

**To: Deputy Leader and Members of the Resources Board
(Councillors Moore, Morson, N Dirveiks, Ferro,
Forwood, Fowler, Hayfield, Johnston, Lea, Payne,
Smith, M Stanley, Y Stanley, Watkins and Winter
For the information of other Members of the Council**

**For general enquiries please contact Emma
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**For enquiries about specific reports please
contact the Officer named in the reports.**

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RESOURCES BOARD AGENDA

5 SEPTEMBER 2011

The Resources Board will meet in the Chamber at The Council House, South Street, Atherstone, Warwickshire on Monday, 5 September 2011 at 6.30 pm.

AGENDA

- 1 Evacuation Procedure.**
- 2 Apologies for Absence / Members away on official Council business.**
- 3 Declarations of Personal or Prejudicial Interests.**
(Any personal interests arising from the membership of Warwickshire County Council of Councillors Fowler, Hayfield and Lea, and membership of various Parish Councils of Councillors Moore (Baddesley), Morson and Winter (Dordon) and M Stanley and Y Stanley (Polesworth) are deemed to be declared at this meeting).

- 4 **Request for discussion and approval of remaining En Bloc items.**
- 5 **Presentation from Sue Garner Assistant Director (Finance and Human Resources) on the work of her Division.**

PART A – ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)

- 6 **Site Supervision – Artificial Grass Pitch at Queen Elizabeth School and Sports College** – Report of the Assistant Director (Leisure and Community Development)

Summary

This report proposes the engagement of a Site Supervisor to manage community use of the new Artificial Grass Pitch at Queen Elizabeth School and Sports College in Atherstone.

The Contact Officer for this report is Peter Wheaton (719257)

- 7 **A Review of the Effectiveness of Internal Audit 2010-11** – Report of the Deputy Chief Executive

Summary

The report allows the Board to consider the annual review of the effectiveness of the system of Internal Audit.

The Contact Officer for this report is Barbara Haswell (719416).

- 8 **Council Office Accommodation** – Report of Management Team

Summary

This report reminds Members of the serious Health & Safety issues arising from the poor state of the Council House's electrical installation and the ongoing issues with many other elements of the building's infrastructure. There is an urgent need to address all of these issues. The report sets out the background of the option appraisal and feasibility work carried out to date and builds on reports and presentations considered previously by Members.

The Contact Officer for this report is Richard Dobbs (719440).

PART B – ITEMS FOR EN BLOC DECISIONS (YELLOW PAPERS)

- 9 **Payment Card Industry Requirements Review** - Report of the Assistant Director (Corporate Services)

Summary

The purpose of this report is to make Members aware of the requirements being placed on the Council to achieve compliance with the Payment Card Industry data security standard and its implications for how the Council manages payments made to it.

The Contact Officer for this report is Linda Bird (719327).

- 10 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April – June 2011** - Report of the Chief Executive and the Deputy Chief Executive

Summary

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April to June 2010.

The Contact Officer for this report is Robert Beggs (719238).

- 11 **Review of Attendance Management Policy and Procedure** - Report of the Assistant Director (Finance and Human Resources)

Summary

This report reviews and updates the Attendance Management Policy and Procedure. Senior managers and the trade unions have been consulted on the changes.

The Contact Officer for this report is Janis McCulloch (719236).

- 12 **Internal Audit – Performance for First Quarter 2011 - 12** – Report of the Deputy Chief Executive

Summary

The report allows the Board to monitor the progress of the Council's Internal Audit function against the agreed plan of work for the year.

The Contact Officer for this report is Barbara Haswell (719416).

PART C – EXEMPT INFORMATION (GOLD PAPERS)

13 Exclusion of the Public and Press

Recommendation:

That under Section 110A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.

14 Police Accommodation – Old Bank House – Report of the Assistant Director (Streetscape)

The Contact Officer for this report is Richard Dobbs (719440).

15 Creation and Appointment of Financial Inclusion and Partnership Officer – Report of the Assistant Chief Executive (Community Services)

The Contact Officer for this report is Bob Trahern (719378).

16 Council Office Accommodation – Report of Management Team

The Contact Officer for this report is Richard Dobbs (719440).

17 Irrecoverable Local Taxation and Housing Debts – Report of the Assistant Chief Executive (Community Services)

The Contact Officer for this report is Mike Shaw (719338)

JERRY HUTCHINSON
Chief Executive

Agenda Item No 6

Resources Board

5 September 2011

**Report of the
Assistant Director
(Leisure and Community Development)**

**Site Supervision – Artificial Grass
Pitch at Queen Elizabeth School
and Sports College**

1 Summary

- 1.1 This report proposes the engagement of a Site Supervisor to manage community use of the new Artificial Grass Pitch at Queen Elizabeth School and Sports College in Atherstone.

Recommendation to the Board

That the Board approves the Borough Council's appointment of a Site Supervisor to oversee community use of the Artificial Grass Pitch at Queen Elizabeth School and Sports College, Atherstone.

2 Consultation

2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 The Portfolio and Shadow Portfolio Holders for Health, Well-being and Leisure, Safer Communities, Community Life and Resources, together with relevant Ward Members, have all had an opportunity to comment on the content of this report.

3 Background

- 3.1 Members will be aware that, at its meeting held on 13 June 2011, the Community and Environment Board approved the establishment of a Partnership Agreement with Queen Elizabeth School and Sports College (QESSC) for the management of community use of the School's Artificial Grass Pitch (AGP). In this regard, the Agreement was implemented and will take effect from 1 September 2011.
- 3.2 The corresponding project Business Plan, which was originally drafted by the School, includes provision for on-site staffing during the hours of community use (mainly evenings and weekends). Whilst the principal responsibility of the staff presence would be to provide site security, other duties would include key holding (locking and unlocking the site), customer care and communication (particularly at change-over periods), cleaning and litter picking and health and safety. Additional tasks would include the checking of

the playing surface, the setting up / taking down of equipment and the supervision of good standards of customer use and behaviour. The staff presence, therefore, is integral to the effective operation of the AGP.

3.3 The School had originally intended to provide the required staff by engaging a security company to undertake the role. It has become clear, however, that the range of duties required by the “post holder” cannot be accommodated by a security firm. The Board, therefore, is asked to consider an alternative proposal, which has been approved by the School, for the Borough Council to engage a Site Supervisor to undertake the role, for which financial provision has been made in the Business Plan.

3.4 Subject to the conclusion of the formal job evaluation process, it is anticipated that the post would be graded at scale 3 / 4. The post holder would initially be engaged for 20 hours a week on a short-term, annualised hours contract, thereby enabling peak periods of demand to be managed flexibly.

4. Conclusion

4.1 The engagement of a Site Supervisor at the AGP, for which budgetary provision is available, would afford an opportunity for the efficient, customer-focused operation of the facility and allow users to be engaged and managed with appropriate levels of customer care.

5 Report Implications

5.1 Finance and Value for Money Implications

5.1.1 The full-year revenue cost of employing the proposed Site Supervisor at the Artificial Grass Pitch is anticipated to be approximately £11,451. This option represents a reduction of £3,000 over the first 10 years of the agreement in comparison with the projected Business Plan cost of engaging site security to supervise access to, and use of, this new community facility in Atherstone.

5.2 Safer Communities Implications

5.2.1 Appropriately timetabled and accessible leisure opportunities provide constructive alternatives to anti-social and/or criminal behaviour and thereby help to reduce the likelihood of disorder within the community.

5.3 Environment and Sustainability Implications

5.3.1 The operation of the facility will ensure provision of opportunities for improved constructive leisure activity within communities and enhance local cohesion, social inclusion and individual quality of life. It also impacts positively upon the creation of sustainable, healthy and safe communities.

5.4 Human Resources Implications

5.4.1 Recruitment to the identified position would be undertaken in accordance with all appropriate internal policies and procedures.

5.5 Risk Management Implications

5.5.1 The risks associated with the project proposals were considered by the Community and Environment Board at its meeting held in June 2011.

5.6 Equalities Implications

... 5.6.1 An Equality and Impact Needs Assessment is attached to the report.

5.7 Links to Council's Priorities

5.7.1 The proposal contained in the report has the potential to positively impact upon the corporate priorities to:

- Enhance community involvement and access to services
- Tackle health inequalities through improving well-being and providing leisure opportunities to all of our citizens
- Work with our partners to tackle crime, the fear of crime and anti-social behaviour
- Make best use of our resources through achieving a balanced budget and developing our workforce

5.7.2 Additionally, the provision and management of community use of an artificial grass pitch at Queen Elizabeth School and Sports College in Atherstone will directly contribute to the priorities of the Sustainable Community Strategy to:

- Raise aspirations, educational attainment and skills
- Develop healthier communities
- Improve access to services

The Contact Officer for this report is Peter Wheaton (719257)

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
None			

Equality Impact Assessment Summary Sheet

Please complete the following table summarised from the equality impact assessment form. This should be completed and attached to relevant Board reports.

Name of Policy Procedure/Service	Staffing – Artificial Grass Pitch at Queen Elizabeth School and Sports College
Officer Responsible for Assessment	Peter Wheaton

Does this policy /procedure /service have any differential impact on the following equality groups /people

- (a) Is there a positive impact on any of the equality target groups or contribute to promoting equal opportunities and improve relations or:
- (b) could there be a negative impact on any of the equality target groups i.e. disadvantage them in any way

Equality Group	Positive impact	Negative impact	Reasons/Comments
Racial	x		Options exist to provide focused sessions
Gender	x		Options exist to provide targeted sessions
Disabled people	x		Facility could be developed to improve activity options for people with a disability
Gay, Lesbian and Bisexual people			
Older/Younger people	x		Positive options exist to develop sessions for a wider range of people from the local community
Religion and Beliefs			
People having dependents caring responsibilities			
People having an offending past			
Transgender people			

**Report of the
Deputy Chief Executive**

**A Review of the Effectiveness of
Internal Audit 2010-11**

1 Summary

- 1.1 The report allows the Board to consider the annual review of the effectiveness of the system of Internal Audit.

Recommendation to the Board

That Members note the findings of the annual review of the effectiveness of the system of internal audit for 2010-11; and note that the system of internal audit is operating effectively and can be relied upon as reflected in the Annual Governance Statement for 2010-11.

2 Introduction

- 2.1 In accordance with the Accounts and Audit (Amendment) (England) Regulations 2006 the Council is required to undertake an annual review of the effectiveness of its system of Internal Audit.
- 2.2 CIPFA (Chartered Institute of Public Finance and Accountancy) have published a Code of Practice for Internal Audit in Local Government in the United Kingdom and this is widely accepted as the guidance that internal audit teams adhere to in best practice.
- 2.3 The Code encompasses eleven key areas (standards) of service delivery namely:
Scope of Internal Audit; Independence; Ethics for Auditors; Audit Committees; Relationships; Staffing, Training and Continuing Professional Development; Audit Strategy and Planning; Undertaking Audit Work; Due Professional Care; Reporting; and Performance Quality and Effectiveness. It also contains a prepared checklist for self assessment.

3 Review Details

- 3.1 The elements of this review are:
- A self assessment to determine compliance with the Code of Practice undertaken by the Head of Audit.
 - Production of an Action Plan identifying where full compliance has not been achieved to ensure full compliance with the Code in future.

- The level of assurance placed upon the work of Internal Audit by the External Auditor.
- Report upon the results of any satisfaction questionnaires.
- Report upon any other performance indicators collected in respect of Internal Audit.

4. Review Results

4.1 The Internal Audit service has been judged against the eleven standards highlighted above. The table below details the number of areas where Internal Audit is judged to be fully compliant (94%), partially compliant (5%) or non compliant (1%).

Standard	Description	Fully Compliant Areas	Partially Compliant Areas	Not Compliant Areas
1	Scope of Internal Audit	19	1	0
2	Independence	11	0	0
3	Ethics for Auditors	10	1	0
4	Audit Committees	8	1	2
5	Relationships	12	2	0
6	Staffing, training & CPD	10	1	0
7	Audit Strategy & Planning	20	1	0
8	Undertaking Audit Work	17	1	0
9	Due Professional Care	11	0	0
10	Reporting	31	1	0
11	Performance, Quality & Effectiveness	24	1	0
Totals		173 (93.5%)	10 (5.4%)	2 (1.1%)

4.2 As can be seen above, ten of the eleven standards are complied with in full or partially. The standard with non compliance in two of the eleven areas relates to independent Audit Committees which we do not have here. However, it is accepted by the External Auditors that the roles undertaken by the Resources and Executive Boards compensate for this.

4.3 For those areas of non compliance and partial compliance none are considered to significantly affect the effectiveness of Internal Audit. However, an action plan has been created to address these areas. (See Appendix A)

...

- 4.4 The External Auditors (Price Waterhouse Coopers) have stated that they are able to place full reliance on the work of Internal Audit following their review carried out in April 2011.
- 4.5 In addition to the self assessment against the Code of Practice, other factors are deemed to be important when trying to determine the effectiveness of the system of internal audit. These include both qualitative and quantitative issues such as:
- Customer Satisfaction Questionnaires are issued to all managers after a final report has been issued to establish the quality and effectiveness of the review. In all those returned there was 100% satisfaction.
 - Internal audit are required to achieve at least 90% of the Audit Plan. During 2010-11 91% of the Plan was completed.
 - 100% of recommendations made were accepted by management and implemented.
 - 97% of audits were completed by the set deadline and 83% completed within the time allowed.
 - Benchmarking through CIPFA in 2009 showed that we compared favourably with our chosen comparators and nationally.

5 Report Implications

5.1 Risk Management Implications

- 5.1.1 Not complying with the Code of Practice for Internal Audit in Local Government will result in non compliance with the Accounts and Audit Regulations 2006.

5.2 Links to Council's Priorities

- 5.2.1 An effective, productive and compliant Internal Audit service will contribute to the Councils priority of "Making best use of resources through achieving a balanced budget and developing our workforce".

The Contact Officer for this report is Barbara Haswell (719416).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

CIPFA CODE OF PRACTICE FOR INTERNAL AUDIT IN LOCAL GOVERNMENT 2006

ACTION PLAN – COMPLIANCE WITH THE CODE

NB – This Action Plan details those areas where full compliance with the Code of Practice was not achieved in 2010-11, together with actions planned.

Ref.	Adherence to the Standard	Findings 2010-11	Outstanding Actions	Allocated to	Timescale
1.1.2	Does the Head of Internal Audit advise the organisation on the content and the need for subsequent review of the terms of reference?	Partially compliant as this has not been done since 2005.	To update the Audit Charter and report to Resources Board.	Head of Audit	March 2012
3.3.4	Are staff rotated on regular/annually audited areas?	In some key financial system reviews the same officer has completed work in consecutive years due to limited staff resource. Alleviated somewhat by recruiting an experienced team member in March 2011.	Ensure that when this has to occur, that quality control is evident.	Head of Audit	March 2012
4.1.1	Does the organisation have an independent audit committee?	No but external auditors accept the role played by Resources Board and Executive Board.	Ensure that Boards act effectively as an audit committee.	Resources Board and Executive Board.	March 2012
4.2.2	Does the committee approve the internal audit strategy and monitor progress?	Last approval for IA Strategy over 5 years ago. No monitoring by Board.	Submit revised IA Strategy to Board	Head of Audit	December 2011
4.2.4	Does the Head of Internal Audit: <ul style="list-style-type: none"> Attend the committee and contribute to its agenda? Participate in the committee's review of its own remit and effectiveness?	No attendance at Board by Head of Audit as a matter of routine, represented by the Deputy CEO.	None- system works as it is with attendance by Head of Audit when necessary.		

Ref.	Adherence to the Standard	Findings 2010-11	Outstanding Actions	Allocated to	Timescale
5.1.2	Is there a protocol that defines the working relationship for Internal Audit with: <ul style="list-style-type: none"> External auditors Elected members 	No formal arrangements. Based on a vocal/ad hoc set up.	Formalise the arrangements.	Head of Audit	December 2011
5.6.1	Does the Head of Internal Audit maintain good working relationships with members?	Very little interaction exists.	Arrange meetings with Resources Board Portfolio holders at least twice a year.	Head of Audit/Deputy CEO	March 2012
6.1.2	Is the Head of Internal Audit professionally qualified and experienced?	Holds a partial professional accountancy qualification, has a management qualification and extensive experience and working knowledge gained over many years.	None necessary.		
7.2.3	Does the audit plan: <ul style="list-style-type: none"> Differentiate between assurance and other work? 	Not clearly identifiable from the formal document	Alter format of the plan for 2012 onward to show the difference clearly	Head of Audit	March 2012
8.3.3	Is there an access policy for audit files and records?	Files all held electronically and manually. No policy for manual files.	Create an access policy for manual files.	Head of Audit	September 2011
10.4.2	Does the Head of Audits annual report comment on compliance with the standards of the Code?	No	To include a reference in ensuing annual reports.	Head of Audit	March 2012
11.1.1	Is the audit manual reviewed regularly and updated to reflect changes in working practices and standards?	Last updated 2007	To update audit manual	Head of Audit	October 2011

Agenda Item No 8

Resources Board

5 September 2011

Report of the Management Team

Council Office Accommodation

1 Summary

- 1.1 This report reminds Members of the serious Health & Safety issues arising from the poor state of the Council House's electrical installation and the ongoing issues with many other elements of the building's infrastructure. There is an urgent need to address all of these issues. The report sets out the background of the option appraisal and feasibility work carried out to date and builds on reports and presentations considered previously by Members.

Recommendation to the Executive Board

- a That Members note the contents of this report and agree on their preferred option;**
- b That Members agree on their preferred mechanism for progress on the project being reported back to them on an ongoing basis; and**
- c That Members consider the most appropriate methods of keeping both staff and the Public up to date with progress on this project in the future.**

2 Background

- 2.1 Officers have, for some time, been investigating options for refurbishing or replacing the main existing Council offices due to the deteriorating condition of the building's electrical installation and its central heating system. The Council House is thirty years old and much of its heating, electrical and lighting systems date from its original construction. Any upgrades or improvement works which have been carried out in the past have been added to existing infrastructure, which has not addressed the underlying weaknesses at the core of the building. Industry standard (CIBSE) life expectancy for electrical and lighting installations is 20 to 25 years, pumps have a similar life span while boilers are expected to last no longer than 15 to 25 years. Similarly, pipework has a life of between 25 and 30 years. All of these key elements have increasingly shown signs of significant fatigue over recent

years. One of the buildings five main boilers has failed. It is obsolete and cannot be repaired. Pipework has leaked through “pinhole” breaches at several locations throughout the building. In addition, the windows, roof and access control system are all failing or obsolete.

- 2.2 The most pressing concern is the electrical installation. For several years, mandatory periodic inspections and tests of the electrical installation at the Council House have revealed its electrical installation to be in a very unsatisfactory condition. Remedial work to address the most urgent defects has been undertaken following each inspection, but the underlying causes have not been addressed due to their scale and the Council’s determination to integrate the necessary work into a wide-ranging, integrated and sustainable refurbishment of the Council’s office buildings.
- 2.3 The defects and areas of non compliance are categorised into four codes dependent on how serious the problem is. The Wiring Regulations definition of the codes is as follows:
- Code 1: Requires Urgent Attention
 - Code 2: Requires Improvement
 - Code 3: Requires further investigation
 - Code 4: Does not comply with current BS 7671 Regulations
- 2.4 The tests have identified large numbers of high priority items requiring corrective action. A total rewire has, on every occasion, been accepted as the only appropriate course of action. However, given the cost and potential disruption of a complete rewire and the other wide-ranging issues affecting the Council offices, it has not been possible to proceed until an outcome from the broader review of office accommodation had been reached.
- 2.5 In the intervening time, in recognition of how serious the problem is, the Council has carried out annually, full inspection and testing of the electrical installation and undertaken where possible the urgent items of work. It should be noted however that some code 1 & 2 items of work cannot be addressed outside the scope of a total rewire; for example: replacement of brittle wiring to light fittings (priority 1) and unsatisfactory cable management (priority 2). Occupancy within the Council House has been kept as low as reasonably practicable, flexible working practices have been introduced, lower power IT equipment is now utilised throughout the building and a power regulator has been installed on the building’s incoming supply to stabilise and reduce electrical load across the building. In addition, all high wattage appliances have also been removed.
- 2.6 In addition to the periodic inspections and tests, several Electrical Consulting Engineers have also been engaged to evaluate the installation, mainly in conjunction with the Accommodation Project. In September 2009, RPS Gregory was commissioned to undertake a condition survey and feasibility study on the electrical and mechanical installation.

- 2.7 RPS Gregory advised that the typical life expectancy of both an electrical and heating and ventilating installation is 25 years. The electrical installation at the Council House is over 30 years old and in very poor condition, they strongly agreed with the conclusions of the periodic inspections and previous conclusions from electrical contractors that the offices should be completely rewired.
- 2.8 Clearly, such issues need to be tackled as soon as possible as the programme of remedial action taken to date is becoming increasingly ineffectual. Health & Safety remains a top priority and, therefore, increased visual inspections, particularly of light fittings, are now being carried out in order to address the issues identified in the most recent electrical inspection report to ensure that the building remains safe to occupy. The Council spends in excess of £30,000 per annum on the enhanced inspection and remedial repair programme alone. The issues with the electrical installation increase the Council's risk substantially. The latest fire safety inspection independently recommended a complete rewire of the building, particularly as IT loading had increased substantially and far exceeded the original electrical design specification.
- 2.9 A Fire Risk Assessment was carried by Vulcan Fire Training on 9 March 2010. A major cause of fire within buildings is from faulty electrical installations and appliances; hence the condition of installations is a significant factor in Fire Risk Assessment process. The periodic inspections and tests reports were made available to Vulcan who identified the electrical installation as a 'Significant Hazard'. A complete rewire was recommended for the building with a target completion date of 31 March 2011 specified in the Fisk Assessment. A comprehensive 100% 'invasive' inspection and test of the electrical installation, the most thorough to date was carried out under the direct supervision of RPS Gregory, and completed in December 2010. The inspection and test identified an extensive list of items requiring corrective action, the majority of which were categorised as high priority.
- 2.10 As an urgent interim measure to reduce any potential risk from fire or electric shock, an instruction was placed with the Council's Housing Direct Works to undertake all the most urgent Code 1 items. This work was completed by the end of April 2011. This work has gone some way towards reducing the risk posed by the unsatisfactory electrical installation. Vulcan Fire Training have acknowledged that the fact that the Council had taken steps to mitigate the risk and had an approved commitment to undertake a rewire imminently may be viewed as reasonably practical. The risk, however rests solely with the Council. The Council's insurers have been informed and are satisfied with the approach that the Council has taken so far, but they have again stressed the need for the works identified in this and previous reports to be carried out as soon as possible.

3 Options Appraisal

- 3.1 Originally, when Interserve and their architects, Archial, were commissioned, it had been assumed that land sales could potentially fund any refurbishment or new build in order to make the project cost neutral. It had also been envisaged from the outset that the project could potentially be of significant benefit to other public agencies, as well as the Borough Council and initial options appraisal work was, therefore, jointly funded by NWBC, Warwickshire County Council and Warwickshire Police. The credit crunch, the subsequent recession and the prevailing economic climate have meant that the various options and funding strategies have had to be reassessed and ways of ensuring the economic viability of the scheme have been explored in increasingly greater detail.
- 3.2 Initially, Interserve and Archial were asked to look at four main options:
- Refurbish the existing offices
 - Refurbish the offices and extend the building to enable partners to be accommodated (including a police station and library)
 - Provide all the necessary accommodation within a new, purpose built facility on Woolpack Way car park
 - Locate the new building on the current site of the Memorial Hall and Library (with or without the existing PCT facility)
- 3.3 As the project progressed, other options were also considered including the availability of existing office accommodation which could be bought or rented. Such opportunities within the Borough are limited, but two potential sites were identified in Coleshill. Both buildings were thoroughly investigated and evaluated, but neither site proved to be economically viable and they have both subsequently been sold for redevelopment. Officers continue to investigate other potential solutions, including the possibility of long term leases, but financial modelling has shown that this is a much more costly option than a refurbishment of the existing Council house building. A multiple site solution has also been considered, but there are numerous barriers to this including cost and the limited availability of suitable sites.
- 3.4 Before abandoning the potential of a new build solution completely, officers investigated the potential of the current Council House site to release capital through redevelopment as a food store or similar retail/mixed use development. Commercial property experts Lambert Smith Hampton were commissioned to undertake a market testing exercise to assess the site's potential retail value in the current market. Their report concluded that, although the land would attract a premium, it was not significantly high enough to cover the cost of new build and was also a funding strategy which carried the greatest potential risk.

4 Feasibility

- 4.1 The Council had most recently been looking at three options:

- Option 1 - minimum refurbishment (taking into account latest building regulation requirements) to accommodate just the Borough Council at the lowest possible cost.
- Option 2 – more significant refurbishment and restructuring to free up maximum floor space to rent out to private or public agencies.
- Option 3 – a major refurbishment of the building to accommodate a separate police station, library and office space for County Council staff.

4.2 Following the Comprehensive Spending Review and the recent constraints placed on the budgets of the Borough Council and its partners, it has emerged that neither the County Council nor the Police will be able or willing to take anywhere near as much accommodation space as had previously been anticipated. Warwickshire County Council is not looking to increase its requirements from existing levels for the time being while the Police are looking to rent between 40m² and 70m² of office space on the top floor of Old Bank House with a view to relocating to the main Council House building once refurbishment work has been completed.

4.3 This means that the options which the Council can realistically pursue have become very limited. Given the current funding restrictions, in addition to the minimum refurbishment option which would address the Council House building's main infrastructure issues, officers have also been investigating the cost and feasibility of initially addressing only the building's electrics and moving on to other elements of the required works as and when individual services or components fail. These two approaches are compared below.

5 Summary of Options

5.1 Option 1 - Low Cost Rewire.

5.1.1 This would comprise of utilising low cost components, retention of existing ceilings and layouts where possible, but with the removal of partitions to provide sufficient capacity but incorporating new fire and intruder alarms, access control, etc.

Commissioning Period 6 weeks

Design Period: 8 weeks

Tender Period 4 weeks

Initial Contract Period approx 25 weeks, Night time work, phased

5.1.2 The cost of this option covers lighting and electrical installation, fire and security alarms, IT containment, internal CCTV, wiring to mechanical plant and door access controls). Structural work, internal doors and walls and associated building work will also be required, as will some new furniture (to enable the necessary cable management and ensure better, more efficient use of space). Another cost element is for new IT infrastructure and those costs are based on assessments which have previously been reported to

Members as part of the cost figures collated for different Accommodation Project options. Officers are continuing to review the specification for IT data cabling requirements to obtain a more accurate cost estimate. If, for example, telephony is integrated into the rest of the building's data cabling through a system called VOIP which utilises the internet rather than using separate cables to handle voice calls, this could have an impact on the overall cost, but would not significantly effect the cost comparisons set out in this report and would apply equally to both options. The remainder of the initial capital cost is comprised of professional fees, preliminary expenditure and costs to cover contingencies and risk.

- 5.1.3 The visual impact of this option would be negligible, as the new wiring would be concealed and the replacement luminaires would be surface mounted and similar to those being replaced. The electrical installation would be safe for use and fit for purpose for 25 years. Removing partitions would allow the building to be occupied to its full capacity. However, the necessary work to the other deteriorating elements of the building's infrastructure would be deferred until those elements failed completely. It is impossible to say how long this would take, but is likely to be only a few years.
- 5.1.4 Significant additional expenditure would be required to replace the failing heating systems, external doors and windows and the roof. There would be further costs arising from increased risks and contingencies, the effects of inflation and additional works. It is anticipated that phasing the work required to replace the heating system, roof, windows, ceilings etc across a longer timescale will cause greater disruption, require a number of individual tendering exercises, lead to longer lead-in and completion times, increase project management costs and lead to greater cost elements for prelims etc. These all have to be considered when comparing the two options set out here.

5.2 **Option 2 - Full Mechanical and Electrical refurbishment**

5.2.1 Comparative Overall Capital Costs 8% lower than Option 1

Commissioning Period	8 weeks
Design Period	12 weeks
Tender Period	5 weeks

- 5.2.2 Contract Period approx 90 weeks, includes allowance for decant (although a decision will need to be made as to whether a full or partial decant is required, although this will probably only be decided following the tendering stage when the different approaches and relevant costs can be evaluated).
- 5.2.3 This option provides for the replacement of all the heating and electrical components as well as all security, fire, CCTV, IT and access control systems and would include new suspended ceilings, as a consequence the investment would be easier to appreciate. The boiler plant would be similarly configured

to the existing layout but would be efficient, distributing controllable heating via panel radiators. Further capital expenditure would be required at a later date to cover the installation, primarily, of new windows as this provision had not been included in previous option appraisals but will need to be carried out within the life of the building. It should be noted that no renewable energies, heat source pumps, solar panels etc are included in this proposal. However, officers have commissioned (at no charge) a feasibility study to assess what work could be integrated into any refurbishment which would help the Council make its offices more efficient and environmentally sustainable. The costs and benefits of green technologies would best be assessed at the tender stage and incorporated if they provided sufficient benefit and were considered by members to represent value for money.

5.2.4 There are significant additional costs in incorporating renewable energies and more sophisticated energy saving features in the design, which are not currently included in the cost options. There may be opportunities, however, to attract grants and other funding for features that lower carbon emissions, save energy and are generally environmentally friendly. Officers are currently investigating a number of schemes and initiatives where this project may meet the qualifying criteria to receive funding. In particular, the existing arrangements for maintaining appropriate environmental conditions in ICT Comms. Room has been identified as inefficient and will merit its own specific consideration.

5.3 Comparison of Options

5.3.1 The capital costs of both options over the next 25 years are of a similar magnitude, but for the reasons set out in 6.1 above, the overall capital costs of Option 2 are approximately 8% lower than those for Option 1.

5.3.2 The existing revenue budget includes the current annual running cost of the Council House. Either option will impact on the current revenue budget, as there will be one off costs for each option and we will need to borrow to fund the capital work undertaken. The impact of both options is shown in more detail in the report which appears later in the agenda.

5.3.3 An assumption has been made in both options that an earmarked reserve previously set aside will be used to fund the decant costs and some of the initial capital expenditure, as well as the sale proceeds from disposing of Old Bank House. The remaining capital expenditure required will be financed through borrowing. Option 2 is more expensive in the first two years, but is then cheaper in year 3 onwards. Once all the work has been carried out in both options, the running costs for option 2 are £20,430 (nearly 30%) less per annum.

5.3.4 The capital and revenue costs can be brought together over a 25 year period to give the lifecycle costs of both options which shows that Option 2 saves around £460,000 over that period compared with Option 1.

- 5.3.5 It can be seen that Option 2 (full initial refurbishment) is the lower cost option in terms of capital outlay, total lifecycle costs and ongoing revenue implications. The two options include an element of demolition and building work to remove partitions and reconfigure cellular offices in order that the capacity of the Council House can be increased to accommodate all staff from Old Bank House as well as those organisations which currently rent space from us (including the arrangements currently being finalised with the Police). There would, however, be no further capacity within the building without a more fundamental overhaul of the existing flexible working arrangements. Both options would allow Old Bank House to be completely emptied and a capital receipt from the sale of that building has been assumed in both options.
- 5.3.6 It is recommended that Members agree to implement Option 2. Not only is this the cheaper option, but it also reduces disruption to both staff and customers in the long run as the work will be completed in one round. Risks are reduced and cost certainty increased through undertaking all necessary works at one stage. The Council will be assured of commissioning works at a time when construction costs are low and the completion of all elements of the refurbishment at one time will ensure that the works can be better integrated and that the relative life expectancies of the various elements are consistent.

6 Next Steps

- 6.1 The decision which Members have to take is which option to take forward to final design and implementation. As detailed above, doing nothing is not an option and refurbishment of the Council House building needs to be undertaken urgently. Members are asked to confirm which of the two options detailed above is the preferred option to be pursued.
- 6.2 It is recommended that a specialist contractor to Project Manage the design, tendering and delivery of the preferred option is appointed as soon as possible once a final decision has been made by Members. The role will include responsibilities for:
- Developing designs, specifications and tender proposals for the work to be undertaken, along with refinement of the cost estimates to reflect the agreed scope. The contractor, once appointed, should be tasked with beginning appropriate pre-tender work as soon as possible.
 - Advising on the most suitable procurement path
 - Detailing the programme, disruption and decant implications.
 - Providing advice on the most suitable procurement path whilst ensuring compliance with the Council's standing orders and financial regulations.
 - Acting on behalf of the Council in respect of the CDM Regulations.
 - Arrange for tenders on behalf of the Council, and provide tender analysis.
 - Ensuring that the project is delivered on time and on budget
 - Reducing the risks to the Council through close scrutiny and management of all aspects of the project's design, procurement and implementation at every stage of the programme.

6.3 The specialist contractor could be procured reasonable quickly using the framework arrangements currently in place with other public organisations within the region.

7 Police Accommodation

7.1 Following the Resources Board resolution in February, 2011 to rent office space within Old Bank House to provide accommodation for the local Safer Neighbourhoods Team upon closure of the Atherstone Police Station, officers have been discussing with the Police how their staff would be accommodated within Old Bank House, what internal changes may be required, issues around storage and negotiating the level of rent etc. Because OBH is Listed Building, any structural changes will require Planning consent as well as Building Control approval and the relevant applications will, therefore, be submitted directly by the Police in due course.

7.2 Officers will continue to discuss issues such as fire & security arrangements, IT, storage and internal alterations with the Police and the Heads of Terms documents are being drafted on that basis. The Police have now asked for four dedicated car parking spaces to be made available to them. This is a departure from their original stated requirements, but it is not believed that this will cause any significant issues for the Council.

7.3 The options set out in this report all include sufficient capacity within the Council House for the Police to move across with the rest of the staff who are currently based in Old Bank House once all necessary refurbishment work has been completed. This will help to secure the long-term provision of Police services within Atherstone.

8 Report Implications

8.1 Financial Implications

8.1.1 These are significant and some detail has been given in the body of the report. As mentioned earlier, both schemes will require some capital expenditure to be financed through borrowing.

8.1.2 Option 2 requires fewer capital resources and therefore lowers the external borrowing required. Both of these amounts are dependant on the sale of Old Bank House. If the Council chose not to sell Old Bank House, the borrowing for both options would increase leading to additional revenue costs of £25,000 per annum.

8.1.3 The impact on the current revenue budget of both schemes is given in 6.3.2, and these again assume the disposal of Old Bank House. A decision not to sell, would increase the running costs in both cases by £40,450 per annum, leading to an overall increase in revenue costs of £65,450.

8.1.4 An additional amount of £45,000 per annum was built into the current financial strategy for 2013/14 onwards. This would cover the additional running costs

for option 2, whereas option 1 would require a greater top up. The current strategy already requires the Council to deliver around £1.4 million of savings over the next three years. Any additional costs above the £45,000 already included will add to the savings required.

8.1.5 More detailed financial information is included within the main body and financial implications of the report which appears later on the agenda. Unfortunately, due to commercial sensitivity, it is not possible to reproduce those figures here.

8.2 Links to Council's Priorities

8.2.1 To make the Best Use of Council Resources.

The Contact Officer for this report is Richard Dobbs (719440).

Agenda Item No 9

Resources Board

5 September 2011

**Report of the
Assistant Director (Corporate Services)**

**Payment Card Industry
Requirements Review**

1 Summary

- 1.1 The purpose of this report is to make Members aware of the requirements being placed on the Council to achieve compliance with the Payment Card Industry data security standard and its implications for how the Council manages payments made to it.

Recommendation to the Board

- a That this report be noted; and**
- b That a further report be brought to this Board when the outcome of the review is known and any financial implications identified.**

2 Background

- 2.1 The Council's payment management system and associated processes are crucial as they play a key role in the collection, reconciliation and appropriate allocation of income and payments across the Council.
- 2.2 The Payment Card Industry Data Security Standard (PCI DSS) exists to help improve payment processing and enable organisations to operate more securely. PCI DSS is about good governance and preventing sensitive payment card information held by organisations being used fraudulently and protecting organisations from the financial loss and reputational damage this could result in.
- 2.3 The Payment Card Industry is made up of the debit, credit, prepaid, e-purse, cashpoint and point of sale card companies and related businesses. In 2004, with the use of payment cards growing and the associated increase in fraudulent use, two of the main providers Visa and MasterCard decided to work together to improve security at an industry level and created the Payment Card Industry Data Security Standard (PCI DSS).
- 2.4 Over time the Standard has been adopted across the world by the vast majority of payment card providers and is it mandated by them on organisations that take payments and compliance promoted and "policed" by Banks.

- 2.5 The PCI Data Security Standards (PCI DSS) is a collection of data security practices and currently consist of 12 significant requirements and a number of sub-requirements. Organisations then develop and measure their security policies, procedures and guidelines, against the standards, to achieve the level of compliance required of them.
- 2.6 Although the Standard is set, its application and the level of compliance needed by a merchant organisation depends on the number and value of payments processed. This makes compliance proportionate to the level of risk and potential value of any fraud. But it also makes understanding the Standard, how it needs to be applied and when by more complex. The Council is currently defined as a “Level 4” merchant; meaning we process relatively few qualifying payments (less than 20,000 pa).
- 2.7 A fundamental criteria for having to achieve PCI DSS compliance is if the merchant stores payment card details, and particularly the full details of the 16 digit card number, in its systems. At present Level 4 merchants only need to achieve PCI DSS compliance for on-line payments. We achieved this a few months ago by stopping the processing of on-line payments using in-house systems, and therefore no longer storing payment card information in the council, and moving to an external system provided by Worldpay.
- 2.8 If payment card data is lost or used fraudulently while in our control we would also be subject to a range of fines from each card provider involved. There is also the possibility of being prevented from accepting card payments and an on-going monthly charge for being non-compliant. The Information Commissioner could take action against the Council as the loss or theft of personal and sensitive payment details would be a breach of Data Protection and they could impose fines and processing sanctions. There are cases being reported of companies and public sector organisations being fined and receiving other sanctions for not holding payment data securely recent ones include Sony (Playstation) and Lush cosmetics.
- 2.9 Officers have been aware of PCI DSS for a number of years and have worked with the Bank to ensure the Council assesses the level of risk it is exposed to and achieves the relevant level of compliance needed. Therefore, the Council is currently PCI DSS compliant and already meets the standard in a number of areas or is developing solutions, to meet this and other compliance regimes.
- 2.10 However, the Standard is continually developing as the degree of risk and the type and sophistication of threat changes. We have been told by the Council's Bank of new requirements that are being introduced which needed to be implemented by October 2012. These will impact on the processes and systems suitable for taking payments in a way that is compliant with PCI DSS.
- 2.11 As such officers believe we have now reached the point where the Council needs to make some key decision about how it manages payments and the level of risk and compliance it can accept.

3 Payment Management Process Review

- 3.1 To better understand the Council's payment processes and how payments to the Council are handled and managed the Deputy Chief Executive approved a cross divisional review using a method known as "Systems Thinking". This helps understand processes in detail, who is involved in work and what really needs to be done to work most efficiently.
- 3.2 The first part of the review has been completed and the existing processes documented. The Council currently hosts and manages its payment systems in-house. This has proven to be cost effective and avoided some significant costs from our payment system supplier, Civica over the years. However, this means we fall foul of the new PCI DSS requirements from October 2012 as we store payment card details in our internal systems.
- 3.3 The group working on the project are just starting to re-design the processes which will lead to a "best process" for implementation. The review identified some areas where the process needs to be strengthened to meet the new compliance requirements and these will be built into the new process.
- 3.4 The group were also asked to look at all the options for achieving PCI DSS compliance and presenting the pro's, con's and cost back to the steering group which is made up of the Deputy Chief Executive, the Assistant Chief Executive (Community Services) and the Assistant Directors for Finance and Human Resources and for Corporate Services.
- 3.5 It is anticipated that the range of options will require some trade-off between cost, functionality and convenience. With cheaper options possibly requiring more officer input and not meeting some key needs and more expensive options being convenient but potentially having functionality we may not need.
- 3.6 It is anticipated that all the possible solutions will result in some cost to the Council. We have recently been informed by our software provider that there is no longer a "do nothing" option because if we continue to use their software we must take an upgrade as it will not be PCI DSS compliant and they have been told they can't provide or support non-compliant software.
- 3.7 It is not possible to give Members details of the cost at this time but a report will be provided to this Board once they have been established and the options considered by the Steering Group.

4 Report Implications

4.1 Finance and Value for Money Implications

- 4.1.1 There are no financial implications associated with this report. Once the review of the Payment Management Process is complete a report detailing the costs and options will be brought to this Board.

- 4.1.2 There is currently no funding identified for this work in the existing capital or revenue programmes.
- 4.1.3 The costs of non-compliance with PCI DSS are difficult to estimate as they could include fines, legal costs, fraud compensation, regular non-compliance charges and the costs associated with becoming and proving compliance after any incident.

4.2. Legal and Human Rights Implications

- 4.2.1 Compliance with PCI DSS is not a legislative requirement. It is mandated by card schemes that all merchants processing card data achieve PCI DSS compliance.
- 4.2.2 Banks are advising all merchants to achieve and maintain compliance to reduce risk and protect themselves against possible fraud, reputational damage and fines they would incur from card schemes in the event of a data compromise.
- 4.2.3 The loss of any payment card data would also be investigated by the Information Commissioner as it is likely to result in a breach of Data Protection and possibly infringement of individuals Human Rights if their information is used fraudulently.

4.3 Human Resources Implications

- 4.3.1 PCI DSS compliance involves the processes and procedures used by staff to take payments. Any changes made to them will need to be communicated to staff and training provided if necessary.

4.4 Risk Management Implications

- 4.4.1 Not maintaining PCI DSS compliance has been identified as a corporate risk. The specific nature and ultimate level of risk will depend on the options identified and the eventual way forward and as such the detailed Risk Assessment will be provided with the proposed follow-up report.

4.5 Environment and Sustainability Implications

- 4.5.1 In weighing up options that reduce risks of fraud and comply with the law this will help to maintain the overall social and economic wellbeing of our customers.

4.6 Safer Communities Implications

- 4.6.1 By putting measures in place to achieve compliance with the Payment Card Industry data security standard this will help minimise the opportunity for possible fraud and provide reassurance to our customers that their payments will be made securely.

4.7 Links to Council's Priorities

4.7.1 The secure processing of payments contributes to the Council's Priority around access to services as the ability to make payments on-line and using the telephone is critical to making services available via the internet.

4.7.2 The efficiency of the payment process and the various methods used help the Council collect income speedily and with minimum charges and overheads.

The Contact Officer for this report is Linda Bird (719327).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

Agenda Item No 10

Resources Board

5 September 2011

Report of the Chief Executive and the Deputy Chief Executive

Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - June 2011

1 Summary

- 1.1 This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April to June 2011.

Recommendation to the Board

That Members consider the performance achieved and highlight any areas for further investigation.

2 Consultation

2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 The Portfolio Holder and Shadow Portfolio Holder for Resources, Councillors Forwood and Lea have been sent a copy of this report and any comments received will be reported to the Board.

3 Background

- 3.1 This report shows the first quarter position with the achievement of the Corporate Plan and Performance Indicator targets for 2011/12. This is the first report showing the progress achieved so far during 2011/12.

4 Progress achieved during 2010/11

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with our local performance indicators during April to June 2011/12 for the Resources Board.
- 4.2 Members will recall the use of a traffic light indicator for the monitoring of the performance achieved.

Red – target not achieved

Amber – target currently behind schedule and requires remedial action to be achieved

Green – target currently on schedule to be achieved.

5 Performance Indicators

- 5.1 Members will be aware that national indicators are no longer in place and have been replaced by national data returns specified by the government. A number of previous national and best value indicators have been kept as local indicators as they are considered to be useful in terms of managing the performance of our service delivery corporately.
- 5.2 The current national and local performance indicators have been reviewed by each division and Management Team for monitoring for the 2011/12. The appendices show all the indicators to be reported to the board including both quarterly and annual indicators.

6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 84% of the Corporate Plan targets and 76% of the performance indicator targets are currently on schedule to be achieved. The report shows that individual targets that have been classified as red, amber or green. Individual comments from the relevant division have been included where appropriate. The table below shows the following status in terms of the traffic light indicator status:

Corporate Plan

Status	Number	Percentage
Green	10	84%
Amber	1	8%
Red	1	8%
Total	12	100%

Performance Indicators

Status	Number	Percentage
Green	16	76%
Amber	5	24%
Red	0	0%
Total	21	100%

7 Summary

- 7.1 Members may wish to identify any areas that require further consideration where targets are not currently being achieved.

8 Report Implications

8.1 Safer Communities Implications

8.1.1 There are community safety performance indicators which are reported to Executive Board.

8.2 Legal and Human Rights Implications

8.2.1 The national indicators were specified by the Secretary of State for Communities and Local Government. They have now been ended and replaced by a single list of data returns to Central Government from April 2011.

8.3 Environment and Sustainability Implications

8.3.1 Improvements in the performance and quality of services will contribute to improving the quality of life within the community. There are a number of actions and indicators which contribute towards the priorities of the sustainable community strategy including customer access strategy, outreach services, financial inclusion, health and well being services and decent and affordable housing.

8.4 Risk Management Implications

8.4.1 Effective performance monitoring will enable the Council to minimise associated risks with the failure to achieve targets and deliver services at the required performance level.

8.5 Equalities

8.5.1 There are a number of equality related actions and indicators highlighted in the report including developing outreach services, financial inclusion, decent and affordable housing, adaptations for people with disabilities and fuel poverty.

8.6 Links to Council's Priorities

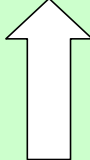
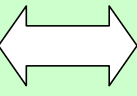
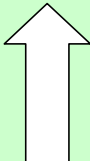
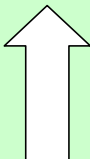
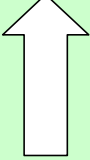


8.6.1 There are a number of targets and performance indicators contributing towards the priorities of access to services, improving housing in the borough, tackling health inequalities, achieving a balanced budget and developing our workforce.

The Contact Officer for this report is Robert Beggs (719238).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
National Indicators for Local Authorities and Local Authority Partnerships	Department for Communities and Local Government	Statutory Guidance	February 2008

Ref	Start Date	Action	Board	Lead Officer	Reporting Officer	Theme	Sub-Theme	Update	Traffic Light	Direction
NWCP 031 11/12	Apr-11	To produce a programme of work by May 2011, based on our stock condition information, which will maintain the Council's stock to a good standard and set out a local standard, in accordance with the Government guidelines for registered providers	Resources Board	AD (H)	Angela Coates	Housing		Programme agreed by Resources Board. Tenders invited. Ready to publicise to tenants.	Green	
NWCP 032 11/12	Apr-11	To report further to the Housing Portfolio Holder Group and Resources Board by June 2011 on current shared equity schemes and make recommendations for such a scheme in North Warwickshire	Resources Board	AD (H)	Angela Coates	Housing		Further research is being undertaken on this objective to understand whether it is a good housing option that is being taken up by tenants. A report will be submitted to the Resources Board in the Autumn.	Amber	
NWCP 033 11/12	Apr-11	To act on the objectives set out in the Warwickshire Local Investment Plan by appraising how public land holdings can be used to deliver affordable homes, find new ways of funding schemes and bringing empty homes back into use and to review the position annually from March 2012	Resources Board	AD (H)	Angela Coates	Housing		Bids were made to Homes and Communities Agency four year programme on the back of the Local Investment Plan. Waterloo Housing Association have been awarded a contract. In the meantime working on two rural schemes with Waterloo Housing Association. Bids for empty homes likely to be in October 2011.	Green	
NWCP 034 11/12	Apr-11	To report on the implications of the Localism Bill (when enacted) for housing services and take action where appropriate with regard to changes in legislation with regard to tenure, allocations, homelessness, tenant scrutiny and Housing Revenue Account Subsidy reform	Resources Board	AD (H)	Angela Coates	Housing		Reported to Resources Board and will continue to update as the Bill progresses.	Green	
NWCP 035 11/12	Apr-11	To work proactively with residents and partners to assist residents in the private sector to access funding to improve their homes (especially with regard to energy efficiency) and to report on progress annually from March 2012	Resources Board	AD (H)	Angela Coates	Housing		A private sector condition survey has been undertaken. Possible actions are being considered with a view to reporting to Resources Board in October.	Green	
NWCP 036 11/12	Apr-11	To review the services delivered by Community Support and report to Resources Board on issues and proposed improvement by March 2012	Resources Board	AD (H)	Angela Coates	Housing		Work is underway to consider working practices and future work for the Section.	Green	
NWCP 037 11/12	Apr-11	To implement changes proposed from review of Home Improvement Agencies and Adaptations Services by June 2011	Resources Board	AD (H)	Angela Coates	Housing		A pilot project began in June 2011. The outcomes of this will be reported after September 2011.	Green	

Performance Indicators

PI Ref	Description	Division	Section	High/Low is good	2011/12 Target	2010/11 Outturn	National Best Quartile	Performance	Traffic Light	Direction	Comments	Suggested reporting interval	Board	Reported to MT
HSG-LPI 10	Percentage of calls answered through the Central Control system within 60 seconds. (TSA national standard 96.5%):	Housing	Community Support	High	99.0%	99%	N/A	99%	Green			Q	Resources Board	Yes
NI 158	Non decent homes	Housing	Housing Maintenance	Low	2.13%	0.00%	2.13%	N/A	N/A	N/A	to be reported annually	A	Resources Board	Yes
New	% of response repairs completed right first time	Housing	Housing Maintenance	High	95.00%	92.00%	N/A	86.00%	Amber		Main issue has been getting materials to the job. However solid fuel servicing work has impacted on resource for bricklaying.	Q	Resources Board	Yes
HSG-LPI 3	Average waiting time to complete an adaptation from request and completion of work	Housing	Housing Maintenance	Low	7 months	8 months	N/A	N/A	N/A	N/A	to be reported annually	A	Resources Board	Yes
HSG-LPI 4	The average waiting time for adaptations to local authority housing for people with disabilities: a, time taken between initial request and referral	Housing	Housing Maintenance	Low	2 months	2 months	N/A	N/A	N/A	N/A	to be reported annually	A	Resources Board	Yes
HSG-LPI 5	The average waiting time for adaptations to local authority housing for people with disabilities(excluding major work): between, time taken between referral and completion of work	Housing	Housing Maintenance	Low	5 months	6 months	N/A	4 months	Green			A	Resources Board	Yes
HSG-LPI 6	Gas certificates within 12 months	Housing	Housing Maintenance	Low	100.00%	0.00%	100%	99.96%	Green			Q	Resources Board	Yes
NI 156	Number of households living in temporary accommodation. (Snapshot at end of each quarter)	Housing	Housing Management	Low	2	2	9	2	Green			Q	Resources Board	Yes
NI 160	The percentage of all council tenants, or a representative sample of council tenants, stating that they are satisfied with the overall service provided by their landlord when surveyed.	Housing	Housing Management	High	86%	N/A	84.9%*	N/A	N/A		to be reported annually	A	Resources Board	Yes
HSG-LPI 7	Local authority rent collection and arrears: : Rent collected by the local authority as a proportion of rents owed on Housing Revenue Account (HRA) dwellings.	Housing	Housing Management	High	99.20%	99.00%	99%*	N/A	N/A	N/A	to be reported annually	A	Resources Board	Yes
New	Number of tenants with more than 7 weeks rent arrears	Housing	Housing Management	Low	2.80%	2.40%		2.46%	Green			Q	Resources Board	Yes
HSG-LPI 8	Average time taken to re-let local authority housing.	Housing	Housing Management	Low	21 days	27 days	24 days*	23 days	Amber		Upper quartile performance. However numbers of voids still keeping us from achieving target of 21 days.	Q	Resources Board	Yes
EH-LPI 1	To respond to all complaints and requests for service within three working days (Pests, Dogs and general env health FLARE system)	Housing	Private Sector & Public Health	High	98%	99.5%	N/A	99.2%	Green			Q	Resources Board	Yes
EH-LPI 10	The number of private sector vacant dwellings that are found to be occupied, returned into occupation or demolished during the year as a direct result of action by the local authority :	Housing	Private Sector & Public Health	High	20	5	53.3	N/A	N/A	N/A	to be reported annually	A	Resources Board	Yes
New	The average waiting time for adaptations to private sector housing for people with disabilities: a, time taken between initial request and completion of work	Housing	Private Sector & Public Health	Low	7 months	10 months	-	N/A	N/A	N/A	to be reported annually	A	Resources Board	Yes
New	The average waiting time for adaptations to private properties for people with disabilities(excluding major work): time taken between initial request and receipt of OT referral	Housing	Private Sector & Public Health	Low	2 months	3 months	-	N/A	N/A	N/A	to be reported annually	A	Resources Board	Yes
New	The average waiting time for adaptations to private properties for people with disabilities(excluding major work): time taken between date of OT referral and authorisation of grant application	Housing	Private Sector & Public Health	Low	5 months	7 months	-	N/A	N/A	N/A	to be reported annually	A	Resources Board	Yes

Agenda Item No 11

Resources Board

5 September 2011

**Report of the
Assistant Director
(Finance and Human Resources)**

**Review of Attendance
Management Policy and Procedure**

1 Summary

- 1.1 This report reviews and updates the Attendance Management Policy and Procedure. Senior managers and the trade unions have been consulted on the changes.

Recommendation to the Board:

To adopt the revised Attendance Management Policy and Procedure

2 Introduction

- 2.1 Human Resources policies are reviewed periodically to ensure that they remain up to date and incorporate any changes in legislation. The Attendance Management Policy and Procedure has been reviewed to incorporate the change from sick note to fit note, the associated procedure and a reduction in timescales between the procedural stages used to manage sickness absence.

3 Background

- 3.1 In March 2008, Dame Carol Black, National Director for Health and Work, conducted a review of the health of Britain's working age population – Working for a Healthier Tomorrow. Following extensive consultation the Government accepted Dame Black's recommendation to change the sick note system and move from sick note to fit note
- 3.2 According to the government's guidance for employers, the new option of "may be fit for work" will result in fewer employees being signed off work when they possibly could do some or all of their job with some support. Employers receiving more information about how an employee's medical condition will affect his or her ability to carry out the job will help employers to have informed discussions with employees about taking steps to return to work earlier than they might otherwise have done. It is envisaged that the "may be fit for work" option may help employers to make simple and practical adjustments to reduce unnecessary sickness absence. The process from sick note to fit note was implemented in April 2010.

... 3.3 The aim of the Council’s Policy on Attendance Management (Appendix A) is to maintain as high a level of attendance as possible. The procedure for dealing with sickness absence has developed over time and as a result, on reviewing the policy and procedures, the review has taken into account the timescales for dealing with sickness absence within the procedure. Given the experience of working with the “maybe fit for work” note, it is now appropriate to reduce the timescales to enable earlier intervention when dealing with both long and short-term absences.

4 **Report Implications**

4.1 **Financial Implications**

4.1.1 There is the potential to reduce the cost of sickness absence to the Council.

4.2 **Human Resources Implications**

4.2.1 As detailed in the report

4.3 **Risk Management Implications**

... 4.3.1 Attached as Appendix B

4.4 **Equalities Implications**

... 4.4.1 As attached at Appendix C

4.5 **Links to Council’s Priorities**

4.5.1 The use of this policy will contribute to the Council’s priority relating to the effective use of resources.

The Contact Officer for this report is Janis McCulloch (719236).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

Equality Impact Assessment Summary Sheet

Please complete the following table summarised from the equality impact assessment form. This should be completed and attached to relevant Board reports.

Name of Policy Procedure/Service	Attendance Management and procedure
Officer Responsible for assessment	Janis McCulloch

Does this policy /procedure /service have any differential impact on the following equality groups /people

- (a) Is there a positive impact on any of the equality target groups or contribute to promoting equal opportunities and improve relations or:
- (b) could there be a negative impact on any of the equality target groups i.e. disadvantage them in any way

Equality Group	Positive impact	Negative impact	Reasons/Comments
Racial	No	No	
Gender	No	No	
Disabled people	No	No	
Gay, Lesbian and Bisexual people	No	No	
Older/Younger people	No	No	
Religion and Beliefs	No	No	
People having dependents caring responsibilities	No	No	
People having an offending past	No	No	
Transgender people	No	No	

If you have answered **No** to any of the above please give your reasons below

The policies will apply to all employees.

Please indicate if you believe that this document

Should proceed to further Impact assessment **No**

Needs no further action **No**

Risk Management Form

**NORTH WARWICKSHIRE
BOROUGH COUNCIL**

Division

Cost Centre or Service

Risk Ref	Risk: Title/Description	Consequence	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Gross Risk Rating	Responsible Officer	Existing Control Procedures	Likelihood(5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating
	To not adopt the reviewed policy	Inconsistent with the fit note's aim to reduce sickness absence.	3	3	9	Janis McCulloch	Reviewed policy implemented	1	3	3
Risk Ref	Options for additional / replacement control procedure						Cost Resources	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating

Completed By: Janis McCulloch

Date: 17 August 2011

ATTENDANCE MANAGEMENT POLICY AND PROCEDURE

Reviewed June 2011



**North Warwickshire
Borough Council**

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Policy Statement - Health of Our Employees

1 Purpose

- 1.1 The aim of the policy is to maintain as high a level of attendance as possible by ensuring that health problems are dealt with as early as possible, sympathetically, consistently and confidentially, and that leave of absence through sickness is not abused.
- 1.2 Our unions and management are committed to providing a good and safe working environment through agreeing local procedures and the provision of an occupational health service, if appropriate, to ensure a high level of attendance at work of healthy employees. The occupational health service will also be able to provide advice to employees, especially on work related health problems, as a supplement to the GP and hospital services.
- 1.3 The purpose of this policy is to set out what treatment you can expect from the Council if you suffer sickness or injury. Your attendance is important to the business and is monitored. This policy identifies points at which the Council will take action if your sickness absence reaches problematic levels as defined at sections 6 and 7 of this policy. The overriding aim is to ensure a healthy, productive workforce, not to punish you for being unwell. However, the Council cannot ignore the effects on the services and on other employees of absence from duty, whatever the cause.
- 1.4 This policy applies to all employees excluding work placements. Chief Officers have their own conditions (Blue Book). The exception here is in relation to capability due to ill health. The JNC for Chief Executives allows for modification where medical fitness is in question and the JNC for Chief Officers states that where local procedures are more favorable, these should be adopted for Chief Officers. The Council's Attendance Management Policy and Procedure is more favorable than the terms and conditions for Chief Officers and is within the modifications allowed for Chief Executives. Therefore, for the purposes of capability in relation to ill health, this policy does apply to Assistant Directors, Assistant Chief Executives, the Deputy Chief Executive and the Chief Executive.

2. The Manager's Role in Attendance

- a) Remember that all medical matters must be treated as confidential. Also that this is not a disciplinary procedure. It is primarily intended to help employees deal effectively with health problems.
- b) It is normal practice to consult with HR at all stages. Where the manager is unsure, always seek advice and guidance from HR
- c) At all formal stages the employee will have the right to be accompanied.
- d) Know when your staff are absent
- e) Carry out a return to work interview after every absence
- f) Maintain frequent contact with staff that are sick
- g) Encourage good attendance
- h) Look out for patterns of absence. eg days of the week, same time every year or history where an employee has repeated absence over several years.
- i) Try to find out if any flexible working arrangements could be made to improve the employee's attendance
- j) Examine all reasonable options when dealing with unacceptable attendance

- k) Make sure that employees' follow the correct procedures
- l) Be aware of any known medical history
- m) Make sure that employees know the standards that are expected of them
- n) Where the sickness absence procedures are abused disciplinary procedures will be implemented
- o) If an employee phones in sick when the offices are closed, the manager must contact the employee to establish what is wrong with the employee (see 4.1).

3 **Sickness Notification**

- 3.1 All employees are required to comply with the notification procedures. Failure to comply or abuse of the sickness absence regulations will result in the employees' absence being unauthorised.
- 3.2 Confidentiality must be maintained at all times - in particular, managers should not announce the nature of the illness when advising the absentee's colleagues of the absence but can indicate the likely duration.
- 3.3 Nothing in this policy shall be construed as overriding any National Conditions of Service nor is it intended to affect the legal rights of any employee. However, occupational sick pay will not be paid for cosmetic surgery unless it is deemed necessary for medical reasons (see flexible working policy for more information). The Council in such cases will require written confirmation from a medically qualified consultant that this is the case. In other cases, staff will need to take leave.
- 3.4 An employee who is in receipt of sick pay (including Statutory Sick Pay) is not allowed to undertake any form of paid alternative employment, self-employment or voluntary work. Any breach of this rule will be regarded as gross misconduct, which could result in dismissal.
- 3.5 All sickness absence should be notified in accordance with the procedures set out below

4 **Procedure**

Note: All employees will be advised of their responsible officer for notification purposes. Any reference to a number of days includes Saturdays and Sundays.

- 4.1 The employee will notify his/her line manager or responsible officer before 9.45am or as such arrangement determined by the line manager on the first day of absence, giving the reason for the absence and an idea of how long he/she may be away from work. If the Responsible Officer or the line manager cannot be contacted, a message must be left in the Division. This will be by telephone unless seriously incapacitated. If this is the case then someone can telephone on behalf of the employee.

If the offices are closed eg on a weekend or bank holiday, the employee will notify the Council by telephoning 01827 719208 and tell the operator:

- Their name;
- The section they work in; and
- Their line manager's name.

On receipt of this information, the operator will email the details to the line manager. The manager must then contact the employee to establish what is wrong with the employee.

- 4.2 Where the employee may be able to undertake some work rather than be absent, including working from home, then this should be discussed with their line manager to see if this can be accommodated. If it is possible then the details of the arrangements will be documented on the form at Appendix A
- 4.3 If this is not possible then the employee must repeat the process if still absent on day 4 or earlier if you know that you will still be absent on day 4.
- 4.4 Obtain a medical certificate (sick note/fit note) if still absent on day 8 and submit it immediately to your line manager. This note is advice to the employee. When a not fit for work note is issued depending on the illness it may still be appropriate to have a discussion about what the employee might be able to do, for example, a lifeguard with a broken ankle may be able to carry out clerical work either at home or at work. In addition, if the employee considers that he/she is fit to return to work before the end date on the note, they can choose to do so. However, in these circumstances there would be a meeting with the employee, the line manager and HR to assess the risks and agree any adjustments required before the employee would return to work. This meeting will be documented on the form at Appendix A. Unless the medical certificate states that the doctor wishes to see you again, there is no need to see the doctor again. You do not require another note to return to work.
- 4.5 If you have been given a 'may be fit for work' note then you should arrange to meet with your line manager and HR to see if the adjustments can be accommodated. The details of this meeting will be documented on the form at Appendix A. If the Council is unable to accommodate the adjustments then the fit note becomes a not fit for work note. If an employee disagrees with the advice on the 'may be fit for work' note and the Council disagrees with their reasons, HR will seek advice from occupational health. If occupational health can advise over the phone, a further discussion will be had with the employee. If occupational health is unable to advise over the phone, then the employee will be required to attend an occupational health appointment before occupational health advises the Council.
- 4.6 The Council's duty of care in the context of health refers to its duty to maintain a safe working environment. Therefore, if an employee is sick, depending on their illness or condition it may be appropriate to send them home to comply with it. The need to send an employee home could arise for various reasons. The most common scenarios are that an employee:
 - Is or could be infectious eg chickenpox
 - Has a safety critical job and there is no other work to assign them eg a driver having dizzy spells; or
 - Appears to be mentally unfit in some way eg displaying symptoms of stress.

In the event of a manager judging that, an employee should be sent home he/she should consult with HR. Employees have a duty to comply with such a request. The employee's contractual sick pay would be paid until he/she returned to work.

- 4.7 Medical certificates must be submitted at regular intervals for as long as the sickness continues. These should run consecutively. To ensure that sickness absence is authorised, all sickness absence exceeding seven consecutive days must be covered by a medical certificate. The line manager must submit all medical certificates to payroll as soon as possible.
- 4.8 Employees should keep their line manager advised of the current position where absence is prolonged, prior to the expiry of any medical certificate.
- 4.9 Upon return to work from all periods of sickness absence, complete the sickness absence – return to work interview form with your line manager. (See Appendix B)
- 4.10 Managers may seek advice from the Council's medical advisor through the HR Section as to the nature of the illness and how this is likely to affect attendance and/or performance at work, now or in the future. Where this advice appears to conflict with information from the employee, they should be requested to attend for a medical examination by the Council's Occupational Health Physician.
- 4.11 Managers can insist on an examination to aid them in managing the employee's attendance and if appropriate make reasonable adjustments. Repeated failure to comply is a disciplinary matter.
- 4.12 Employees can insist on a further independent medical examination. Consent forms will have to be signed before any information is passed between GP, Occupational Health and the Council.
- 4.13 If there is a difference of opinion between occupational health and the employee's further independent medical examination, then the Council will share the further advice received with occupational health and request that they consider this before advising the Council.

5 Recording and Monitoring

All sickness absence will be recorded in accordance with the procedures set out below:

- 5.1 Sickness absence including half days must be recorded on the absence record form at appendix C.
- 5.2 On the first day of absence, the line manager/responsible person must record the necessary details using the absence record form at appendix C which must be submitted to payroll every Monday morning for the previous week. If there have been no sickness absences the line manager/responsible person should submit a nil return
- 5.3 Upon the return to work of the employee, the line manager must ensure that the absence record form is completed for that employee ready for submission to payroll. Where no reason is given HR will chase the manager to get the reason for the absence.
- 5.4 The sickness absence form must be completed at the return to work interview and upon its completion submitted to the Payroll Section and a copy kept in a secure place in the Division. This should be done on the employee's first day back at work.

- 5.5 To ensure a degree of consistency of approach throughout the Council and for monitoring purposes, a report will be prepared on a monthly basis for Assistant Directors and Management Team and annually for the Health and Safety Working Party.
- 5.6 An employee who becomes sick while on holiday should follow the sickness reporting procedure. Sickness overrides annual leave and bank holidays. If the first day of sickness is on a bank holiday or an extra statutory day and the offices are closed you must still phone in. You will be able to leave a message with the person covering emergency/out of hours' calls. See 4.1 of this document for details.

6 Return to Work Interviews

- 6.1 When you return to work from any absence (excluding holidays) your line manager will interview you on the first day you return or as soon as reasonably practicable after that. He/she will check that you are fit to return, update you on any important matters you have missed and may discuss your absence record, if appropriate. Return to work interviews help to ensure that employees are aware that their attendance is valued. It also allows managers to discover any underlying problems that are causing the absence and try to solve them before absence reaches problematic levels. Problematic absences will normally fall into either a short-term or a long-term category.

7 Short Term Absence

- 7.1 Short-term absence is problematic in that the impact is directly felt and the need to arrange cover can be difficult. Since short-term absences are variable, "trigger" points have been introduced to alert the Assistant Director/line manager that a problem may exist. "Trigger" points are for the manager to meet with the employee to discuss the sickness absence. The outcome of this conversation does not automatically result in a prescribed action. Although not always possible, a review into the causes of absence may in fact lead to changes in work arrangements that can help alleviate or remedy the situation. They also ensure consistent treatment. HR provides Assistant Directors with attendance records on a monthly basis and a member of the team meets with each Assistant Director bi-monthly. Where employees have hit the 'trigger' points, these are highlighted for review.
- 7.2 The Bradford Factor is one of the 'triggers' used. It is a "trigger" based on an objective calculation to ensure that repeated short-term absences are picked up before they become problematic. It is a way of illustrating how disruptive frequent short-term absence can be, relative to occasional longer spells of absence. It is a way of identifying patterns of absence that need reviewing.

The Bradford calculation is as follows:

$S \times S \times D = \text{Bradford points score}$

Where: S is the number of occasions of absence in the last 52 weeks and D is the total number of days' absence in the last 52 weeks.

So for employees with a total of 14 days' absence, for example, in one rolling 52-week period, the Bradford score can vary enormously, depending on the number of occasions involved.

eg:

- 1 absence of 14 days is 14 points
(ie 1 x 1 x 14)
- 7 absences of 2 days each is 686 points
(ie 7 x 7 x 14)
- 14 absences of 1 day each is 2,744 points
(ie 14 x 14 x 14)

7.3 The line manager will review the employee's absence record if:

- In any two month period there are three separate periods of absence (whether these are certificated or not)
- You have a Bradford score of 50 or over (a proportionate score may be used for part-time employees who do not work their hours over 5 days)
- If there is an unacceptable pattern of absence, for example, regular time off on Mondays or Fridays or year on year.
- Cases of repeated or regular absence
- 10 working days in any 12 month period

7.4 The process for formal reviews:

- The employee's line manager will advise the Assistant Director immediately if any of the 'trigger' points occur, the outcome of their conversation with the employee and if there has been no improvement that the employee is moving to formal reviews.
- The employee will be given 5 days notice in writing of the first review meeting.
- At all formal interviews the employee shall have the right to be accompanied by a trade union representative or a colleague
- At the first review meeting the manager will be accompanied by a member of the HR team
- The meeting will normally be seeking to ascertain the position in respect of matters such as general health, continuing medication any further treatments/tests, etc; any workplace problems contributing to poor health. In conjunction with the employee line managers should seek to identify ways in which the Council could assist him/her to improve future attendance
- Agree reasonable targets and time limits for improvement in attendance and seek assurance that the employee is committed to achieving them
- The options available at this time will be dependent on the individual circumstances, but a referral to Occupational Health if not already done may be recommended to begin collating documentary evidence. In the first instance the advice of the HR section should be sought
- Regular meetings should be held with the employee, all such meetings should be documented, and a timetable/timescale for a review should be agreed.
- It may be appropriate to make the employee aware of the counselling and welfare facilities available.
- The period for review will vary, but a minimum of one week and a maximum of one month should be used as a guide. These reviews should be adhered to and documented on the formal review form at Appendix D

- It may be appropriate to require a “first day” medical certificate; the onus of providing this rests with the employee although the cost incurred will be paid by the Council.
- Confirmation in writing of any proposed action or agreed programme should be provided within five working days of the interview
- The employee will remain on formal reviews until they can demonstrate sustained improvement over a 12 month period; although the frequency may be amended.
- If action agreed at the interview does not appear to have worked or in cases of repeated absence, it will be necessary to hold a meeting under the case management section of this policy/procedure
- Where an employee repeatedly hits the triggers, has a period of formal reviews, improves, and then hits the triggers again, ie ‘yo-yo’s’ on and off formal reviews, then it will be necessary to hold a meeting under the case management section of this policy/procedure
- If at any point there is evidence to suggest that the ill health is not genuine, then the disciplinary procedure should be invoked

8 Long term Absence

- 8.1 Long-term absence is a period of sickness, which lasts longer than 4 calendar weeks.
- 8.2 The line manager will advise the Assistant Director of any long-term absence as soon as it arises.
- 8.3 Line managers should normally seek to maintain contact with the employee, including personal visits. Whilst this will normally be on an informal basis, it may be necessary to hold a more formal interview with the employee. At all formal interviews the employee shall have the right to be accompanied by a trade union representative or a colleague.
- 8.4 The line manager will monitor the absence and seek to support the employee through their period of sickness absence.
- 8.5 The line manager will telephone the employee at least every two weeks and meet with the employee every four weeks. These arrangements may be varied by agreement. Home visits will not be made without the employee’s consent.
- 8.6 If visits are off site, the line manager will be accompanied by a member of HR.
- 8.7 The lines of communication should remain open to ensure that the Council takes adequate steps to enable the employee to return to work as soon as is possible.
- 8.8 The employee has the opportunity to discuss their condition and any welfare issues that arise.
- 8.9 The employee is aware that all information received about their absence is reviewed.
- 8.10 The employee is kept informed with any developments within their Section. The period of time for taking a case to case management will vary, but a minimum of one month and a maximum of three months should be used as a guide. If the line manager considers that

another timescale may be appropriate this must be discussed with HR and the discussion and outcome must be documented.

- 8.11 Under the case management section of this policy/procedure, the Manager in conjunction with HR, should ensure that up to date medical information is obtained at least every three months regarding the employee's condition and when he / she is likely to be fit to return.
- 8.12 This information will normally be obtained by asking the employee to attend an appointment with the Council's Occupational Health Physician. In order to obtain a report on the employee's medical condition, the employee must give his or her consent to the report being sent to Occupational Health. Occupational Health will get the appropriate forms signed by the employee before requesting the medical information from the GP and/or consultant. If a manager is concerned that an employee is either fit to return to his or her job on light duties or that the level of absence is becoming difficult to sustain, the Manager should contact HR.

9 Support

- 9.1 The Council will provide an occupational health service to give confidential medical advice in respect of work-related problems. Referral can be either at the request of management as part of an absence review procedure or at the request of an employee.
- 9.2 Welfare and counseling facilities are available to all employees. Any employee experiencing health problems is free to approach their manager or HR to discuss these matters in confidence.
- 9.3 Where counseling is agreed and is for work related issues paid time off will be granted. Where counseling is for personal reasons affecting work and has been approved by HR the employee, in line with the Flexible Working Policy, will attend in their own time.

10 Back to Work

10.1 Rehabilitation

- 10.1.1 An employee may feel very anxious about returning to work after a lengthy period of absence. It is extremely important for the line manager to take positive steps to make the employee feel at home and facilitate his/her reintegration into the workplace rather than just expecting the employee to get on with things. If possible, arrange a visit for the employee shortly before the proposed return date so that the employee can meet informally with colleagues.
- 10.1.2 Where an employee returns to work, it may be desirable to offer a programme of rehabilitation to enable the employee to settle back into the work, eg. a phased return and/or temporary restricted duties. This could be through the Risk Assessment process or through the Occupational Health Physician's recommendation or at the employee's request. The line manager and/or the Assistant Director and HR shall agree any such action including how the employee will be monitored to ensure he/she is coping adequately with the day to day work and its associated pressures. The manager should make sure that the employee is not 'thrown in at the deep end', for example is not required to deal with a huge backlog of work caused by the period of absence. The

employee should be given meaningful work to do so that he/she quickly feels useful in order to facilitate their reintegration into the workplace. This will be documented on the form at Appendix A.

10.1.3 There may be occasions where following illness an employee is apparently not performing the duties of their post to the required standard. When such a situation arises, the line manager and HR will normally have an informal discussion with the employee. If both parties agree that a problem is evident, a programme of training/retraining and/or counseling should be agreed. A timetable for reassessment should be agreed. The line manager will confirm in writing the agreed action, etc. HR will hold a copy of the letter.

10.1.4 Where the process above has failed to achieve the agreed standards, then all or some of the following steps will be discussed and considered at a formal interview:

- Training/retraining and/or counseling;
- Examination by and advice from Occupational Health under the case management section of this policy/procedure;
- Redeployment within the same or other Divisions of the Council under the Council's Redeployment Policy;
- Retirement on health grounds;
- Part-time working;
- Any other course of action relevant to the individual circumstances;
- Case management as detailed in section 11 below

NB: No action will be taken to terminate the employee's contract until all the possibilities have been explored and, for sound reasons, discounted.

11 Case Management

11.1 Where ill health continues to have a detrimental effect on an individual's ability to do their job, or absence levels are still unacceptable, then the Council will adopt a 'case management' approach. This will normally be managed proactively through a number of stages. These are detailed below.

Officer Level for Case Management Meetings/Hearings re: Attendance Management

Level of staff	Stage1	Stage 2	Stage 3
For employees up to Section Head level	Section Head	Section Head, Assistant Director or Assistant Chief Executive	Assistant Director or Assistant Chief Executive
Section Head level	Assistant Director Assistant Chief Executive or Deputy Chief Executive	Assistant Director Assistant Chief Executive or Deputy Chief Executive	Assistant Director, Assistant Chief Executive, Deputy Chief Executive or Chief Executive

Assistant Director or Assistant Chief Executive	Deputy Chief Executive	Deputy Chief Executive	Elected Members
Assistant Chief Executive Deputy Chief Executive	Deputy Chief Executive or Chief Executive	Deputy Chief Executive or Chief Executive	Elected Members
Chief Executive	Elected Members	Elected Members	Elected Members

- 11.2 **Stage 1.** At this stage a case conference is held with the employee, the appropriate manager, the occupational health physician where appropriate, HR and either a trade union representative or a work colleague to accompany the employee if he/she wishes. The case conference is looking to get a date for return to work or in cases of continual short-term absences with no underlying medical condition(s), without considerable improvement to regular and consistent attendance. The employee should be informed in writing of the specific issues that need to be discussed and given five working days notice of the meeting. The employee should be given a copy of this procedure and informed that they have the right to be accompanied by either a Trade Union representative or a work colleague. At this stage evidence should be sought to give a prognosis of the duration of ill health issues. Options, such as rehabilitation, redeployment, reduced hours working, assessment under the Equality Act in terms of disability, should be explored at the earliest possibility. At this stage, the employee should be encouraged to take a realistic view of their ill health issues and to begin to work actively with their manager to bring about a solution. This is a difficult stage and should be treated sensitively. The aim should still be to ensure the employee's continued employment. However, an assessment of the needs of the service should also be carried out. The employee should be informed that it might be necessary to invoke stage 2 of this procedure. The period of time for review will vary, but a minimum of one month and a maximum of three months should be used as a guide. These reviews should be adhered to and documented. If at any point it is deemed that the ill health is not genuine, then the disciplinary procedure should be invoked. The employee should be notified that in most cases ill health that results in unacceptable absence from work, if not resolved, will result in the termination of employment. In cases of long term absence, where no date is possible for a return to work the case will be moved to stage two of case management.
- 11.3 **Stage 2.** Where it is evident that there is no improvement in the employee's ill health issues, then a formal hearing will be required. The appropriate officer will chair the hearing and a member of the HR section will be present. The employee should be given five working days notice of the hearing and will be informed in writing of the specific issues that need to be discussed. The employee should be given a copy of this procedure and informed that they have the right to be accompanied by either a trade union representative or a work colleague. The purpose of the hearing will be to decide if the Council can manage the ill health issue successfully. This hearing will be a forum for an exchange of views on an employee's ill health issues. The hearing should allow for discussion of any mitigating circumstances. If the employee is not well enough to attend the hearing, this will normally be re-arranged. If re-arrangement is not practicable then they can send a representative to act on their behalf. Again, the emphasis at this stage of the procedure will be to find suitable ways of managing the employee's ill health issues. However, if the employee's ill health cannot be successfully managed, a number

of options will need to be explored and these would include redeployment, reduced hours working, Equality Act in terms of Disability adjustments and retraining. The circumstances of individual cases will vary and therefore other options may also need to be explored.

Where it is felt that the ill health issues are a serious obstacle to resolving the issue of attendance or that all efforts to improve the working environment or conditions have been exhausted or are not feasible, then the hearing should conclude that the case will be moved to stage 3 of the case management process.

The employee should be informed that a decision on their future employment with the Council is to be made and that a meeting to inform the employee of the decision will be held within one month. If it is felt that if the employee remains in the workplace at this time would have a detrimental effect on the employee's health, the Council may authorise the employee to remain at home on full pay until the stage 3 hearing.

11.4 **Stage 3.** At this stage, a decision will be made about the future employment of the employee and will be communicated to them. It is important that all documentary evidence is checked and that any medical certificates or reports have been received and recorded. The appropriate officer will chair the meeting with a member of HR, the employee and the employee's representative present.

The employee should be informed in writing of the date and time of the meeting, having 5 days notice and informed of their right to be accompanied by a trade union representative or a work colleague. The employee should also be advised that the meeting is to decide their future employment and that termination of employment has become a possibility. At the meeting, the options will be discussed and any views that the employee has on their continuing employment will be considered. This will include the following options:

- Demotion/redeployment - Where it is felt that the employee, although not capable of performing their current duties up to a required standard, could perform a less demanding or complex role (this is where such a post either exists or could be created within existing budgets)
- Dismissal – Where it is felt that an employee is incapable of performing their current role and there is no option for demotion and redeployment, then the employee should be informed that their employment is to be terminated either due to incapability due to ill health or in cases of continuing short-term absences unsatisfactory attendance.

For Chief Officers any stage 3 action will be taken by Members, taking account of any statutory requirements.

The employee should receive a letter stating the action to be taken and out-lining the Council's appeals process. In cases of dismissal proper notice under the employee's contract will be given. The employee will also be given the right to appeal the decision and will be given a copy of the Council's appeal process.

12 Appeals Procedure

12.1 The Right of Appeal

It is the employee's right to appeal against any decision taken at stage 3 of the case management procedure of the Attendance Management Policy. Because of the importance of any appeal, the employee is strongly advised to have a suitable representative in attendance.

12.2 Procedure to be followed at the Appeals Board

- a) The Appeals Sub-group will consist of the Chairman and Vice Chairman of the Resources Board, together with any two other Members of the Resources Board.
- b) The employee shall be given notice in writing at least five working days in advance of the time and place of the hearing. The employee should be advised of the importance of representation. The employee should also be informed of their right to call witnesses and produce documents relevant to their case at the hearing.
- c) The appropriate nominated officer shall put the case in the presence of the employee and their representative and may call witnesses.
- d) The employee (or their representative) shall have the opportunity to ask questions of the nominated officer on the evidence given by them and/or witness whom they may call.
- e) The Sub-group may ask questions of the nominated officer and witnesses.
- f) The employee (or their representative) shall put their case in the presence of the nominated officer and shall call such witnesses as they wish.
- g) The nominated officer shall have the opportunity to ask questions of the employee and their witnesses.
- h) The Sub-group may ask questions of the employee and their witnesses.
- i) The nominated officer and the employee (or their representative) shall have an opportunity to sum up their cases if they so wish.
- j) The nominated officer and the employee and their representative and witnesses still present will then withdraw from the meeting.
- k) The Sub-group will deliberate in private, only recalling the nominated officer and the employee to clear points of uncertainty on the evidence already given. If recall is necessary, both parties are to return, notwithstanding that only one may be concerned with the point-giving rise to doubt.
- l) The Sub-group will announce the decision to the parties personally at the hearing or in writing, as may be determined, not more than five working days after the hearing.

Return to Work with Adjustments Form

Appendix A

<u>Employee Name:</u>			
<u>Job Title and Duties:</u>			
<u>Date of Meeting:</u>			
<u>Details of Meeting:</u>			
<u>Occupational Health Report (N/A or Details)</u>			
<u>Return to work (Agreed/Not agreed)</u>			
If not agreed, why?			
<u>If agreed:</u> <u>Return to work date</u>			
<u>Workplace adjustments including working from home</u>			
<u>Length of time</u>			
<u>Date(s) for review:</u>			
<u>Additional Comments</u>			
Signed:	Print Name	Signature	Date
Employee.....			
Manager.....			
HR.....			

Sickness Absence – Return to Work Interview Form

Name:	Payroll No:
Division:	Section:
Return to work interview date:	

Is this absence claim as a result of an industrial injury/accident at work?	Yes/No
First day of sickness (Please note half days must be recorded) am/pm	
Last day of sickness	
Date returned to work	
Is a doctors certificate required (8 or more days of absence)	Yes/No
If certificate produced with no return to work date indicated, please complete this form (leaving end dates) and forward to Payroll with certificate attached.	

Sickness Code	Tick	Description
Accident at Work		Accident at work (Accident Form must be completed)
Anxiety/Depression		Anxiety, depression
Back		Back & neck problems
Cancer		Cancer related
Chest		Chest & respiratory; to include chest infections
Cold		Cold symptoms
ENT/Eye		Eye, ear, nose & mouth/dental; to include sinusitis
Flu		Flu symptoms
Genital – Urinary		Genital-urinary; to include menstrual problems
Heart		Heart & circulation
Hypertension		High blood pressure
Muscular		Other musculoskeletal problems
Neurological		Neurological; to include headaches and migraine
Operation & Post Op		Operation, Post op.
Pregnancy		Pregnancy related
Stomach		Stomach, liver, kidney & digestion: to include gastroenteritis
Stress		Stress, mental health & fatigue

Employee signature: _____

Date: _____

Responsible Officer's Signature: _____

Date: _____

ABSENCE RECORD FORM FOR PAYROLL - OCCUPATIONAL AND STATUTORY SICK PAY RETURN

BALANCE	CHART	CARD
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DEPARTMENT:
DATE: WK.END SUNDAY

This form should be handed in to the Payroll Section by 2.00pm Monday.

NOTES

- a) Start Date: First day of sickness.
- b) End Date: Day before return to work.
- c) ½ days must be included. Indicate ½ days by entering ½ am or ½ pm.
- d) Sickness periods extending over weekends should be included, by confirmation of the employee.
- e) Any problems contact the payroll section on Ext 2382 or Ext 2383.

Signed: _____

NAME	PERSONAL NO				START DATE OR CURRENT (Note A)						END DATE OR CURRENT (Note B)									
					*	*	D	D	M	M	Y	Y	*	*	D	D	M	M	Y	Y
					*	*														
					*	*														
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Private & Confidential
Formal Review Form – Attendance Management Policy

Employee Name:			
Division:			
Date formal review period commenced:			
Date of meeting:			
Employee representative: Yes No			
If Yes print name:			
If No, employee happy to proceed: Yes No			
Formal Review Summary			
Note: The Attendance Management Policy contains guidelines for the formal review process. Reviews should be adhered to and documented.			
Date(s) for next review:			
	Signed:	Print Name:	Date:
Employee			
Manager			
<u>Copy to be sent to HR Team</u>			

Private & Confidential

Agenda Item No 12

Resources Board

5 September 2011

Report of the Deputy Chief Executive

Internal Audit – Performance for First Quarter 2011-12

1 Summary

- 1.1 The report allows the Board to monitor the progress of the Council's Internal Audit function against the agreed plan of work for the year.

2 Recommendation to the Board

That the report be noted.

3 Introduction

- 3.1 The CIPFA Code of Practice on Internal Audit in Local Government defines standards of best practice for internal audit. The Code requires that Members both approve the Internal Audit Section's strategic work plan and receive periodic reports on performance against plan. This report summarises performance for April 2011 to June 2011.

4 Summary of Work Completed

- ... 4.1 Appendix A to the report summarises progress on the s151 audit plan for the period, identifying audits completed and indicating the extent of progress on those audits still outstanding. The 90% performance target of planned work in quarter one of 2011-12 was not achieved with 72% completion of the current periods planned audits. This was due to the unavailability of certain information from officers that meant delaying the completion of one major audit into quarter 2. It is anticipated that we will achieve at least 90% of the entire plan for the year. A major audit undertaken towards the end of 2010-11 was therefore able to be concluded effectively in quarter 1. Appendix B provides definition for the levels of assurance applied.
- ... 4.2 Internal Audit can place a high level of assurance on the following final reviews;
- Contracts, Memorial Hall, Pitches and Pavilions and Housing Repairs.
A medium level of assurance can be placed on Data Protection and Leisure Centres.
- 4.3 The Internal Audit Section has undertaken an increased amount of work recorded under contingency audits. These are reviews carried out either resulting from departmental requests, external audit suggestions, counter fraud activity and monitoring of reporting information from the National Fraud

Initiative. There has been involvement in PCI compliance preparations, addressing the Bribery Act implications and the Council's vehicle fleet management.

- 4.4 The performance standards set by the Audit Commission require that Internal Audit complete at least 90% of planned work in the year unless there are good reasons otherwise. In calculating that statistic, planned work deferred at client request is ignored if such deferrals have appropriate justification. All client requests for deferrals have been based on sound, service based justifications

5 Report Implications

5.1 Risk Management Implications

- 5.1.1 Failure to provide an effective Internal Audit Service may adversely affect the level of internal control operating within the Council and will attract criticism from external assessors such as the Audit Commission and the External Auditor.

5.2 Links to Council's Priorities

- 5.2.1 The audit programme agreed and delivered is aligned to both the priorities of the Council and the requirements of external assessors.

The Contact Officer for this report is Barbara Haswell (719416).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

Appendix A

Audits Completed first quarter 2011-12

Audit	Quarter Due	Status	Assurance Level *	Tot No. of Recs	High Priority	Medium Priority	Low Priority	H/M Recs not Agreed(see att)
Contracts	1	Draft	High	1		1		
Memorial Hall	1	Final	High	1		1		
Pitches and Pavilions	1	Final	High	9			9	
Housing Repairs	1	Final	High	2		2		
Data Protection	1	Final	Medium	5	2	3		
Leisure Centres	1	Final	Medium	6	4	2		

Reasons for not providing a high assurance level on final reports

Data Protection was subjected to two recent incidents that highlighted a need for improved training/awareness among staff and Members.

There is also a need to improve response times to FOI requests and strengthen compliance with the Policy.

During the Leisure Centres audit weaknesses were identified relating to the use of Active cards, financial procedures within the centres and the need to improve internal control.

Progress Against Audit Plan

Audit	Status	Due	
VAT	Started	Quarter 3	Moved due to key staff absence
Performance Indicators & Management	Ongoing	Quarter 2	Completion delayed due to poor accessibility to supporting paperwork
Data Protection	Completed		
Contracts	Completed		
Homelessness	Ongoing	Quarter 2	
Leisure Centres	Completed		
Memorial Hall	Completed		
Pitches & Pavilions	Completed		
Housing Repairs & Maintenance	Completed		

Performance of Audit 2011-12 for Quarterly Indicators			
No.	Indicator	Suggested Frequency	Performance for 2011-12
1	Performance reports to Resources Board	Quarterly	September 2011
3	Number of audits where time taken to complete the work is more than 10% longer than planned.	Quarterly	2 - both due to additional work being undertaken within the review
4	Number of audits completed by set deadline	Quarterly	All 6
5	Final report issued within 4 weeks of completion of fieldwork	Quarterly	4 - 2 commenced toward latter half of the period and delayed due to accessibility to officers during holiday periods.
9	Questionnaire: Feedback obtained from report recipients is good (average 4 out of 5)	Quarterly	Good in those returned.
10	% of sickness levels within Audit is below 5%	Quarterly	1.00%

Appendix B

Assurance level definitions:

Overall Audit Opinion	
High	Controls are in place and operating satisfactorily. Reasonable assurance can be given that the system, process or activity should achieve its objectives safely and effectively.
Medium	There are some control weaknesses but most key controls are in place and operating effectively. Some assurance can be given that the system, process or activity should achieve its objectives safely and effectively.
Low	Controls are in place but operating poorly or controls are inadequate, failing or not present to satisfaction. Only limited assurance can be given that the system, process or activity will achieve its objectives safely and effectively.

Recommendation Priority Levels definitions:

High	Action is agreed for implementation within one month of the report date
Medium	Action is agreed for implementation within three months of the report date
Low	Action is agreed for implementation within twelve months of the report date

Agenda Item No 13

Resources Board

5 September 2011

**Report of the
Chief Executive**

Exclusion of the Public and Press

Recommendation to the Board

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

Agenda Item No 14

Police Accommodation – Old Bank House – Report of the Assistant Director (Streetscape)

Paragraph 3 – by reason of the report containing financial details of an organisation.

Agenda Item No 15

Creation and Appointment of Financial Inclusion and Partnership Officer – Report of the Assistant Chief Executive (Community Services)

Paragraph 1 - by reason of the report containing information relating to an individual.

Agenda Item No 16

Council Office Accommodation – Report of the Management Team

Paragraph 3 – by reason of the report containing financial details of an organisation.

Agenda Item No 17

Irrecoverable Local Taxation and Housing Debts – Report of the Assistant Chief Executive (Community Services)

Paragraph 1 – by reason of the report containing information relating to an individual.

The Contact Officer for this report is David Harris (719222).