

FINANCE COMMITTEE MEETING THURSDAY 24TH OCTOBER 2019

No	Item	Summary of key Recommendations
1	Appoint Chair/Deputy Chair	<i>D'Hondt, Sinn Fein year one and DUP year two. Chief Executive to draft years three and four</i>
2	Apologies	<i>Councillor Bateson</i>
3	Declarations of Interest	<i>None</i>
4	Draft Terms of Reference	<i>Approve Committee has authorisation to request attendance of any Council officer, as required; request a rolling programme of finance related performance for all Service areas and review the Terms of Reference after a period of four months</i>
5	Landfill Performance Deed	<i>Approve the attached Performance Deed be updated as detailed and proceed to Full Council for sealing replacing the document dated 23rd October 2018</i>
6	Bid Invoice Administration	<i>Information</i>

No	Item	Summary of key Recommendations
7	Prompt Payments	<i>Information</i>
	IN COMMITTEE	
8	Debt Management	<i>Information</i>
9	In Years Savings	<i>In Year Savings Current Position Report be a standing item on Finance Committee agenda</i>
10	Rates Estimates 1 st Cut	<i>Capital Realisation to be a standing item on Finance Committee agenda each month</i>
11	Current Debt Position	<i>Information</i>
12	Management Accounts Period 5	<i>Senior Management to provide a full commentary on Budget Variances and the Period 5 Management Accounts 24 hours before a full Council Meeting A Health Check Sheet in terms of coding and monthly financial reporting be brought back to the Finance Committee every month</i>
13	PwC Brief on Council Finances/Areas of Efficiency	<i>PwC to be retained until the end of financial year</i>

No	Item	Summary of key Recommendations
		<i>subject to legal checks and cost implications. Any future tender process for similar consultancy services should have an experience weighting.</i>
14	Conferences	<i>None</i>
15	Correspondence	<i>None</i>
16	Consultations	<i>None</i>
17	Any Other Relevant Business (notified in accordance with Standing Order 12 (o))	<i>None</i>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF
THE FINANCE COMMITTEE
HELD IN COUNCIL CHAMBER, CIVIC HEADQUARTERS ON
THURSDAY 24 OCTOBER 2019 AT 7 PM**

In the Chair: Councillor Peacock

Members Present: Alderman Duddy, Hillis and McCandless,
Councillors Beattie, Callan, Holmes, Knight-
McQuillan, McAuley, McCaw, McGurk, McLean, C
McShane, Schenning and Scott.

Officers Present: D Jackson, Chief Executive
D Wright, Chief Finance Officer
S McMaw, Head of Performance
T McKenna, Committee Clerk
J Davidson, PwC

1. APPOINT CHAIR/DEPUTY CHAIR

The Chief Executive advised Members that under D'Hondt, Sinn Fein would take the Chair for year one and the DUP in year two. The Chief Executive stated he would draft out years three and four.

2. APOLOGIES

Apologies were recorded from Councillor Bateson.

3. DECLARATIONS OF INTEREST

There were no declarations of interest recorded.

4. DRAFT TERMS OF REFERENCE

Report, previously circulated, presented by the Chief Executive.

Causeway Coast and Glens Borough Council adopted the traditional committee system as its preferred form of governance and, at its Special Council Meeting in September 2019, decided to form a Finance Committee. This report proposes Terms of Reference for one of that Committee.

The Committee is comprised of the sixteen Elected Members appointed to the Committee using the quota greatest remainder formula. The

committee may also when required invite an external independent member to attend, the independent member will have no voting rights.

The Committee will be chaired according to the D'Hondt formula for positions of responsibility. In the absence of the Chairperson, the Committee will be chaired by the Deputy Chairperson. In the absence of the Deputy Chairperson, a Chair for the meeting will be agreed by the Members present.

Meetings of the Committee will be held on 2nd Thursday of each month.

All meetings of the Committee will be governed by the Council's Standing Orders and the Local Government Code of Conduct for Councillors.

Alderman Duddy asked if the Committee had the ability, without adding into the Terms of Reference, to ask Heads of Service to attend the Committee as required.

It is recommended – that this Committee has the authorisation to request the attendance of any Council officer, as required; request a rolling programme of finance related performance for all Service areas and review the Terms of Reference after a period of four months.

It is recommended that the Finance Committee approve the Terms of Reference as set out in this report

Proposed by Alderman Duddy
Seconded by Councillor Holmes

- to recommend to Council that this Committee has the authorisation to request the attendance of any Council officer, as required; request a rolling programme of finance related performance for all Service areas and review the Terms of Reference after a period of four months.

- to recommend to Council that the Finance Committee approve the Terms of Reference as set out in this report.

The Chair put the Motion to the Committee to vote.

Committee voted unanimously in favour.

The Chair declared the Motion **CARRIED**.

5. LANDFILL PERFORMANCE DEED

Information report, previously circulated, presented by the Chief Finance Officer.

Northern Ireland Environment Agency (NIEA) requires Council under the Pollution Prevention & Control (Industrial Emissions) Regulations (Northern Ireland) 2013 SR 160 (as amended) (“the PPC Regulations”) to make and maintain adequate financial provision in relation to and/or arising from its duties and obligations under the Permit which was issued to Council in accordance with the PPC Regulations.

In order to fulfil Councils obligations under the PPC Regulations Council are required to provide a deed of performance in relation to its operational landfill site at Craigahuliar. This deed sets out a financial obligation which council is bound to as a result of the operation of the landfill site. There is a calculation model agreed with both NIEA and Northern Ireland Audit Office (NIAO) which determines the level of the financial obligation, this calculation being based upon factors such as remaining capacity and quantity of material being landfilled. As is normal with such a document this requires sealing at a Council meeting prior to submission to NIEA.

In this case the sealed document requires an annual update to take into account additional usage and consumption of the landfill site thereby affecting the level of financial obligation required. With that in mind this document is before committee in the first instance this being the second update of the document. The performance deed attached at appendix 1 dated 3rd December 2019 will supersede the document dated 23rd October 2018 and sealed at Council in November 2018. Subsequent updates will occur annually thereafter following conclusion of the audit of annual accounts, the figure to be included in the performance deed being agreed as part of the audit process.

It is recommended that Council approve the attached Performance Deed to be updated as detailed and proceed to full Council for sealing replacing the document dated 23rd October 2018.

In response to a request for clarification, the Chief Finance Officer advised that the report had been brought to this Committee as opposed to the Corporate Policy and Resources Committee meeting assuming all finance related business would be dealt with at the new Finance Committee.

Proposed by Alderman Duddy
Seconded by Councillor Knight-McQuillan

- to recommend that Council approve the attached Performance Deed be updated as detailed and proceed to Full Council for sealing replacing the document dated 23rd October 2018.

The Chair put the Motion to the Committee to vote.

12 Members voted For, 2 Members voted Against and no Members Abstained.

The Chair declared the Motion **CARRIED**.

6. BID INVOICE ADMINISTRATION

Information report, previously circulated, presented by the Chief Finance Officer.

Business Improvement Districts (BIDS) are business led partnerships which are created through a ballot process to deliver additional services to local businesses.

They can be a powerful tool for directly involving local businesses in local activities and allow the business community and local authorities to work together to improve the local trading environment.

Under the enabling legislation regarding BIDS the local Council is designated as the billing and collection authority for the BID levy which will fund the programme. This will involve raising an invoice to each business and the collection of the levy as set out in the invoice including, if necessary, any debt collection actions against defaulters. The collection process will be handled in line with Council's current Debt Management Policy. Each levy is calculated based on the rateable value of a business' premises the data for each property being held by the BID office. Invoices will be issued on a pre-determined date with the necessary data regarding all businesses being provided to Council finance staff in advance of that date to allow processing. Once the invoices have been issued Council will collect the levy from each business in the same manner as it would from any other customer of Council. Once collected the levy will at prescribed points in time be paid over to the BID team.

The legislation provides for the ability of Council to make a charge for this service and Council recently agreed that a charge be made for years 2 to 5 of the current BID programme.

As this is a service being provided by the Council's finance department we act on the instructions of the BID Company who are the legal owners of the debt raised through these invoices. At a recent meeting with representatives of the BID Company Council staff have been instructed to progress with the collection of any outstanding debt remaining from the first round of invoicing which was issued last November. It should be noted that the second round of invoices are due to be issued very shortly therefore it is important to try and clear any backlog from the previous cycle.

The recovery process will entail in the first instance with a final reminder being issued to all debtors, this notice will also contain a timeframe for responding and the consequences of not responding.

The purpose of this short report is to inform members in advance that this will be happening given the amount of publicity this initiative has received in the last year. A notice will be placed in the local press during week commencing 28th October 2019 to notify any businesses involved in the BID that this process will be happening and the final reminders will be issued week commencing 4th November 2019.

The Chief Finance officer provided clarification to Members on how outstanding debts were collected by Council.

7. PROMPT PAYMENTS

Information report, previously circulated, presented by the Chief Finance Officer.

Department for communities (DfC) requires Council to record and publish statistics regarding the payment of supplier invoices with specific reference to two distinct measures namely invoices paid within 10 working days and invoices paid within 30 calendar days.

These figures are published on a quarterly basis by DfC with Councils required to do likewise. The purpose of the statistics is to encourage Councils to support businesses especially those local and/or small businesses for whom cash flow is of vital importance to their continued survival. In addition as part of Council's performance improvement plan for this year the payment of our suppliers has been identified as one of the performance improvement objectives with a target of 90% of suppliers being paid within 30 calendar days. The tables detail Council's performance since April 2017 the latest data being for quarter 3 of 2019/20 being up to and including early October 2019. Q2 performance

has improved from the previous two quarters' figures which is encouraging albeit the improvement is small and the initial part of Q3 appears to continue this trend.

The small improvement would indicate that previously reported actions may be beginning to have a positive impact although it may be too early to tell if this is either significant or permanent. As reported previously Council staff have been working on improved systems to assist with the purchase ordering and invoice payment processes and I am pleased to report that the configuration of the first stage of this process has been completed and the implementation of it has commenced. This part of the project includes the rollout of the electronic purchase ordering system to all sites where Council staff need the ability to raise orders including sites not connected directly to the main ICT system. ICT staff have provided a solution allowing these sites to access the new purchase ordering system. Once all sites have been installed and staff trained then we can progress to the second phase which will allow for electronic authorisation of invoices and this should commence in the new year.

- * **Councillor McCaw joined the meeting at 7.20pm.**

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Councillor Knight-McQuillan
Seconded by Councillor Scott and

AGREED – to recommend that Committee move *'In-Committee'*.

8. DEBT MANAGEMENT

Confidential Information report, previously circulated, presented by the Chief Finance Officer.

The report informs Members of the current position surrounding debt owed to the Council by its customers. Council implemented a revised Debt Management Policy in February 2017.

The Chief Executive and Chief Finance Officer responded to queries raised by Members in relation to the debts over 90 days.

9. IN YEAR SAVINGS – CURRENT POSITION

Confidential Information report, previously circulated, presented by the Chief Finance Officer.

The purpose of this report is to inform Members of the initial outcomes resulting from the recent sub-committee which reviewed all service area budgets.

The tables in the report set out the position with regards;

- i agreed savings which require no further Council input, and
- ii savings proposals requiring a Council decision prior to implementation.

The implementation of the agreed savings and the progress of those requiring Council approval will continue to be monitored by this Committee in particular through the rate setting process.

The Chief Executive suggested that the In Year Savings Current Position Report be a standing item on the Finance Committee Agenda. Members agreed.

Discussion ensued on a possible rate increase, possible staff reduction and voluntary severance.

10. RATES ESTIMATES 1ST CUT

Confidential Information report, previously circulated, presented by the Chief Finance Officer.

The purpose of the report is to inform members of the initial pressures being faced by Council in terms of financial budgeting and the setting of the rate for 2020/21. The summary table details the estimated impact of the larger known high level influences on the rates and therefore gives an indication of the challenges which Council will face and need to address in considering the setting of the rate for 2020/21.

*** Councillor Knight-McQuillan left the meeting at 8.05pm.**

Discussion ensued on salaries and productivity savings, staff overtime, budgets, follow up on targets set, possible rates increase, assets realisation.

In relation to assets disposal the Chief Executive informed Members that the Head of Capital Works and Infrastructure would bring a report back to the Committee. He also advised that the Director of Leisure and Development would bring a report on the Dunluce Centre and Waterworld to the next Leisure and Development Committee Meeting.

Further discussion took place on the possible disposal of Council buildings.

In relation to a query raised by Alderman Hillis, the Chief Executive confirmed that should any information on the disposal of the Dunluce Centre be available before the Council Meeting on the 5th November 2019, this would be relayed to Members.

The Head of Performance provided Members with an update on the current position in relation to Sheskburn House. He confirmed that a report would be prepared and be presented to the Finance Committee.

Proposed by Councillor Callan
Seconded by Councillor C McShane and

AGREED – to recommend to Council that Capital Realisation be a standing item on the Finance Committee agenda each month.

11. CURRENT DEBT POSITION

Confidential Information report, previously circulated, presented by the Chief Finance Officer.

The purpose of this report is to inform Members of the position regarding Council's loans portfolio.

In response to a request from Councillor Callan, the Chief Finance Officer clarified the total of Council's current outstanding debts.

Councillor Holmes requested if it was possible to show how the debt profile could be reduced to under 10%. The Chief Finance Officer confirmed that this could be done.

12. MANAGEMENT ACCOUNTS PERIOD 5

Confidential Information report, previously circulated, presented by the Chief Finance Officer.

Causeway Coast and Glens Borough Council has approved annual budgets and delegated authority to officers to utilise these budgets in the provision of services to our rate payers.

Members previously received a Management Accounts report detailing the financial position as at period 5 of the 2019/20 financial year (up to 31 August 2019) together with a single page summary.

The Chief Finance Officer responded to Members' queries in relation to the Judicial Review.

Discussion ensued on salaries and wages in relation to Sport & Well-Being and costs in relation to Environmental Services Operations. The Chief Executive suggested that individual Heads of Service provide reports on their budget spends to the Finance Committee meeting.

* **Councillor C McShane left the meeting at 9.10pm.**

Proposed by Councillor Holmes
Seconded by Alderman Duddy and

AGREED – to recommend to Council that Senior Management provide a full commentary on Budget Variances and the Period 5 Management Accounts 24 hours before a full Council Meeting.

In response to a query from Councillor Callan in relation to coding of accounts, the Chief Finance Officer confirmed that this was work in progress and anticipated it would be completed within 3 to 4 weeks.

After discussion it was:

Proposed by Councillor Callan
Seconded by Councillor McLean and

AGREED – to recommend to Council that a Health Check Sheet in terms of coding and monthly financial reporting be brought back to the Finance Committee every month.

Discussion took place on the Procurement Policy and procedure.

* **Alderman Duddy left the meeting at 9.45pm.**

13. PwC BRIEF ON COUNCIL FINANCES/AREAS OF EFFICIENCY

Confidential Information report, previously circulated.

Mr James Davidson from PwC guided Members through his report. He answered Members queries/questions in relation to the report.

Proposed by Councillor Holmes
Seconded by Councillor Schenning and

AGREED – to recommend to Council that PwC be retained until the end of the financial year subject to legal checks and cost implications. Any future tender process for similar consultancy services should have an experience weighting.

Discussions took place in relation to current staffing and reductions. The Chief Executive confirmed this would be included in the Directors' Savings Reports.

* **Alderman Hillis left the meeting at 10.55pm.**

Mr. Davidson to provide Members with a one page summary of his report.

MOTION TO PROCEED 'IN PUBLIC'

Proposed by Councillor Callan
Seconded by Councillor Holmes and

AGREED – that the committee proceed to conduct the following business *'In Public'*.

14. CONFERENCES

There were no Conferences.

15. CORRESPONDENCE

There was no correspondence.

16. CONSULTATIONS.

There were no consultations.

17. ANY OTHER RELEVANT BUSINESS (NOTIFIED IN ACCORDANCE WITH STANDING ORDER 12(O))

There was no other relevant business.

There being no further business, the Chair thanked Members for their attendance and the meeting concluded at **11.00pm**.

Chair