



## Belfast City Council

<b>Report to:</b>	Policy & Resources Committee
<b>Subject:</b>	Review of Travel Policy
<b>Date:</b>	14 March 2008
<b>Reporting Officer:</b>	Peter McNaney, Chief Executive
<b>Contact Officer:</b>	Heather Loudon, Head of Financial Services, Ext 6090

### Relevant Background Information

- 1.1 At its meeting on 22 February, the Committee considered a Freedom of Information request that had been made by a BBC radio programme in relation to details on the extent and cost of travel outside Northern Ireland by members of staff and City Councillors over the past 3 years.
- 1.2 The Committee had agreed that the issues arising out of the Freedom of Information query should be referred to the Audit Panel to scrutinise the cost and reasons for journeys being undertaken by Council employees and to ensure that existing controls and systems continued to be reviewed and tightened. The Audit Panel is to report to the Committee on this matter in the near future.
- 1.3 Furthermore, it was agreed that the Council would move towards publishing all details of staff travel, as currently is the case with Councillor travel, under the Council's Publication Scheme as a matter of course, in order to ensure that all expenditure incurred in relation to these matters was transparent and open to the public.

### Current Position

- 2.1 The Council's Audit Panel met on the 11 March and considered a report from the Head of Financial Services on the project to review the approval of control processes relating to the Travel Policy. A copy of this report is attached at Appendix 1.

- 2.2 Members will note the objectives and outputs of this project which are to review current approval and control processes, identify improvements and ensure that the new processes enable improved access to information which enables on-going scrutiny, value for money reports being prepared and greater accountability both internally and externally.
- 2.3 Steps are being taken to ensure that all travel incurred in the new financial year will be published as of right in the Council's publication scheme.

### Key Issues

- 3.1 The conversation around the Council's current travel policy raises the issue of the need for the Strategic Policy and Resources Committee to exercise overall corporate scrutiny to ensure value for money of Council policies.
- 3.2 The Audit Commission report on corporate governance defines the concept as **the framework of accountability to users, stakeholders in the wider community within which organisations take decisions, and lead and control their functions to achieve their objectives.** The purpose of the Policy & Resources Committee as defined in the Standing Orders is to act as the Council's main instrument of policy and the setting of strategic direction and corporate priorities through the development of the Corporate Plan. It is also responsible for the allocation of resources to ensure that corporate priorities as agreed in the plan are implemented and for monitoring the performance of the Council and delivering its agreed objectives and outcomes. In essence therefore, the Committee is the main instrument of corporate governance in the organisation.
- 3.3 Good corporate governance combines the hard factors such as robust systems and processes with the softer characteristics of effective leadership and high standards of behaviour. A copy of the Audit Commission definition of corporate governance is included as Appendix 2.
- 3.4 High performance organisations balance different responsibilities and use information to decide where to allocate effort and resources to meet competing demands. Decision making always involves risk, but risk is reduced when an open, constructive culture exists in which challenge is accepted and supported. This challenge and openness must be underpinned by robust performance, financial and information management systems, the effective use of risk management and an accountability framework.
- 3.5 The Audit Commission who are responsible for the review of performance of local authorities in England are categorical in their view that organisations with good corporate governance have the capacity to maintain high quality services and to develop improvement, and that poor corporate governance has contributed to serious services and financial failures.
- 3.6 To be a high performing organisation we need to be more honest and open about performance and value for money. However the conversation about performance and value for money must be done in a fair and balanced way to ensure that there is enough trust between members and officers to engage with the system in a way that allows people to be treated fairly and the organisation to learn from its mistakes.

- 3.7 At its meeting on Friday 14 March, the Strategic Policy & Resources Committee will receive reports on the Corporate Plan which sets out the Council's policy framework on the Council's strategic financial management framework, and on the revised terms of reference of the Audit Panel.
- 3.8 All of these reports stress the need for enhanced transparency of information, accountability for performance, enhanced challenge, and greater focus in aligning policy, resource allocation and performance review. These are the general principles which underpin the improvement of performance and demonstration of value for money.
- 3.9 It is important that these principles form the bedrock of the review of the Travel Policy and that the Audit Panel bring back recommendations which ensure that all these elements are present in the reviewed policy.

#### **Recommendation**

To note the terms of reference with the review of the Travel Policy approved by the Audit Panel.

#### **Documents Attached**

- 1 Appendix 1 - Report of the Head of Financial Services on the review of the approval of control processes relating to the Travel Policy
- 2 Appendix 2 - Executive summary of corporate governance

