

FINANCE COMMITTEE MEETING HELD THURSDAY 14 NOVEMBER 2024

| No | Item | Summary of Key Recommendations | Estimated Timescale for completion |
|-----------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| 1. | Apologies | Alderman Callan, Councillor McGlinchey | 14 November 2024 |
| 2. | Declarations of Interest | None | 14 November 2024 |
| 3. | Minutes of Finance Committee meeting held Thursday 10 October 2024 | Confirmed as a correct record | 14 November 2024 |
| 4. | Prompt payments | Note | |
| 5. | De-rating grant forecast | Note | |
| 6. | Actual Penny Product forecast | To recommend that Council note the report. | |
| 7. | Estimated Penny Product Forecast | To recommend that Council approve the inclusion of the 1st draft Estimated Penny Product in the next set of draft estimates to be presented to the December Finance Committee. | |
| 8. | Management Accounts Period 6 | Note | |
| | 'In Committee' (Items 9-14 inclusive) | | |
| 9. | Finance Management Team Meeting minutes | Note | |

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|-----|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 10. | Supply of Building Materials to Council | <i>To recommend that Council award contracts to the suppliers as detailed in paragraph 2.5</i> | |
| | | | |
| 11. | Debt Management | <i>Note</i> | |
| | | | |
| 12. | Rates estimates - Corporate Services | <i>To recommend that Council consider and agree the level of assumptions discussed for inclusion in the estimates for the 2025 / 2026 period.</i> | |
| | | | |
| 13. | Rates estimates | <i>Note</i> | |
| | | | |
| 14. | Any Other Relevant Business (notified in accordance with Standing Order 12 (o)) | <i>Update provided</i> | |

**MINUTES OF THE PROCEEDINGS OF THE
FINANCE COMMITTEE HELD
IN THE COUNCIL CHAMBER, AND VIA VIDEO CONFERENCE,
ON THURSDAY 14 NOVEMBER 2024 AT 7.00PM**

In the Chair: Councillor Huggins (C)

Members Present: Alderman Coyle (C), S McKillop (C), Knight-McQuillan (C),
Scott (C)
Councillors Holmes (R), Kane (C), Kyle (R), Mairs (C), MA
McKillop (R), McQuillan (R), Nicholl (R), Peacock (R)

Officers Present: D Wright, Chief Finance Officer (C)
J Culkin, Management Accountant (C)
J Keen, Committee & Member Services Officer (C)

R Finlay, ICT Operations Officer (C)
C Ballentine, ICT Operations Officer (C)

Substitutions: Councillor MA McKillop substituted for Councillor Schenning

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

The Chief Finance Officer undertook a roll call.

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

1. APOLOGIES

Apologies were recorded for Alderman Callan and Councillor McGlinchey.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

**3. MINUTES OF FINANCE COMMITTEE MEETING HELD THURSDAY 10
OCTOBER 2024**

Summary was previously circulated.

AGREED – the Minutes of the Finance Committee Meeting held Thursday 10
October 2024 were confirmed as a correct record.

4. PROMPT PAYMENTS

The report was presented as read 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 2022 the latest data being for quarter 3 of 24/25 year, up to and including end of October 2024.

Analysis

The statistics will be continually to ensure the performance levels and where possible improved. Council's self-imposed target remains at 90% of invoices being paid within 30 days. During October 94.78% (September 88.90%) of invoices were paid within 30 days, a greatly improved position when compared to the figures from the previous quarters where 91.06% and 90.13% was recorded, for the entirety of the current year thus far we are showing 91.32%. This does represent a marked improvement in performance from 2023/24 which was 87.32% for the entire year but we can't let performance slip in the remaining months if we are to maintain this level.

Finance Committee NOTED the report.

5. DE-RATING GRANT FORECAST

The report was presented as read 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 second quarterly projection for de-rating grant for 2024/25. This indicates a negative finalisation at the end of September 2024 of approximately £4k (June £2k positive). The tables in the Appendix A to this report show some analysis of the de-rating grant for all Councils.

Finance Committee NOTED the report.

6. ACTUAL PENNY PRODUCT FORECAST

The Information report was presented as read by The Chief Finance Officer.

Purpose of Report

The purpose of this report is to inform members of the latest Actual Penny Product (APP) forecast supplied by Land and Property Services (LPS).

Background

LPS has issued to Councils the second formal quarterly forecast as at 30 September 2024. The forecast for Causeway Coast and Glens Borough Council has been based on in year assumptions for both formal and interim forecasts as detailed below:

Monthly Analysis

| Month | Jun | Jul | Aug | Sep |
|----------|------|------|------|------|
| Forecast | £558 | £625 | £647 | £718 |

All figures £'000

Additional analysis

The figures indicate a significant projected finalisation in terms of rates income for Council however it is still too early to place much certainty on these figures as there are many factors that could lead to reductions in them as the year progresses. It is however an excellent position to be in at this point in the year and does give optimism that there is some growth in the rates base and gives Council somewhat of a buffer should negative market forces arise.

Assumptions

The assumptions used to calculate the quarterly forecasts are set out below:

- Gross Rate Income (GRI) calculated to 30th September 2024 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 31st March 2024 or 30th September 2024, 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%” category were also calculated on the monetary value of losses used in the EPP, at 31st March 2024 or 30th September 2024, whichever is the higher. Losses in the “Exempt” category were based on the 30th September 2024 from the rating system without further adjustments. In this regard losses built into the forecast exceed actual losses in the LPS accounting system at 30th September 2024 by £210K 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.
- Rates foregone (exclusions including developer exclusions) from REH have been calculated based on the monetary value of losses at 30th September 2024.
- Discount by way of landlord allowances has been calculated based on the monetary value of losses used in the EPP, the position at 31st March 2024 or the position at 30th September 2024, whichever is the higher loss.
- Write-offs based on losses of £16.1 million (split across the 11 Councils) based on the higher of the losses used in the EPP. From recent meetings you will be aware that LPS is ramping up legal recovery action through-out the remainder of this year and beyond 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 September is £153K, against a total of £539K included in the forecast. On that basis I expect it is unlikely to reach that level, however I will issue monthly write-off updates going forward.
- Cost of Collection estimated at £22 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 31st March 2024 and 30th September 2024.
- The CAP based on losses in the system at 30th September 2024.

APP analysis

The tables below (circulated) set out the analysis of the APP forecast for the current financial year in terms of both domestic and non-domestic properties.

Revaluations

There are still a number of outstanding revaluation challenge cases and whilst they could impact on our APP for 2024/25 most of the significant challenges have by now been dealt with.

Recommendation

It is recommended that Council note the report.

AGREED – to recommend that Council note the report.

* **Alderman Knight-McQuillan joined the meeting at 7.12pm.**

7. ESTIMATED PENNY PRODUCT FORECAST

The report was presented by the Chief Finance Officer.

Purpose of Report

The purpose of this report is to inform members of the first draft Estimated Penny Product (EPP) forecast supplied by Land and Property Services (LPS) which will be used in the budgeting process.

Background

LPS have issued to Councils the first in year forecast for the EPP based on figures at 30 September 2024. The forecast for Causeway Coast and Glens Borough Council gives an EPP of £2,064,190 compared to £2,036,500 which was used in calculating our rate for the current year. This represents an increase of around 1.36%, the majority of this arising on the domestic side which is showing a 1.91% increase whilst on the non-domestic side we see approximately 0.43% of growth. Council continues to see relatively steady growth but at a low level. It is clear Council cannot rely on rates base growth to overcome the ongoing cost pressures in the provision of services, other efficiencies or sources of revenue generation must be explored and maximised to minimise the impact upon our ratepayers. Officers are currently investigating any potential sizable properties which have been approved recently or are imminent so that they could be added to our EPP thereby reducing potential additional ratepayer burden.

EPP Analysis

The tables below (circulated) set out the variance of the EPP forecast from previous calculations, the first table is the domestic property side and the second sets out the non-domestic calculations.

Recommendation

It is recommended that Council approve the inclusion of the 1st draft Estimated Penny Product in the next set of draft estimates to be presented to the December Finance Committee.

There were no questions for the Officer.

Proposed by Councillor Wisener
Seconded by Alderman Scott and

AGREED – to recommend that Council approve the inclusion of the 1st draft Estimated Penny Product in the next set of draft estimates to be presented to the December Finance Committee.

8. MANAGEMENT ACCOUNTS PERIOD 6

The report was presented as read by the Management Accountant.

Purpose of Report

The purpose of this report is to present the current management accounts to Council for information and analysis.

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 2024/25 controlled by the Directorates is £82.410m (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 £81.978m the difference being a budgeted applied balance of £0.432m for the year.

Financial Overview by Directorate

The table below (circulated) details a summary of the financial position at period 6 (up to and including 30 September 2024).

Council is showing a favourable variance against budget at period 6 amounting to £968,834 however it should be noted that in Period 6 £552,252 of this figure arises from exceptional income, that income being interest connected to a historic VAT claim which was received in July and the amount was not known to facilitate inclusion of a debtor in the 2023/24 accounts. Adjusting for this item, which Council has previously agreed will be transferred to the Financial Recovery Reserve, results in a period 6 favourable variance of £416,582 (period 5 £429,735) which is a solid position to be in at this point in the financial year. This represents an reduction of approximately £13,153 (Period 5 - £144,972 improvement) on the month. It should be noted that this however is not a surplus but rather a positive variance against budget, Council set a deficit budget for 2024/25 of £0.432m therefore should this position be maintained throughout the year Council would be in deficit by £0.015m, decreasing reserves by this amount.

Income and Expenditure Analysis

The overall position with regards staffing costs is shown in the table below (circulated) by Directorate.

Council is currently favourable against budget in terms of staffing, this is after taking into account an accrual based on the current pay offer. It should be noted that the current offer has now been accepted, new pay rates will be implemented in November with backpay (effective from 1 April 2024) being calculated and paid in December. The pay award is approximately equivalent to the budgeted inclusion of 4% in anticipation of a pay increase however due to the lump sum nature of the pay agreement at lower pay scales there may be some adverse budgetary movements in areas where the staffing complement is dominated by employees on the lower pay scales, conversely where staffing is predominantly at the higher pay scales there may be some favourable budgetary movements.

Council had asked for some more detailed analysis of the staffing variance by area and this is provided in the following paragraphs.

Leisure and Development

Agency costs show a negative variance of £199k, salaries and wages have a positive variance of £178k (due mainly to current vacant positions) resulting in overall employee costs within SWB being £26k over budget. The dependency on agency staff will reduce as SWB continues to populate the remaining roles in its staff structure.

The details on the above are;

Salaries & wages: positive variance overall (£178,579) including some of the below posts

- Commercial post vacant – currently recruiting.
- Business Support Manager vacant – likely to recruit in year.
- Business Support assistant post vacant – likely to recruit in year.
- Membership Sales Advisor – likely to recruit in year.
- PARS posts vacant – currently recruiting.
- Population of SWB Structure – Shesburn reduced to one Senior Rec attendant

Agency: negative variance overall (£199,314)

In terms of agency, most of the overspend is coming from an under provision in S&CF during the rate setting exercise, plus some activity programmes costs. Also, on occasions, some of that agency overspend may come from facilities where the staff budget is with salaries & wages, but the expenditure is against agency.

Community and Culture

In terms of staffing in particular, Community & Culture demonstrated £19,641.61 positive variance in period 6. While some services show a slight adverse position, this is in large due to an under provision of agency coaching costs within the 24/25 budget in the final accounts adopted by council and sick pay. These adverse costs

are offset by positive variances in the main from the arts budget due to vacant posts and reduced agency costs across the overall budget.

Funding Unit

Funding unit currently £10k under budget. This relates to the engagement of agency staff and should balance in the final quarter of the year.

Prosperity and Place

Employee costs are £31k favourable due to vacant posts:

1 x Regeneration Manager PO4

1 x Business Development Officer PO1 – which will hopefully be filled shortly. Labour Market Partnership & Long-Term Plans for Town (LTPT) have Agency Costs but are 100% funded and will therefore be offset.

Tourism and Recreation

At Period 6 Tourism & Recreation employees costs are £240k favourable. The Benone complex has struggled to fill positions this season and the pool opening was delayed therefore savings were made on lifeguards and other staffing requirements.

At Juniper Hill Holiday and Leisure Park, the Maintenance post has been vacant and not yet filled, which has resulted in savings. During the summer months a vacant cleaning post was not filled and duties were covered by other staff. Further scrutinising is taking place to account for the variance in period 6.

Agency costs for the Air Show have been attributed to the Events Budget and need to be allocated to reserves.

No significant variances in Destination Management or Coast and Countryside

Environmental Services

Estates - £246k favourable

Estates Department Structure includes provision for 17 Seasonal Staff which were budgeted for.

This summer season only 6 seasonal staff were recruited through Agency as a result of the campaign. This results in a wages and salaries saving associated with 11 seasonal staff this year.

(This has been a problem over recent years and officers are considering alternative arrangements for next year)

Estates Department has sustained 5 vacant trades posts thus far this financial year. It is anticipated these will be recruited in the coming months.

Estates Department has sustained 7 vacant General Operative posts this far this financial year. The recruitment campaign is currently ongoing for 3 General

Operatives Building Maintenance and 4 General Operatives Grounds Maintenance. Applications have closed and shortlisting is planned for next week. It is anticipated these posts will be filled in December.

There are also a number of posts which have been vacated through staff leaving/retiring during the year and these are being submitted for replacement as a matter of course. These would not be making a significant variation to the budget spend.

Environmental Services Business Support - £3k favourable – currently 3 person days per week in structure vacant.

Corporate Services

Overall Corporate is £5k under re Salaries/Wages/Agency/Employee costs. There are a few vacant posts currently being covered by Agency staff and following the Organisation Review would anticipate being in a position to fill these posts permanently, very shortly.

Planning

Planning salary costs are £141k favourable position in Planning and agency costs £10k adverse due to the following:

- Vacant permanent posts at Senior Officer, Planning Officer and Planning Assistant grades – recruitment campaigns complete and in the process of filling these posts during Q2 and Q3 subject to pre-employment procedures; further recruitment campaign being initiated in Q3 to fill remaining Planning Assistant posts
- Long term sick leave has also had an impact
- Planning Portal has resulted in reduction in workloads in Business Support Team – currently 0.6FTE vacant and having carried this vacant post for a number of months it is unlikely to be filled and will be removed from the Planning Structure as a saving.

Finance

Period 6 - £278k adverse

Finance includes an overall efficiency target of £480k for the year in terms of targeted savings regarding staffing costs across the organisation gained from gapped/vacant posts, at period 6 the effect of this is £240k and therefore explains the majority of the total adverse variance in the section. There are also unbudgeted staffing costs in relation to the extraordinary audit (£13k) as well as an additional staff member in payroll assisting with the new system implementation.

The table below (circulated) sets out the budgetary position of all other areas of expenditure against budget by Directorate.

At period 6 this is £514k adverse (Period 5 £348k adverse, Period 4 £503k adverse). The main areas of contribution to this figure are grant expenditure within Prosperity and Place (£306k) which will be offset by an expected income debtor together with expenditure on equipment (£176k adverse) in Tourism & Recreation again being offset by income. There is an additional overspend on Estates services and materials of £97k at this point.

Income levels are strong for period 6 and the position is 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 £369k therefore we have taken account of this in these accounts. In addition a subsequent Council decision to the approval of budgets means that additional car parking income included in the budget will not be realised during this financial year and again this reduction has been recognised in full in these accounts being the main contributing factor to the adverse income variance for Environmental Services. Within Sport and Well Being both Leisure Centre and Holiday Park income levels are well ahead of budget, in the case of the Holiday and Leisure parks this is offsetting some expenditure overspends referred to above and finally Prosperity & Place income is £369k favourable again offsetting the expenditure adverse variance referred to above.

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 2024/25 is £11,783,490. The net budget is a calculation of the forecast:

- Gross Expenditure of £22.863m.
- Gross Income of £10.079m.

Table 1 (circulated) illustrates a P6 Net Position of £2,738,965, which is favourable by £989,225 (Period 5 - £907,887).

The service area financial positions are also shown in Table 1 (circulated).

Income and Expenditure

Generally, the budgetary performance of Leisure and Development at Period 6 is performing well at this point of the financial year, main areas to highlight are:

Salaries and Wages.

The table below (circulated) shows the position regarding staffing costs across the Directorate, currently favourable by £299k (P5 - £271k), after taking into account the anticipated pay award.

Energy and Utilities.

At Period 6, energy costs and utilities have an adverse variance of £90k (P4 - £90k), this was an area where Council reduced budgets significantly at budget setting due to anticipated settling of the market in this area. The majority appears to be arising from Holiday & Leisure Parks (£59k) and therefore some of this may be recouped from customers later in the season.

Repairs and Maintenance.

At Period 6, scheduled and reactive repairs / maintenance are favourable by £229k (P6 - £214k) coming mostly from favourable variances across the Sport and Well Being section in terms of materials.

Supplies and Services

At period 6 Supplies and Services are currently showing a adverse variance of £437k (P5 - £318k), as mentioned above the main contribution to this figure comes from Prosperity and Place regarding grant payments and Holiday and Leisure parks, the majority of this being offset by associated income.

Income

Is currently showing a favourable variance of £971k (P5 - £808k) mainly in Sport & wellbeing (£320k [P5 - £231k]), Prosperity and Place (£369k [P5 - £267k]) and Tourism and Recreation (£191k [P5 - £254k]).

Analysis by Head of Service

Community & Culture

Community & Culture currently have a net favourable position of £68k, the main factors being employee costs £19k (vacant/gapped posts, including sickness). Premises has a favourable variance of £22k due to cost savings and alternative design solutions in art centres and museums. Customer and client receipts currently performing £6k ahead of budget. Grant income performing well, Ballycastle Museum development and DFC Hardship showing income where there was no budget, however these will be offset against expenditure associated with the grants received.

Prosperity & Place

Prosperity & Place has an overall favourable variance of £47k. Employee costs are £31k favourable due to vacant posts. Supplies and services showing grant scheme overspends, but these are offset by grant income – Labour Market Partnership, GO Succeed & Digital Transformation Programmes are 100% funded.

Leisure & Development Management

Leisure & Development management, made up of director salary costs and that of the L&D admin team currently £31k favourable £29k of this due to staff savings achieved with some administration staff working on funded projects.

Sport & Wellbeing

SWB is showing a positive variance of £470k. In particular, income for the 7 Leisure/ Sports Centres is up £288k on the estimated target which evidences the positive benefit of recent gym equipment upgrades across the sites.

Agency costs show a negative variance of £199k, salaries and wages has a positive variance of £178k (due to current vacant positions) resulting in overall employee costs within SWB being £26k over budget. The dependency on agency staff will reduce as SWB continues to populate the remaining roles in its staff structure.

Whilst utility charges may become challenging as market prices fluctuate, currently the three main sites for utility usage (leisure centres) are currently on target.

Repairs and Maintenance is showing a favourable variance in terms of materials, however the ongoing requirement for upkeep and repair across all SWB locations will be closely monitored and the current position may well be subject to change as the financial year progresses.

Tourism & Recreation

Tourism & Recreation £366k favourable overall with employees costs currently £240k favourable. The Benone complex has struggled to fill positions this season and the pool opening was delayed therefore saving on lifeguards and other staffing requirements.

Customer & client receipts £131k favourable of which £88k is attributable to caravan income, due to Easter straddling year end with income being posted to the current year and the timing of recoupment of electricity invoices.

Funding Unit

Funding unit currently £10k under budget. This relates to the engagement of agency staff and should balance in the final quarter of the year.

Strategic Projects

Strategic projects which consists of two SIB staff. Currently £5,080 over budget.

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 2024/25 is £ 30,085,955.41. This is based on expenditure budget of £35,793,585.27 and income budget of £5,707,629.86

The Environmental Services position at Period 6 shows a £170,045.38 (P5 - £59,333.19) negative variance. This includes assumed increases in employee costs based on the proposed National Pay Award which is equivalent to the predicted budget increase.

The main costs and income attributing to the ES P6 position are summarised as follows as variances against budget.

- Employee costs are £305k positive
- Premises costs are £236k adverse
- Transport Costs are £147k adverse – Fuel (-22k), Mileage Claims (-22k), Repairs, Service and maintenance – (-82k)
- Supplies and Services are £96k adverse
- Contract Payments are £290k positive – Landfill Tax (£360k)
- Income is £265k adverse – Car Parks (-£189k), Landfill (-£395k), Building Control (£218k)

Estates.

Table circulated detailing actual expenditure and Income.

£288k adverse mainly due to increased material costs. Employee costs is positive by £246k and Income is adverse by £37k.

Health and Built Environment.

Table circulated detailing actual expenditure and Income.

£312k positive. Employee costs are £128k positive. Fee Income is favourable by £290k including £218k from Building Control.

Infrastructure.

Table circulated detailing actual expenditure and Income.

£51k adverse. Car park income £189k adverse. Employee costs are £109k favourable.

Operations.

Table circulated detailing actual expenditure and Income.

£171k adverse variance in Period 6. Employee costs are £181k adverse. A breakdown of the Variances are as follows

| Function | Variance | Comments |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Waste Collection & Street Cleansing | £20k Adverse | Employee cost increase. |
| Landfill & Compost Site | £296k Adverse | Due to reduction in 3 rd party income |
| HRC's | £79k Adverse | Employee cost increase. |
| Waste Disposal Contracts | £295k Favourable <ul style="list-style-type: none"> ○ Black Bin Contract - £327k (fav) ○ Blue Bin Contract - £130k (fav) ○ Brown Bin Contract £166k (adv) | Variations on predicted tonnages due to extended opening of Craighulliar for Council waste only and lower price for the recycling (blue bin) contract |

| | | |
|----------------------------|-------------------------------------|-----------|
| | ○ Other Waste Contracts - £4k (fav) | |
| Transfer Stations & Depots | £28k Favourable | On target |
| Public Conveniences | £1k Adverse | On target |
| Ops Management | £6k Adverse | On target |

ES Business Support.

£25k positive - on target

ES Centrally Managed.

£3k positive variance – on target

In-year Savings

Officers have and will continue to manage and scrutinise the budget to identify opportunities for reducing expenditure and increasing income in order to get back on budget. However at Period 6, due to loss of income from car parks and 3rd party waste, but offset by increased income from Building Control, ES financial position has an adverse variance of £170,045.38.

Corporate Services

The table below (circulated) demonstrates the financial position for Corporate Services at period 6:

Democratic Services (DS)

£63K favourable due to various elements of expenditure being less than budget in Period 5 including the following: Members Mileage, Official and Courtesy Visits and an increase in Registration Income.

Land and Property

£33k favourable at period 5 due to a vacant post within the structure.

Human Resources

£32K favourable in Period 5

£33k favourable in salary costs, £8k adverse in Staff Training, although budget can be released in next period to cover this.

ICT

£64K adverse overall in Period 5, due to a combination of underspends and overspends. The adverse variances in Telephones £117k and Computer Licences, are reduced by underspends in Internet and Data Connections £28k, Computer Supplies £8k, Computer Equipment £23k and Mobile Communications £18k.

Contributions to other bodies

No variance at period 5, as budget has been released to cover costs to date.

Internal Audit.

£14k adverse as at Period 5, £11k favourable on salary Costs and £28k adverse due to costs re complaints.

Centrally Managed

Overall, £28K favourable position at the end of Period 5, due to underspends in Telephones £8k and salary costs £19k

Policy & Community Planning

Overall, £9K adverse position at the end of Period 5, due to overspend on salary costs of £16K and underspends in Programme Management Costs of £8k

Planning

£26k favourable at end of Period 5, including £102k underspend on salary costs and £29k shortfall on income projections. There is also an overspend of £48k on Programme Management Costs, however this was a payment to Belfast City Council and should have been Capitalised. This will be corrected in period 6.

Chief Executive

The table below demonstrates the financial position for areas reporting directly to the Chief Executive at period 6:

The variance under Performance includes Insurance costs for the year being favourable by £68k.

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 6.

Whilst the figures in this table are dominated by the adverse position regarding Rates Support Grant it should be noted that Investment Income is £72k favourable and this position will improve as the year continues. The figure for Finance includes an amount of £480k relating to staffing savings that management are committed to making during the year through vacancy control for example and human resource management. At period 6 the effect of this is £240k and should be considered against overall staffing costs and not as a Finance generated adverse variance.

Capital Expenditure

The tables below (circulated) set out the capital expenditure that has been approved through Council thus far for the 2024/25 Financial Year:

Total Capital Commitment £4,886,679.

Cash expenditure of capital projects

The table below (circulated) sets out the cash outlay by month on ongoing capital projects.

Cashflow

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

Summary

This report represents a consistent performance following a solid start to the new financial year and gives optimism for the remainder of the year. Council does however need to remain vigilant in respect of energy costs which, whilst they are roughly in line with budget at the moment and market changes leading to increased prices again could push these areas of expenditure significantly into deficit.

Alderman Scott expressed concern regarding employee costs within Environmental Services and queried how the finances would be affected if employees are recruited later in the year.

In response, the Chief Finance Officer advised that there could be a reduction in the positive variance, but Council do profile the budgets over the year. He stated it has been identified that there is a possible mismatch with some of the costs in Environmental Services with how how costings have been recorded, and this will be fixed for Period 7 Accounts.

Councillor Kane referred to the vacant posts in Environmental Services and Leisure and Development, giving consideration to the distribution of the workload particularly in relation to the TABS system in Environmental Services. Councillor Kane stated these posts are budgeted for but not being filled and queried the level of service being provided. Councillor Kane suggested the Chair write to the Chairs of Committees to find a resolution to filling the vacant posts.

The Chief Finance Officer stated the Council does want to have the correct number of staff employed in order to provide a high level of service and the relevant Departments are considering options to ensure the required number of staff are recruited. The Chief Finance Officer advised he would discuss this issue at the Senior Management Team meeting.

Finance Committee NOTED the report.

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Alderman Scott
Seconded by Councillor Mairs

AGREED – to recommend that Finance 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.

The Chair reminded Committee of the audio recordings procedure.

9. FINANCE MANAGEMENT TEAM MEETING MINUTES

Confidential report, by virtue of paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

The notes of the Finance Management Team meeting held Tuesday 1st October 2024 were circulated and by presented as read by the Chief Finance Officer.

Finance Committee NOTED the report.

10. SUPPLY OF BUILDING MATERIALS TO COUNCIL

Confidential report, by virtue of paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 was previously circulated and presented by the Chief Finance Officer.

Purpose of Report

To inform members of a recent tender exercise for building supplies and seek approval to appoint successful suppliers.

Recommendation

It is recommended that Council awards contracts to the suppliers as detailed in paragraph 2.5.

There were no questions for the Officer.

Proposed by Alderman Scott

Seconded by Councillor Kane and

AGREED – to recommend that Council awards contracts to the suppliers as detailed in paragraph 2.5.

11. DEBT MANAGEMENT

Confidential report, virtue of paragraph(s) 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 was previously circulated and 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 July 2023.

The tables below set out the total debt position as at 31 October 2024 and compares this to the position at 31 October 2023.

Detail – Aged Debt Analysis

Tables circulated detailing aged debt analysis as at 31 October 2024 and as at 31 October 2023

Table circulated detailing movement and comparison between last year and this year (31 October 2023 and 31 October 2024).

Further detail was provided in the confidential report with regards the 90 days and over figures.

Over 90 Days analysis

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

The tables attached as appendix A (circulated) to this report sets out such debts that have been cleared since the last report in September.

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. There are no such debts this month.

The Chief Finance Officer provided commentary on the report.

Finance Committee NOTED the report.

12. RATES ESTIMATES - CORPORATE SERVICES

Confidential report by virtue of paragraph(s) 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014, was previously circulated and presented by the Chief Finance Officer.

Purpose of Report

The purpose of this report is to inform members of the additional budgetary requirements for Corporate Services Directorate, for the 2025/26 period and to seek Council agreement on the setting of general assumptions for inclusion within those estimates.

Recommendation

It is recommended that Council consider and agree the level of assumptions discussed for inclusion in the estimates for the 25 / 26 period.

In response to questions, the Chief Finance Officer advised that there is no indication of when the Minister for Communities will make a decision regarding what the increase in Elected Member Allowances will be and there is no indication if there will be any support to cover these costs. The Chief Finance Officer confirmed the figures are presented based on assumptions in order to ensure all eventualities are covered.

Discussion occurred regarding the increase of Elected Member Allowances with consideration being given to the advantages and disadvantages of including it within the Rate setting process at this time, given there is uncertainty about how much the increase will be and when a decision will be made.

Proposed by Alderman Knight McQuillan
Seconded by Alderman Scott and

AGREED – to recommend that Council consider and agree the level of assumptions discussed for inclusion in the estimates for the 2025 / 2026 period.

13. RATES ESTIMATES

For Information, confidential report, by virtue of paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 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 2025/26. 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 2025/26.

The draft estimates as tabled has necessitated a number of assumptions being made and their impact included to allow us to consider their consequences. These were agreed by this Committee in September. At this stage there are many factors the outcome of which are unknown but we can make some judgements about these. This first draft is at the highest level and does not take into account a great deal of the detail which officers will consider over the next few weeks as we build up a picture of the budgetary requirements for the next financial year.

In response to questions, the Chief Finance Officer advised that at the December Finance Committee meeting there will be detail on Council's income and expenditure

Chair