

**FINANCE COMMITTEE MEETING HELD THURSDAY 14 SEPTEMBER 2023**

<b>No.</b>	<b>Item</b>	<b>Summary of Key Recommendations</b>
1.	Apologies	<b>Councillor McGlinchey</b>
2.	Declarations of Interest	<b>Nil</b>
3.	Minutes of Finance Committee meeting held Thursday 8 June 2023	<b>Signed as a correct record</b>
4.	Terms of Reference	<b>To recommend that Council approve the Terms of Reference as set out in this report</b>
5.	Management Accounts	<b>Information</b>
6.	Budget Process and Timetable	<b>To recommend that Council approves the process and timetable for setting the annual budget including the setting of a date for the Rates Striking Council Meeting</b>
7.	Prompt Payments	<b>Noted</b>
8.	Financial System Update	<b>Noted</b>
9.	Application Managed Services (AMS) Approval	<b>To recommend that Council approve the engagement of AMS for a 12 month period at a cost of £35,196</b>
10.	Actual Penny Product (APP) Forecast	<b>Noted</b>
11.	De - rating Grant Forecast	<b>Noted</b>

<b>12.</b>	Minutes of Finance Working Group held Thursday 31 August 2023	<b><i>To recommend to Council that the notes of the Finance Working Group are approved</i></b>
	<b>'In Committee' Items 13 – 14 inclusive</b>	
<b>13.</b>	Debt Management	<b><i>To recommend to Council that the various departments responsible for the processes of debt recovery report to the Finance Committee on processes in place to reduce debt</i></b>
<b>14.</b>	Rates Estimates 1st Cut	<b><i>Noted</i></b>
<b>15.</b>	Any Other Relevant Business (notified in accordance with Standing Order 12 (o))	<b><i>Nil</i></b>

**MINUTES OF THE PROCEEDING OF THE  
FINANCE COMMITTEE HELD  
IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS AND VIA VIDEO  
CONFERENCE ON THURSDAY 14 SEPTEMBER 2023 AT 7PM**

**In the Chair:** Councillor Peacock (C)

**Members Present:** Alderman Callan (R), Coyle (C), Knight McQuillan (C), S McKillop (C); Councillors Holmes (R/C), Huggins (C), Kane (C), Jonathan McAuley (C), McQuillan (R), Mairs (C), Nicholl (R), Schenning (R), Scott (C), Wisener (C)

**Non Committee Members Present:** Councillor Storey (R)

**Officers Present:** D Jackson, Chief Executive (C)  
D Wright, Chief Finance Officer (R)  
J Keen, Committee & Member Services Officer (C)

**In Attendance:** A Lennox, Mobile Operation Officer (C)  
C Thompson, ICT Officer (C)

**Key:** (C) Attended in the Chamber  
(R) Attended Remotely

**Substitutions:** Councillor McAuley substituted for Councillor Kyle

The Chief Executive 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 Councillor McGlinchey.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTES OF FINANCE COMMITTEE MEETING HELD THURSDAY 8 JUNE 2023**

Summary previously circulated.

Proposed by Alderman Scott  
Seconded by Councillor Kane

**AGREED** – to recommend that the Minutes of the Finance Committee Meeting held Thursday 8 June 2023 are confirmed as a correct record.

#### 4. TERMS OF REFERENCE

Report, previously circulated, was presented by the Chief Finance Officer.

##### **Background**

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 sets out the Terms of Reference for that Committee.

##### **Scope**

The Finance Committee (“the Committee”) will be responsible for recommending to Council the key decisions and actions required to be taken specifically in relation to the work of the Finance function within Council. This will include:

- Leading on the annual Rates Estimate setting process;
- Monthly review of the management accounts; to include a summary by service area of income and expenditure, with commentary of positive or negative outcome on their budgets;
- Setting key finance targets and monitoring their delivery, including efficiency and income generation;
- All capital and resource expenditure to be reviewed by the committee before going to full council;
- To revise and manage the limits of authority on Officer spend;
- To investigate, review and set targets for efficiencies and income for each department.
- To implement and review a 3 year rolling budget/forecast
- Review and implementation of Medium Term Financial Plan annually
- Monitoring capital asset realisation proceeds and expenditure;
- Recommend the annual limit of capital expenditure and reviewing debt/borrowing on a quarterly basis;
- Oversight of Council's treasury management;
- Seek external expertise as required;
- The future development of the organisational structure for the Finance Service;
- Approving and overseeing the delivery of any relevant service strategies for the Finance Service;
- Approving relevant policies and procedures for the Finance Service;
- Monitoring and reviewing business and service delivery plans for the Finance Service;
- Approving the establishment of external partnerships where considered relevant to the Finance Service, including procurement of advice, review and investigation of Council finances, recommending efficiencies where appropriate;
- Approving and monitoring the implementation of any capital projects by the
- Finance Service, including related ICT systems;

- Approving and monitoring funding sources and mechanisms to assist with various initiatives, projects and actions within the remit of the Finance Service;
- Recommending to Council the resolution of any associated issues;
- Considering the resource implications of any recommendations;
- To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council;
- Require the attendance of any officers as required;
- Receive a rolling programme of finance related presentations from all service areas.

### **Membership**

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 adviser to attend. The independent adviser will have no voting rights.

### **Chair**

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**

Meetings of the Committee will be held on 2<sup>nd</sup> 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.

### **Communication and Reporting**

The Minutes of the Committee will be presented at each meeting of Causeway Coast and Glens Borough Council by the Chair of the Committee.

### **Review of Terms of Reference**

The Terms of Reference are to be reviewed on an annual basis.

### **Recommendation**

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

Proposed by Alderman Coyle  
Seconded by Alderman Scott and

**AGREED** – to recommend that Council approve the Terms of Reference as set out in this report.

## **5. MANAGEMENT ACCOUNTS**

Report, previously circulated, was presented by the Chief Finance Officer.

## **Background**

Causeway Coast and Glens Borough Council (CC&GBC) consists of 4 legacy councils that merged on 1 April 2015 into 1 council. The council is currently made up of 3 directorates (Leisure and Development, Environmental Services, Corporate Policy and Resources) and includes a Planning, Finance and Legal department, that are reported separately in this report. The Annual Budgeted Spend for 2023/24 controlled by the Directorates is £78.818m (excludes depreciation, actuarial adjustments, provisions, accumulated absences, and it is these figures that change the figures in the Audited Accounts). Gross Income is budgeted at £76.206m the difference being a budgeted applied balance of £2.612m for the year.

## **Financial Overview by Directorate**

The table below (circulated) details a summary of the financial position at period 4 (up to and including 31 July 2023):

Council is showing a favourable variance against budget at period 4 amounting to £838,544 however this figure requires adjustment for the accrual of the current year pay award, which has not yet been agreed, this adjustment will reduce the favourable position by approximately £250k therefore the “true” position will be favourable to the value of approximately £589k. The agency figure has not been included as a suitably accurate allocation of this figure across the various services was not available in time for these accounts. A charge has been made to these accounts based on the current National Joint Council pay offer of £1,925 per full-time employee for the current year pay award. This is a significant figure since Council at rate setting time agreed to budget on the basis of £1,200 per full-time employee therefore assuming the current offer is accepted there will be a shortfall in budgetary terms with regards staffing.

## **Income and Expenditure Analysis**

Taking into account the adjustments detailed in 1.2 above the overall position with regards staffing costs is shown in the table below (circulated) by Directorate.

Adjusting for the £250k relating to agency staff means that at period 4 employee costs are £374k adverse.

Income levels are currently reporting favourable against budget as detailed in the table below (circulated) by Directorate.

At this stage we already know Rates Support Grant to be received by Council will be under budget by £273k therefore we have taken account of this in these accounts. The figure for Corporate Services includes release from the Election Reserve to meet the costs of the recent Election thereby offsetting what appears to be an overspend on the expenditure side.

In terms of expenditure Insurance for the year is £139k adverse and this has been included in full in these accounts.

## Leisure And Development Directorate

### Background

Council has approved the annual budget for Leisure and Development and delegated authority to officers to utilise this budget in the provision of services to the rate payers. The L&D budget for 2023/24 is £13,248,062 (\*this includes estates transfer of £1,351,637 not included below). The net budget is a calculation of the forecast:

- Gross Expenditure of £22.301m.
- Gross Income of £9.053m.

Table 1, Illustrates a P4 Net Position of £1,310,088, which is favourable by £568,436. The service area financial positions are also shown in Table 1.

### Service Area Budgets

Head of Service	Budget Annual	Budget YTD	Actual Spend	Variance
Community & Culture	£1,914,428	£524,588	£506,788	£17,800
Prosperity & Place	£1,510,520	£479,504	£397,453	£82,051
Central Costs	£729,742	£241,706	£249,748	(£8,042)
Sport & Wellbeing	£5,382,908	£1,692,150	£1,391,440	£300,710
Tourism & Recreation	£2,093,943	(£1,150,818)	(£1,322,808)	£171,990
Funding Unit	£264,883	£91,394	£87,467	£3,927
	<b>£11,896,424</b>	<b>£1,878,524</b>	<b>£1,310,088</b>	<b>£568,436</b>

### Income and Expenditure

Generally, the budgetary performance of Leisure and Development at Period 4 is performing well and as estimated at the start of the calendar year 2023, main areas to highlight are:

- Salaries and Wages.

Employee costs are £65K Adverse. Salaries & wages is currently £69k favourable with agency costs being £126k adverse. It is anticipated that part of this is due to the budget profile where currently salaries wages and agency are profiled monthly (one twelfth per month). Where in reality L&D would have several service areas with seasonal staff such as HALP, Coast & countryside and the leisure centres. Finance staff are to work with heads of service to profile budgets going forward to reflect a more accurate picture. In addition, an accrual has been made at month 4 for the 23/24 pay award which equates to £614K overall for Council.

- Energy and Utilities.

At Period 4, energy costs and utilities have a favourable variance of £140k, this is likely due to improved pricing than those anticipated. There are also invoices outstanding as not all utilities are monthly, generally water bills are bi annually and the budget may need profiled accordingly.

- Repairs and Maintenance.

At Period 4, scheduled and reactive repairs / maintenance are adverse by £32k, this will be impacted by the withdrawal of estates transfer.

- Supplies and Services

At period 4 Supplies and Services are currently showing a favourable variance of £180k, one reason being that funded project spend is slow in the first quarter as projects are only getting started, this will increase accordingly but there may also be some apprehension regarding funding cuts and therefore managers are exercising caution at this time in relation to spend.

- Customer & Client Receipts

Is currently showing a favourable variance of £523k mainly in HALP income (150K) and Sport & wellbeing (£381k).

### Income Opportunities / Cost Reduction Measures

Whether inflation remains high and / or increases further, officers will reduce expenditure and increase income, through both immediate cost mitigation and the continuation of ongoing initiatives:

- Essential maintenance only throughout the Estate.
- ‘Gapping’ vacant posts.
- Reducing the use of agency staff.
- The continual drive to increase income at Council facilities, including the leisure centres and HALPs.
- The critical ‘belt-tightening’ exercise to minimise expenditure wherever possible.

### Environmental Services Directorate

#### Background

Council has approved the annual budget for Environmental Service and delegated authority to officers to utilise this budget in the provision of services to the rate payers. ES budget for 2023/24 is £ 28,731,095.78. This is based on expenditure budget of £34,228,754.98 and income budget of £5,497,659.20

The Environmental Services position at Period 4 shows a £471,956.61 positive variance. This includes predicted increases in employee costs based on the proposed National Pay Award which is greater than the predicted budget increase. Agency staff pay increases have not been accrued in Period 4.

The main costs and income attributing to the ES P4 position are summarised as follows as variances against budget.

Head of Service Description	Actual Net Spend 2024	2024 Budget YTD	2024 Budget Variance	Sum of Annual Budget 2024
Estates	1,606,361.69	2,012,618.26	406,256.57	6,160,075.00
Health and Built Environment	642,367.84	826,037.40	183,669.56	2,422,277.12



Infrastructure	(489,461.46)	(290,262.87)	199,198.59	112,563.66
Operations	6,155,662.57	5,865,574.00	(290,088.57)	19,254,231.00
ES Business Support	244,047.73	212,743.23	(31,304.50)	639,662.00
Environmental Services Centrally Managed	40,685.72	44,910.68	4,224.96	142,287.00
	<b>8,199,664.09</b>	<b>8,671,620.70</b>	<b>471,956.61</b>	<b>28,731,095.78</b>

### **Estates**

Table circulated detailing expenditure and income for Estates.

£406k favourable mainly due to Employee costs which are £308k favourable. This is a result of difficulty in recruiting the number of seasonal grounds maintenance staff. A number of vacant posts within the Estates section remain unfilled. Income is positive by £14k.

### **Health and Built Environment**

Table circulated detailing expenditure and income for Health and Built Environment.

£184k positive. Employee costs are £81k positive. Fee Income is favourable by £115k including £44k from Building Control and £55k grant from Consumer Protection at P4.

### **Infrastructure**

Table circulated detailing expenditure and income for Infrastructure.

£199k favourable mainly due income favourable by £103k which includes trading concession income. Premises costs are favourable by £24k. Employee costs are £33k favourable mainly due to the Asset Realisation post not having been filled and Harbour and Marina structure not permanently filled.

### **Operations**

Table circulated detailing expenditure and income for Operations.

£290k adverse variance in Period 4. Employee costs are adverse £257k. However, this includes an accrued pay award which was underprovided for in the budget. A breakdown of the Variances are as follows (table circulated).

### **ES Business Support.**

£31k adverse due to increased employee costs.

### **ES Centrally Managed.**

£4k positive variance.

### **In-year Savings**

Officers have and will continue to manage and scrutinise the budget to identify opportunities for reducing expenditure and increasing income. This includes

- not filling vacant posts,
- reducing season staff durations,
- not filling staff on sick leave in all non-essential service areas.

- completing only essential maintenance on ES properties.

Therefore, at Period 4 ES financial position has a positive variance of **£471,956.61**.

### **Corporate Service**

The table below (circulated) demonstrates the financial position for Corporate Services at period 4.

### **Planning**

Planning is showing a variance of over £130k favourable position at end of Period 4 based on draft Management Accounts.

The favourable position at the end of Period 4 is due to increased income from planning applications and property certificates resulting in an increase in income of under £109k from that predicted for this period.

The favourable position in income from that predicted for this business year is just under £109k. The gross income received as of the end of Period 4 was £540,426.56 including Property Certificate income, sitting in a favourable position at £108,918.56.11 at end of Period 4 (Budget £431,508 v Actual £540,426.56).

In terms of expenditure, Salaries and Wages (including Agency staff) are showing an overspend of over £32,547.86 due to increased staff costs.

Savings in other expenditure codes will be reduced throughout the year as some payments are made on an annual basis and as current legal cases conclude.

Legal cases are ongoing with Mr Duff appealing 1 JR decision to the Court of Appeal and the other has been returned to the High court following Court of Appeal granting Mr Duff standing. Mr McLaughlin's judicial review in the High Court is awaiting decision.

The adverse position in salaries and wages (£33k) and favourable position in income (£109k) and favourable position in other expenditure codes (£54k) results in an overall favourable position of £130,267,77 at end of Period 4.

### **Chief Executive**

The table below (circulated) demonstrates the financial position for areas reporting directly to the Chief Executive at period 4

The adverse variance under Performance is mainly due to Insurance costs for the year being adverse by £139k.

### **Finance, Investment Income, Interest and Rates**

The table below (circulated) demonstrates the financial position relating to Finance, Investment Income, Interest payments, Central Government Support and Rates as at the end of period 4.

Whilst the figures in this table are dominated by the adverse position regarding Rates Support Grant it should be noted that Investment Income is £80k favourable and this position should improve as the year progresses.

## Cashflow

The table below sets out a projected cashflow for the next three months.

Projected Cashflow Forecast for 3 Months to 30th November 2023			
	September	October	November
Closing Bank Balance at 31st August 2023	13,667,835.00	11,056,831.00	9,025,043.00
Estimates payment runs	7,418,505.00	5,934,804.00	6,184,804.00
Estimated Weekly Wages	409,230.00	327,384.00	327,384.00
Estimated Weekly specials	287,975.00	230,380.00	230,380.00
Estimated monthly salaries	936,237.00	936,237.00	936,237.00
Estimates monthly specials	732,163.00	732,163.00	732,163.00
Estimated councillors	47,355.00	47,355.00	47,355.00
Estimated councillors specials	26,851.00	26,851.00	26,851.00
Estimated DD payments	42,000.00	45,000.00	45,000.00
Loan repayment (Govt)			
Loan Repayments (Commercial)			49,364.38
<b>Total Expenditure</b>	<b>9,900,316.00</b>	<b>8,280,174.00</b>	<b>8,579,538.38</b>
Rates Income	4,672,063.00	4,672,063.00	4,995,912.00
Rates support income		84,189.00	
Derating Grant		405,495.00	
Transferring functions		86,639.00	
Vat refund	1,417,249.00		1,200,000.00
General Income	1,200,000.00	1,000,000.00	1,000,000.00
Loan Draw down			
<b>Total Income</b>	<b>7,289,312.00</b>	<b>6,248,386.00</b>	<b>7,195,912.00</b>
<b>Closing Bank Balance</b>	<b>11,056,831.00</b>	<b>9,025,043.00</b>	<b>7,641,416.62</b>

## Summary

Whilst this report does present a welcome and healthy position for Council it must be noted that Council did approve a budget with a £2.612m deficit therefore if this position remained until the end of the year Council would still reduce reserves by just over £2 million. All expenditure and income streams require continued management and scrutiny in order to reduce that deficit and help protect Council's Reserves.

In response to questions from Councillor Storey the Chief Finance Officer confirmed that at Period 4 the energy and utility bills are in a reasonably good position although there is potential for these bills to go up. The Chief Finance Officer advised that Council have allocated more in the budget for energy costs for the Winter months, recognising the higher energy costs in the Winter, which will mitigate any increases in cost. Ultimately if there are any significant price increases there is nothing Council can do to mitigate it and will have to manage budgets accordingly. The Chief Finance Officer further advised that the impact of inflation means that budgets will be under pressure; that services may be to

be cut back on or budgets supplemented by income or a decrease in the spend in other areas. A huge inflation rate was not built into budgets as this would have increased the Rates; the Chief Finance Officer advised that Directors and Officers will have to work within budget as best as possible.

Committee NOTED the report.

## **6. BUDGET PROCESS AND TIMETABLE**

Report, previously circulated, was presented by the Chief Finance Officer.

### **Background**

District councils are obliged under legislation, Section 3 of the Local Government Finance Act (Northern Ireland) 2011, as part of the annual budget procedures to submit estimates of income and expenditure of the council for the next financial year. Regulation 3 of the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 states the prescribed date for the annual budget for a financial year beginning on or after 1st April 2012 shall be 15<sup>th</sup> February. This report recommends a process and timetable for the annual Council budget setting.

### **Proposed budget setting timetable**

A recommended process and timetable for setting the annual budget is tabled below at Appendix 1 (circulated).

### **Recommendation**

**It is recommended** that Finance Committee approves the process and timetable for setting the annual budget including the setting of a date for the Rates Striking Council Meeting.

Proposed by Alderman S McKillop  
Seconded by Councillor Huggins and

**AGREED** – to recommend that Council approves the process and timetable for setting the annual budget including the setting of a date for the Rates Striking Council Meeting.

## **7. PROMPT PAYMENTS**

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 2020 the latest data being for quarter 2 of 23/24 year being up to and including end of August 2023. The implementation of the new Finance system at 1 April has had a negative impact on these statistics however we can see they have begun to recover in quarter 2 and it is anticipated that this improvement will continue.

### **Improvement Actions**

The initial decline in performance post implementation of the new system is to be expected as there was a period of non-processing in preparation of the changeover. The statistics will be reviewed over the coming months to ensure this decline was temporary and performance should be improved to pre-implementation levels and better with the enhancements of the new system taking effect.

<b>Prompt Payment Statistics 2020/2021</b>					
	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
<b>Prompt Payment Statistics 2021/2022</b>					
	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
<b>Prompt Payment Statistics 2022/2023</b>					
	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
<b>Prompt Payment Statistics 2023/2024</b>					
	Q1	Q2*	Q3	Q4	Total
Total No of Invoices	6512	4800			11312
Total amount paid	£ 23,864,802	£ 10,419,513			£ 34,284,315
Number of invoices paid within 10 days	3675	3369			7044
% of invoices paid within 10 days	56.43%	70.19%	#DIV/0!	#DIV/0!	62.27%
Number of invoices paid within 30 days	5398	4083			9481
% of invoices paid within 30 days	82.89%	85.06%	#DIV/0!	#DIV/0!	83.81%
Number of invoices paid outside 30 days	1114	717	0	0	1831
% of invoices paid outside 30 days	17.11%	14.94%	#DIV/0!	#DIV/0!	16.19%
No. of Disputed Invoices	33	88			121
% of disputed invoices	0.51%	1.83%	#DIV/0!	#DIV/0!	1.07%
Average Payment Days	18.71	15.17	#DIV/0!	#DIV/0!	16.94
*Incomplete period					

Committee NOTED the report.

## **8. FINANCIAL SYSTEM UPDATE**

Report, previously circulated, was presented by the Chief Finance Officer.

### **Background**

Council had previously agreed that a new Financial Information and Payroll system be procured, this report is to provide members with an update as to the progress of the project.

### **Detail**

The One Council system has been purchased from Technology One Ltd. This is a cloud-based system which will allow increased flexibility for Council staff to access financial information but also vital processes such as payroll, accounts payable, accounts receivable and more.

### **Progress**

Over the last 18 months Finance staff have been engaged in the scoping, training, testing and implementation of a new Financial and Payroll system.

### **Financial system**

The Financial aspect of the new implementation went live on 1 April 2023, this includes aspects of the system such as Financial reporting, Accounts Payable, Accounts Receivable, Banking, Purchase ordering and system administration. There have been a number of minor issues encountered but these have been identified and dealt with in the first weeks and months of operation. Further development is now required to enhance the reporting side of the system to improve the quality of information being provided to management and members.

### **Payroll system**

It had been planned to go live with the new payroll system in the autumn of this year however a number of factors have prevented this from happening. The payroll section of Finance has encountered significant staffing issues this year coupled with inherent difficulty in recruiting suitably qualified and experienced payroll staff. The situation peaked with payroll being at 50% of its established staffing level meaning that even day to day payroll processing was challenging. Needless to say the processing of payroll was given priority and subsequently progress on the implementation slowed leading to an acceptance that go live would need to be delayed. In addition to the staffing issues 2023/24 has seen unprecedented changes in terms of pay awards. The implementation of the 2022/23 pay award did not occur until early 2023/24 leading to extensive back pay calculations for all staff. In addition to this a separate local pay agreement was implemented which led to further amendments to the payroll system not to mention additional extensive back pay calculations for all staff affecting payments made to staff from 1 April 2023 onwards. The toll on Payroll staff has been immense therefore the decision was taken to delay the implementation, the implementation plan is currently being revised and at this point it looks likely

that a revised implementation date of 1 April 2024 will be recommended. There is some encouraging news on the staffing with 2 members of staff due to commence during September via Agency with a third being recruited following advertisement in the coming weeks. There will also be cost implications due to the delay and these are currently being assessed and a further report on the budgetary position of the project will be tabled at a future committee.

Committee NOTED the report.

\* **Councillor Holmes joined the meeting in the Chamber at 7.27pm**

In response to questions the Chief Finance Officer advised that Payroll staff avail of the Agile Working Policy which allows staff to work at home and in the office. The Chief Finance Officer also advised that Council supply staff with the equipment required to work from home which is protected with antivirus software and clarified that staff do not use personal equipment to access payroll systems.

The Chief Executive also advised that staff cannot access the Finance System from personal equipment and provided further details of security measures in place to ensure the safety of the data on the system including security implemented by ICT and staff training. The Chief Executive provided reassurance Council are being proactive in ensuring the safety of data on the Finance system.

In response to questions about staff welfare being considered, the Chief Finance Officer confirmed that staff welfare is being considered at all times; this is why the delay in implementing the payroll aspect of the new finance system is delayed, to ensure no undue stress was placed on staff.

\* **Councillor Storey left the meeting at 7.33pm.**

**9. APPLICATION MANAGED SERVICES (AMS) APPROVAL**

Report, previously circulated, was presented by the Chief Finance Officer.

**Background**

Council had previously agreed that a new Financial Information and Payroll system be procured, this report is to provide members with a recommendation to engage Technology One's Application Managed Services (AMS) Section to assist with product enhancements.

**Detail**

The One Council system has been purchased from Technology One Ltd. This is a cloud-based system which will allow increased flexibility for Council staff to access financial information but also vital processes such as payroll, accounts payable, accounts receivable and more.

**Implementation**



On 1 April 2023 the new Financial System went live with Accounts Payable, Accounts Receivable, Purchase Ordering and Financial Reporting all being processed on the new platform.

### **System development and enhancements**

Whilst the benefits of the new system are being realised and utilised as we speak there are many more features and additional functionality not previously available to Council in the previous system that can be utilised. In order to make use of these features some development work needs to be undertaken however not all of this is able to be done by Council's own staff at this point as they are still in effect learning the system. Technology One has a separate section within its structure who can assist in these types of scenarios and this is the AMS section. Many of the tasks that we will want to undertake do not fall within the remit of either the implementation team or the software support team therefore AMS can step in and provide the required support. It is anticipated that AMS can be used to assist with the development of enhanced system features and at the same time equip in house staff to be able to carry out this work themselves in the future therefore it not anticipated that AMS engagement will be a long term requirement but rather a method to get us to a point of self-sufficiency at which time the service can be discontinued.

### **AMS Offering**

The standard term of an AMS contract is for 12 months and works on the basis of a monthly allocation of "credits" that can be drawn down as requirement arise. The benefit of using this arrangement is twofold;

Firstly the rate for services provided by AMS is more economic that the more usual approach of engaging a Technology One consultant on a job by job basis;

Secondly AMS have a pool of staff who are able to react to our requirements more quickly that the formal consultancy based approach.

The cost of AMS is £2,933 per month and this gives us access to 40 units of support, each unit being equivalent to half an hour of support. When a requirement is presented to AMS they will carry out the necessary work and report how many units that has used. The total cost of a 12 month contract on this basis is £35,196. As this cost exceeds the delegated officer limit Council approval is required. The Chief Finance Officer has authorised a month's engagement at a cost of £2,933 effective from 1 September to allow some work to commence.

### **Areas of work**

There are a number of areas where we require support in maximising the potential of the new system such as reporting, analytics, integration with other systems and utilisation of features not previously available to us in the former system. In order to enable these benefits there is some ground work to be carried out which at this point in time is beyond the capability of in house staff however in time with the support of AMS these features can be developed in

tandem with the development of our staff so that future capability enhancement can be carried out by our own staff.

### **Recommendation**

It is recommended that Council approve the engagement of AMS for a 12 month period at a cost of £35,196.

In response to questions, the Chief Finance Officer advised that the first payment which has been authorised is included in the 12 month contract; this is to stop a delay in the Application Managed Services being implemented.

Proposed by Alderman Scott  
Seconded by Councillor Schenning and

**AGREED** – to recommend that Council approve the engagement of AMS for a 12 month period at a cost of £35,196

## **10. ACTUAL PENNY PRODUCT (APP) FORECAST**

Report, previously circulated, was presented by the Chief Finance Officer.

### **Background**

Land and Property Services (LPS) who issue bills and collect rates on behalf of Councils issue in year forecasts on the Actual Penny Product (APP) and projected outturns with regards the amount of rates actually collected.

### **Detail**

LPS has issued to Councils the first formal in year forecast for the APP based on figures at 30 June 2023 and has followed this with the monthly interim forecast for July. The forecast for Causeway Coast and Glens Borough Council indicates that we are on course to receive a positive finalisation in terms of rates income amounting to approximately £421k, the July forecast does demonstrate a slight reduction in this figure to £412k.

### **Monthly Analysis**

<b>Month</b>	April	May	<b>June</b>	July
<b>Forecast</b>	£280	£340	<b>£421</b>	£412

All figures £'000

### **APP analysis**

The table below sets out the analysis of the APP forecast for the current financial year. This table demonstrates that the positive position is mainly generated by domestic properties which is consistent with the makeup of our rates income with approximately 63% of rates revenue being raised on domestic properties. The steady growth experienced in this sector in recent years does appear to be continuing for the time being which is encouraging.

Table circulated detailing income and losses

## Revaluations

Whilst the figures remain positive Council must be mindful of the potential effect which challenge cases against previous revaluations may have, Non-domestic properties were revalued for 2023 and with Causeway Coast and Glens being one of only 4 Council areas with an increase in the overall Net Annual Value (NAV) of it's non-domestic property we may be exposed to a higher risk of appeals against those revaluations which, if successful, may lead to a reduction in the overall NAV figure and therefore subsequently rates income.

## Assumptions

The paragraphs below set out the assumptions being used by LPS in the production of these figures.

Gross Rate Income (GRI) calculated to 30<sup>th</sup> June 2023 from the rating system without any further adjustments.

Rates foregone from vacant property in the non-domestic sector for the initial 3-month exemption period have been calculated based on the monetary value of losses used in the EPP, at 31<sup>st</sup> March 2023 or 30<sup>th</sup> June 2023, whichever is the higher. In the case of Causeway Coast and Glens Borough Council the forecast has calculated these based on the losses used in the EPP. Losses in the "50%" and "Exempt" categories were also calculated on the monetary value of losses used in the EPP, at 31<sup>st</sup> March 2023 or 30<sup>th</sup> June 2023, whichever is the higher. In this regard losses built into the forecast exceed actual losses in the LPS accounting system at 30<sup>th</sup> June 2023 by £1.3K inclusive of district and regional rates. Accordingly, unless losses in those categories increase by that amount between now and year end then there is the potential for improvement in the forecast. We will look at this in more detail in the second quarter.

- Rates foregone (exclusions including developer exclusions) from REH have been calculated based on the monetary value of losses used in the EPP, at 31<sup>st</sup> March 2023 or 30<sup>th</sup> June 2023, whichever is the higher.
- Discount by way of landlord allowances has been calculated based on the monetary value of losses used in the EPP, the position at 31<sup>st</sup> March 2023 or the position at 30<sup>th</sup> June 2023, whichever is the higher loss.
- Write-offs based on losses of £17.2 million (split across the 11 Councils) based on the higher of the losses used in the EPP, the position at 31<sup>st</sup> March 2023 or the position at 30<sup>th</sup> June 2023, whichever is the higher loss. From recent meetings you will be aware that LPS is ramping up legal recovery action for this year to help reduce the overall debt position, however it may take some time to reach pre-Covid levels. I can advise that the actual write-off as at the end of June is £86K, against a total of £665K included in the forecast. LPS will keep the situation under scrutiny and will be alerting you to how this changes throughout the year.
- Cost of Collection estimated at £19.6 million for the rating year apportioned across the 11 Councils on the basis of statutory formula.

Rateable Values used were the average of those in the Valuation Lists at 31<sup>st</sup> December 2022 and 30<sup>th</sup> June 2023.

- The CAP based on losses in the system at 30<sup>th</sup> June 2023.

Committee NOTED the report.

## 11. DE - RATING GRANT FORECAST

Report, previously circulated, was presented by the Chief Finance Officer.

### **Background**

De-rating is a central government policy which reduces the rating burden on a number of sectors, the most notable being manufacturing. The effect of this policy is that less rates are collected than would be expected applying the district and regional rate factors to a property's Net Annual Value (NAV) consequently there is a reduction in the income to Council from rates.

### **Detail**

As Council has no operational influence in the application any such policy De-Rating grant is a statutory mechanism through which central government compensates the local Councils for any loss incurred as a result of the central policy. The grant is linked to the NAV's of those non-domestic properties where de-rating applies and is therefore affected by any increase in the District Rate factor as set by Council annually.

### **Quarterly Analysis**

Land and Property services have provided us with the first quarterly projection for de-rating grant for 2023/24. This indicates a positive finalisation at the end of June 2023 of approximately £56k. The tables in the appendix to this report show some analysis of the de-rating grant for all Councils.

Committee NOTED the report.

## 12. MINUTES OF FINANCE WORKING GROUP HELD THURSDAY 31 AUGUST 2023

Minutes, previously circulated, presented as read.

Proposed by Alderman Scott  
Seconded by Councillor Mairs and

**AGREED** – to recommend to Council that the notes of the Finance Working Group are approved

### **MOTION TO PROCEED 'IN COMMITTEE'**

Proposed by Councillor Kane  
Seconded by Alderman Knight - McQuillan

**AGREED** – that Committee 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.***

### **13. DEBT MANAGEMENT**

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.

Table circulated detailing debt still outstanding.

#### **Background**

Council implemented a revised Debt Management Policy in July 2023.

#### **The following tables were circulated within the confidential report:**

- Detail – Aged Debt Analysis as at 31<sup>st</sup> August 2023 and as at 31<sup>st</sup> August 2022
- Movement and comparison between last year and this year (31<sup>st</sup> August 2022 and 31<sup>st</sup> August 2023)

As reported previously it should be noted that £135,291.37 included within the 90 days and over figure relates to the waste disposal customer who has gone into administration. There are this month additional customers who have entered administration totalling another £10,388.65, in due course we will be informed if Council will receive any settlement from these companies following which any debts requiring written off will be informed to this committee or if required authority to write off will be sought. A further £104,189 included within the 90 days and over figure relates to invoices which are not Council debt but are invoices issued and collected on an agency contract for a third party under relevant legislative direction. The 30 days and over figure includes £232,965.39 from customers who are paying by direct debit.

#### **Over 90 Days analysis**

The tables below detail the status of any debt which was over 90 days in excess of £10 currently (excluding third party invoices and direct debit accounts):

#### **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.

### **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 provided within the confidential report. There are also a number of additional insolvencies this month which may lead to write offs although some of these may fall under the delegated authority under paragraph 4.1.

In response to questions, the Chief Finance Officer advised that he did not specific details of debts owed and could come back to Councillor Holmes who was asking for the details. The Chief Finance Officer provided examples of why debt might be over 90 days such as regular users of a facility may be billed periodically. The Chief Finance Officer advised that there is feedback provided on what is being done to reduce the debt owed.

Proposed by Councillor Holmes  
Seconded by Councillor Wisener and

**AGREED** – to recommend to Council that the various Departments responsible for the processes of debt recovery report to the Finance Committee on processes in place to reduce debt.

## **14. RATES ESTIMATES 1<sup>ST</sup> CUT**

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

### **Purpose of Report**

The purpose of this report is to inform members of the pressures being faced by Council in terms of financial budgeting and the setting of the rate for 2024/25. 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 2024/25.

### **Next steps**

As stated at the beginning of this report this is a very high level first indication of where some of the main pressures are going to be on budgets for the next year. These figures will be examined in much more detail over the coming weeks and refined to give a more accurate picture of where rates levels are likely to be.

In response to questions, the Chief Finance Officer advised that not charging VAT on leisure services had not been settled with HMRC; he provided detail on the claim with HMRC and provided a timeline of when it may be settled. The Chief Finance Officer confirmed this has not been factored into the rates estimates due to not being confirmed. The Chief Finance Officer also advised of the

assumptions made on income stating this was a very high level report; more work needs to be completed within Committees.

The Chief Executive informed the Finance Committee of proposals to generate income and on how to make savings. There are opportunities to generate income and these can be discussed further at the Finance Working Group before being brought to the relevant Committees.

**15. 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 Alderman S McKillop 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 8.10pm.

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Chair