

**19 APRIL 2023 RECONVENED FINANCE COMMITTEE MEETING HELD  
THURSDAY 20 APRIL 2023**

<b>No.</b>	<b>Item</b>	<b>Summary of Key Recommendations</b>
1.	Apologies	<b><i>Alderman Duddy and Councillor Wilson</i></b>
2.	Declarations of Interest	<b><i>None</i></b>
3.	Minutes of Finance Committee meeting held Thursday 9 March 2023	<b><i>Signed as a correct record</i></b>
	<b>'In Committee' Items 4-11.1 inclusive</b>	
4.	Management Accounts	<b><i>Information</i></b>
5.	Treasury Management Review 2022/23	<b><i>Information</i></b>
6.	Prompt Payments	<b><i>Information</i></b>
7.	Debt Management	<b><i>Information</i></b>
8.	New Finance System	<b><i>Verbal update</i></b>
9.	Energy Contract	<b><i>To recommend that Council retrospectively approve signing of this contract to allow council to be compliant with procurement regulations and to take advantage of the best available rate currently available</i></b>
10.	Software Support DAC	<b><i>To recommend that Council approve the Direct Award Contract</i></b>

		<b><i>with Total Mobile Limited to provide continued software support for the current payroll system until implementation of the new payroll system</i></b>
<b>11.</b>	Correspondence	
<b>11.1</b>	DfC Funding Position 2023/24	<b><i>Information</i></b>
<b>12.</b>	Office Security	<b><i>To recommend that Council approve the instruction of our legal advisors to provide legal advice generally and in the litigation which is ongoing together with the actions taken to date and that Council Officers be authorised to continue the litigation process until legal proceedings have concluded and all investigations have been completed and complaints have been dealt with</i></b>
<b>13.</b>	Any Other Relevant Business (notified in accordance with Standing Order 12 (o))	<b><i>Nil</i></b>

**MINUTES OF THE PROCEEDING OF THE 19 APRIL 2023 MEETING OF  
THE  
RECONVENED FINANCE COMMITTEE HELD  
IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS AND VIA VIDEO  
CONFERENCE ON THURSDAY 20 APRIL 2023 AT 8PM**

- In the Chair:** Alderman McLean (C)
- Members Present:** Alderman Hillis (C), Knight-McQuillan (C), Fielding (C), S McKillop (C)  
Councillors Bateson (R), Beattie (R), Holmes (R), McCaw (C), C McShane (C), Peacock (R), Scott (C)
- Substitutions** Alderman Knight-McQuillan substituted for Councillor Callaghan  
Alderman S McKillop substituted for the VACANT DUP position  
Alderman Fielding substituted for Alderman Duddy
- Officers Present:** D Wright, Chief Finance Officer (C)  
I Owens, Committee & Member Services Officer (C)
- In Attendance:** A Lennox, Mobile Operation Officer (C)  
C Thompson, ICT Officer (R)
- Press (1 No) (R)
- Key:** (C) Attended in the Chamber  
(R) Attended Remotely

The Chief Finance Officer 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.

**1. APOLOGIES**

Apologies were recorded for Alderman Duddy and Councillor Wilson

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTES OF FINANCE COMMITTEE MEETING HELD THURSDAY THURSDAY 9 MARCH 2023**

Summary previously circulated.

**AGREED** – to recommend that the Minutes of the Finance Committee Meeting held Thursday 9 March 2023 were confirmed as a correct record.

**MOTION TO PROCEED ‘IN COMMITTEE’**

Proposed by Councillor Scott  
Seconded by Councillor McCaw

**AGREED** – that Committee move ‘*In Committee*’

- \* **Press were disconnected from the meeting at 8.05 pm.**

***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. MANAGEMENT ACCOUNTS**

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

The Chief Finance Officer provided commentary on the Month 11 – February 2023 Management Accounts.

The Chair congratulated all those involved in achieving the favourable figures.

Committee NOTED the report.

**5. TREASURY MANAGEMENT REVIEW 2022/23**

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

**Background**

Treasury management is the management of the Authority’s cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority’s prudent financial management.

**Detail**

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy’s *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. In addition, the Department for

Communities (DfC) issued *Guidance on Local Authority Investments* in November 2019 that requires the Authority to approve an investment strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Finance Act (Northern Ireland) 2011* to have regard to both the CIPFA Code and the DfC Guidance.

## Review

The purpose of this report is to provide a review of what has taken place in terms of Treasury Management within the Council during the 2022/23 financial year following on from the mid-year review presented to Council in October 2022.

## Borrowing

Council borrowing is used to fund various capital projects as approved by Council and as a result of this activity Council has an extensive portfolio of current loans. The table below shows a breakdown of these loans at the end of each quarter during 2021/22:

	Q1 – June 2022	Q2 – Sept 2022	Q3 – Dec 2022	Q4 – Mar 2023
Government loans	£51.3m	£48.9m	£48.9m	£46.5
LOBO Loans	£4.0m	£4.0m	£4.0m	£4.0m
Other Commercial loans	£6.0m	£6.0m	£6.0m	£6.0m
<b>Total Loans</b>	<b>£61.3m</b>	<b>£58.9m</b>	<b>£58.9m</b>	<b>£56.5</b>

Council continues to hold significant cash reserves therefore no new loans were borrowed during the year, Council instead utilising those reserves in the short term to finance capital expenditure thus avoiding incurring interest on loans. With interest rates now rising officers have assessed whether or not a change of strategy would be prudent to potentially draw down some of the longer terms loans, the advice is currently still to utilize cash reserves and only borrow if necessary for the short term to avoid locking in potentially higher interest over the life of a longer term loan.

## Investments

Council has carried significant cash reserves through 2022/23 and with interest rates rising there are now some decent returns to be gained with investment or lending. The table below details the cash held by Council at the end of each quarter during 2022/23.

	Q1 – June 2022	Q2 – Sept 2022	Q3 – Dec 2022	Q4 – Mar 2023
Cash Reserve	£16.5m	£15.8m	£13.6m	£5.1m

The next table details actual investments made by Council during the year and the returns associated with those investments, the figures above do not include these investments where the maturity date straddles a quarter end.

<b>Investment</b>	<b>Date</b>	<b>Maturity</b>	<b>Amount</b>	<b>Yield</b>
Leeds BS	10 May 2022	10 Aug 2022	£2,000,000	£4,940.77
Lloyds	16 May 2022	16 Aug 2022	£2,000,000	£5,545.86
Lloyds	16 Aug 2022	16 Dec 2022	£2,000,000	£14,307.65
Denbeighshire County Council	18 Jan 2023	18 Apr 2023	£5,000,000	£44,136.99
Rushmoor Borough Council	17 Jan 2023	17 Jul 2023	£2,000,000	£37,191.78
City of Bradford	1 Mar 2023	15 Mar 2023	£5,000,000	£7,575.34
Central Bedfordshire Council	9 Mar 2023	11 Apr 2023	£5,000,000	£18,669.86
Central Bedfordshire Council	21 Mar 2023	21 Apr 2023	£2,000,000	£7,015.34

### **Treasury Management Strategy**

In line with Council's Treasury Management Strategy and with increasing interest rates Council will seek to continue making investments like those detailed in 1.5 above during the 2023/24 financial year where there are now sufficient returns to justify the action and whilst those returns are still likely to be modest they will still none the less provide an income stream to Council and assist to offset a little of the financial pressures currently being faced. The 2023/24 budget has included an estimated income from investments amounting to £153,000.

The Chief Finance Officer provided commentary on the report and advised that Q3 – Dec 2022 and Q – Dec 2022 figures for Investment would be included in Minutes as had been omitted from the Agenda report.

Committee NOTED the report.

## **6. PROMPT PAYMENT STATISTICS**

Confidential report, previously circulated, 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 2019 the latest data being for quarter 4 of 22/23 year being up to and including end of March 2023. The excellent start in terms of performance for 2022/23 had seen a drop in performance during Q2 but has been recovered during Q3 and Q4. In March 76.59% (79.79% for February) of invoices were paid within 10 working days and 94.86% (95.44% for February) of invoices were paid within 30 calendar days.

### **Improvement Actions**

Whilst the recent decline in figures has been recovered and Council is meeting its self imposed target of paying 90% of invoices within 30 days, 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 continually improve levels 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 is ongoing and Council should be able to expect future improvements once the implementation is complete.

**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

**Prompt Payment Statistics 2022/2023**

	Q1	Q2	Q3	Q4	Total
Total No of Invoices	6461	6090	6825	6265	25641
Total amount paid	£ 17,214,458	£ 17,078,164	£ 12,851,511	£ 35,804,964	£ 82,949,097
Number of invoices paid within 10 days	4446	3487	4806	4628	17367
% of invoices paid within 10 days	68.81%	57.26%	70.42%	73.87%	67.73%
Number of invoices paid within 30 days	5872	5267	6252	5829	23220
% of invoices paid within 30 days	90.88%	86.49%	91.60%	93.04%	90.56%
Number of invoices paid outside 30 days	589	823	573	436	2421
% of invoices paid outside 30 days	9.12%	13.51%	8.40%	6.96%	9.44%
No. of Disputed Invoices	33	35	61	20	149
% of disputed invoices	0.51%	0.57%	0.89%	0.32%	0.58%
Average Payment Days	16.24	18.55	15.92	14.28	16.22



Committee NOTED the report.

## **7. DEBT MANAGEMENT**

Confidential report, previously circulated, 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**

The normal monthly debt analysis is not available this month due to the implementation of the new Finance System on 1 April 2023 coupled with the Easter holidays. It will resume as normal at the next schedule Finance Committee.

## **Options**

### **Debt write-off under £1,000**

In accordance with our debt management policy I am 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. As each individual PCN is below the £1,000 delegated limit these require reporting for information.

During the final quarter of 2022/23 a total of 239 PCN's (261 for Q3) were cancelled on appeal. This equates to 17.01% of a total of 1405 notices issued (Q3 – 18.41% of 1418 notices issued). The monetary figures relating to PCN's do not appear in Council debt reports 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.

239 PCN's have the potential value of £21,510.00.

239 PCN's paid at the reduced rate of £45.00 have the potential value of £10,755.

Council incurs a processing fee with each PCN issued so the actual cost to Council for the processing of the 239 cancelled PCN's is £2,270.50.

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. This debtor currently owes Council £135,291.37 relating to disposal charges and landfill tax for waste disposal at Craighulliar. The company has written to Council informing us that it has entered into a Company Voluntary Arrangement whereby unsecured creditors, such as Council, will receive 54p in the £ of their outstanding debt. A meeting of the creditors was held on Thursday 13<sup>th</sup> January 2022 at 10:30am in Belfast to consider this proposal, the proposal was accepted. Since this relates to waste disposal charges and includes an element of landfill tax there is a bad debt recovery process whereby Council can claim a bad debt relief for landfill tax which will further reduce the outstanding amount, there is also a VAT relief that council can avail off. Officers are currently looking into this and once the CVA settlement has been received and debt reliefs claimed will report to committee what level of debt will require write-off at a subsequent meeting.

### 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. A summary of these plans is set out in the table below:

	Ref	Inv. No.	Total Due	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
1	East Strand	201243	457195 £ 7,440.00	£1,488.00	£ 1,488.00	£ 1,488.00	£ 1,488.00	£ 1,488.00				
2	Benone	202802	457199 £ 19,200.00	£ 5,000.00	£ 5,000.00		£ 5,000.00	£ 4,200.00				
3	Megaw Park	204454	457215 £ 6,240.00	£ 2,080.00	£ 2,080.00	£ 2,080.00						
4	West Strand	202744	457196 £ 7,680.00	£ 2,560.00		£ 2,560.00			£ 2,560.00			
5	Pier Road	201573	457206 £ 7,200.00	£ 3,600.00		£ 3,600.00						
6	Quay Road	201573	457207 £ 750.00	£ 375.00		£ 375.00						
7	West Strand	201266	457197 £ 17,400.00	£ 4,350.00		£ 4,350.00			£ 4,350.00			£ 4,350.00
8	Waterford Slip	203762	457210 £ 1,560.00	£ 520.00	£ 520.00		£ 520.00					
9	Waterford Slip	203762	457209 £ 960.00	£ 320.00	£ 320.00		£ 320.00					
10	Portaneevey	202498	457211 £ 1,620.00	£ 810.00			£ 810.00					
11	East Strand	200825	457194 £ 17,700.00	£ 5,900.00		£ 5,900.00		£ 5,900.00				
12	Downhill	203626	457200 £ 10,320.00	£ 5,160.00		£ 5,160.00						
13	Castlerock		457198 £ 9,360.00	£ 4,680.00			£ 4,680.00					

At the request of Councillor McCaw the Chief Finance Officer said that the PCN fines tended to remain at around the current percentage and noted only one waived fine is permitted in a given time frame.

Committee NOTED the report.

## 8. NEW FINANCE SYSTEM

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

The Chief Finance Officer advised the Committee that the new finance system went live on 1<sup>st</sup> April 2023 with three supplier payment runs successfully undertaken to date, management accounts will be processed through the new system in the next month, previous systems were being closed down and payroll would go live in a few months time. The Chief Finance Officer said that there were a few teething problems which were manageable but believed that the new system was more user friendly, easier to navigate and more efficient.

Committee NOTED the verbal report.

## 9. ENERGY CONTRACT

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

### **Purpose of the Report**

To inform members of the committee of the completion of a multi council tender exercise in conjunction with eight other local authorities and seek retrospective approval of signing with the winning supplier on a contractual basis.

### **Background**

All energy supplies (electricity and gas) are currently being operated on a "deemed contract" since 1<sup>st</sup> April 2022.

The current deemed contractual arrangement is detrimental to council operations on a number of levels as we are operating without a traditional supply contract whereby energy is purchased at competitive tendered rates applicable for a fixed supply period.

This report follows on from previous report submitted on 12<sup>th</sup> January which was approved thereby delegating authority to Council Officers to award the contract in line with the timeframes as set out in 2.5 below.

Eight councils participated in the tender offering which was led by ABC Council.

The timeline surrounding the tender exercise was.

Data with Procurement	1 February 2023
Documents finalised	30 January 2023
Notice/Tender published	6 February 2023
Tender submission deadline	24 February 2023
Evaluation	1 March 2023
Result for Approval	10 March 2023
Standstill Period	13 March 2023
Award	24 March 2023
Contract Award Notice	27 March 2023
Contract Start Date	1 April 2023

LCC Power Ltd were the winning supplier. The price submissions were based on Wholesale Day ahead, plus supplier margin of [REDACTED] per kilowatt hour for Tariff sites and [REDACTED] per kilowatt hour for contract sites.

Tenderer	Quality Score (20%)	Price (80%)	Total Score (100%)	Rank
LCC Power Ltd	18.00%	80.00%	98.00%	1
Power NI	12.00%	70.40%	82.40%	2

Previous supplier margins under the deemed contract were £0.007.

**Financial**

Previously our spend on energy 2022-2023 was £2,640,000.

**Options n/a**

Without a competitive contract in place, we are breaching the Public Contracts Regulations 2015. All spend above specified thresholds for goods, works and services should be subject to a public tendering competition. Without a contract in place as a result of a competitive tender, Council is in breach of the Public Contracts Regulations 2015.

**Recommendation**

**It is recommended that** Council retrospectively approve signing of this contract to allow council to be compliant with procurement regulations and to take advantage of the best available rate currently available.

At the request of Alderman Hillis the Chief Finance Officer explained that the Energy Contract was a means of monitoring wholesale prices for which supplier has specific margins to allow market to be sufficiently tested by monitoring the pricing of the provider and related invoicing.

At the request of Alderman Knight-McQuillan the Chief Finance Officer advised that renewable initiatives were in place, for example some Council properties had solar panels installed. He also stated that extensive solar powered or wind powered provision were expensive to initiate and was subject to extensive Planning legislation, particularly on the wind powered generation.

Proposed by Councillor Scott  
 Seconded by Councillor MA McKillop

**AGREED** – to recommend that Council retrospectively approve signing of this contract to allow council to be compliant with procurement regulations and to take advantage of the best available rate currently available.

## 10. SOFTWARE SUPPORT DAC

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

### **Background**

The implementation of the new payroll system has been delayed until June/July 2023 therefore a continuation of the support for the current payroll system needs to be put in place.

### **Detail**

It had been anticipated that the current support contract up to 31 March 2023 would be the last required by Council in respect of the Total finance system.

With the short delay to the implementation of the Payroll system Council requires an extension of the software support for a few months. The current support package covered the period up to 31 March 2023 at a cost of £60,718 for the entire financial system and payroll system package for a 12-month period.

When the need arose to have the support extended Council contacted the supplier for a quotation for support for the payroll system for a three month period from 1 April 2023 to 30 June 2023.

The supplier initially proposed a full 12 month support package for the entire software suite at a cost of £77,144. This was unacceptable to Council who requested that the offer be re-examined on the basis that;

- 1 The support is not required for a full year;
- 2 The support is not required for the entire software suite;
- 3 The supplier had not taken any account of Council requiring any support beyond 31 March 2023 in assessing the provision of their service.

A revised offer from the supplier reduced the period to 6 months at a cost of £38,572. This is still considered excessive however since Council require the support for the payroll system it is being recommended. The payroll system requires annual updates relating to taxation tables for the new tax year therefore Council could not guarantee these being made available without this support arrangement.

Under Council's procurement policy this is classed as a Direct Award contract and as the total value over the contract period is in excess of £10,000 it requires Council approval. Senior Management have already approved the first month's support at a cost of £6,428 to allow the support to be put in place to permit installation of the annual taxation updates.

A Direct Award form is included as an appendix as required by our procurement policy.

### **Recommendation**

**It is recommended** that council approve the Direct Award Contract with Total Mobile Limited to provide continued software support for the current payroll system until implementation of the new payroll system.

At the request of Elected Members the Chief Finance Officer said he was confident that 6 months extended contract would allow for the transfer of payroll to the new system and the option to re-engage with the current provider was more prudent than continuing to a procurement exercise given the importance of the payroll function.

Proposed by Councillor Scott  
Seconded by Alderman Knight-McQuillan

**AGREED** – to recommend that Council approve the Direct Award Contract with Total Mobile Limited to provide continued software support for the current payroll system until implementation of the new payroll system.

## **11. CORRESPONDENCE**

### **11.1 DFC FUNDING POSITION 2023/24**

Correspondence received from the Department for Communities to provide an update on the current budget position and the outlook for 2023/24.

Committee NOTED the correspondence.

## **12. OFFICE SECURITY**

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

The Chief Finance Officer outlining the circumstances surrounding a security breach and the actions taken as a consequence of the breach together with an update as to the ongoing position. This report detailed that unlawful recordings of staff had occurred in Council premises and these recordings had been passed to a media outlet who in turn contacted Council. Initially undertakings were obtained preventing publication but as time progressed the threat to Council increased with subsequent reporting in other media outlets containing new information suggesting that further recordings over and above those known to Council existed and the intention was to publish this information at a future date. This development necessitated that further action had to be taken as advised by Council's legal advisers as this threat was having a direct adverse impact on staff health and well-being as well as data security and Council having a duty of care in these regards would have been negligent if it had not acted. The action was taken in accordance with the Council constitution, the scheme of delegated authority and pursuant to section 116 of the Local Government (Northern Ireland) Act 1972 the power exists for Officers to instigate legal proceedings for the promotion or protection of the interests of

the council and these powers were utilised in order to apply to the Court for an interim injunction. On the 3 March 2023, the High Court granted an interim injunction, and the result is that no further unlawful disclosures or misuse of private information and no personal data breaches have occurred since. The report also outlined continuing processes as it seeks to identify those who instigated the security breach and publication of data. The report sought Council approval for the actions undertaken to date and also that Officers be authorised to continue the litigation process until legal proceedings have concluded and all investigations have been completed and complaints have been dealt with.

### **Recommendation**

**It is recommended that Council** approve the instruction of our legal advisors to provide legal advice generally and in the litigation which is ongoing together with the actions taken to date and that Council Officers be authorised to continue the litigation process until legal proceedings have concluded and all investigations have been completed and complaints have been dealt with.

At the request of Councillor McCaw the Chief Finance Officer provided detail on the insurance provision in place for this type of occurrence.

Alderman Hillis spoke of his concerns at such a breach taking place. At the request of Alderman Hillis the Chief Finance Officer confirmed the approximate cost associated with the breach to date, steps being taken to determine source and measures to avoid a reoccurrence.

Alderman Knight-McQuillan and McLean concurred with the remarks made by Alderman Hillis, referring to the fear instilled and potential impact on morale. Alderman Knight-McQuillan said she took assurance from the report provided by the Chief Finance Officer.

Proposed by Councillor McCaw  
Seconded by Alderman Knight-McQuillan and

**AGREED** – to recommend that Council approve the instruction of our legal advisors to provide legal advice generally and in the litigation which is ongoing together with the actions taken to date and that Council Officers be authorised to continue the litigation process until legal proceedings have concluded and all investigations have been completed and complaints have been dealt with.

### **13. ANY OTHER RELEVANT BUSINESS (NOTIFIED IN ACCORDANCE WITH STANDING ORDER 12 (O))**

There were no items of Any Other Relevant Business.

### **MOTION TO PROCEED ‘IN PUBLIC’**

Proposed by Alderman Knight-McQuillan  
Seconded by Councillor Scott and



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

This being all the business The Chair thanked Elected Members for their attendance and the meeting closed at 9.00 pm.

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Chair