ulster Council. This is on the basis that:

- The controls and checks that will be implemented will ensure compliance with Council policy and procurement legislation thereby significantly reducing the any financial or legal risk to Council;
- It has in built flexibility that will meet operational demands and responsiveness; and
- The approach will efficiently and effectively meet the procurement requirements of a much larger and wider, geographically spread Council.
- The procurement team will be notified of all procurement with a value above £1,000 and will be able to keep a central database.

## Proposed Implementation Programme

Timescale	Stage
<b>Policy</b>	
August 2014 – October 2014	Prepare policy, templates and documentation
November 2014 – December 2014	Train staff on new policy, processes and documentation
December 2014 – March 2015	Existing councils adopt new policy and apply new procurement systems and processes
November - December 2014	Supplier information sessions delivered in each Council area
<b>Electronic ordering</b>	
August 2014 – December 2014	Pilot to be implemented in one department of one of the existing Councils
January 2015 – April 2105	Electronic ordering pilot to be evaluated with a view to being implemented in each Council (if practicable) before 1 April 2015
<b>E-tendering</b>	
November 2014 onwards	Procurement >£5,000 and <£30,000 – details of the procurement exercise to be put on Council website
November 2014 – April 2015	Consider and, if practicable before 1 April 2015, procure and implement e-tendering solution
April 2015 - onwards	Procurement via e-tendering solution (assuming implemented)
January 2015 – March 2015	Supplier information sessions and training delivered in each Council area (Link to Economic development programme)

## Appendix 1 - Current procurement limits in each Council

### Magherafelt Council

Procurement Limit (Value of item)	Process Required	Approval Required
Up to £1,000	No quotations required. Must demonstrate that costs are reasonable.	Head of Service
From £1,000 to £4,000	2 price checks. Must demonstrate that costs are reasonable.	Director
From £4,000 to £10,000	4 selected tenders required	Director
From £10,000 to £30,000	5 selected tenders required	Director
>£30,000 and <EU threshold	Publicly advertised tender in the regional press	Council
Single tender action (applies to all limits detailed above)		Director and Council if above £30,000

### Dungannon Council

Procurement Limit (Value of item)	Process Required	Approval Required
Up to £1,000	No quotations required.	Authorised signatory
From £1,000 to £15,000	4 Quotations to be obtained	Authorised signatory/budget holder
Over £15,000 and <EU threshold	Publicly advertised open competitive tendering process	Committee and Council

### Cookstown Council

Procurement Limit (Value of item)	Process Required	Approval Required
Up to £1,000	No quotations required. Must demonstrate that costs are VFM.	
From £1,000 to £10,000	4 Quotations to be requested and a minimum of 3 competitive quotations received.	Head of Service
Over £10,000 and <EU threshold	Publicly advertised tenders.	Head of Service



**D**

<b>Subject</b>	Consultation on Ethical Standards Apportionment of Costs
<b>Reporting Officer</b>	Lead Finance Officer

<b>1</b>	<b>Purpose of Report</b>
1.1	To inform members of the DoE consultation exercise on the <i>Apportionment of Costs associated with the Ethical Standards Framework between Councils</i> (the Northern Ireland Commissioner for Complaints), and to seek commentary on the same.

<b>2</b>	<b>Background</b>
2.1	Part 9 section 64 (1) of the Local Government Act (NI) 2014 confirms that the Northern Ireland Commissioner for Complaints' Office (Commissioner) must prepare an estimate of expenses associated with its operation in processing complaints received relating to councillors of new councils. Section 2 of the Act details that the Department must apportion the estimated amount between all councils.
2.2	The Commissioner will be responsible for the review and handling of complaints made against councillors on alleged breaches of the mandatory Code of Conduct for Councillors.
2.3	The consultation is seeking commentary on the proposed method for apportioning costs between Councils from 1 April 2015. Any set up costs and work associated with the Commissioner's Office throughout 2014-15 will be met by the NI Executive. The consultation document is attached as Appendix 1.

<b>3</b>	<b>Key Issues</b>
3.1	Under the Local Government Act (NI) 2014 and through this consultation all councils will be required to cover the costs associated with the operation of the Commissioner's Office.
3.2	It is estimated that costs for 2015-16 will be £380,000 and four options on apportioning costs have been presented for consultation. The options for apportioning costs and corresponding costs based on the aforementioned figure are detailed as follows:

3.3.	<table border="1"> <thead> <tr> <th><b>Apportionment Options</b></th> <th><b>Indicative Costs to Mid Ulster DC</b></th> </tr> </thead> <tbody> <tr> <td>A) Number of Councils</td> <td>£34,545</td> </tr> <tr> <td>B) Number of Councillors</td> <td>£32,900</td> </tr> <tr> <td>C) Population</td> <td>£29,256</td> </tr> <tr> <td>D) Tax Base (Gross penny Product)</td> <td>£23,577</td> </tr> </tbody> </table>	<b>Apportionment Options</b>	<b>Indicative Costs to Mid Ulster DC</b>	A) Number of Councils	£34,545	B) Number of Councillors	£32,900	C) Population	£29,256	D) Tax Base (Gross penny Product)	£23,577
	<b>Apportionment Options</b>	<b>Indicative Costs to Mid Ulster DC</b>									
	A) Number of Councils	£34,545									
	B) Number of Councillors	£32,900									
	C) Population	£29,256									
D) Tax Base (Gross penny Product)	£23,577										
In referring to the options as illustrated above, Option D is the most economically acceptable to Mid Ulster District Council. The final option chosen will be subject to the outcome of the consultation process.											

<b>4</b>	<b>Resource Implications</b>
4.1	<b><u>Financial</u></b>
4.1.1	Irrespective of the option selected, Council will be required to pay a minimum of £23,577 or maximum of £34,545 per annum towards the administration of the Commissioner's Office, based on estimated annual cost of £380,000.
4.2	<b><u>Human resources</u></b> N/A
4.3	<b><u>Assets and other implications</u></b> N/A

<b>5</b>	<b>Other Considerations</b>
5.1	None

<b>6</b>	<b>Recommendations</b>
6.1	Members consider the contents of this report and agree upon a preferred option for the apportionment of costs for the Commissioner's Office.

<b>7</b>	<b>List of Documents Attached</b>
7.1	Appendix 1 - Consultation Document: <i>Apportionment of Costs Associated with the Ethical Standards Framework between Councils</i>



Department of the

**Environment**

[www.doeni.gov.uk](http://www.doeni.gov.uk)

**The Apportionment of Costs  
Associated with the Ethical Standards Framework  
between Councils**

Consultation Document

1 August 2014

## THE APPORTIONMENT OF COSTS ASSOCIATED WITH THE ETHICAL STANDARDS FRAMEWORK BETWEEN COUNCILS

This Consultation Document seeks views on how costs associated with the investigation and adjudication processes within the revised ethical standards framework should be apportioned between councils

Comments should be sent by 1 October 2014 to:

Local Government Policy Division 1  
Department of the Environment  
4th Floor, Causeway Exchange  
1-7 Bedford Street  
Town Parks  
Belfast, BT2 7EG

or by email to:

[stephen.western@doeni.gov.uk](mailto:stephen.western@doeni.gov.uk)

The following people will be able to answer queries in relation to the apportionment of costs:

Name	E-mail	Telephone
Jeff Glass	<a href="mailto:jeff.glass@doeni.gov.uk">jeff.glass@doeni.gov.uk</a>	028 9082 3375
Stephen Western	<a href="mailto:stephen.western@doeni.gov.uk">stephen.western@doeni.gov.uk</a>	028 9082 3405

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# HOW COSTS ASSOCIATED WITH THE ETHICAL STANDARDS FRAMEWORK SHOULD BE APPORTIONED BETWEEN COUNCILS

## PURPOSE OF THE CONSULTATION DOCUMENT

1. Part 9 section 64 (1) of the Local Government Act (Northern Ireland) 2014, sets out that before the commencement of each financial year the Northern Ireland Commissioner of Complaints' (Commissioner) office must prepare an estimate of the amount of the expenses of the Commissioner under this Act.
2. Subsection 2 outlines that the Department must apportion the amount estimated in accordance with subsection (1) between all the councils in Northern Ireland in such manner as the Department, after consultation in accordance with subsection (3), considers appropriate.
3. Subsection 3 sets out that the Department must consult—
  - a) councils; and
  - b) such associations or bodies representative of councils as appear to the Department to be appropriate, about the manner in which the amount mentioned in subsection (2) is to be apportioned.
4. The set up costs and any costs relating to casework of the ethical standards framework this year are being met by the Executive. This consultation, therefore, seeks views on the proposed method for apportioning costs from April 2015 onwards.

## BACKGROUND

5. The Local Government Act (Northern Ireland) 2014 has put in place a new ethical standards regime for local government, including a mandatory Code of Conduct for Councillors. The Northern Ireland Commissioner of Complaints (Commissioner) will be responsible for handling any allegations made against councillors of breaches of this Code.
6. This is a change to the original proposal that each Council would have its own ethical standards framework. It has a number of advantages:
  - a. it removes the need for appointing monitoring officers and establishing standards committees (including any independent membership) in councils;
  - b. the involvement of the Commissioner's office adds transparency, independence and ensures fairness and these factors are likely to improve public confidence in the system;
  - c. it ensures a uniform approach to all complaints; and
  - d. the Commissioner is experienced in carrying out investigations.
7. Councils will be obliged to cover the Commissioner's costs in providing this service, and the Act provides for the Department to apportion the cost between councils. The Act places a requirement on the Department to consult with councils, and representatives of



councils, on the method of apportionment, prior to finalising the amount due.

## **APPORTIONMENT OPTIONS**

8. Four options for apportioning costs have been identified:
  - A. Number of councils (11);
  - B. Number of councillors (462);
  - C. Total population (1,823,600) based on the small area population estimates 2012 (published by NISRA on 27 March 2014); and
  - D. Tax base, as measured by Gross Penny Rate Product at 30 September 2013 (22,459,998).
9. In order to demonstrate how the costs would be distributed, based on an estimated cost of £380,000 for 2015/16, the table below sets out each scenario:

**Table 1: Apportionment of Costs**

<b>Council</b>	<b>Option A Number of Councils</b>	<b>Option B Number of Councillors</b>	<b>Option C Population</b>	<b>Option D Gross Penny Rate Product</b>
Antrim and Newtownabbey District	£34,545	£32,900	£29,006	£28,553
Armagh, Banbridge and Craigavon District	£34,545	£33,723	£42,175	£35,237
Belfast District	£34,545	£49,350	£69,598	£94,103
Causeway Coast and Glens District	£34,545	£32,900	£29,464	£25,781
Derry and Strabane District	£34,545	£32,900	£30,965	£27,419
Fermanagh and Omagh District	£34,545	£32,900	£23,796	£23,200
Lisburn and Castlereagh District	£34,545	£32,900	£28,402	£31,721
Mid and East Antrim District	£34,545	£32,900	£28,297	£27,163
Mid Ulster District	£34,545	£32,900	£29,256	£23,577
Newry, Mourne and Down District	£34,545	£33,723	£36,195	£31,354
North Down and Ards District	£34,545	£32,900	£32,840	£31,886
<b>Total</b>	<b>£380,000</b>	<b>£380,000</b>	<b>£380,000</b>	<b>£380,000</b>

**Note: Totals rounded**

10. The costs set out in Table 1 do not include legal challenges. Should legal challenges materialise, the additional costs will be apportioned between the new councils. In addition, any other additional costs associated with the work of the Commissioner will also be apportioned between the new councils, using the preferred option.

## PROS AND CONS OF OPTIONS

### 11. Four options considered:

- Option A – number of councils (11). This option would result in an equal split in costs between the councils which would put an inequitable pressure burden on the budgets of those less wealthy council clusters. This option is the easiest to administer.
- Option B – number of councillors (462). This method would give a more accurate representation as it includes the councillors in each cluster and has a clear linkage to the work and costs of the Commissioner. This option requires minimal calculation to apportion the cost and provides the most equitable solution.
- Option C – population (1,823,600). This option gives an accurate representation of the total population, as it includes groups such as children and those not registered to vote. However, this could be interpreted as the more urban areas subsidising the more rural areas irrespective of the number of councillors in that cluster.
- Option D – gross penny rate product (22,459,998). This method represents the biggest disparity between the four apportionment methods. This method assumes that the only method of paying for reform was through rates, and this is not the case. It also bears no relationship to the work and associated costs of the Commissioner.

**E**

<b>Subject:</b>	ICT Business Analysis & recommendations
<b>Reporting Officer:</b>	Lead ICT Manager

<b>1</b>	<b>Purpose of Report</b>
1.1	To update Council on the finding and recommendations of the Business analysis carried out by Kelway in respect of Converging systems
1.2	To update council on ICT requirements required
1.3	To seek approval to procure goods and services towards building the new ICT service for Mid Ulster

<b>2</b>	<b>Background</b>
2.1	<p>Council has engaged Kelway to carry out a comprehensive Audit and Business analysis to determine an independent assessment of the key requirements for ICT within a new council. They carried out;</p> <ol style="list-style-type: none"><li>1. Inventory of existing the existing Servers, Storage and virtualisation infrastructures and deployment, analysed and made recommendations the new solution storage, servers and system requirements for Mid Ulster Council</li><li>2. Audit, analysed the requirements for delivering ICT over current networks and made recommendations of and the technology for a new network design.</li><li>3. Analysed existing business systems and architecture and recommended an architecture, system solutions and resources required to deliver the key recommendations.</li><li>4. Developed a Migration plan for all convergence work in respect of same for ICT.</li></ol>

<b>3</b>	<b>Key Issues</b>
3.1	<p>The key issues identified are:</p> <p>Current systems within contained in three data centres at present. The three councils systems are at capacity and have little or no scope to build or accommodate the new systems and storage required for Mid Ulster Council.</p> <p>In order for the council, to operate effectively across some 20 sites the network requires significant redesign and better quality links in order to consolidate infrastructure into 2 computer rooms, production and disaster recovery data centres. Those data centres require new storage, server and associated networking equipment, service and reconfiguration to build the new Mid Ulster ICT Service.</p>

	<p>Given the multiple systems and convergence work required the merge three data systems and information together the report identifies the requirement to resource the ICT service with adequate people to carry out the function to an acceptable high standard of service. There are currently 4.5 approximate FTE staff together with bought in support working within ICT across all three councils. The report identifies a 6 FTE requirement to meet future ICT needs alone.</p>
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<b>4</b>	<b>Resource Implications</b>
4.1	<p><b><u>Financial</u></b></p> <p>There are significant budget implications for each of the key recommendations. A <a href="#">summary below</a> highlights the budgeted costs, existing commitments by Councils towards convergence and additional funding. There is an underestimate of £63,500 against the recommended 7 projects to be procured as part of this report.</p>
4.2	<p><b><u>Human resources:</u></b></p> <p>The report recommends the delivery of ICT services to a agreed service level agreement (SLA) which is supported and monitored by a helpdesk system and resourced with six staff; Helpdesk(3), senior technical(2) and lead(1) with occasional 3<sup>rd</sup> Level remote support for key systems. Support should be extended to provide on call for facilities outside of 8-6pm and be reflected within the T&amp;Cs of staff where possible.</p>
4.3	<p><b><u>Assets and other implications</u></b></p>
4.31	<p><b>Location:</b> The report recommends the ICT service would be centralised on 2 key locations Magherafelt and Dungannon as Production and Disaster Recovery (DR) data centres. Resilience for Cookstown would be built into the network design and on site essential services. There is some remedial office works, generator switching and tidying of servers and relocation of equipment for all 3 sites as a result.</p>
4.32	<p><b>Virtualisation:</b> The report recommends building on the current investment in virtualisation technologies already deployed platform and deploying 7 new servers ( 7 ) across the 2 proposed data centres.</p>
4.33	<p><b>Storage:</b> Magherafelt has an immediate requirement to acquire storage, this purchase will allow Mid Ulster to expand on Magherafelt investment to meet the greater Mid Ulster arrangements for its entire storage. Dungannon's existing storage with some adjustment will storage and recovery options for storage in the DR site.</p>
4.34	<p><b>Network Redesign:</b> The report recommended the consolidation of the existing three hub and spoke networks into to a Multi-Protocol Label Switching (MPLS) network. The new design provides greater resilience, disaster recovery, integrates with the unified communication solution and comes as a managed service with High Availability SLA's. The design allows for high speed links across the 3 primary sites and allows ICT to recovery services within 15 minutes</p>

	<p>to the DR site.</p> <p>Clustered firewalls across both sites with a resilient internet connection service would provide appropriate content filtering and bring the council to a level of compliance with information security standards and governance within the public sector such as HMG Infosec Guidelines and COBIT.</p>
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<b>5</b>	<b>Other Considerations</b>
	<p>Back Office Summary Recommendations</p> <p>The report has made several multiple observations and recommendations given the report. They are summarised as follows.</p>
5.1	<b>Security:</b> Two factor authentication to be used to increase the security from remote access from home and outside of the corporate network. The ability to remote access can be facilitated by extending Citrix(solutions in place in Cookstown) and Direct Access through new servers and the network.
5.2	<b>Active Directory:</b> To be implemented as per Microsoft Consulting Service Implementation.
5.3	<b>Email:</b> To be hosted on the cloud via Offices 365 or equivalent.
5.4	<b>Email Archival:</b> Maintain an email archival solution with preferred IL2 security accreditation if possible.
5.5	<b>Printer Management:</b> The reports recommends the Council consider Consolidating printers towards large high speed Multi-function printers and reducing desktop devices a print management service as a cost effective means of maintaining service and controlling costs on a per click basis for all printing.
5.6	
5.7	<b>Facilities:</b> Install temperature and fire suppression in each of the two data centres. Structured cabling to be implemented.
5.8	<b>Mobile Devices:</b> Deploy mobile devices/tablets where business officers access to systems and information securely out of the office. Mobile devices to be centrally managed via a mobile device management (MDM) solution to properly manage and centrally control council devices for Councillors and staff resourced with same.
5.9	<b>Office Suite:</b> It is recommended the council standardise on Microsoft 2013 suite via office 365 cloud services and aligned with Hosted email.
5.10	<b>Antivirus,:</b> Antivirus solution to be standardise on a F Secure solution ( in place)
5.11	<b>Email Security:</b> to use inbuilt solution anti-spam and anti-malware services as part of a hosted exchange solution.
5.12	<b>Web Filtering:</b> The Web filtering to be provided through firewall solution with the network design.
5.13	<b>Intranet &amp; Web Site :</b> An integrate intranet to be implemented and maintained via a CMS ( already approved and in procurement)

5.14	<b>EDRMS:</b> recommended council consider an Electronic Document Records System(EDRMS) to assist with larger volumes of information retention, FOI, Traceability retrieval and archive in the longer term.
5.15	<b>Application Management Information systems:</b> In order to manage the many systems on a single set of tools it is recommended ICT use a single tool set such Microsoft System Centre (MSC) to management applications ,updates service desk and tools together with helpdesk to manage calls for ICT requests for service and help, troubleshoot and self-help where appropriate.
5.16	<b>Backup &amp; contingency plans:</b> Backups to be implemented using disk based media using a solution such as Arcserve with documented Backup procedures, Policies and plans where appropriate to conform to Information security standards.

<b>6</b>	<b>Recommendations</b>
6.1	<p>Members are asked to recommend that the council accepts the recommendations set out in the Kelway reports and summarised here.</p> <p>Members are asked to recommend that the council use competitive tenders and procurements to acquire:</p> <ul style="list-style-type: none"> <li>• <b>Storage and Associated Network Devices, Service to facilitate the migrate to 2 Data Centres</b></li> <li>• <b>MPLS network service for Mid Ulster in line with the Network Design</b></li> <li>• <b>Virtualisation Services and Licensing as necessary to maintain compliance</b></li> <li>• <b>Hosted Email Services together with Office 365 licensing &amp; migration services for existing three email systems into one</b></li> <li>• <b>Virtualisation Installation services, configuration &amp; testing</b></li> <li>• <b>Licensing Office 365 &amp; Email Hosted and</b></li> <li>• <b>Firewall &amp; Filtering Solution</b></li> <li>• <b>Active directory Migration services</b></li> <li>• <b>Backup solution and Licensing</b></li> </ul>

<b>7</b>	<b>List of Documents Attached</b>
7.1	Appendix 1 - Final Recommendations & Migration Report
7.2	Appendix 2 - Migration Plan



Key Recommendations				
Proposed Procurements	Installation Services & Capital	Recurring Year 2	ICT Transition Budget	Councils Contribution/Funding
<b>Storage,Virtualisation and Associated Network Devices, Services to facilitate the migration to 2 Data Centres</b>	£78,000	£18,000	£40,000	£17,000
<b>MPLS network service for Mid Ulster in line with the Network Design</b>	£60,000	£95,000	£15,000	£45,000
<b>Hosted Email Services together with Office 365 licensing &amp; migration services for existing three email systems into one</b>	£38,000	£39,000	£39,000	£0
<b>Virtualisation Servers, Installation services, Network configuration &amp; testing</b>	£60,000	£12,000	£7,000	£10,000
<b>Firewall &amp; Filtering Solution</b>	£6,000	£2,000	£8,000	£0
<b>Active directory Migration services</b>	£20,000	£0	£10,500	£5,000
<b>Backup solution and Licensing</b>	£6,000	£4,000	£8,000	£0
<b>Totals</b>	<b>£268,000</b>	<b>£170,000</b>	<b>£127,500</b>	<b>£77,000</b>
There will be a reduction on other network technologies of £45000 across the three councils in year 2				
Councils have committed to replacing some networking equipment within current budgets				
Installation and Capital costs are indicative figures only based on research				

The 7 proposed projects represent an approx. £63,500 Underestimate based on indicative costs against the current ICT transition budgets and reduction of costs.



**MID ULSTER COUNCIL - ICT AUDIT PROJECT**  
**Final Recommendations and Migration Report**  
**Draft Version 1.4**

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## Document Control

### Version History

Version	Date	Name	Comments
V1	12/08/2014	Martin Simpson	First Draft of Recommendations
V1.2	13/08/2014	Paul Finlay	Additional Network Recommendations
		Michael Scullion	Additional Virtualisation Recommendations
V1.3	13/08/2014	Helen Johnson	Review of documentation
V1.4	19/08/2014	Martin Simpson	Additional of migration plans and project plan

### Document Ownership and Approval

<b>Document Owner</b>	Martin Simpson	Kelway Lead Consultant
<b>Document Authorisation</b>		

### Document Distribution

Name	Title
Barry O'Hagan	Cookstown ICT team
Fred Greer	Cookstown ICT Team
Ciaran McKeown	Dungannon ICT Team
Michael Browne	Magherafelt ICT Team
JJ Tohill	Head of Finance
Jason Curran	Magherafelt ICT Team

### References and Related Documents

Mid Ulster Report Business Analysis Report v1.4

Mid Ulster Report Virtualisation Report v1.2

Mid Ulster Report Network Report v2.0

Local Government Powers Transfer

#### Confidentiality

Kelway's success in the IT market place is directly linked to the knowledge that we have of best practice and the innovation and creativity that we apply to our customer solutions. In providing this report Kelway have endeavoured to present evidence of this to further our case for selection and to offer value in this solution area. Kelway ask that you respect our intellectual property and consider the contents of this and all other documents submitted by Kelway to be highly confidential.

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# 1. Executive Summary

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As a consequence of Local Government reform the three Councils, CDC, DSTBC and MDC are preparing to merger systems and processes to deliver a coordinated and effective modern ICT service. The three Councils in question are:

- Cookstown District Council (CDC)
- Dungannon and South Tyrone Borough Council(DSTBC)
- Magherafelt District Council(MDC)

The cluster requires an extensive audit and analysis of ICT infrastructure across the three councils within the Mid Ulster Council Area.

The audit and analysis of the existing systems will assist in identifying the priority system convergence issues, provide an independent assessment of the infrastructure and help develop future design of the infrastructure and systems for the new Mid Ulster Council.

Kelway Ltd have been appointed as the lead organisation to carry out an audit and analysis of the existing ICT infrastructure across the three councils in order to take forward the convergence of systems and processes to the new Mid Ulster ICT Service.

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## 2. ICT Audit Background

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### 2.1. Scope

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The scope of the ICT Audit had been sub-divided into a number of report areas to help enhance the analysis of the various critical ICT elements. These reports include:

- Mid Ulster Report Business Analysis Report v1.4
- Mid Ulster Report Virtualization Report v1.2
- Mid Ulster Report Network Report v1.8

The scope of works for this document is to collate all the recommendations made from the three reports and define the migration steps based on these recommendations to deliver a new consolidated ICT infrastructure which Mid Ulster Council staff will be able to operate from on the 1<sup>st</sup> of April 2015.

### 2.2. Assumptions

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As part of the final recommendations the following assumptions have been made in lieu information from Council parties:

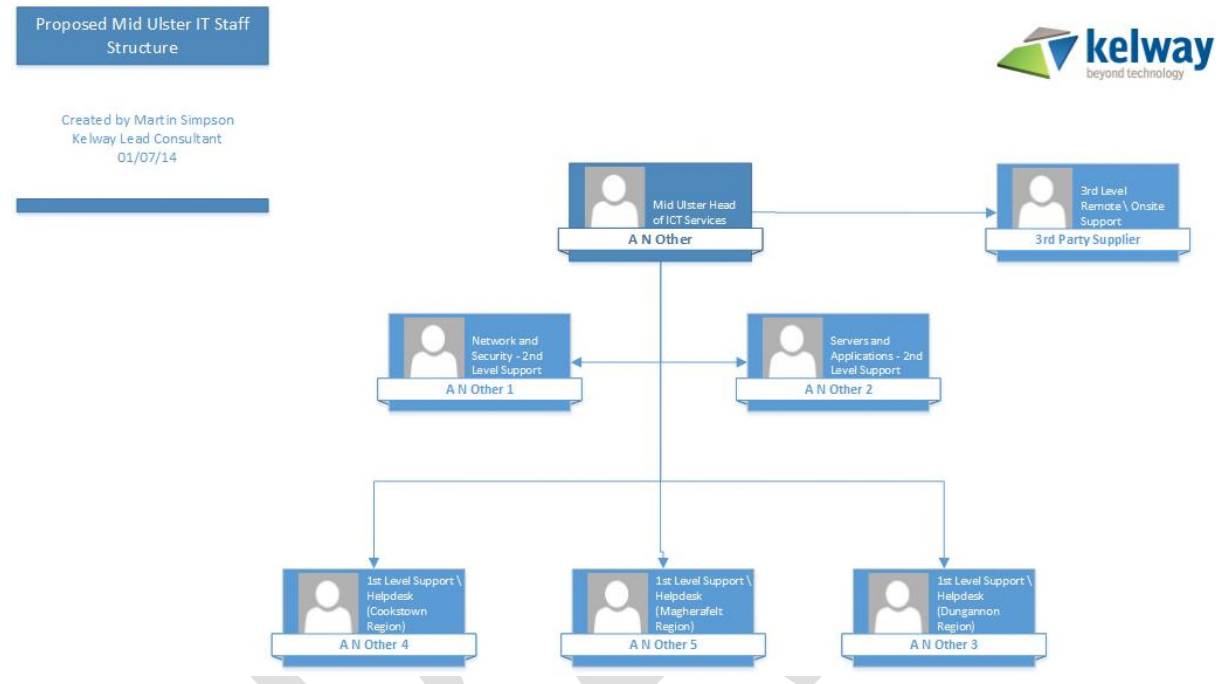
- New Planning Service staff will be located close to a Network NI connection, to allow dedicated access to the ePIC planning platform. It is assumed that these users will total approximately 30-40 in total and will be located across the main offices of the new council area.

## 3. Final Recommendations

### 3.1 Business Analysis Recommendations

#### 3.1.1 Organizational Structure

Kelway recommends a new IT Staff structure for the Mid Ulster Council ICT Team.



The staffing of this team requires there should be first and second level support capabilities within the ICT team to deliver support and manage the new IT infrastructure. The ICT team should be assisted by an external 3<sup>rd</sup> party provider to deliver higher level specialized support and possibly out of hours cover if required. The continuity of support means that a member of the 1<sup>st</sup> level support team should be located at each main site in the council to cover the legacy council area. Two senior 2<sup>nd</sup> Level Support staff should have responsibility for two defined areas – the first area is network and security and the second is Server Systems and Application.

Kelway recommend together with the day to day ICT operations and support of the IT infrastructure, the ICT team should have budgetary responsibility for all ICT related spend including hardware and software given that the ICT team are best placed to measure and evaluate new and emerging technologies and will have responsibility of supporting them. The ICT team are also best placed to plan and co-ordinate new projects in a way which conforms to the overall ICT strategy for the new Mid Ulster Council.

Kelway also recommend that it is imperative that the new ICT team lead develops policies to support the new ICT strategy. These policies should include information security, service level agreements, operational agreements, data retention and business continuity plan.

### 3.1.2 ICT Service Operations and Service Levels

Kelway recommends the new Mid Ulster ICT team lead develops new ICT Service Level Agreement. Kelway believes that any Service Level Agreement agreed between the new Mid Ulster ICT Services team and council staff should not only deliver against the end user requirements but should also be an SLA which the new ICT team can realistically deliver against.

Kelway also strongly recommends that these SLA are supported and monitored through a new helpdesk system. Such a helpdesk system will enable reporting against defined metrics on Operational Level Agreements (OLA) and will help measure strategic goals using Key Performance Indicators (KPI) against defined success criteria.

Kelway recommends that ICT services team provide standard daily support between the hours of Monday to Friday - 8am to 6pm. Some council services will require out of hours support and the provision for “on call” may need to be considered either through a 3<sup>rd</sup> party or with local staff. Kelway recommends that changes to staff roles and working hours are formalized in staff T and Cs which might require engaging with the new HR department.

### 3.1.3 Additional IT Service

Kelway recommends that the new ICT team consider the impact of the services they will have to deliver in near future and beyond given the new powers which will be transferred to the council. These new powers are:

#### Planning

- Local development plan functions
- Development control and enforcement

#### Roads

- Off street parking (except Park and Ride)

#### Urban regeneration and community development

- Functions associated with physical development (e.g. environmental improvement schemes)
- Area based regeneration (such as Neighbourhood Renewal)
- Some community development programmes for the voluntary and community sectors

#### Housing

- Registration of houses in multiple occupation
- Housing unfitness responsibilities, including repair and demolition notices

#### Local Economic Development (transfer from Invest NI)

- Start a Business Programme and Enterprise Shows
- Youth Entrepreneurship (such as Prince’s Trust and Shell Livewire)
- Social Entrepreneurship
- Investing for Women
- Neighbourhood Renewal funding relating to enterprises initiatives

#### Local Tourism

- Small scale tourism accommodation development
- Providing business support including business start-up advice along with training and delivery of customer care schemes
- Providing advice to developers on tourism policies and related issues



## Other

- Some elements of the delivery of the EU Rural Development Programme;
- Authority to Spot List to enable Councils to add a building to the statutory list on a temporary basis, subject to ratification by the DOE;
- Authority to draw up local lists of buildings that are of architectural and/or historic interest;
- Local water recreational facilities;
- Local sports (greater involvement of local government in local sports decisions);

In addition to these new powers, the interview process has identified further services that will be new to the council and will have varying degrees of impact on the new ICT services and its remit these include:

- **INSPIRE project** – to deliver joined up GIS services for improved data sharing across government
- **Content Management System (CMS)** – consolidated and single solution to present data to internal and external in a structure and controlled way.
- **Electronic Data Records Management System (EDRMS)** – it is envisaged that there will be a requirement to deploy an EDRMS solution to help meet Freedom of Information requests and legislative requirements on data retention in the near future.
- **Data Digitization** for documents – the use of scanning technology to house historical records for Building Control, Environment Health and other departments where data retention periods are longer and are not in electronic format currently.
- **Information Security Management** – there will be a need to develop policies and procedures in conjunction with the new council departments which will ensure that all Mid Ulster data is handled and processed in a secure and controlled manner. This function of IT is not addressed in the current council structure and will be becoming increasingly important going forward.
- **Graphic Design and Communications** – it is clear that while this service currently resides in IT a revised view of this service might well see it moved into the new Marketing\PR Department. Whilst this approach is reasonable, it should be noted that there will still be a heavy reliance on IT support and assistance.

### 3.1.4 ICT Service Skills Gap

Kelway believes that the skills gap for local resources is relatively small. Kelway recommends training and shadowing techniques are used to fill any gaps there might be. Two areas where skills gap is most noticeable would be Database administration and Mobile device management (MDM) part of the larger security arena.

### 3.1.5 Computer Room Facilities

Kelway have reviewed the existing computer room facilities and recommend that two of the three computer rooms are used as Primary and Secondary Data Centre sites. From the investment required in facilities it is recommended that both Dungannon and Magherafelt have the most suitable rooms to host ICT services. Kelway would strongly recommend that structured cabling is reviewed and upgraded where needed to meet a higher capacity of connections. Kelway also recommends access control systems are improved and fire suppressants systems are in place at both sites prior to the migration \ consolidation process begins. Finally, we recommend that a general tidy up of both server and Comms rooms are completed at each location prior to the installation of any new additional hardware for the new council.

With particular reference to the Magherafelt Computer facilities Kelway believes that there is an option to extend the existing comms room on the lower ground floor into an adjacent room which would better fit the new computer room facilities. By adding a raised floor and fire suppressant to this room would provide a better sized computer room facility than that which is currently housing the servers at the moment. The existing larger server room in Magherafelt council could then be redesigned as an office space for new Mid Ulster Staff possibly local planning officers.

### **3.1.5 Hosted Email**

Kelway recommends that the new Mid Ulster council consider a new hosted email solution. Kelway recommends that any email hosted solution used by Mid Ulster council should at a minimum meet the G-Cloud Impact Level 2 (IL2 Accreditation) standard mandated by the UK Cabinet Office for all local government public bodies.

### **3.1.5 Email Cleansing**

Kelway recommends that email cleansing services such as anti-spam, anti-virus services for email should be delivered by the hosted email service provider. The new ICT team might consider a further email cleansing service in addition to this integrated service. Kelway would suggest that the investment in a second service of this kind needs to be built upon a lack of performance of the integrated service from the hosted email service provider.

### **3.1.6 Email Archiving**

Kelway recommends that email archiving is needed and should be deployed to users in a seamless and transparent manner. Email archiving services are available through hosted email solution providers but would be subject to the same IL2 accreditation requirements set out by the UK Cabinet Office. The council may consider an onsite solution which is not subject to these restrictions such as MailMeter which is currently in use in Cookstown Council.

### **3.1.7 Unified Communications**

Unified Communications tools can help save money through limiting travel and improve collaboration between the new staff members of the Mid Ulster Council. Kelway highly recommends the new council consider a Unified Communications (UC) platform which can help bring geographically dispersed teams together and enhance improved collaboration between these sites and user populations. UC brings together an IP telephony solution with new electronic collaboration features such as Instant Messaging and one to one video conferencing. Kelway recommends that the council consider two leading technologies in this technology space 1. CISCO UCS and 2. Microsoft Lync. The CISCO platform has a stronger voice communication element, while the Microsoft platform has better electronic and collaboration features. Kelway believes that the moving users to a softphone voice platform might be a step too far at the stage, however the ICT should plan to move down this route in the longer term. Kelway is aware that a competitive competition is about to be launched to address this urgent requirement.

### **3.1.8 Mobile Phones**

Kelway recommends that the council move to a single mobile phone carrier and provider for mobile phone devices. Kelway also recommends that the handsets should include smartphone functionality based on the Windows Mobile OS to allow tight integration with apps, control of devices and cost

competitiveness. Kelway strongly recommends that the introduction of a Mobile Device Management (MDM) solution to control and manage all mobile devices tightly – tools such as remote location tracker and remote wipe are a must to meet the new council's security policies. The council may wish to consider MDM solutions such as Intune and MobileIron. Kelway does not recommend the Bring Your Own Device (BYOD) approach to mobile devices due to the complexity of managing such devices not owned by the council and the issues with compliance to security standards. BOYD brings with an unacceptable information security risk and given the nature of data used by the council should not be considered a route to deliver mobile information to staff.

### **3.1.9 Conferencing**

Kelway recommends that conferencing and web hosted conferences are an integral part of the new UCS platform. Kelway recommends that either CISCO or Microsoft platforms can provide these services. Tools such as Webex for hosted web conferences and Lync for 1 to 1 meetings should be considered. Kelway understands that elements of this conference functionality will be addressed by the competitive UC competition.

### **3.1.10 Desktop \ Laptop**

Kelway recommends that the new Mid Ulster council consider standardizing on desktop and laptop hardware and building a base image for these devices. Kelway recommends that the minimum requirements for these devices and the software installed on them are:

Hardware minimum baseline:

- 3.0GHz Intel i3 Processor (64 bit) or equivalent
- 4 GB of RAM
- 120 GB of disk space
- Direct x9 compatible graphics device
- Laptop only (2 USB ports, Wireless card meeting 802.11n standard)

Software minimum baseline:

- Windows 7 Enterprise Edition (Direct Access requirement only)
- Office 2013
- Internet Explorer 10
- Firefox 18.0.2
- Antivirus – client protection
- Adobe Acrobat Reader v11 and Adobe Flash player v14
- Java Runtime SE v8
- Remote Support Software

### **3.1.11 Tablet Devices**

Kelway recommend that the new Council ICT team consider the tablet devices for those users who are mobile and need access to data from various locations. Kelway recommends the council consider Windows based tablet devices to not only support these users, but control and manage data that might be contained on them. Such devices will be exposed to the same security issues and data mobility problems as those faced with Smartphones, hence Kelway strongly recommend a MDM solution that can cater for both type of devices. Existing councillor IPADS and Senior staff tablets

should be subject to the same controls and security policies and hence controlled by the same MDM solution.

### **3.1.12 Servers and Storage**

Following our extensive audit Kelway recommends that the council consider new physical hardware for the new server virtualization platform, we would also recommend that the better hardware currently in place could be re-used for those services which are not able to be virtualized, such as Domain Controllers and print servers where required. Kelway recommends that any new servers built to facilitate ICT Services for the council use Windows 2012 R2 as the OS of choice and those servers still running Windows Server 2003 should be replaced prior to the end of support on that OS by July 2015.

Based on the two datacenter approach and the requirement to replicate data between both sites Kelway recommends the implementation of a new SAN which can deliver the scale and performance required to hold the consolidated data of the three councils and have enough capacity for data growth of the next 5 years. For the new SAN, Kelway believes that the investment made in the DELL VNXe in Dungannon platform is kept and extended to meet these new requirements. Based on this Kelway recommends the SAN should be ISCSI based, fully redundant with 4 hour response, 8 hour fix warranty support and deployed across both datacenters. The new SAN should have two types of storage provisioned in it. TIER1 storage - fastest disk speeds for online production services such as databases file shares etc... and TIER2 storage – slower \ higher capacity disks to allow less frequently accessed data, archive data and non-critical applications to reside on.

### **3.1.13 Printer \ USB Estate**

Kelway recommend the consolidation of printer supply contracts across the new council and would also recommend that the council consider moving away from local printers to shared Multi-Function Printers which have features such as smart print services and finishing tools to further reduce costs in the printer estate. Kelway would also recommend that the new council consider a managed print service to take the pain of maintenance and toner refill workload away from the new IT department to a third party with defined SLA's to meet.

Kelway recommend that the new council ICT team implement USB device locking and standardise on a USB device upon which encrypted data can be delivered. This is an important security requirement to ensure no data leakage from the device, if it is misplaced, lost or stolen. Kelway recommends encrypted USB devices such as IronKey, Imitation Defender or Safestick should be considered

### **3.1.14 Office Suite**

Kelway recommends the office suite which the new council should standardise to Office 2013 and should be delivered via a common platform for the new council users. The edition of Office 2013 will depend on the requirement of the user and need for that user to have these productivity tools deployed to multiple devices. Kelway recommends that the new Council consider the Office 365 suite which not only delivers the office 2013 products to five licensed devices per user but also hosted email, IM, web conferencing, online storage, rights management and hosted intranet dependant on the plan purchased. The Office 365 platform has been certified for government IL2 accreditation to meet with local government compliance. The small number of instances of

Microsoft Project\ Visio and Access that exist should be upgraded to the latest 2013 version of these product suites.

### **3.1.15 Security, firewall and VPN**

Kelway recommends that with the proliferation of mobile data and devices deployed it is critical that the new ICT team review the edge of network security and implement these technologies to protect the council network from attack from all external sources. Next generation firewalls similar to the Fortigate already deployed, include these technologies in the appliance and provide better defence in depth. The council should consider a single vendor firewall device to ease management, auditing and reporting of the data that flows in and out of the new council network.

To mitigate this risk of standard passwords and enhance user security Kelway recommend that the council consider deploying two factor authentication (2FA) technology where the user supplements a password with something the user has, should that be an access code from an authentication service delivered to a device. Solutions that will provide this level of security to users in Mid Ulster are numerous but Kelway would recommend that the council consider Safenet, Vasco or SwivelSecure.

It is envisaged that the number of remote users will grow over time with the adoption of mobile working practices and devices. The use of VPN software or similar technology such as Microsoft Direct Access is recommended for access to resources. Alternatively tools such as the existing Citrix Access Gateway located in a firewall DMZ could be deployed securely to publish applications or desktops to the outside world.

Finally Kelway recommends that the new Mid Ulster network and infrastructure is regularly penetration tested by a third party (at least once a year) to ensure the integrity of the new systems.

### **3.1.16 Antivirus, Email and Web Filtering**

Kelway recommends that the new council ICT team consolidate to a single antivirus product for all devices in the council estate. Given the investment already made in F-Secure and the feedback on the other existing AV solutions in place, Kelway recommends that the council considers using F-Secure as its AV solution of choice for the new council.

Kelway recommends the use of inbuilt anti-spam management tools from hosted email providers, for instance spam filtering and virus protection are automatically enabled on all inbound and outbound email messages by Microsoft Exchange Online Protection (EOP), the anti-spam and anti-malware service included with Office 365. The EOP service applies multi-layered filters and scanning engines to help protect organizations from email-borne threats.

The network analysis report recommends that all web traffic is delivered through 2 highly available firewalls split across the two data centres to provide URL filtering. With this solution all web traffic from all Mid Ulster users would be directed through two next generation firewalls which should provide robust URL filtering. There are approximately 15 different internet connections currently in situ across the 3 council areas. Kelway recommends that if the consolidation of internet connections don't take place then new smaller next generation firewalls are placed on these internet lines and URL filtering is deployed from them. Firewalls such as Fortinet, Checkpoint firewalls have this capability in built and simply need that feature set licensed for such a scenario

### **3.1.17 Intranets & Web estate & Maintenance**

Kelway recommends the council invest in a new Content Management Solution (CMS) which will allow the new council to deploy an intranet and internet solution in a controlled manner with a delivering and audit structure. Recommended CMS solutions such as Kentico and SharePoint will ensure all content is managed and published in a secure and agreed workflow process.

Kelway believes that a new unified intranet solution for the new Mid Ulster Council should be deployed at the earliest possible time to deliver a single repository and communication tool for all new Mid Ulster staff.

Kelway recommends that the council should consider an Electronic document and records management system (EDRMS) solution given the increasing need that the new council will have a large number of Freedom of Information (FoI) requests to deal with and will require the traceability that such as solution provides. Kelway recommends EDRMS solutions such as HP Autonomy (TRIM) EDRMS, IDOX EDRMS or OpenText Records & Documents, Vignette Edition (previously known as Hummingbird).

### **3.1.18 Application Management Information Systems**

With no helpdesk system currently deployed, Kelway recommends the council considers a single toolset that encompasses application management, infrastructure management and service desk utilities such as Microsoft System Centre, rather than a number of small unconnected utilities which deliver just a single feature and add to the headache of management rather than simplifies it. Kelway recommends that the helpdesk software features should allow users to log support issues via a phone, email or web browser. IT support staff should be able to access the helpdesk via a browser from anywhere within the network to update calls as needed and to aid transparency and acceptance of a helpdesk system new software should allow users to track progress of calls and submit feedback on the service delivered to them via the same webpage. It would also be preferable if the new helpdesk software had the ability to use an AD integrated self-service portal that would allow users to reset their password with the click of a button and also allow them to keep their directory information up to date.

### **3.1.19 Backup and Contingency Plans**

Kelway recommends that the council implement a new disk based backup solution to an existing NAS device. Kelway would not recommend a cloud backup solution at this point given the limited information on the amount of data which will need backed up at this time and potential to reuse the QNAP devices in situ as a backup storage device. There are a number of backup solutions available on the market, Kelway would recommend from past experience that the council consider using CA Arcserve UDP as a possible backup solution.

The new DR site will allow the new council to deliver a business continuity plan and set achievable recovery times for business critical services in such an event (suggested recovery times for critical applications range from 4 hours to 24 hours). Kelway recommends that under the proposed solution architecture a reasonable Recovery Point Objective (RPO) time for the new council could be 15 minutes.

Kelway recommends that the new council carefully considers data retention requirements, though the default is expected to be 7 years retention time. Kelway recommends that archived data be

placed securely on a 3<sup>rd</sup> TIER of storage (slow speed, large capacity) such the existing QNAP NAS devices.

### **3.1.20 Software Licensing**

With separate discussions under way with regard to a Microsoft Licensing, Kelway would recommend that the new council makes the best of its larger scale to consolidate applications and application support contracts. This will enable easier management of applications and licensing of these applications. The council should also consider co-terming existing agreements to help simplify the licensing process where possible.

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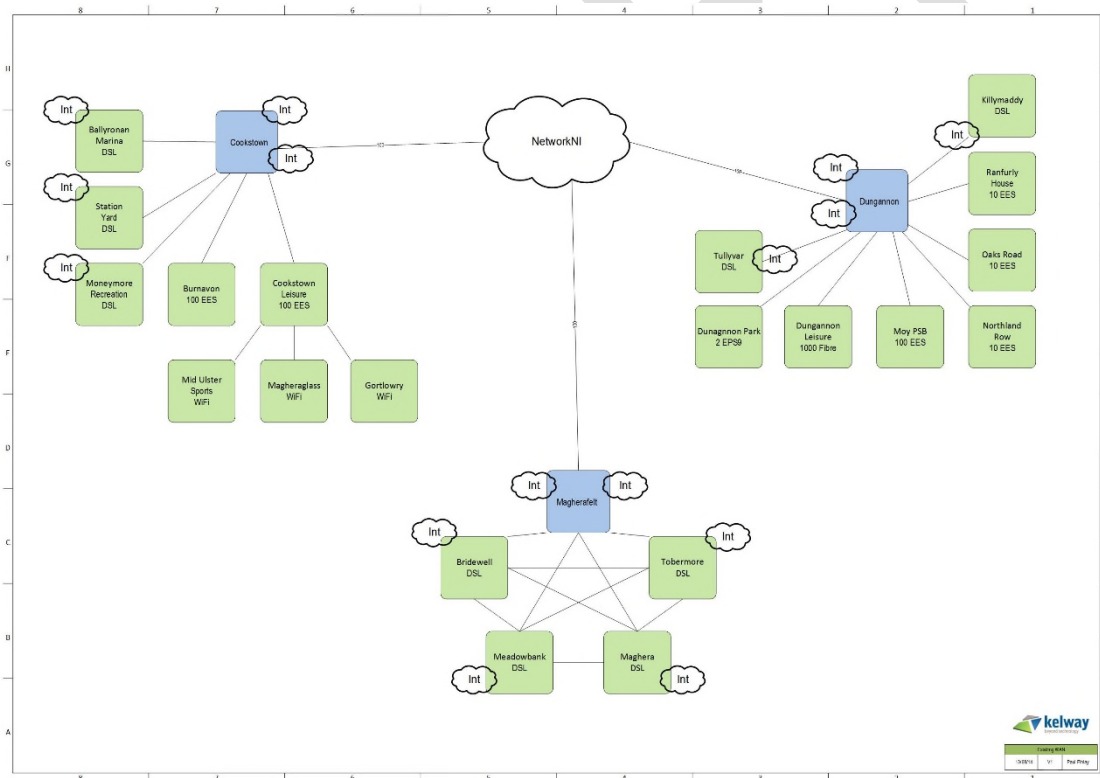
### 3.2 Network Recommendations

The underlying network infrastructure is the building block upon which all other IT services rely. The performance of critical business applications and the resiliency of those applications is directly affected by the network design. Therefore the network design should be viewed as a critical component of an overall IT solution. The consolidation of multiple council networks into one, resilient, high performance converged network is a non-trivial matter and requires a significant investment in design consultation and networking hardware.

#### Core Services

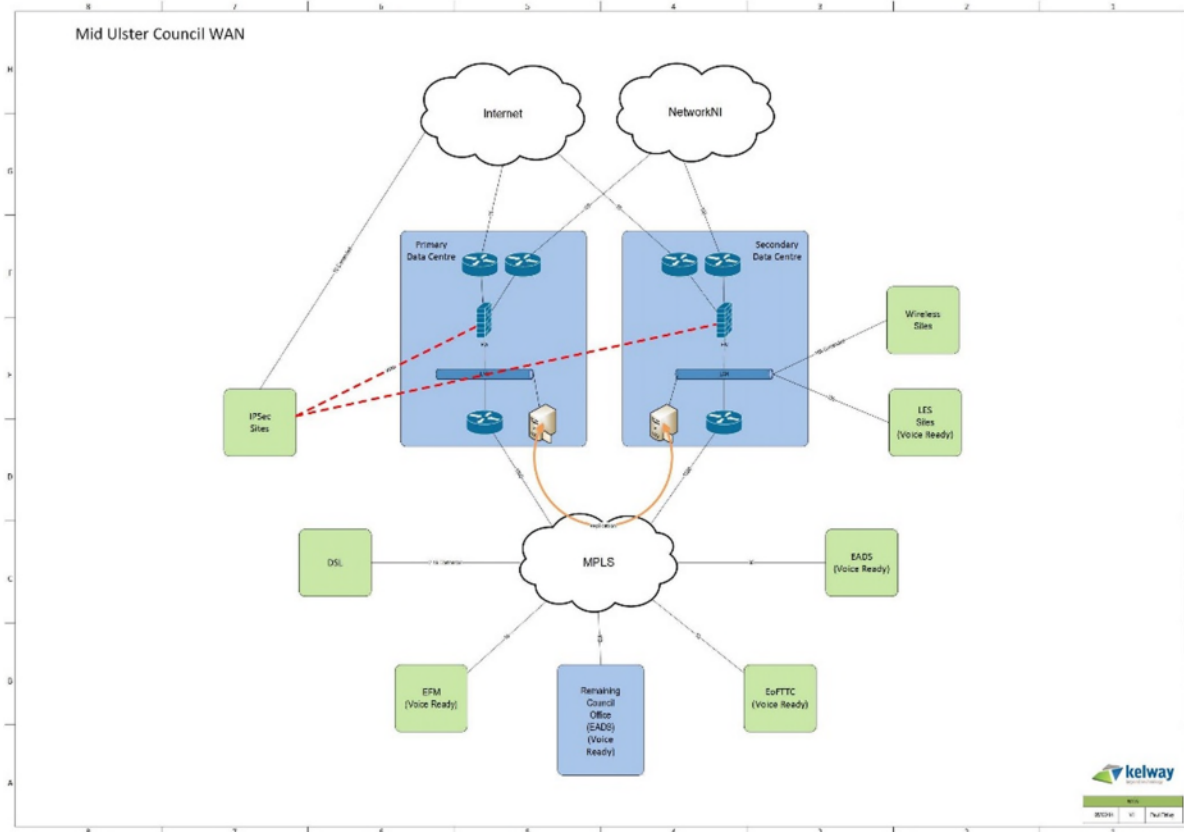
As the server infrastructure is going to be consolidated and centralized it follows that the network connectivity should also be consolidated and centralized. The two data centers should host (the only) firewalled external connectivity to NetworkNI and the Internet. Eventually PSTN/SIP Trunk breakouts could be consolidated here. The diagrams below show the existing disparate networks and their multiple internet breakouts, followed by a proposed WAN solution that consolidates services.

#### Existing WAN



#### Proposed WAN





## WAN

The current WAN lacks meshed resiliency, has a mixture of SLAs and service providers and may struggle to support real time traffic such as Voice. Moving toward a fully meshed WAN via the use of an enterprise MPLS will establish a Voice ready network and benefit from the cost savings of Unified Communications.

Additional cost savings can be gained through:

- The removal of edge firewalls from remote sites. (13 reduced to 2)
- The removal of PSTN breakouts from remote sites.
- Providing Internet breakout only from data centres. (15 reduced to 2)
- Removal of NetworkNI connection from third council office. (3 reduced to 2)

Benefits of MPLS:

- Full mesh, offers direct path between sites.
- Improved site to site performance ideal for real time traffic like Voice.
- Provides high SLA with proactive management.
- Reduces equipment required at sites compared with LES and IPsec.

## Single Vendor

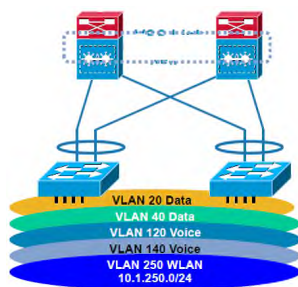
A mixture of network vendor equipment is in use across the councils several pieces of which are no longer under manufacturer support and several single points of failure exist in the core networking equipment on each site. A recommendation would be to select and purchase new equipment from a single vendor for each of the core functional groups – LAN, Wireless LAN and Firewall to simplify management and reduce operational overheads.

## Firewall

As the existing firewalls are end-of-life and unlikely to support the traffic throughput demands of the new consolidated council network. Next generation firewalls should be purchased for policy enforcement, web content filtering, IPS and antivirus. A minimum of one firewall per DC will be required.

## LAN

As the existing LAN has a number of single points of failure coupled with older slow 10/100Mbps equipment. The recommendation is to build scalable gigabit LANs on each site by utilizing core layer 3 switches with dual homed layer 2 access switches to provide adequate port densities. Stackable switches will remove the requirement for spanning tree protocol and allow all uplinks to be utilized maximizing your investment in cabling. Assuming reuse of the existing 3750 and 2960 Cisco switches best value will likely be achieved with a full Cisco network.



## Wireless LAN

Standardize on Meraki wireless access points, based on the current investment in the technology across the councils. Deploy the same SSIDs council wide, utilizing 802.1X for corporate access and a consistent Guest access experience.

## VLANS and IP Addressing

Create VLANs based on network function. For example wired Data, Wireless Data, Servers, Printers, and Guests. VLANs break broadcast domains improving network performance and allow security polices to be applied. The main reason to recommend end-to-end VLANs is to provide seamless wireless roaming and simplify IP subnetting.

Use the existing 172.23.0.0/18 IP block and subnet as required.

## Structured Cabling

All new copper cabling should be at least Cat6 or possible Cat6a to support future 10 GB usage. Multimode fibre cabling should be OM3.

## 3.3 Virtualization Recommendations

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### 3.3.1 Organizational Recommendations

- Develop a virtualisation policy, including a menu of hosting selections, in service-provider style. This will help define consistent units of consumption across the infrastructure.
- Address disaster recovery objectives and their impact on architecture and resource consumption.
- Create a new IT team to address strategic infrastructure issues: architecture decisions, capacity planning, virtual machine visibility (what is running on the virtual machines), team communication, change board, and futures. This will help to create transparency and cooperation.
- Document the assumptions of the virtualisation architecture moving forward. Examine the trade-offs of server “build-up” versus “build-out” architectures. (Add more resources to existing hosts or add more hosts).

### 3.3.2 Operational Recommendations

- Standardize and document the virtual host and virtual machine provisioning process, including P2V. At a minimum, use templates for virtual machines. Move toward more automation.
- Define a set of procedures for event, incident, and problem management. Root-cause analysis does not currently follow a systematic method.
- Implement a virtual infrastructure monitoring or management tool to supplement the features of the preferred virtualisation platform e.g. Microsoft System Center for Hyper-V or vCenter Operations Manager for VSphere 5.5.

### 3.3.3 Technical Recommendations

- Implement a 5-node hypervisor cluster (Microsoft Hyper-V 2012 R2 or VMware vSphere 5.5) on the designated Primary Site ensuring redundant components through (network paths, SAN controllers etc.)
- Implement 2-node hypervisor cluster (Microsoft Hyper-V 2012 R2 or VMware vSphere 5.5) on the designated Disaster Recovery Site.
- Configure a Disaster Recovery solution which continuously replicates the virtual machines from the Primary Site to the Disaster Recovery Site. The solution will be one of the following three:
  - VMWare Site Recovery Manager
  - Zerto
  - Hyper-V Replica

- Deploy a disk-to-disk backup solution using Arcserve UDP to facilitate fast incremental backups and easy recovery of individual files, folders or virtual machines.

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## 4. Migration Plans

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### 4.1 Network Migration Plan

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#### 4.1.1 WAN

- Classify the bandwidth, application and availability requirements for each site.
- Engage with a Service Provider to discuss WAN connectivity options. Lead times for installation of external connectivity from a telco can be up to 70 days.
- (A full MPLS network deployment is likely to take 3-4 months.)

#### 4.1.2 Firewall

- Deploy a next generation firewall in the Data Centres.
- Usually an existing firewall would be audited, unused rules removed and that rule base migrated to the new firewall. But as there is a large network consolidation happening it may be preferable to start with a blank canvas and build a new rule base on the new firewalls.
- (Estimated time to complete 5 Days)

#### 4.1.3 LAN

- Develop a low level network design document.
  - *This will require working in close partnership with the WAN provider to agree IP network designs and routing with redundancy. It should also include internal VLAN design and switch configuration in line with vendor best practice.*
- Install any new copper or fibre cabling required to support dual homing of edge switches.
- Tidy up and rationalise cabling in server and comms rooms. Label all non-end device connections.
- Replace end of life equipment, 10/100Mbps switches and non-PoE devices with new 1Gbps-PoE switches.
- Replace Magherafelt core switch with a pair of stacked layer 3 switches.
- Configure core switches to support new VLANs and routing protocols. Harden in line with vendor best practice.
- Ensure routing is working and packets are taking the correct path. Ensure backup paths exist between Data Centres.
- Configure DHCP servers to support new VLANs.
- Configure edge switches to support new VLANs and place end devices in the correct VLANs.
- Test connectivity at each step.
- Install network management software if available and configure to monitor network.
- (Estimated time to complete full LAN refresh 20-30 days)

#### 4.1.4 Wireless LAN

- Continue to deploy Meraki wireless access points were required across the estate. Ideally following a desktop planning exercise. Larger areas may benefit from a physical on site survey to guarantee appropriate coverage and capacity.
- Migrate wireless users into their own VLANs. This will improve performance by reducing broadcast traffic in the air.
- Ensure redundant RADIUS servers are deployed.

- (Estimated time to complete 1 Day)

## 4.2 Virtualization Migration Plan

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### 4.2.1 Core Virtualisation Kit – Primary Site:

- Physically install:
  - 5 x hypervisor hosts.
  - 2 x iSCSI switches.
  - 1 x SAN in the relevant rack(s).
- Configure virtualisation-related VLANs on core switches.
- Configure iSCSI VLANs on 2 x iSCSI switches.
- Deploy hypervisor (Hyper-V or vSphere) on 5 x virtualisation host servers.
- Install SAN software and configure RAID sets to yield required useable capacity.
- Create iSCSI targets between hypervisor hosts and SAN.
- Test cluster configuration and high availability failover of the test virtual machine.

### 4.2.2 Core Virtualization Kit – Disaster Recovery Site:

- Physically install:
  - 2 x hypervisor hosts.
  - 1 x iSCSI switch.
  - 1 x SAN in the relevant rack(s).
- Configure virtualisation-related VLANs on core switches.
- Configure iSCSI VLANs on iSCSI switch.
- Deploy hypervisor (Hyper-V or vSphere) on 2 x virtualisation host servers.
- Install SAN software and configure RAID sets to yield required useable capacity.
- Create iSCSI targets between hypervisor hosts and SAN.
- Configure Cluster Shared Volumes (Hyper-V) or Datastores (VMware)
- Test cluster configuration and high availability failover of the test virtual machine.

### 4.2.3 Disaster Recovery Solution:

- Implement the Disaster Recovery solution.
- Test replication and DR failover using a test virtual machine.

### 4.2.4 Backup Solution:

- Install ArcServe UDP on the designated backup server (re-used existing server).
- Configure existing QNAPs as new disk-to-disk backup location,
- Deploy ArcServe backup agents to all existing virtual machines.
- Configure backup plans.

#### **4.2.5 Management Solution:**

- Install Management software (System Center or Operations Management) on designated virtual machine.
- Configure administrator roles and designate roles to the relevant IT staff.

#### **4.2.6 Migration:**

The migration of virtual machines from the existing councils will be dependent on the chosen hypervisor platform for the consolidated Mid Ulster Council environment.

##### **Hyper-V:**

If Hyper-v is selected as the hypervisor platform then all virtual machine migrations will be performed using a tool called Disk2VHD.

Repeat the following steps for each existing virtual machines in Dungannon, Cookstown and Magherafelt.

- Schedule downtime for the virtual machine.
- Install Disk2VHD on the virtual machine to be migrated.
- Run Disk2VHD selecting a cluster shared volume as the destination.
- Power the virtual machine down.
- Create and configure a new virtual machine on one of the new Hyper-V hosts.
- Attach the virtual hard disks that were created during the Disk2VHD process.
- Power on the new virtual machine and perform cleanup tasks.

##### **VMware:**

If VMware is selected as the hypervisor platform then all virtual machine migrations will be performed using a tool called VMWare vCenter Converter.

Repeat the following steps for each existing virtual machines in Dungannon (V2V), Cookstown (V2V) and Magherafelt (P2V).

- Schedule downtime for the virtual machine and power down.
- Run VMWare vCenter Converter and select the source virtual machine to convert.
- Select a host and datastore for the virtual machine.
- Configure virtual machine settings.

**Decommission:**

- Delete old virtual machine related files (virtual hard disks, virtual machines) from storage to allow for re-use of existing QNAPs and SANs.
- Power down old hypervisors after all virtual machines are migrated. Rebuild and re-use the physical servers where appropriate.

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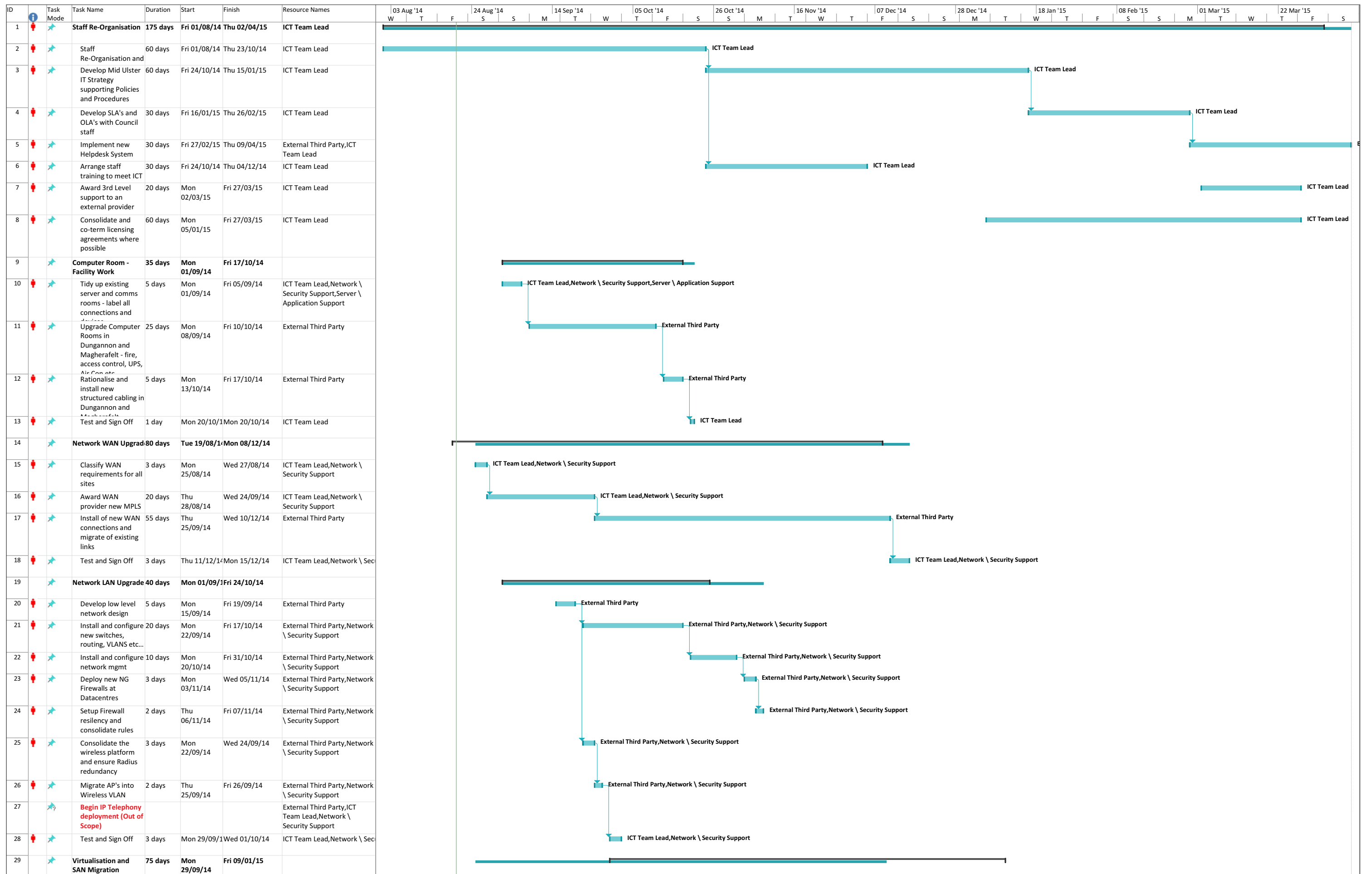
## 4.3 High Level Project Plan

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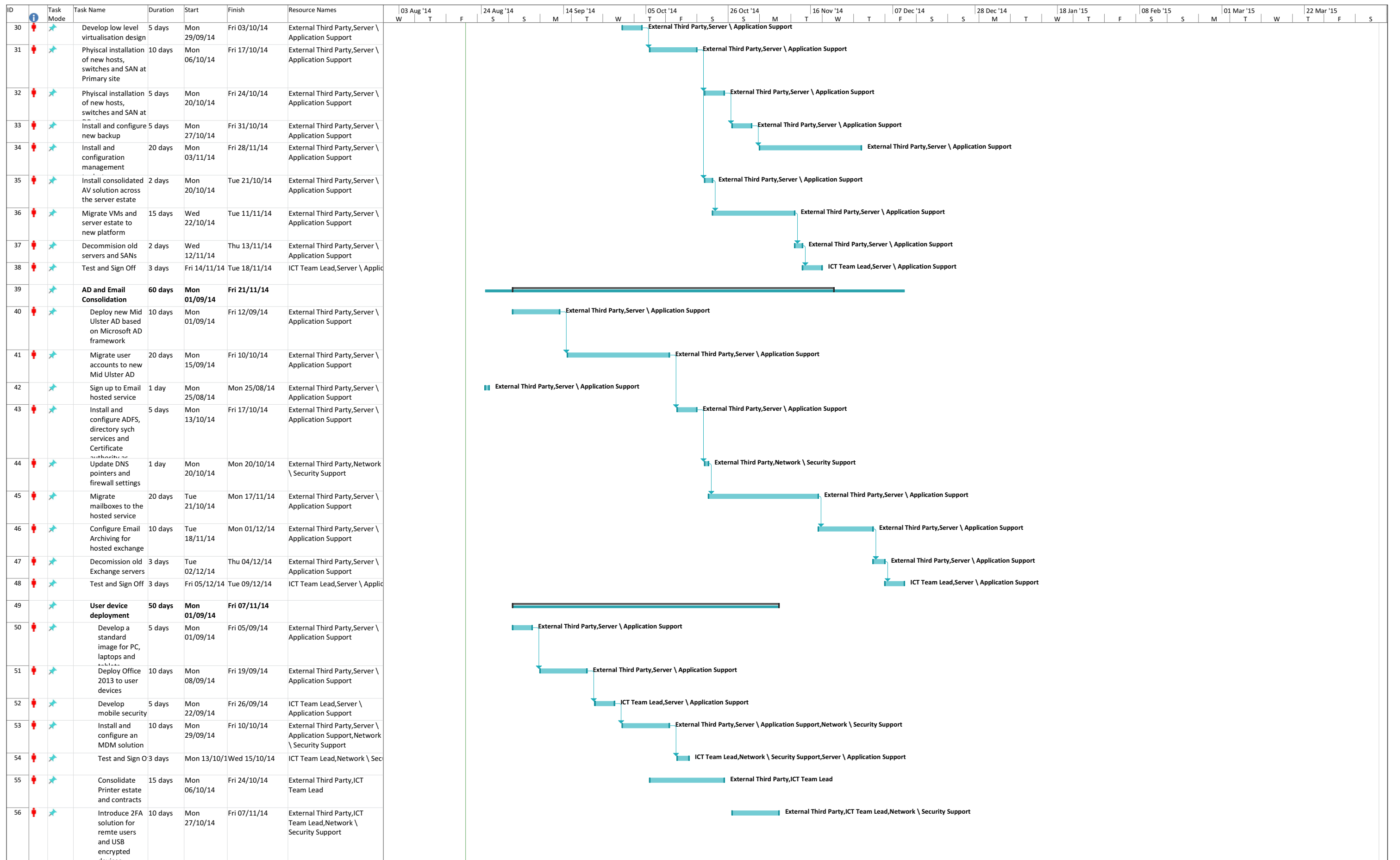


Mid Ulster High  
Level Project Plan v1

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Project: Mid Ulster High Level Pro	Task	Summary	External Milestone	Inactive Summary	Manual Summary Rollup	Finish-only	Manual Progress
	Split	Project Summary	Inactive Task	Manual Task	Manual Summary	Deadline	
	Milestone	External Tasks	Inactive Milestone	Duration-only	Start-only	Progress	



Project: Mid Ulster High Level Pro	Task	Summary	External Milestone	Inactive Summary	Manual Summary Rollup	Finish-only	Manual Progress
	Split	Project Summary	Inactive Task	Manual Task	Manual Summary	Deadline	Progress
	Milestone	External Tasks	Inactive Milestone	Duration-only	Start-only	Progress	

**F**

<b>Subject</b>	<b>Branding</b>
<b>Reporting Officer</b>	<b>Marketing Communications Officer</b>

<b>1</b>	<b>Purpose of Report</b>
1.1	To update Members on the progress of work to develop a new branding strategy for Mid Ulster District Council.

<b>2</b>	<b>Background</b>
2.1	McCadden was appointed to undertake work associated with the development of a brand for Mid Ulster District Council.

<b>3</b>	<b>Key Issues</b>
3.1	McCadden's was appointed at the end of June 2014 to undertake the development of a vision and brand strategy for Mid Ulster District Council.
3.2	The first phase of the project centres on consultation. Work began in early July with two internal engagement sessions (elected Members and staff) and was followed by day-long visits to the existing districts/borough by McCadden's.
3.3	Preparation for external consultation has followed and involves: <ul style="list-style-type: none"> <li>• use of a structured questionnaire for face to face interviews with residents and visitors to the 3 town centres of Cookstown, Dungannon and Magherafelt (fieldwork between Monday 26 August and Saturday 6 September, to include week days and weekends)</li> <li>• group meetings and individual interviews with key stakeholders, representative of local retail, business, community and voluntary sectors (taking place between Tuesday 26 August and Friday 5 September)</li> <li>• an on-line survey, based on the structured questionnaire, with associated promotional activity (press activity, on-line links from Mid Ulster Council interim web site and existing councils' web sites, and use of existing councils' social media sites where appropriate).</li> </ul>

3.4	Phase 1 of the project (stakeholder engagement, followed by analysis of material and initial drafting of a vision and brand proposition) should be completed by Friday 12 September.
3.5	Phase 2 (development of concepts and designs, focus groups, artwork) will begin thereafter and take up to 5 weeks to complete.

<b>4</b>	<b>Resource Implications</b>
4.1	<b><u>Financial</u></b> The project is within budget.
4.2	<b><u>Human resources</u></b> N/A
4.3	<b><u>Assets and other implications</u></b> N/A

<b>5</b>	<b>Other Considerations</b>
5.1	N/A

<b>6</b>	<b>Recommendations</b>
6.1	That the Committee notes the report.

<b>7</b>	<b>List of Documents Attached</b>
7.1	N/A

**G**

<b>Subject</b>	Interim Web Site
<b>Reporting Officer</b>	Marketing Communications Officer

<b>1</b>	<b>Purpose of Report</b>
1.1	To inform Members about the Mid Ulster District Council interim web site.

<b>2</b>	<b>Background</b>
2.1	Procurement for a new Mid Ulster District Council web site is underway with development to be completed for 1 April 2015. An interim site has, therefore, been established to give the Council a web presence.

<b>3</b>	<b>Key Issues</b>
3.1	The Council agreed in July 2014 to proceed to procurement for the development and hosting of a web site presence for the new Council, together with an Intranet.
3.2	The procurement process has begun and work is anticipated to be completed in early 2015, with a view to the new external and internal sites going live for 1 April 2015.
3.3	The Council has, however, a duty to publish information on-line relating to its meetings, including reports and minutes, and an interim web site has been developed in-house to meet these requirements.
3.4	The site also provides information about Mid Ulster Councillors, alongside an area profile, news, contact points and links to the web sites of each of the 3 existing Councils.
3.5	Given that any new site will reflect branding to be agreed in the future, the interim site is deliberately unbranded.
3.6	The site is now live and the address is: <a href="http://www.midulstercouncil.org">www.midulstercouncil.org</a>

<b>4</b>	<b>Resource Implications</b>
4.1	<p><b><u>Financial</u></b></p> <p>As the interim web site has been developed in-house (Cookstown District Council) and content is managed by Mid Ulster District Council staff, there is no budgetary impact.</p>



4.2	<b><u>Human resources</u></b> Existing human resources have been used to develop and manage the site.
4.3	<b><u>Assets and other implications</u></b> N/A

<b>5</b>	<b>Other Considerations</b>
5.1	N/A

<b>6</b>	<b>Recommendations</b>
6.1	That the Committee notes the report.

<b>7</b>	<b>List of Documents Attached</b>
7.1	N/A

**H**

<b>Subject</b>	<b>Response to Consultation</b>
<b>Reporting Officer</b>	<b>Lead Human Resources Officer</b>

<b>1</b>	<b>Purpose of Report</b>
1.1	To inform members regarding a response to a “Draft Revised Code of Conduct for Local Government Employees”, by LGRJF, issued July 2014.

<b>2</b>	<b>Background</b>
2.1	The LGRJF issued a “Draft Revised Code of Conduct For Local Government Employees” in July 2014, and asked for comments regarding same to be submitted to the Local Government Staff Commission by Friday 15 August 2014. (Submission Deadline extended to Friday 22 August 2014). Appendix 2 of this document includes the “Draft Local Government Employees and Councillors Protocol – comments regarding same to be submitted to DOE by 5 September 2014.

<b>3</b>	<b>Key Issues</b>
3.1	I have highlighted in the response from the Mid Ulster Council that some aspects of the documents regarding terminology and content needs to be clarified/amended, and I have identified this in the returns.
3.2	Both responses were forwarded to NIPSA for their views/comments prior to submission.

<b>4</b>	<b>Resource Implications</b>
4.1	<b><u>Financial</u> – N/A</b>
4.2	<b><u>Human resources</u> – N/A</b>
4.3	<b><u>Assets and other implications</u> – N/A</b>

<b>5</b>	<b>Other Considerations</b>
5.1	The closing date for submission of “Draft Revised Code of Conduct for Local Government Employees” to LGSC was extended to Friday 22 August 2014. Therefore the Response to the Consultation has been submitted.

5.2	The closing date for submission of “Draft Local Government Employees and Councillors Protocol” to DOE is Friday 5 September 2014. This Response will be due to be submitted by this date.
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<b>6</b>	<b>Recommendations</b>
6.1	That members note the response on the draft code of conduct for local government employees.
6.2	That members consider commentary on the employee/ councillor protocol and approve response for submission.

<b>7</b>	<b>List of Documents Attached</b>
7.1	<p>Appendix 1 - Response to LGSC regarding Consultation on “Draft Revised Code of Conduct for Local Government Employees”</p> <p>Appendix 2 - Response to DOE regarding Consultation on “Draft Local Government Employees and Councillors”</p>

## CONSULTATION ON DRAFT REVISED CODE OF CONDUCT FOR LOCAL GOVERNMENT EMPLOYEES

### Comments from: Mid Ulster Council

Mid Ulster Council (The Council) welcomes the opportunity to respond to this consultation. The Council agrees with the proposed revised Code of Conduct and would like to make the following comments on the draft.

SECTION (please refer to subsection as appropriate)	COMMENT
<b>1.0 INTRODUCTION</b>	1.1 Last paragraph – the use of language suggesting that it is best practice to adapt the Code as a minimum standard, rather than “should adapt”.
<b>2.0 FRAMEWORK FOR THE CODE</b>	<p>2.2 &amp; 2.3 The Nolan Principles and the Northern Ireland Assembly Principles should be joined together in the Draft Revised Code of Conduct for Local Government Employees (DRCOCLGE) as set out in the Draft Local Government Employees and Councillors Protocol (DLGECP).</p> <p>2.3 What is the basis for incorporating the N.I. Assembly’s principles into the Code, and what is the Statutory Standing that allows these principles to be included. The inclusion of these principles – does it mean that they are additional principles of public life for council employees?</p>
<b>3.0 CONSULTATION AND IMPLEMENTATION</b>	If the code is effective from 1 April 2015, can it be adopted by the Shadow Council before this date? It is not clear who is responsible for ensuring this Code of Conduct is subject to Equality screening prior to adoption.
<b>4.0 MODEL CODE OF CONDUCT FOR LOCAL GOVERNMENT EMPLOYEES</b>	<p>Subsections:</p> <p>4.1 The wording should be more prescriptive and point councils towards having a register of interests and what grade of post should have to comply.</p> <p>4.3 <i>Politically restricted.</i> What does this mean?</p> <p>4.4 Suggested additional wording from Model Scottish Code – <i>Councillors and Employees are servants of the public and they are indispensable to one another. Their responsibilities however are distinct. Councillors are responsible to the electorate and serve only as long their term of office lasts. Employees are responsible to the Council. Their job is to give advice to their Councillors and their Council, and to carry out the Councils work under the direction and control of the Council, their Committees and Sub Committees.</i></p> <p>4.4 Contact with the Local Community and Service Users – Delete: ‘<i>when necessary make</i></p>

	<p><i>extra efforts to communicate with people with disabilities in accordance with Council policies and Insert ‘ No part of the local community should be discriminated against.’</i></p> <p>4.4 Employees must not accept money.... – This would be better placed under Bribery and Corruption heading.</p> <p>4.4 Political Activity - Suggest inserting from Welsh Model – <i>Employees must follow every lawfully expressed policy of the Council and must not allow their own personal or political opinions to interfere with their work.</i></p> <p>4.8 The concept of fairness and equity can be confused in an equality context. Equality is seen as fairness and means policies that appear to entitle everyone whereas equity can be taken to address inequalities i.e. affirmative action. Suggest replacing with <i>“All have a right to be treated in accordance with the Equality legislation.”</i></p> <p>Suggest that there needs to be an additional paragraph regarding contact with media perhaps <i>‘ In your role with the Council, contact with the media should only take place where this has been authorised by the Council and you must follow the Council’s policy on use of social media communications.</i></p> <p>4.9 Paragraph 1 should refer to <b>all</b> employees who have both a client and contractor responsibility must be aware of the need for accountability and openness.</p>
<b>APPENDIX 1</b>	No comments

Please return this Consultation Proforma when completed to [dermot.ohara@lgsc.org.uk](mailto:dermot.ohara@lgsc.org.uk)

NOTE: Any comments in relation to Appendix 2 the Draft Local Government Employees and Councillors Protocol should be sent to: [lgpdconsultations@doeni.gov.uk](mailto:lgpdconsultations@doeni.gov.uk)

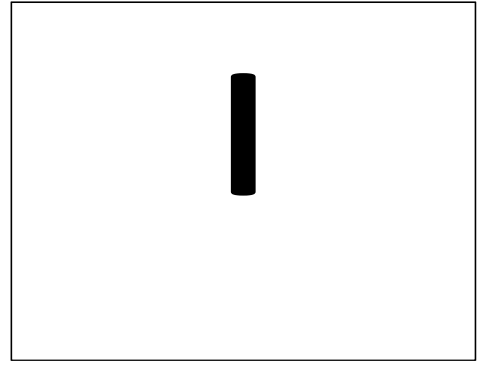
## Consultation on the Draft Local Government Employees and Councillors Protocol

Mid Ulster District Council (The Council) welcomes the opportunity to respond to this consultation and would like to make the following comments:-

Paragraph	Comments
1.0 Introduction	No comments
2.0 Purpose	No comments
3.0 Conduct of Local Government Employees towards Councillors	<p>3.1 - Suggests change '<i>personal issues</i>' "<i>to their employment with the Council</i>"</p> <p>3.2 Insert after Mayor/ <i>Chairman</i></p>
4.0 Procedure for complaints from a Councillor about an Employee	<p>Suggest Inserting <i>It is important that should a complaint be raised by a Councillor that this is dealt with confidentially and sensitively. All parties involved should respect this at all times</i></p> <p>Subsections 4.2 and 5.3 There are slight variations in the process outlined (councillor complaint about an employee) and (employee complaint about a councillor) – suggest these should be the same.</p> <p>Subsection on Informal Approach – does not outline how a complaint by a Councillor against the Chief Executive could be dealt with informally. Suggest that there could be a nominated officer within the Council to which such a complaint could be raised informally without redress to the formal procedure.</p> <p>Mediation – Prior to a Formal approach mediation between the two parties should be suggested facilitated by an independent external body.</p> <p>4.5 As the matter has been dealt with already under 4.4, a complainant should not be able to require the matter to be dealt with under a formal procedure, when line managers have already dealt with it. Line Management and HR should decide whether a matter should be dealt with informally or formally, and there should be no scope for a complainant to overturn a management decision in relation to complaints/breaches of the disciplinary procedure.</p> <p>4.8 After the conclusion of the investigation process, the Councillor and Party Leader should only be advised that the matter has been dealt with under council procedures, there is no need to detail the outcome – ie if any disciplinary penalty/sanction was imposed.</p>

<p>5.0 Procedure for complaints from an Employee about a Councillor</p>	<p>A mediation option should also be offered if an employee has a complaint against a Councillor.</p> <p>Council suggests that a procedure to be followed is outlined in the event that the Chief Executive wishes to raise a complaint either informally or formally against a Councillor.</p>
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<b>Subject</b>	Consideration of correspondence re the (second) draft Estimated Penny Product for the Mid Ulster Council (dated 30 June 2014) from Land & Property Services
<b>Reporting Officer</b>	Lead Officer for Finance

<b>1</b>	<b>Purpose of Report</b>
1.1	To consider correspondence relating to the (second) draft Estimated Penny Product (EPP) for 2014/15 for the Mid Ulster Council.

<b>2</b>	<b>Background</b>
2.1	Section 3 (2) (e) of the Local Government Finance Act (Northern Ireland) 2011 requires a council to “fix for the next financial year the amount to be raised by means of rates made by the council.”
2.2	Once it has calculated the amount to be raised by rates, the Mid Ulster Council will use an Estimated Penny Product (EPP) supplied by Land & Property Services to calculate the Non-Domestic Rate. A conversion factor is then used to ‘convert’ the Non-Domestic Rate to the Domestic Rate.
2.3	The EPP is an estimate of the income that one penny on the District Rate will generate in any given year. If the EPP is, e.g. £1,000,000 adding 1p to the District Rate will generate an additional £1,000,000 to the Council’s rates income.
2.4	The EPP is calculated having reference to Non-Domestic and Domestic hereditaments, which are expressed in rental values and capital values respectively. As the LPS calculate an EPP for both the Non-Domestic and Domestic sectors within each district council area, LPS use a ‘conversion’ factor to convert the Non-Domestic Rate from a rental values basis to a capital values basis. The ‘converted’ Non-Domestic EPP is then added to the Domestic EPP to produce a combined EPP.
2.5	The (second) draft EPP is stated to be £1,225,930. Applying this (and the notified (draft) conversion factor) to the aggregate estimated expenditure to be raised by rates by the three legacy councils in 2014/15, suggests that, had Mid Ulster Council struck a District Rate for the combined expenditure in 2014/15, it would have equated to the Rate struck by Magherafelt District Council.
2.6	As the Non-Domestic revaluation has yet to be published and the associated conversion and growth factors have still to be established, the first draft 2015/16 EPP is not anticipated to be available until October 2014.
2.7	This 2015/16 EPP will eventually be finalised with the calculation of an Actual Penny Product (APP). This adjustment will produce a positive or negative Rates finalisation adjustment circa September/October 2015.

<b>3</b>	<b>Key Issues</b>
3.1	<p>The following points should be noted:</p> <ul style="list-style-type: none"> <li>• The (second) draft EPP will be revised again when the results of the Non-Domestic revaluation are published (circa October 2014) and LPS refine their estimates in relation to the impact of boundary changes;</li> <li>• LPS generally issue a revised 'final' EPP in November/December of each year</li> </ul>
3.2	The EPP is only one of two pieces of information provided to the Council by third parties which significantly impact on the Rate which the Council will set. The second factor is the Local Government Rates Support Grant (RSG); this was formerly known as the Resources element of the General Exchequer Grant.
3.3	The RSG is intended to compensate councils whose wealth (share of the Northern Ireland Gross Penny Rate Product) is greater than its needs (share of the Northern Ireland adjusted population). This is a relatively complicated calculation which traditionally has resulted in not all district councils receiving RSG. In the past all three of the Mid Ulster's legacy Councils received RSG.
3.4	The Department is currently reviewing the potential distribution of the total estimated budget of £18.3m (2013/14 figure) between the eleven new councils. The Council is currently awaiting notification of its RSG allocation for 2015/16.

<b>4</b>	<b>Resource Implications</b>
4.1	<p><b><u>Financial</u></b> Potential to significantly impact on the Rate struck by the Council.</p>
4.2	<p><b><u>Human resources</u></b> N/A</p>
4.3	<p><b><u>Assets and other implications</u></b> N/A</p>

<b>5</b>	<b>Other Considerations</b>
5.1	N/A

<b>6</b>	<b>Recommendations</b>
6.1	For discussion.

<b>7</b>	<b>List of Documents Attached</b>
7.1	Appendix 1 - Letter from LPS dated 30 June 2014

**Land & Property Services**

Lincoln Building

27-45 Great Victoria Street

TOWN PARKS

BELFAST

BT2 7SL

Tel: 028 90 251 718

E-Mail: Judith.Andrews@dfpni.gov.uk

**From: Judith Andrews****Date: 30<sup>th</sup> June 2014****To: Paula Kerr – Finance Officer****LOCAL GOVERNMENT REFORM – EPP FOR CLUSTER COUNCILS BASED ON 1<sup>st</sup> APRIL 2014****Background**

In preparation for Local Government Reform with the formation of 11 new councils in 2015, LPS has now revisited the financial modelling of penny product estimates for year commencing 1<sup>st</sup> April 2014 based on the new local government structures, and information in the rating system as at 31 March 2014 (in order to use a full year's actual rating transactions). LPS are unable to provide a 2015-16 estimate, until the indicative outcome on the non-domestic valuation and the associated conversion and growth factors required to align the new non-domestic valuations with the domestic tax base are available in early October 2014. A provisional 2015-16 EPP timetable is currently being considered by the Penny Product Working Group.

The updated calculations are now complete and the figure for the merged Council of Cookstown/Dungannon/Magherafelt is set out below. This calculation uses the same robust valuation of the new councils property tax base including the impacts of the boundary changes based on the more detailed mapping scale than used in the first calculation, more up to date figures from the rating system and a more up to date conversion factor (however this will be recalculated once again when the non-domestic revaluation is complete).

**Methodology and Analysis**

The methodology we have employed is similar to that used to calculate estimates of a penny rate under the current 26 Council structure and whilst at this time there are a number of unknowns we believe it continues to provide a reasonable basis for this 2014-15 estimate. The information used in undertaking these calculations represents data in the LPS rating system at 31<sup>st</sup> March 2014 adjusted to reflect the indicative movement of properties between districts and the Valuation List at 31 January 2014 which includes the impact of boundary changes.

Another important consideration is conversion and growth factors. The aim of conversion factors is to maintain the split in the rate burden between the domestic and non-domestic sectors and where councils are merging we have weighted a combined conversion factor to maintain the split in the rate burden. That combined conversion factor can only be calculated on the basis of current council conversion factors and cannot take into account boundary changes so there may be an element of error associated with this. Obviously the outcome of the non-domestic revaluation effective 1<sup>st</sup> April 2015 and conversion factors associated with that revaluation could have a significant negative or positive impact on the calculations.

Based on the new local government structure, we have calculated that a penny rate for Cookstown/Dungannon/Magherafelt is likely to be £1,225,930.

### **Boundary Change Property Movements**

Where existing Local District Councils are to be entirely amalgamated to form a larger 'new' Council, or where a whole ward was transferring to a new Council, all properties were re-designated with the new District Council title. There are 20 existing wards across Northern Ireland which to varying degrees intersect with the new District Council boundaries. Where this occurs, the properties located close to the new Council boundary were reviewed and manually allocated using aerial photography and where necessary, by reference to the on-the-ground feature definition of the townland boundary.

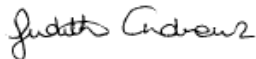
Should you have any queries on boundary changes please contact Herbie McLearnon (Herbie.McLearnon@dfpni.gov.uk)

### **Going Forward**

The figures provided are the best estimate that LPS can provide at this juncture, and it is only when the draft outcomes from the Non-Domestic revaluation are available in October 2014 together with revised growth/conversion factors and 2014-15 in-year trends that the estimate can be finalized

I have also attached a schedule detailing how this estimate of a penny rate is calculated.

In the meantime if you have any questions you can contact me by telephone or e-mail the detail of which are set out in the letter head.



**Judith Andrews**  
**Head of Operational Finance**

**J**

<b>Subject</b>	Consideration of Circular LG 34/2014 Guidance to Councils on the financial operation of new councils during the Shadow Period
<b>Reporting Officer</b>	Lead Officer for Finance

<b>1</b>	<b>Purpose of Report</b>
1.1	To consider the contents and implications of Circular LG 34/2014

<b>2</b>	<b>Background</b>
2.1	Schedules 1 and 2 of the Local Government (Transitional, Supplementary and Incidental Provisions and Modification) Regulations (Northern Ireland) 2014 detail the legislative provisions that apply and do not apply during the shadow period to new and predecessor councils. LG 34/2014 was issued to assist councils with the financial operation of new councils in the shadow period.
2.2	A number of other circulars are also relevant, notably: <ul style="list-style-type: none"> <li>• LG 21/2014 – Guidance to Councils and Statutory Transition Committees on borrowing and government loans during the shadow period</li> <li>• LG 22/2014 – Expenditure Controls for Councils in Shadow Form</li> <li>• LG 31/2014 – New District Council Finance Details</li> </ul>

<b>3</b>	<b>Key Issues</b>
3.1	In the main the Council has already considered and acted upon much of the contents of the relevant circulars and associated guidance (including that included within LG 34/2014).
3.2	However, the following points remain pertinent: <ul style="list-style-type: none"> <li>• Included with the legislative provisions that do not apply to new councils within the shadow period is the requirement for the Chief Financial Officer to submit to the council (at the time of striking the Rate) a report on the adequacy of any proposed financial reserves for the financial year 2015/16. This is significant because of the present uncertainty in relation to whether the funding associated with the Transferring Functions will be sufficient to make provision for the (usually) required 5% to 7.5% reserve. This matter continues to be under discussion with the Department;</li> <li>• Circular LG 21/2014 provides guidance to council on borrowing and government loans during the shadow period. Capitalisation directions may</li> </ul>

	<p>be issued by the Department to allow councils to capitalise and therefore borrow in relation to expenditure which would not ordinarily be classified as capital expenditure. The Department has specifically stated that the following costs qualify for capitalisation:</p> <ul style="list-style-type: none"> <li>• Staff severance;</li> <li>• Alignment of services;</li> <li>• Councils operating in shadow form;</li> <li>• Other transition costs.</li> </ul> <p>Discussion with the predecessor councils indicate that one (Dungannon) has decided to fund its share of the costs of the new Council operating in the shadow period via borrowing. This will require an application for a capitalisation direction (which is not an actual application for a loan, merely an essential precursor to it) by Sunday, 31 August 2014. The other two predecessor councils have indicated that they are less committed to the need to borrow for this purpose.</p> <p>Circular LG 22/2014 requires that new councils must approve loan applications (for amounts greater than £250,000) by predecessor councils. Given the quantum of Dungannon's share of the shadow Council's costs, Council approval for the borrowing will ultimately be required.</p> <p>As the Council has yet to formulate its staffing structure, etc. it is not yet known if any redundancies will arise as a result of reorganisation. In the light of this, and having regard to the fact that the Council may, in consequence of redundancies arising, decide to finance those costs via borrowing, the officers will submit an application to capitalise such costs as are reasonably foreseeable before the 31 August deadline.</p> <ul style="list-style-type: none"> <li>• The Council is required to maintain an adequate system of internal audit. LG 34/2014 permits new councils to adopt the internal audit arrangements of the administrative council (Dungannon) to meet its statutory obligations. A Council decision to this effect is therefore required but there is no date specified by which this decision must be taken;</li> <li>• The Council is required to designate an officer as having responsibility for the winding up of the predecessor councils and for ensuring the preparation of the final statement of accounts for the predecessor councils. Although the person designated is likely to be the Chief Executive, a formal Council decision will be required. Again there is no date specified by which this decision must be taken.</li> </ul>
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<b>4</b>	<b>Resource Implications</b>
4.1	<p><b><u>Financial</u></b> Failure to comply with requirement to apply for capitalisation direction by 31 August 2014 could have serious financial implications for the Council.</p>
4.2	<p><b><u>Human resources</u></b> N/A</p>



4.3	<b><u>Assets and other implications</u></b> N/A
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5	<b>Other Considerations</b>
5.1	N/A.

6	<b>Recommendations</b>
6.1	For discussion.

7	<b>List of Documents Attached</b>
7.1	Appendix 1 - Circular LG 34/2014

# **LOCAL GOVERNMENT REFORM**

## **GUIDANCE TO COUNCILS ON THE FINANCIAL OPERATION OF NEW COUNCILS DURING THE SHADOW PERIOD**

**DEPARTMENT OF THE ENVIRONMENT  
LOCAL GOVERNMENT POLICY DIVISION  
27 JUNE 2014**

# **CONTENTS**

## **Background**

- 1. Duties of New and Predecessor Councils**
- 2. Operational Finance**
- 3. Financial Systems and Controls**
- 4. Other Financial Duties**

# **GUIDANCE TO COUNCILS ON THE FINANCIAL OPERATION OF NEW COUNCILS DURING THE SHADOW PERIOD**

## **Background**

This circular is intended to assist councils in the financial operation of new councils during the shadow period.

The circular sets out legislative and statutory requirements and offers practical advice. It comprises:

- key legislative requirements, particularly as provided for in the Local Government (Transitional, Supplementary and Incidental Provisions and Modification) Regulations (Northern Ireland) 2014; and
- advisory guidance intended to support the new councils in their financial operation.

## 1. DUTIES OF NEW AND PREDECESSOR COUNCILS

- 1.1 Subject to any provisions to the contrary, during the shadow period each new council should discharge its functions in the same manner and subject to the same regulations, requirements, controls and constraints as would apply to any predecessor council.
- 1.2 Schedules 1 and 2 of the Local Government (Transitional, Supplementary and Incidental Provisions and Modification) Regulations (Northern Ireland) 2014 (the 2014 Regulations) set out the provisions of local government legislation that do not apply, during the shadow period, to new and predecessor councils respectively.
- 1.3 Section 6 of the Local Government Finance Act (Northern Ireland) 2011 (the Finance Act) does not apply to the new councils in 2014/15. This means that the Chief Financial Officer of the *new council* will not be required to submit to the new council a report on the adequacy of any proposed financial reserves for a financial year.
- 1.4 Sections 3(1), 3(2) and 4 of the Finance Act do not apply to the predecessor councils. This means that the *predecessor councils* shall not be required to consider the estimates of the income and expenditure of the council, or fix the amount estimated to be required to be raised by means of rates made by the council, for the 2015/16 financial year.
- 1.5 Regulation 2 of the 2014 Regulations provides that, during the shadow period, a new council shall:
  - prepare for the discharge of its functions after 31st March 2015 and, in particular, establish such committees and sub-committees, appoint such staff, and prepare such budgets, plans, schemes and other things as are, or will be, required for that purpose; and

- liaise with any predecessor council for the purpose of ensuring continuity in the exercise of its functions on and after 1st April 2015.
- 1.6 During the shadow period, new councils must also exercise control over, and provide consent for, certain transactions of predecessor councils. Circular LG 22/2014 provides guidance on these controls which cover disposals, capital and non-capital contracts, and borrowing.
- 1.7 During the shadow period, predecessor councils must provide new councils with such assistance and information as that new council may reasonably request for the purposes of discharging, whether before or after 1<sup>st</sup> April 2015, any of its functions, including the full range of financial and accounting services. For example, as it will be the responsibility of the 11 new councils during the shadow period to strike the rate in February 2015 for the 2015/16 financial year, new councils will require details of the budgets set by predecessor councils in 2014/15 and the associated rates struck.
- 1.8 A predecessor council must furnish information requested to a new council within such period as the parties may agree. It is the responsibility of both new councils and predecessor councils, to ensure that any sharing or exchanging of information is carried out in compliance with any overarching legal obligations in respect of information law. A new council may not require information to be provided by a predecessor council whose local government district does not correspond, at least in part, with the district of the new council.
- 1.9 Predecessor councils should ensure that all financial records such as payroll and asset registers are accurate and up-to-date by 31 March 2015.

## 2. OPERATIONAL FINANCE

### Executive Funding

- 2.1 Out of the overall £17.8m Executive reform funding package, £5.7m has been allocated to new councils to help meet the costs of payments to councillors (£5.2m) and the legal and accounting fees associated with the winding-up of predecessor councils (£0.5m).
- 2.2 Circular LG 28/2014 provided guidance to councils on the reimbursement of payments to councillors. Circular LG 33/2014 provided guidance on the reimbursement of fees for the winding-up of predecessor councils. Any claims for reimbursement **must be made by the new council** and in line with relevant Departmental guidance.
- 2.3 Circular LG 31/2014 requested relevant bank details from new councils to enable the payment of reimbursements in addition to specimen signatures of approving officers i.e. the Chief Financial Officer (CFO) or another officer designated as the CFO by the CFO.
- 2.4 New councils must ensure appropriate financial records are retained to facilitate post-payment verification or assurance testing by the Department in respect of these reimbursements.

### Predecessor Council support

- 2.5 During the shadow period, the 2014 Regulations provide for:
- a predecessor council to provide its new council with suitable premises, facilities and administrative staff; and
  - each new council to defray all costs incurred amongst the predecessor councils forming part of its district in proportion to the population of the local

government district of the predecessor council that forms part of the district of the new council.

- 2.6 Circular LG 01/2014 provided guidance on the apportionment of new council costs (which are outside the financial support provided by the Executive's reform funding package) during the shadow period. The population figures to be used for this purpose are reproduced at **Annex A**. The costs incurred by a new council shall normally include the cost of anything provided to a new council by a predecessor council. However, if councils agree to provide accommodation or staff free of charge there would be no need to charge a notional cost for either accommodation or staff. In relation to costs incurred by the new council for the Belfast district, the predecessor council shall be deemed to be the predecessor council for the local government district of Belfast.

### **Capitalisation and Borrowing**

- 2.7 Circular LG 21/2014 provides guidance on capitalisation directions and government loans during the shadow period. After negotiations with H M Treasury, the Department of Finance and Personnel (DFP) have temporarily increased the capitalisation limit to meet the transition costs associated with reform. The cost of the new councils during the shadow period has been identified as a "transition cost" that meets the requirements of a "supplementary capitalisation direction" from the Department.
- 2.8 If a new council takes out a loan, with either DFP or another loan provider, it will be required to open a new bank account. **New councils are required to provide Government Accounts Branch (GAB) of DFP with details of new bank accounts as soon as they are established, both for the purposes of payment of district rates and (if a different account) for the purposes of receiving government loans and making loan repayments.**
- 2.9 For all DFP loans that have been, or will be, taken out by predecessor councils and that will not be repaid as at 31 March 2015, **Winding-up Managers are**



**required to formally advise GAB which of the new councils will assume the loan liability.**

### **Operational Finance Flow Chart**

2.10 A flowchart summarising the operational finance arrangements for new councils during the shadow period is set out in **Annex B**.

### 3. FINANCIAL SYSTEMS AND CONTROLS

3.1 Constituent councils of the new councils should agree and nominate an **administrative council** for financial administration including the processing and recording of financial transactions. Transactions relating to the new council must be clearly distinguishable and recorded in a separate cost centre within the administrative council's chart of accounts. The administrative council will be responsible for recording all revenues, costs, assets and liabilities of the new council, and should either operate a newly created bank account or utilise its own banking facilities on behalf of the new council.

3.2 New councils may utilise the financial expertise, systems and controls of the administrative council. In respect of this, new councils should ensure that administrative councils :

- have systems of internal financial control in place to ensure the regularity and lawfulness of transactions;
- ensure appropriate systems are in place to facilitate the accounting for VAT and payroll transactions and making related statutory returns where required;
- ensure that any letters of offer from the Department relating to grant funding are complied with, and that reimbursement claims are made in accordance with Departmental Guidance; and
- maintain appropriate accounting records;

3.3 While new councils may utilise the financial expertise, systems and controls of administrative councils, each new council during the shadow period should:

- comply with all applicable legislation in respect of its financial administration. This includes the requirement to maintain an adequate system of internal audit as provided for in Regulation 3(A) of the Local Government (Accounts and Audit) (Amendment) Regulations (NI) 2006. Where appropriate, a new council may adopt the systems, financial policies and procedures of the administrative council to meet its legislative obligations;
- have due regard to any financial guidance issued by the Department;
- appoint a CFO in line with Section 1(2) of the Finance Act;
- review the budget for the new council prepared by the relevant Statutory Transition Committee (STC), and agree a final budget, mindful of its predecessor councils ability to fund the new council;
- manage, if appropriate, any budget transferred from the STC (refer to paragraph 1.1 of Circular LG 02.2/13);
- strike a rate for 2015/16; and
- exercise control of disposals, contracts and borrowing of predecessor councils and their finances, as provided for by chapter 2 of the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 2010 as amended by section 116 of the Local Government Act (Northern Ireland) 2014.

3.4 For practical purposes, and as agreed with the new council, a predecessor council may pay *directly* for new council costs. Such costs could include, for example, the salaries of staff seconded into the new council who remain on the payroll of the predecessor council, or the cost of premises/facilities provided by a predecessor council. However, if councils agree to provide accommodation or staff free of charge there would be no need to charge a notional cost for either accommodation or staff. Therefore, only costs directly incurred will need

to be recorded in the accounts of the new council and ultimately defrayed back to predecessor councils in line with legislative requirements.

- 3.5 The financial system operated by the administrative council should therefore be flexible enough to facilitate such payments being made by predecessor councils and reimbursed from the new council via the raising of invoices. The new council should ensure that appropriate invoices are raised so that all new council costs (either incurred initially by the new council or by a predecessor council) are reflected in its accounts and defrayed back to predecessor councils (via the raising of invoices) as appropriate.

## **4. OTHER FINANCIAL DUTIES**

### **STC Accounts**

- 4.1 The new council during the shadow period is responsible for the preparation of the 2013/14 STC accounts and should comply with all related legislation in respect of the STC accounts, including their publication.
- 4.2 Regulation 12 of the 2014 Regulations provides that, where a STC ceases to exist, regulations 4 and 5 of the Local Government (Accounts and Audit) Regulations (NI) 2006 (S.R. 2006 No. 89) will apply as if:
- reference to a CFO of that committee were a reference to the CFO of that new council; and
  - reference to that committee were a reference to the new council in relation to which that committee were established.
- 4.3 The STC accounts must therefore be approved/signed by the CFO of the new council, and the Presiding Councillor of behalf of the new council.
- 4.4 Section 1(2) of the Finance Act, provides that a council shall designate an officer of the council as its CFO. New councils must therefore appoint a CFO in time to meet the requirements of regulations 4 and 5 of the Local Government (Accounts and Audit) Regulations (NI) 2006(the 2006 Regulations).
- 4.5 The 2013/14 STC accounts should be prepared in accordance with the Department's Account's Direction.

### **Council Registrations – HMRC - PAYE**

- 4.6 HM Revenue and Customs (HMRC) have advised that new employer reference numbers can be obtained by phoning the Employers' Helpline (Ph. 0300 200 3211 or 0300 200 3200). The urgency of the registration should be stressed (i.e. councillor allowances will be paid in June 2014) and the new employer

reference should be received within 7 days by post. HMRC will require predecessor council references, the full name and address of new council, and the name and address for correspondence. **Annex C** sets out relevant guidance from HMRC relating to a new council registration, which will be treated as a succession. HMRC, therefore, should be informed that a succession is being carried out.

- 4.7 For successions, where a new reference is not required continue to operate PAYE and report payroll information under the predecessor employer reference.

### **Council Registrations – HMRC - Value Added Tax (VAT)**

- 4.8 New councils need to register with HMRC to obtain a new VAT Registration number. To apply for VAT registration, new councils can either use HMRC's online services or send paper forms through the post. If new councils apply for VAT registration online, HMRC will also:

- enrol new councils automatically for VAT Online so new councils can submit their VAT Returns online and change their business details; and
- make their certificate of registration available to new councils online from the 'Your HMRC services' page.

### **Council Registrations – NILGOSC**

- 4.9 The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) issued a Circular 06/14 (NILGOSC reference) on 16 May 2014 to advise councils of the process for automatically enrolling newly elected councillors into the Local Government Pension Scheme (Northern Ireland) (the Scheme) with effect from 26 May 2014. Councils should refer to the NILGOSC circular for more information including details of Scheme benefits that will apply to councillors and the administrative requirements to enrol into or opt out new councillors from the Scheme.

## **Winding-up of predecessor councils**

4.10 Regulation 11 of the 2014 Regulations provide that a new council shall designate an officer of the council as having responsibility for the winding-up of its predecessor councils, and that officer shall ensure the preparation of the final statement of accounts of the predecessor councils in the form directed by the Department under regulation 4 of the 2006 Regulations .

4.11 While the final accounts of predecessor councils will not be prepared until the 2015/16 year, new councils will still likely have financial tasks associated with their winding-up during the shadow period.

4.12 In the year ahead, the TASS working group will review the accounting implications associated with the winding-up of predecessor councils, and the Department will provide related advice in due course.

## **Reconfiguration of Groups**

4.13 The delivery of certain functions by local government – Building Control, Environmental Health and Waste Management is organised through group functions. A working group has been established by new council Chief Executives to determine the new arrangements for delivery of Building Control, Environmental Health and Waste Management. New councils should assess the financial implications of any changes to group structures following the completion of the review by the working group.

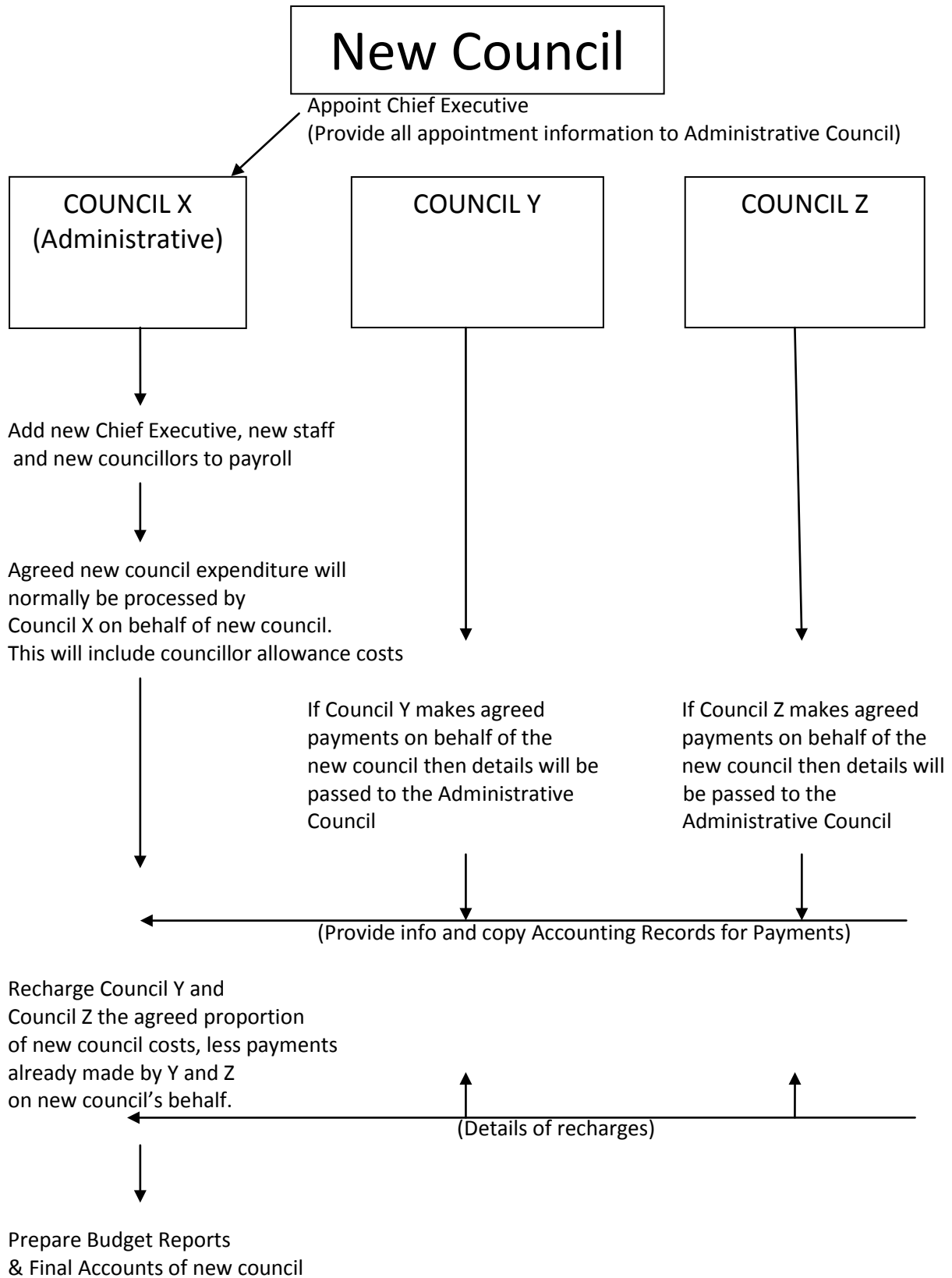
## Annex A

## Provisional Population Statistics for current 26 District Councils (2012)

Predecessor Council and New District	All usual residents	Council Residents as % of District Residents
Belfast	280,537	100
<b>Belfast District</b>	<b>280,537</b>	<b>100</b>
Armagh	60,147	30
Banbridge	48,730	24
Craigavon	94,597	46
<b>Armagh, Banbridge and Craigavon District</b>	<b>203,474</b>	<b>100</b>
Castlereagh	67,716	36
Lisburn	121,687	64
<b>Lisburn and Castlereagh District</b>	<b>189,403</b>	<b>100</b>
Down	70,440	41
Newry & Mourne	100,858	59
<b>Newry, Mourne and Down District</b>	<b>171,298</b>	<b>100</b>
Ards	78,550	50
North Down	79,420	50
<b>North Down and Ards District</b>	<b>157,970</b>	<b>100</b>
Derry	108,586	73
Strabane	40,033	27
<b>Derry and Strabane District</b>	<b>148,619</b>	<b>100</b>
Ballymoney	31,551	22
Coleraine	58,993	42
Limavady	33,761	24
Moyle	17,129	12
<b>Causeway Coast and Glens District</b>	<b>141,434</b>	<b>100</b>
Cookstown	37,411	26
Dungannon	58,813	42
Magherafelt	45,450	32
<b>Mid Ulster District</b>	<b>141,674</b>	<b>100</b>
Antrim	53,835	39
Newtownabbey	85,322	61
<b>Antrim and Newtownabbey District</b>	<b>139,157</b>	<b>100</b>
Ballymena	64,551	47
Carrickfergus	39,096	29
Larne	32,191	24
<b>Mid and East Antrim District</b>	<b>135,838</b>	<b>100</b>
Fermanagh	62,400	55
Omagh	51,830	45
<b>Fermanagh and Omagh District</b>	<b>114,230</b>	<b>100</b>
<b>Northern Ireland</b>	<b>1,823,634</b>	



Operational finance arrangements for the new councils in shadow form



## Advice from HMRC on new employer references for successions

### For successions, where a new reference is required:

- Transfer the payroll records to the new employer reference;
- under the old employer reference send in an FPS with leaving details, including the year-to-date pay and tax figures. You **do not** need to prepare forms P45 for employees affected by this change although you will need to ensure they are provided details of their total pay and deductions up to the date the scheme succeeded;
- under the new employer reference send a Full Payment Submission (FPS) restarting the year to date figures from zero;
- include the full starting details for the each employee on the FPS for the new reference, using:
  - the start date for the new payroll;
  - starter declaration C for codes 0T, BR or codes starting with a D prefix; and
  - starter declaration B for any other code;
- on your payroll you must:
  - work out and deduct PAYE tax and NICs from any payments you make to the transferred employees from the date the scheme succeeded; and
  - use the pay and tax details from the old employer reference if you're operating a cumulative tax code;
- if you are also sending expenses and benefits information (forms P11D, P11D(b) and P9D) at the end of the tax year, these must contain the total information to be reported for both employer references.

**Note:** The last FPS from the old employer reference must be submitted **before** the first FPS for the new employer reference. If you are unable to do this, you will need to contact HMRC's Employers' Helpline.

### For successions where a new reference is not required:

- Continue to operate PAYE and report payroll information under the existing employer reference.