

FINANCE COMMITTEE MEETING HELD THURSDAY 14 APRIL 2022

	Item	Summary of Key Recommendations
1.	Apologies	Alderman Finlay, Councillors Bateson, Dallat O'Driscoll, McQuillan, Scott, Wilson
2.	Declarations of Interest	None
3.	Minutes of the Finance Committee meeting held Thursday 10 March 2022	Confirmed
	'IN COMMITTEE' (Items 4-10 inclusive)	
4.	Coleraine Café	To recommend that Council approve Option 3 as detailed within the confidential report, circulated.
4.1	Cafe Lease at JDLC	To recommend that Council approve Option 3: Due to the mitigating circumstances whereby the Tenant's ability to trade during Covid 19 restrictions has been severely curtailed to such an extent as to prevent the Tenant from operating at a profit, Council waives all outstanding rental payments listed in this report.
5.	P11 Management Accounts	Information

6.	P11 Debt Management Report	<i>Information</i>
7.	P11 Prompt Payment Statistics	<i>Information</i>
8.	Pay Award	<i>Information</i>
9.	Scheme of Allowances	<i>Information</i>
10.	Independent Member Update	<i>Information</i>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE
FINANCE COMMITTEE MEETING HELD
IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS AND VIA VIDEO
CONFERENCE ON THURSDAY 14 APRIL 2022 AT 7.00 PM**

In the Chair: Alderman Hillis (C)

Members Present: Alderman Duddy (C), McKeown (R)
Councillors Dallat O'Driscoll (R), Holmes (R), McLean
(C), Peacock (R), Schenning (R)

J Robinson, Independent Member (C)

Officers Present: M Smyth, Director of Finance (Interim) (C)
D Wright, Chief Finance Officer (R)
W McCullough, Head of Sport and Wellbeing (R)
J Keen, Committee & Member Services Officer (C)

In attendance: A Lennox, ICT Mobile Operations Officer (C)

SUBSTITUTIONS

Alderman McKeown substituted for Councillor Wilson.
Councillor Dallat O'Driscoll substituted for Councillor Beattie.

The Director of Finance (Interim) undertook a roll call.

The Chair advised Committee of its obligations and protocol whilst the meeting was being audio recorded; and with the remote meetings protocol.

The Chair introduced Mr J Robinson, Independent Member, to the Committee and offered a warm welcome.

The Chair ruled that Agenda Item 6 would be considered in conjunction with AORB (i) Energy Cost Forecasts (Councillor Wilson) which has been deferred to the next Finance Committee meeting.

1. APOLOGIES

Apologies were recorded for Alderman Finlay, Councillors Bateson, Dallat O'Driscoll, McQuillan, Scott, Wilson

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE FINANCE COMMITTEE MEETING HELD THURSDAY 10 MARCH

Summary circulated.

The minutes of the meeting of 10 March 2022 were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 5 April 2022.

MOTION TO PROCEED ‘IN COMMITTEE’

Proposed by Councillor Schenning
Seconded by Alderman Duddy and

AGREED – to recommend that Council move ‘*In Committee*’.

- * ***The information contained in the following items is restricted in accordance with Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.***

4. COLERAINE CAFÉ

Confidential information report, previously circulated, presented by the Head of Sport and Wellbeing.

Purpose of Report

To seek Member consideration of outstanding rental for the Coleraine Leisure Centre Café Licence.

Options

Finance committee considers mitigating factors noted in this report and makes a decision on options 1-3 which were detailed within the report, circulated.

Recommendation

It is recommended that the Finance Committee considers the matter and the options outlined at 4.1 of the report and makes a recommendation to Council.

Councillor McLean advised the Committee that this item had been discussed at the Land and Property Sub Committee at great length and supported Option 3 provided in the report.

In response to questions the Head of Sport and Wellbeing confirmed the footfall in leisure centres has reduced significantly and could provide numbers to Members at a later date. Stores and halls within leisure centres have been repurposed which have also had an impact on reducing footfall to the café.

Proposed by Councillor McLean
Seconded by Alderman Duddy and

AGREED - to recommend that Council approve Option 3 as detailed within the confidential report.

The Chair put the Motion to the vote.

8 members voted For, 0 Members voted Against, 0 Members Abstained.
The Chair declared the motion carried.

4.1 CAFÉ LEASE AT JDLC

Confidential report, previously circulated, presented by the Head of Sport of Wellbeing.

Purpose of Report

To consider the Covid-19 pandemic, and the impact on the café business operating from Joey Dunlop Leisure Centre during and post Centre Closures.

To seek Member consideration of outstanding rental for the associated Café Licence.

Options

Finance committee considers mitigating factors noted in this report and makes a decision on one of the following options;

Option 1:

Council recovers all outstanding rental monies through debt management procedures.

Option 2:

Council waives rental payments for the period of 1st April to 31st March 2022 but recovers outstanding rent for the period 1st April 2020 – 30th June 2020, totalling £1,500.

Option 3:

Due to the mitigating circumstances whereby the Tenant's ability to trade during Covid 19 restrictions has been severely curtailed to such an extent as to prevent the Tenant from operating at a profit, Council waives all outstanding rental payments listed in this report.

Recommendation

It is recommended that the Finance Committee considers the matter and the options outlined at 4.1 of the report and makes a recommendation to Council.

Pending final decisions, any outstanding issues related to the Café Licence will be referred to Land & Property sub-committee for further consideration.

Proposed by Councillor McLean

Seconded by Alderman Duddy and

- to recommend that Council approve Option 3: Due to the mitigating circumstances whereby the Tenant's ability to trade during Covid 19 restrictions has been severely curtailed to such an extent as to prevent the Tenant from operating at a profit, Council waives all outstanding rental payments listed in this report.

The Chair put the motion to the vote.
8 Members voted For, 0 Members voted Against, 0 Members Abstained.
The Chair declared the motion carried.

5. P11 MANAGEMENT ACCOUNTS

Confidential report, previously circulated, presented by the Finance Director (Interim).

The Director of Finance (Interim) summarised the P11 Management Accounts:

- **P11 position is £2.4M surplus to budget.** This is an increase surplus of £0.6M surplus on P10 and of which staff efficiencies and vacant staff posts accounts that for over half that at £0.4k
- **All directorates report a favourable surplus,** driven largely by staff savings throughout the year of £1.6M.
- **Taxation and Non-Specific Grant income** remains £0.571m adverse as a result of a lower than expected RSG given at the start of the year, but this will increase when the recent £1.3M addition from DfC is applied in P12.
- **Loans :** £2.5M of loans have been repaid, our loan balance is now £61.3M. Our closing CFR is £75M, meaning that the amount we are allowed to borrow is £13.7M, and maintained below our £80M limits.
- **Cash Forecast:** Our Cash position remains strong and expected to be kept above £13M over the next 3 months.
- **L&D:** HALP have remained strong at £0.6M favourable and offset the £0.7M losses from Leisure Centres. Staffing has been tightly managed through the pandemic that has supported £1M savings.
- **ES:** Waste disposal remains extraordinary high and giving extreme adverse and favorable variance that are related, and net each other off, namely landfill tax paid and landfill recouped
- **Car Park income** is down by £0.4M but supported by £0.8M savings in a new waste contract.

The remaining tables were Directorates and commentary's, specific factors for their areas including Leisure and Development; Environmental Services; Corporate, Policy and Resources; Finance, Performance, Planning and Legal.

6. P11 DEBT MANAGEMENT REPORT

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

Purpose of Report

This report informs members of the current position surrounding debt owed to the Council by its customers.

Background

Council implemented a revised Debt Management Policy in February 2017.

Detail – Aged Debt Analysis

Table circulated to show aged debt analysis as at 31st March 2022

Table circulated to show aged debt analysis as at 31st March 2021

Table circulate to show movement and comparison between last year and this year (31st March 2021 and 31st March 2022)

The 90 days and over figure includes debts relating to Business Improvement District (BID) invoices (£20,467), the BID debt belonging to a third party. Adjusting for these figures the debt which Council staff are actioning in accordance with the debt management policy amounts to £151,849, it should be noted that £135,291.37 relates to the waste disposal customer who has recently gone into administration.

Table circulated detailing the status of any debt which was over 90 days in excess of £10 at the previous report but which has now been cleared.

Over 90 Days analysis

Tables circulated detailing the status of any debt which was over 90 days in excess of £10 currently (excluding BID accounts):

Options

Debt write-off under £1,000

In accordance with Council's debt management policy the Chief Finance Officer required to report to Council any debts under £1,000 which the Chief Finance Officer has the authority to write-off. There are no such debts this month.

PCN Write-offs

Car parking enforcement requires the issue of Penalty Charge Notices (PCN's) to drivers in breach of parking regulations. Anyone in receipt of a PCN has the right to appeal the reason for its issue. Formerly this was all carried out by the Department for Infrastructure who managed the enforcement contract on behalf of all eleven Councils. Causeway Coast and Glens Borough Council now operates its own enforcement contract via a third party contractor. It was recently highlighted in an Internal Audit report that any PCN being cancelled on appeal would now need to be reported to Council as part of the Debt Management report as this is in essence a debt write-off. As each individual PCN is below the £1,000 delegated limit these require reporting for information. Since this is the first reporting of such debts this report is taking into account the total write-offs for the 2021/22 financial year, subsequently these will be reported on a quarterly basis.

During 2021/22 a total of 1,554 PCN's were cancelled on appeal. The monetary figures relating to PCN's do not appear in the tables above since income from the notices is only recognised when it is actually paid.

Each PCN issued is a £90.00 penalty and is reduced by 50% if paid within 14 days.

1,554 PCN's have the potential value of £139,860.00.

1,554 PCN's paid at the reduced rate of £45.00 have the potential value of £69,930.

Council incurs a processing fee with each PCN issued so the actual cost to Council for the processing of the 1,554 cancelled PCN's is £14,763.

To provide a bit more context behind the cancellation of PCN's Council's service provider deals with all appeals, and they only cancel PCN's based on a set of agreed guidelines.

For example, if someone produces a pay and display (P&D) ticket that was valid for the time they received a PCN then the PCN will be cancelled on one occasion within a 12-month period. If they were to appeal again based on the same reason their appeal will be denied.

Also, if someone receives a PCN for parking in a disabled bay without a valid disabled badge on display they may appeal and state that they forget to display, or it fell off the dashboard etc. Likewise, this PCN will be cancelled on one occasion within a 12-month period.

If the individual has an appeal rejected by Council's service provider, they have the right to progress the appeal to either be heard by an independent adjudicator or in relation to East Strand private land car park progress to POPLA (Parking On Private Land Appeals).

Debt Write-off over £1,000

In accordance with our debt management policy, Council approval is sought in order to write off any debts in excess of £1,000. Whilst there is no write-off required at this point Council is reminded that a significant debtor has gone into administration. Further detail was provided in the confidential report.

Agreed Payment Plans

Section 5.2(e) of the Debt Management Policy provides for delegated authority to enter into agreed payment plans with customers who have raised reasonable grounds for such an arrangement. The purpose of this section of the report is to inform members that a number of these arrangements have been agreed to in respect of licenced traders who have cited recent trading conditions impacting their ability to pay their fees upfront as would required under their licence agreement. Table circulated providing a summary of these plans.

In response to questions about a specific debt the Chief Finance Officer confirmed the information is the same as what was presented last month and is still awaiting an update. Alderman Duddy requested that an update along with an outcome is provided at the next Council meeting.

In response to further questions the Chief Finance Officer advised there is no cost to Council for issuing PCN's, the costs detailed are administrative costs.

The Chief Finance Officer confirmed further information can be provided at the next Finance Committee meeting.

In response to questions from Councillor Schenning regarding specific debts the Chief Finance Officer confirmed further details can be provided at the next Finance Committee meeting.

7. P11 PROMPT PAYMENT STATISTICS

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

Background

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.

Detail

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 below detail Council's performance since April 2018 the latest data being for quarter 4 of 21/22 year being up to and including end of March 2022. The slight dip in performance for January has been mostly reversed during February and March. In Q4 65.95% (68.67% year to date) of invoices were paid within 10 working days and 89.74% (91.84% year to date) of invoices were paid within 30 calendar days, the figure for March being 90.63% (February 91.91%). Overall, the figures for the year to date are still comfortably better than previous years.

Improvement Actions

Whilst the improvements above are most welcome Council cannot afford to rest on its laurels. There is still room for improvement as other Councils have performance that is higher than Causeway Coast and Glens Borough Council therefore we must now strive to firstly maintain this level of performance and with the implementation of a new finance system seek to identify efficiencies in our processes especially where the new technology can offer electronic solutions to manual tasks. It should be noted that the process of implementing the new finance system has recently begun and Council should be able to expect future improvements once the implementation is complete

Prompt Payment Statistics 2018/2019										
			Q1	Q2	Q3	Q4	Total			
Total No of Invoices			4785	8355	7245	9823	30208			
Total amount paid			£ 6,610,672	£ 13,234,217	£ 11,722,216	£ 18,675,670	£ 50,242,775			
Number of invoices paid within 10 days			2222	3629	3205	4406	13462			
% of invoices paid within 10 days			46.44%	43.44%	44.24%	44.85%	44.56%			
Number of invoices paid within 30 days			4330	6845	5992	7679	24846			
% of invoices paid within 30 days			90.49%	81.93%	82.71%	78.17%	82.25%			
Number of invoices paid outside 30 days			455	1510	1253	2144	5362			
% of invoices paid outside 30 days			9.51%	18.07%	17.29%	21.83%	17.75%			
No. of Disputed Invoices			2	14	22	88	126			
% of disputed invoices			0.04%	0.17%	0.30%	0.90%	0.42%			
Average Payment Days			19.24	23.45	31.17	23	24.49			
Prompt Payment Statistics 2019/2020										
			Q1	Q2	Q3	Q4	Total			
Total No of Invoices			5453	7504	7102	7923	27982			
Total amount paid			£ 11,235,850	£ 14,304,005	£ 11,816,835	£ 15,184,690	£ 52,541,380			
Number of invoices paid within 10 days			1767	2648	3078	3818	11311			
% of invoices paid within 10 days			32.40%	35.29%	43.34%	48.19%	40.42%			
Number of invoices paid within 30 days			4177	5924	5723	6404	22228			
% of invoices paid within 30 days			76.60%	78.94%	80.58%	80.83%	79.44%			
Number of invoices paid outside 30 days			1276	1580	1379	1519	5754			
% of invoices paid outside 30 days			23.40%	21.06%	19.42%	19.17%	20.56%			
No. of Disputed Invoices			36	80	107	99	322			
% of disputed invoices			0.66%	1.07%	1.51%	1.25%	1.15%			
Average Payment Days			23.52	24.26	21.55	21.68	22.7			
Prompt Payment Statistics 2020/2021										
			Q1	Q2	Q3	Q4	Total			
Total No of Invoices			3424	5544	5802	6296	21066			
Total amount paid			£ 5,602,247	£ 10,310,263	£ 10,622,455	£ 17,216,296	£ 43,751,261			
Number of invoices paid within 10 days			2414	3804	4308	4087	14613			
% of invoices paid within 10 days			70.50%	68.61%	74.25%	64.91%	69.37%			
Number of invoices paid within 30 days			2846	4951	5184	5383	18364			
% of invoices paid within 30 days			83.12%	89.30%	89.35%	85.50%	87.17%			
Number of invoices paid outside 30 days			578	593	618	913	2702			
% of invoices paid outside 30 days			16.88%	10.70%	10.65%	14.50%	12.83%			
No. of Disputed Invoices			10	82	102	57	251			
% of disputed invoices			0.29%	1.48%	1.76%	0.91%	1.19%			
Average Payment Days			15.52	13.85	16.26	17.06	15.74			
Prompt Payment Statistics 2021/2022										
			Q1	Q2	Q3	Q4	Total			
Total No of Invoices			5830	6442	7117	6567	25956			
Total amount paid			£ 12,255,753	£ 14,938,664	£ 11,824,362	£ 16,652,683	£ 55,671,462			
Number of invoices paid within 10 days			4139	4113	5240	4331	17823			
% of invoices paid within 10 days			70.99%	63.85%	73.63%	65.95%	68.67%			
Number of invoices paid within 30 days			5447	5886	6613	5893	23839			
% of invoices paid within 30 days			93.43%	91.37%	92.92%	89.74%	91.84%			
Number of invoices paid outside 30 days			383	556	504	674	2117			
% of invoices paid outside 30 days			6.57%	8.63%	7.08%	10.26%	8.16%			
No. of Disputed Invoices			32	26	48	28	134			
% of disputed invoices			0.55%	0.40%	0.67%	0.43%	0.52%			
Average Payment Days			15.80	17.23	15.27	16.81	16.27			

8. PAY AWARD

Confidential report, previously circulated, was presented by the Director of Finance (Interim)

Purpose of Report

This report is to update Council regarding the National Joint Council (NJC) outlook for the 2022/2023 pay award.

Background

NJC carry out pay negotiations on behalf on a number of public sector employers throughout the United Kingdom.

Detail

The pay award for 2021/2022 has only recently been implemented albeit without the agreement of one of the main unions.

At this stage the negotiations for the 2022/2023 award would be well underway if not completed but that is clearly not going to happen this year.

Council representatives recently met with NJC representatives to be updated on the outlook for the process to agree a pay award for 2022/2023.

A copy of the briefing delivered by NJC is attached as an appendix (circulated) to this report.

Pay briefing

The NJC have highlighted a number of issues which will all have an impact on the upcoming round of negotiations, these are detailed in the appendix (circulated) but the main ones are detailed below:

National Minimum Wage – this increases to £9.50 per hour from 1 April 2022 effectively removing any headroom Council's salary scales had built in in recent years.

Minimum wage was initially projected to increase further from 1 April 2023 and 2024 to £10.18 and £10.70 respectively the impact of this being that it could potentially overtake a number of the lower spinal points on Council pay scales. This forecast however has now been superseded by an update received from the Local Government Association (LGA) on 6 April 2022. This second update now predicts that the minimum wage will be approximately £10.32 from 1 April 2023 and approximately £10.95 from 1 April 2024 further exacerbating the issues described above regarding the impact on NJC pay scales and spinal points.

Inflation, whilst not directly mentioned in the briefing, cannot be ignored and the implication will be that pay awards of the level seen in recent years are unlikely to be acceptable in the next round of negotiations. Council have budgeted 2%

in our current rates estimates but the subsequent award is most likely to be well above that.

In response to questions the Finance Director (Interim) advised that the National Joint Council will guide Council on what pay increases will be across all pay scales, that he is aware of budgetary pressures as a result of pay increases and is considering the best way to provide positive responses to this.

The Chief Finance Officer advised that the National Joint Council will negotiate with the Unions regarding pay negotiations on Council's behalf.

9. SCHEME OF ALLOWANCES

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

Background

Causeway Coast and Glens Borough Council has established a scheme of allowances payable to Members for the current period. The scheme provides for the payment of allowances to Councillors on the basis that:

- 1 – The maximum level of basic allowance as determined by the Department for Communities (DfC) is paid
- 2 – The maximum level of carers allowances as determined by the DfC are paid
- 3 – The maximum level of mileage rates as determined by the DfC are paid
- 4 – Councillors' payments are made on the third last banking day of each month

Detail

The updated scheme of allowances, a copy of which has been included with this report, takes into account a number of factors:

- 1 – basic allowance – budget allows for 2% increase, 2021 – 2022 increase now approved, will be retrospective to 1 April 2021.
- 2 – mileage rates
- 3 – rates for dependant carer's allowance
- 4 – Special Responsibility Allowance (SRA)

The four items are in keeping with the normal periodic update of the scheme of.

Amendments

Circular LG 102022 (attached as an appendix) from DfC dated 28 March 2022 set out the revised consolidated Councillor's Allowances guidance, as our scheme is predicated on the inclusion of the maximum rates allowable under departmental guidance these updated rates have been included in the attached revised Scheme of Allowances. The Basic allowance is increasing by £271 (1.75% in line with agreed staff pay award) to £15,757 per annum. This increase relates to the 2021/2022 year therefore will be back dated to April 2021. As Council had previously approved the increases to be automatically applied this report is for information only.

10. INDEPENDENT MEMBER UPDATE

Mr Robinson introduced himself providing some background on his experience working in the private and public sector. Mr Robinson offered comments on the current financial climate and stated he is looking forward to working with the Finance Committee in the future.

MOTION TO PROCEED *'IN PUBLIC'*

Proposed by Alderman Duddy
Seconded by Councillor McLean and

AGREED – that Committee move *'In Public'*.

This being all the business the Chair thanked everyone for their attendance and the meeting closed at 8:15pm

Chair