

FINANCE COMMITTEE MEETING HELD THURSDAY 13 JUNE 2024

No	Item	Summary of Key Recommendations
1.	Apologies	<i>Alderman Callan, S McKillop, Councillors Kyle, McGlinchey, McQuillan, Nicholl, Peacock, Schenning and Wisener</i>
2.	Declarations of Interest	<i>None</i>
3.	Minutes of Finance Committee meeting held Thursday 9 May 2024	<i>Confirmed as a correct record</i>
4.	Prompt Payments	<i>Note</i>
5.	Procurement Policy Update	<i>to recommend that Council approve the amendment of the policy to include the new addition to quotations and thresholds</i>
6.	Gas/Electric Procurement	<i>to recommend that Council approve early engagement with the market in order to be prepared to tender for a fixed cost contract or an energy broker contract</i>
7.	Correspondence	
7.1	Minister's Initial Budget allocations 2024/25	<i>Note</i>
7.2	Letter to Chief Executives - Initial Budget Allocations 2024/25	
7.3	Response from Department regarding Rates Support Grant	

	Recommended for Confidential consideration (Item 8-11.1 inclusive)	
8.	Management Accounts Period 12	<p><i>to recommend that Council approve;</i></p> <p><i>The amount provided for the historic leisure services claim be moved into the Financial Recovery Reserve;</i></p> <p><i>The amount of credit arising out of movements in discounted interest rates relating to the landfill provision be moved to the Financial Recovery Reserve to allow the reintroduction of this credit upon the unwinding of the discount factors in subsequent years;</i></p> <p><i>That an additional £50,000 be added to the Election Reserve in anticipation of the next Local Government Election;</i></p> <p><i>That an additional £70,000 be added to the Local Area Plan Reserve;</i></p> <p><i>Recommendations 1 and 2 have already been reflected in the accounts, recommendations 3 and 4 will be included following committee approval.</i></p>
9.	Staffing and Overtime	Note
10.	Debt Management	Note

11.	Transformation Plan Update	Note
11.1	Financial Management Team - Minutes 5 June 2024	Note
12.	Any Other Relevant Business (notified in accordance with Standing Order 12 (o))	None

**MINUTES OF THE PROCEEDINGS OF THE
FINANCE COMMITTEE HELD
IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS
ON THURSDAY 13 JUNE 2024 AT 7.00PM**

In the Chair: Councillor Huggins

Members Present: Alderman Coyle, Knight-McQuillan, Scott
Councillors Holmes, Kane, MA McKillop, Mairs, Wilson

Officers Present: D Wright, Chief Finance Officer
K Mailey, Head of Organisational Development and HR (R)
L Clyde, Financial Accountant
J Culkin, Management Accountant
S Duggan, Civic Support Officer

In Attendance: C Ballentine, ICT Officer

Press: (1 No) (R)

Key: (R) Attended Remotely

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

SUBSTITUTION

Councillor MA McKillop substituted for Councillor Schenning, Councillor Wilson substituted for Councillor Wisener.

1. APOLOGIES

Apologies were recorded for Alderman Callan, S McKillop, Councillors Kyle, McGlinchey, McQuillan, Nicholl, Peacock, Schenning and Wisener.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

3. MINUTES OF FINANCE COMMITTEE MEETING HELD THURSDAY 9 MAY 2024

Summary previously circulated.

AGREED - the Minutes of the Finance Committee Meeting held Thursday 9 May were confirmed as a correct record.

ORDER OF BUSINESS

The Chief Finance Officer advised Management Accounts Period 12 would be considered '*In Committee*'.

- * **The meeting adjourned at 7.04pm due to IT difficulties.**
- * **The meeting reconvened at 7.06pm.**

4. PROMPT PAYMENTS

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

Background

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

Detail

These figures are published on a quarterly basis by DfC with Councils required to do likewise. The purpose of the statistics is to encourage Councils to support businesses especially those local and/or small businesses for whom cash flow is of vital importance to their continued survival. In addition, as part of Council's performance improvement plan for this year the payment of our suppliers has been identified as one of the performance improvement objectives with a target of 90% of suppliers being paid within 30 calendar days. The tables below detail Council's performance since April 2021 the latest data being for quarter 1 of 24/25 year, up to and including end of April 2024. This time last year we had the impact of implementing the new finance system but this year in the absence of a similar event we can see the continued improvement following that implementation.

Improvement Actions

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 April 91.32% (April 90.72%) of invoices were paid within 30 days, a greatly improved starting position when compared to the figures from the previous year where 82.89% was recorded for the entirety of Q1 compared to 91.05% for the current year thus far. Combined performance for Q3 and Q4 of the previous year was 90.19%.

Prompt Payment Statistics 2021/2022					
	Q1	Q2	Q3	Q4	Total
Total No of Invoices	5830	6442	7117	6567	25956
Total amount paid	£ 12,255,753	£ 14,938,664	£ 11,824,362	£ 16,652,683	£ 55,671,462
Number of invoices paid within 10 days	4139	4113	5240	4331	17823
% of invoices paid within 10 days	70.99%	63.85%	73.63%	65.95%	68.67%
Number of invoices paid within 30 days	5447	5886	6613	5893	23839
% of invoices paid within 30 days	93.43%	91.37%	92.92%	89.74%	91.84%
Number of invoices paid outside 30 days	383	556	504	674	2117
% of invoices paid outside 30 days	6.57%	8.63%	7.08%	10.26%	8.16%
No. of Disputed Invoices	32	26	48	28	134
% of disputed invoices	0.55%	0.40%	0.67%	0.43%	0.52%
Average Payment Days	15.80	17.23	15.27	16.81	16.27

Prompt Payment Statistics 2022/2023					
	Q1	Q2	Q3	Q4	Total
Total No of Invoices	6461	6090	6825	6265	25641
Total amount paid	£ 17,214,458	£ 17,078,164	£ 12,851,511	£ 35,804,964	£ 82,949,097
Number of invoices paid within 10 days	4446	3487	4806	4628	17367
% of invoices paid within 10 days	68.81%	57.26%	70.42%	73.87%	67.73%
Number of invoices paid within 30 days	5872	5267	6252	5829	23220
% of invoices paid within 30 days	90.88%	86.49%	91.60%	93.04%	90.56%
Number of invoices paid outside 30 days	589	823	573	436	2421
% of invoices paid outside 30 days	9.12%	13.51%	8.40%	6.96%	9.44%
No. of Disputed Invoices	33	35	61	20	149
% of disputed invoices	0.51%	0.57%	0.89%	0.32%	0.58%
Average Payment Days	16.24	18.55	15.92	14.28	16.22

Prompt Payment Statistics 2023/2024					
	Q1	Q2	Q3	Q4	Total
Total No of Invoices	6512	7263	6847	7031	27653
Total amount paid	£ 23,864,802	£ 17,139,245	£ 13,837,183	£ 13,491,210	£ 68,332,440
Number of invoices paid within 10 days	3675	5233	5444	5774	20126
% of invoices paid within 10 days	56.43%	72.05%	79.51%	82.12%	72.78%
Number of invoices paid within 30 days	5398	6232	6215	6301	24146
% of invoices paid within 30 days	82.89%	85.80%	90.77%	89.62%	87.32%
Number of invoices paid outside 30 days	1114	1031	632	730	3507
% of invoices paid outside 30 days	17.11%	14.20%	9.23%	10.38%	12.68%
No. of Disputed Invoices	33	162	35	169	399
% of disputed invoices	0.51%	2.23%	0.51%	2.40%	1.44%
Average Payment Days	18.71	15.59	11.36	13.58	14.64

Prompt Payment Statistics 2024/2025					
	Q1*	Q2	Q3	Q4	Total
Total No of Invoices	4684				4684
Total amount paid	£ 10,798,509				£ 10,798,509
Number of invoices paid within 10 days	3656				3656
% of invoices paid within 10 days	78.05%				78.05%
Number of invoices paid within 30 days	4265				4265
% of invoices paid within 30 days	91.05%				91.05%
Number of invoices paid outside 30 days	419	0	0	0	419
% of invoices paid outside 30 days	8.95%				8.95%
No. of Disputed Invoices	26				26
% of disputed invoices	0.56%				0.56%
Average Payment Days	11.53				11.53

*Incomplete period

Alderman Scott referred to a good improvement and enquired whether that was due to the new Finance system.

The Chief Finance Officer stated whilst the new system was helping, that Council did have good figures before.

Finance Committee NOTED the report.

5. PROCUREMENT POLICY UPDATE

Report, previously circulated, presented by The Chief Finance Officer.

Purpose of Report

The purpose of this report is to inform members of a proposed change to Councils procurement policy.

Background

Council approved a new procurement policy during November 2023 full council meeting.

Procurement have been made aware of a technicality with the number of quotations required for spend below £ 1,000, an issue has arisen whereby community organisations that are in receipt of grant funding from council are finding it especially difficult to obtain the required number of quotations to comply with councils procurement policy as a requirement of spending grants.

The previously approved policy required two quotations for all spend from £ 0 - £ 2,999, this has been identified as problematic for smaller community based groups to comply with and places an added administrative burden to check compliance.

SMT have agreed with procurement recommendation that for spend under £1,000 that no quotations are required.

Recommendation

It is recommended that committee approve the amendment of the policy to include the new addition to quotations and thresholds.

Proposed by Councillor MA McKillop
Seconded by Alderman Coyle and

AGREED – to recommend that Council approve the amendment of the policy to include the new addition to quotations and thresholds.

6. GAS/ELECTRIC PROCUREMENT

Report, previously circulated, presented by The Chief Finance Officer.

Purpose of Report

To inform members of the committee of that council will be in need of a new energy procurement tender process as current contracts expire in March 2025

Background

All energy supplies (electricity and gas) are currently being operated on a multi council contract since 1st April 2023.

The current supply contract is a traditional supply contract whereby energy is purchased at competitive tendered rates applicable for a fixed supply period.

The current electricity and gas supply contracts expire on 31st March 2025, due to the complexity involved with tendering a volatile marketplace, council should begin preparation of documents now and be ready to offer out the supply contract during the first week of January 2025.

Council have two options for tendering:

- Participate in a multi council fixed price tender offering (currently under discussion with both the energy managers group and the procurement officers group)
- Tender to engage with an energy broker to forward purchase energy requirements.

A multi council offers a guaranteed supply rate over a fixed term i.e. 24 months, this does however tie council into a rate for the entirety of the contract, the price does not reduce when energy costs are lower, this also works from the perspective that the rate does not alter when there are peaks in the market, a fixed term contract is dependent on suppliers engaging on a term basis.

Risk passes to the supplier during the contract period, however suppliers will include a break clause in the contract to account for market fluctuations in the event that energy rises above the cost submission, suppliers will move council onto a deemed contract, the highest permitted cost of energy contract as previously used during 2022-2023.

An energy brokerage deal works by forward buying energy (Gas & Electricity) when the costs are lowest, the broker buys at the optimum purchase time using the ISEM (Integrated Single Energy Market) for Electricity and NBP (National Balancing Point) for Gas.

Energy broker will charge a fee, most likely within the £9 - £ 11,000 range per year, this fee is absorbed from the savings made with forward energy purchasing, there is risk that the energy market spikes as seen during 2021-2022, forward purchasing in bulk provides a degree of protection against energy spikes, Belfast City Council have successfully used an energy broker for the past number of years.

Financials

Previously our spend on energy 2023-2024 was £2,282,722.92, down from the previous year total of £ 2.64m.

Options

Council approves officers to move forward and investigate both tendering options and return in September with estimated costs for both a fixed contract and a brokerage contract.

Recommendation

It is recommended that Committee approve early engagement with the market in order to be prepared to tender for a fixed cost contract or an energy broker contract.

Councillor Wilson referred to the previous energy spend on gas and electric which had come down and was equivalent to 1% on the Rates, illustrating this was vitally important.

Proposed by Councillor Wilson
Seconded by Alderman Scott and

AGREED – to recommend that Council approve early engagement with the market in order to be prepared to tender for a fixed cost contract or an energy broker contract.

7. CORRESPONDENCE

7.1 Minister's Initial Budget allocations 2024/25

Copy, previously circulated, presented by the Chief Finance Officer.

7.2 Letter to Chief Executives - Initial Budget Allocations 2024/25

Copy, previously circulated, presented by the Chief Finance Officer.

7.3 Response from Department regarding Rates Support Grant Staffing and Overtime

Copy, previously circulated, presented by the Chief Finance Officer.

Finance Committee NOTED the correspondence Items 7.1-7.3 inclusive.

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Alderman Knight-McQuillan
Seconded by Councillor Wilson and

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

The information contained in the following items is restricted in

accordance with Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

*** Press was disconnected from the meeting at 7.15pm.**

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

8. MANAGEMENT ACCOUNTS PERIOD 12

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, presented by the Chief Finance officer.

The Chief Finance Officer clarified the Accounts are draft still finalising accounts for year end to submit to Department at the end of the month.

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 circulated detailed a summary of the financial position at period 12 (up to and including 31 March 2024):

Council is showing a favourable variance against budget at period 12 amounting to £3,282,065 which is an extremely encouraging position to be in as we close out the financial year. It should be noted that this however is not a surplus but rather a positive variance against budget, Council set a deficit budget for 2023/24 of £2.612m therefore once this position is confirmed following annual audit Council would be in surplus by £0.670m, increasing reserves by this amount.

Income and Expenditure Analysis was circulated within the confidential report.

It is recommended that Council approve;

The amount provided for the historic leisure services claim be moved into the Financial Recovery Reserve;

The amount of credit arising out of movements in discounted interest rates relating to the landfill provision be moved to the Financial Recovery Reserve to allow the reintroduction of this credit upon the unwinding of the discount factors in subsequent years;

That an additional £50,000 be added to the Election Reserve in anticipation of the next Local Government Election;

That an additional £70,000 be added to the Local Area Plan Reserve;
Recommendations 1 and 2 have already been reflected in the accounts, recommendations 3 and 4 will be included following committee approval.

Proposed by Councillor Holmes
Seconded by Alderman Knight McQuillan and

AGREED – to recommend that Council approve;

The amount provided for the historic leisure services claim be moved into the Financial Recovery Reserve;

The amount of credit arising out of movements in discounted interest rates relating to the landfill provision be moved to the Financial Recovery Reserve to allow the reintroduction of this credit upon the unwinding of the discount factors in subsequent years;

That an additional £50,000 be added to the Election Reserve in anticipation of the next Local Government Election;

That an additional £70,000 be added to the Local Area Plan Reserve;
Recommendations 1 and 2 have already been reflected in the accounts, recommendations 3 and 4 will be included following committee approval.

Councillor Holmes stated it was prudent to make the proposal, that may assist with long term funding.

Councillor Holmes raised a matter that had he said been discussed at Environmental Services Committee regarding space, and where to put people. Through the Accounts, he stated that in ten years there had never been anything done to address Council's Estate in order to get it offloaded. Councillor Holmes queried whether Senior Management Team (SMT) were looking at this issue, whether Finance Committee was the best place or otherwise, that someone needed to push on this matter.

In response to the Chief Finance Officer, Councillor Holmes stated that rather than waiting to the Rates Setting process, would it be possible for a report to be brought back in August or September, that early in the Term would be better. Councillor Holmes stated Land and Property only get involved when someone has decided to off load.

During the course of discussion, the Chief Finance Officer clarified Land and Property matters were dealt with through the Land and Property Sub Committee, through Corporate Policy and Resources Committee. The Chief Finance Officer stated it was still on the Agenda for SMT to look at rationalising the Estate, there were no formal reports, that once processes were tidied up, there will be reports brought through Committees to look at during the Rates Setting process, the earliest would be September.

The Chief Finance Officer advised he would find out the position on reports and come back to advise Elected Members.

Alderman Knight-McQuillan stated it was good to read the positive words, to see the report and was happy with the contents.

Councillor Kane advised it was impressive to come from a £2.6M deficit to end up in a surplus position.

Councillor Kane urged caution around how Council goes about rationalising its Estate, he advised that discussion at Tuesday evening's Environmental Services Committee had focused on place, rather than on need, it was important to look at the business need of the organisation and build what it needs. Councillor Kane advised there was still a sense of having four Council's working together from four different buildings rather than one entity, and to take a longer-term view on this.

9. STAFFING AND OVERTIME

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 provide members with information relating to staffing numbers and overtime following a recent request via AORB.

Background

The figures presented below are based on employees as at 01 April 2024.

The figures for agency workers are based on the February 2024 Agency Report.

The numbers below do not include seasonal staff.

All figures below are Full Time Equivalent (FTE).

Overtime figures for employees are based on the financial year ended 31 March 2024 and are attached as Appendix A

Overtime figures for agency staff are supplied by the agency based on the financial year ended 31 March 2024 and are attached as Appendix B

Recommendation

It is recommended that the Finance Committee recommends to Council to note the report and its contents.

In response to questions from Councillor Holmes, the Chief Finance Officer clarified the Structure related to 2015 unless there had been local amendments to it; the overtime figures included did not include seasonal staff and would be on top of the numbers; some posts had no scope for overtime, 10% staff qualify for overtime, the majority of overtime was in operational areas.

In response to Councillor Holmes, the Chief Finance Officer clarified overtime was looked at, Managers monitor overtime, he stated there were operational activities to undertake, that there was nothing Council could do about that and he assured variances outside normal patterns would be looked at.

The Chief Finance Officer advised he would get back to Finance Committee on the number of seasonal staff.

Finance Committee NOTED the report.

10. DEBT MANAGEMENT

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

Purpose of Report

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

Background

Council implemented a revised Debt Management Policy in July 2023.

Due to the implementation of the new finance system on 1 April last year an April 2023 aged debt comparison is not available therefore for the purposes of this report figures from May 2023 are being used.

Detail – Aged Debt Analysis

The following tables were circulated:

- As at 31st May 2024
- As at 31st May 2023

- Movement and comparison between last year and this year (31st May 2023 and 31st May 2024).
- Over 90 Days analysis

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.

Finance Committee NOTED the report.

11. TRANSFORMATION PLAN UPDATE

Confidential report, by virtue of paragraph(s) 3 & 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014, was previously circulated, presented by The Chief Finance Officer.

Purpose of Report

The purpose of this report is to present an update on the Transformation Action Plan in terms of Financial Governance

Background

Following completion of the Extraordinary Audit a number of recommendations were made to Council, these recommendations form the Transformation Action Plan with a section specific to Financial Governance relative to the work of the Finance Committee.

Recommendation FG4 requires that the Finance Committee be kept updated on a regular basis regarding progress on the implementation of the Financial Governance section.

Action Plan Progress – Financial Governance

The Action Plan has been updated to reflect the current status of each of the recommendations and is attached at Appendix A. Members are asked to note the update provided.

Most of the recommendations have now been actioned, of those remaining to be actioned two, FG2 and FG3, are in the hands of the Department for Communities who provided an update in May that the department had contacted SOLACE with a view to arranging training for Chief Financial Officers. The final outstanding recommendation, FG8, regarding training should be actioned in the next few weeks with training scheduled for 24 June for Heads of Service, the training will include an update of the regulation of Local Government Finance, Council

governance through agreed policies and procedures and a demonstration on the use of dashboard functionality of the new Finance system.

Recommendation

It is recommended that the Action Plan Update is considered and noted.

The Chief Finance Officer advised the remaining two actions sat with the Department, he had received an update that SOLACE were dealing with the delivery of training to the Chief Financial Officers and SOLACE were currently having difficulty identifying a trainer and were working on the issue.

Councillor Wilson sought further clarification of the delivery of the training.

The Chief Finance Officer stated he had expected the Department (DfC) were carrying out the training and issuing the guidance, he was surprised that DfC were in contact with SOLACE and SOLACE struggling with identifying someone to deliver the Training.

Alderman Knight-McQuillan advised that following the Transformation Implementation Oversight Panel meeting, she had hoped to receive a response, however, now it was not likely to be much further forward in the next couple of months, a recommendation enforced by the Department and Department were holding Council back on it. Alderman Knight-McQuillan stated it was good to see everything else green at the end of the month.

Finance Committee NOTED the report.

11.1 Financial Management Team - Minutes 5 June 2024

Confidential copy previously circulated, by virtue of paragraph(s) 3 & 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014, presented by The Chief Finance Officer.

Finance Committee NOTED the report.

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

There were no matters of Any Other Relevant Business.

MOTION TO PROCEED ‘IN PUBLIC’

Proposed by Councillor Kane,
Seconded by Councillor Mairs

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

* **Press were admitted to the meeting at 7.50pm.**

This being all the business, the Chair thanked Elected Members for their attendance and the meeting closed at 7.50pm.

Chair