

FINANCE COMMITTEE MEETING HELD THURSDAY 12 SEPTEMBER 2024

No	Item	Summary of Key Recommendations
1.	Apologies	<i>Alderman Callan, Councillor Mairs</i>
2.	Declarations of Interest	<i>None</i>
3.	Minutes of Finance Committee meeting held Thursday 13 June 2024	<i>Confirmed as a correct record</i>
4.	Prompt payments	<i>Note</i>
5.	De-rating grant forecast	<i>Note</i>
5.1	Appendix A - De-rating grant forecast	<i>Note</i>
6.	Actual Penny Product forecast	<i>Note</i>
7.	Correspondence - Derry City and Strabane District Council paper on Rates Support Grant	<i>Note</i>
	<i>'In Committee' (Items 8-14 inclusive)</i>	
8.	Consultations	
8.1	NJC Spine Review - draft response	<i>to recommend that Council approve the NJC Spine Review - draft response</i>
8.2	Adopting a UBR in Northern Ireland - financial information	<i>Note</i>
9.	Management Accounts period 4	<i>Note</i>
10.	Transformation Action Plan	<i>Note</i>
10.1	Appendix A - Transformation Action Plan	<i>Note</i>
10.2	Appendix B – Financial Management Team Minutes	<i>Note</i>
11.	Extension of Software Provider Contract	<i>to recommend that council approve the</i>

		extension of Contract with Technology One Limited to provide continued software support for the CiAnywhere system until 31 August 2025.
12.	Debt Management	Note
12.1	Appendix A - Debt Management	Note
13.	Rates estimates	
(i)	Wages and Salaries	to recommend that Council approve the Officer recommendation as detailed in paragraph 2.2 of the confidential report, previously circulated
(ii)	Energy costs	to recommend that Council approve the Officer recommendation as detailed at paragraph 2.3 of the confidential report, previously circulated
(iii)	Vehicle Fuel	to recommend that Council accept the Officer recommendation as detailed in paragraph 2.4 of the confidential report, previously circulated and allow Environmental Services the time to look at the outcome of the pilot and how they want to take the next steps in terms of that Policy; if there is a subsequent decision Committee can look at it again
(iv)	Insurance	to recommend that Council approve the Officer recommendation for the first draft as detailed in

		<i>paragraph 2.5 of the confidential report, previously circulated</i>
(v)	Rates	<i>to recommend that Council approve the Officer recommendation as set out in paragraph 2.6 of the confidential report, previously circulated</i>
(vi)	Balance Applied	<i>to recommend that Council approve the Officer recommendation as set out at paragraph 2.7 of the confidential report, previously circulated, at this stage; and that Council approve removal of the associated costs, pending what Leisure and Development present to Finance Committee</i>
(vii)	Rates Support Grant	<i>to recommend that Council approve Rates Support Grant budget at the level Council are getting for the current year</i>
(viii)	Rates Income	<i>to recommend that Council approve at this point the rates income is assumed to be based on the same rates base as the previous year, with no adjustment being made to the penny product figures, there may be an opportunity to amend these once estimated penny product figures are available which demonstrate sustained growth in that area, Council's current year penny product is positive after quarter 1.</i>

(ix)	Service income	<i>to recommend that Council approve the Officer recommendation as set out in paragraph 2.10 within the confidential report, previously circulated</i>
14.	Rates estimates - Environmental Services	<i>to recommend that Council bring a report back to look at running a Council wide reward incentive scheme for employees, that it is not put into Terms and Conditions.</i> <i>to recommend that Council approve the level of assumptions discussed for inclusion in the estimates.</i>
15.	Any Other Relevant Business (notified in accordance with Standing Order 12 (o))	<i>None</i>

**MINUTES OF THE PROCEEDINGS OF THE
FINANCE COMMITTEE HELD
IN THE COUNCIL CHAMBER, AND VIA VIDEO CONFERENCE,
ON THURSDAY 12 SEPTEMBER 2024 AT 7.01PM**

In the Chair: Councillor Huggins

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

In Attendance: Councillor Wilson (R) [Item 1-8.2 inclusive]

Officers Present: D Wright, Chief Finance Officer
A McPeake, Director of Environmental Services
S Duggan, Civic Support Officer

J Winfield, ICT Operations Manager

Press: (1 No) (R)

Key: (R) Attended Remotely

The Chief Finance Officer undertook a roll call.

The Chair advised Alderman Boyle was substituting for Councillor Mairs.

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

1. APOLOGIES

The Chair passed condolences to Councillor Mairs on behalf of committee on her recent family bereavement.

Apologies were recorded for Alderman Callan and Councillor Mairs.

It was advised that Councillor McQuillan and Councillor Schenning would join the meeting later.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

3. MINUTES OF FINANCE COMMITTEE MEETING HELD THURSDAY 13 JUNE 2024

AGREED – the Minutes of the Finance Committee Meeting held Thursday 13 June 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 2021 the latest data being for quarter 2 of 24/25 year, up to and including end of August 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.

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 August 88.68% (July 92.49%) of invoices were paid within 30 days, a greatly improved starting position when compared to the figures from the previous year where 85.80% was recorded for the entirety of Q2 compared to 90.93% for the current year thus far. This does represent a slight reduction in performance from Q1 which was 91.06%.

There were no questions put.

Finance Committee NOTED the report.

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	6890	4706			11596
Total amount paid	£ 15,645,094	£ 9,607,685			£ 25,252,779
Number of invoices paid within 10 days	5304	3575			8879
% of invoices paid within 10 days	76.98%	75.97%			76.57%
Number of invoices paid within 30 days	6274	4270			10544
% of invoices paid within 30 days	91.06%	90.74%			90.93%
Number of invoices paid outside 30 days	616	436	0	0	1052
% of invoices paid outside 30 days	8.94%	9.26%			9.07%
No. of Disputed Invoices	37	28			65
% of disputed invoices	0.54%	0.59%			0.56%
Average Payment Days	11.86	11.56			11.74
*Incomplete period					

5. De-rating grant forecast

Report and Appendix A - De-rating grant forecast 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 2024/25. This indicates a positive finalisation at the end of June 2024 of approximately £2k. 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

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 quarter in year forecast for the APP based on figures at 30 June 2024 and the interim monthly forecast as at 31 July 2024. The forecast for Causeway Coast and Glens Borough Council has been based on in year assumptions for both sets of figures.

Monthly Analysis table was circulated within the report.

Additional analysis

The figures indicate a significant projected finalisation in terms of rates income for Council however it is 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 a strong start to 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.

APP analysis

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

Finance Committee NOTED the report.

7. CORRESPONDENCE - DERRY CITY AND STRABANE DISTRICT COUNCIL PAPER ON RATES SUPPORT GRANT

Copy correspondence circulated.

The Chief Finance Officer advised Derry City and Strabane District Council were circulating the paper to all Councils, NILGA was adopting it as a Council wide position and it had been tabled for information. The Chief Finance Officer advised there may be other considerations specific to this area, for example the age profile, that by cutting Rates Support Grant there may be disparity affecting the older population which was 2% higher in Causeway Coast and Glens than the NI average in other Council's. The Chief Finance Officer advised, that as the Rates Support Grant review continued, Council may be asked to adopt that, as a position this Council would have.

Councillor Peacock stated the paper was being discussed and presented at the Partnership Panel Meeting and it would be interesting to see now that Local Government have an opportunity to take forward and have discussion with the Central Government partnership.

Councillor Holmes stated the report was very interesting and queried whether Council was asked to give support to it, or adopt its own?

The Chief Finance Officer clarified he was not asking Committee to adopt the paper this evening, as it would take some time to read, but, that he was content to take suggestions.

Councillor Holmes suggested that Council draw up its own paper and fight for the rural areas. He stated that Derry City and Strabane District Council were to be commended for producing the document.

The Chief Finance Officer stated he could bring a report to the next Committee meeting.

Alderman S McKillop referred to the huge rural area and to highlight this going forward.

The Chief Finance Officer clarified the age profile was an example, and another, that Causeway Coast and Glens was the second largest geographical area, which could be fed into the paper, additionally, there may be other

factors. He clarified that, equally, there may be considerations within the Derry City and Strabane paper that do not apply to Council.

Finance Committee NOTED the correspondence.

8. Consultations

8.1 NJC Spine Review - draft response

Copy circulated, presented as read.

The Chief Finance Officer invited a recommendation to Council to approve the response which had been drafted along with himself and the Head of OD/HR.

Proposed by Alderman Coyle
Seconded by Alderman Scott

– to recommend that Council approve the NJC Spine Review draft response.

The Chair put the motion to the Committee to vote.

The Chair declared the motion carried.

AGREED - to recommend that Council approve the NJC Spine Review - draft response.

8.2 Adopting a UBR in Northern Ireland - financial information

Copy circulated, presented as read by the Chief Finance Officer – Should Northern Ireland Adopt a Business Uniform Rate (UBR)?, a document from Ulster University.

The Chief Finance Officer advised he was contacted by Ulster University for a view on adoption of a Adopt a Business Uniform Rate for NI.

The Chief Finance Officer advised that a Uniform Business Rate set by Stormont for NI would mean that Council would lose its autonomy, setting its own rates domestic and non-domestic rate. The Chief Finance Officer outlined issues of concern to him.

The Chief Finance Officer advised the document would be considered at a Finance Officer's Meeting the following day and a report back to committee next month. The report could also be considered in Party Groups and responses made to himself, or meetings could be set up. He considered a robust response was required. The Chief Finance Officer advised of issues around the data shared and the process of a Unified Business Rate.

Councillor Holmes asked who was behind the report? The Chief finance Officer advised he thought it was the Department of Finance.

Councillor Holmes queried the advantages, he could think of only one, that if investing in Northern Ireland, it would be the same rate and that not too much time should be spent on this matter.

The Chief Finance Officer considered a business in Coleraine, depending on their valuation would know they are paying the same rates as a business in Belfast, Enniskillen or Derry, to bring uniformity.

The Chief Finance Officer outlined reasons why Council would not undertake a UBR, he felt it was a power grab by Central Government to weaken the position of local Councils in terms of businesses. An expectation to deliver economic development, but not to raise revenue through business rates, that programmes between Councils would be very different. The Chief Finance Officer advised of a similar view from colleagues and that SOLACE and NILGA may get involved.

Councillor Kane stated they did not know the background to the paper, to invite the author of the paper to come and present, in order to understand where it was coming from and how strong Council needed to be in response.

The Chief Finance Officer stated he did invite the author or the person carrying out the review to present to committee, that he was unsure if the person had been invited to a Finance Officers meeting and he would find out; he advised he did obtain a Terms of Reference and would circulate it to Committee.

Councillor Nicholl advised there was an Executive meeting the following day that it could be raised at. Councillor Nicholl agreed to the author being invited to present to Committee.

Finance Committee NOTED the correspondence.

- * **Councillor Wilson left the meeting at 7.19pm during consideration of this item.**
- * **Councillor Schenning joined the meeting at 7.23pm during consideration of the above item.**

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Councillor Kyle
Seconded by Alderman Boyle and

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.

- * **Press left the meeting at 7.32pm.**

The Chair reminded Committee of the audio recordings procedure.

9. MANAGEMENT ACCOUNTS PERIOD 4

Confidential report by virtue of paragraph(s) 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 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 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 circulated detailed a summary of the financial position at period 4 (up to and including 31 July 2024).

Council is showing a favourable variance against budget at period 4 amounting to £837,015 however it should be noted that in Period 4 £552,252 of this figure arises from exceptional income, that income being interest connected to a historic VAT claim which has only been 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 4 favourable variance of £284,763 which is a solid position to be in at this point in the financial year. This represents an improvement of Approximately £161,000 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 £0.147m, decreasing reserves by this amount.

Further confidential information was detailed within the report and taken as read.

In response to Councillor Holmes, the Chief Finance Officer advised the money that came in for interest was labelled 'exceptional income' within the first table under paragraph 1.2.

Councillor Holmes referred to high Tourism and Recreation income. The Chief Finance Officer confirmed Tourism and Sport and Wellbeing was favourable due to a recent investment of £1m in Leisure Centres and a result of a Leisure Centre fitness membership drive, the timing of Easter and that savings where some caravan Parks were not fully staffed initially.

Councillor Kyle queried the loss on seasonal car parking charges which had been budgeted for within rates setting.

In consultation with the Director of Environmental Services, The Chief Finance Officer clarified £257,000.

Finance Committee NOTED the report.

10. TRANSFORMATION ACTION PLAN

Confidential report by virtue of paragraph(s) 3 & 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 was presented as read 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 Extra Ordinary 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.

All but two of the recommendations have now been actioned, those remaining to be actioned, FG2 and FG3, are in the hands of the Department for Communities who have last indicated that it is unlikely that these will be completed by the October deadline. The final outstanding recommendation with Council responsibility, FG8, regarding training was actioned on 24 June for Heads of Service, the training including 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. Council officers are meeting the Department at the quarterly Finance Working Group meeting on Tuesday 10th September and an update on the two actions will be sought.

Also attached at Appendix B (circulated) are the minutes of the FMT meetings held internally to discuss management accounts and finances with the Senior Management Team as required as part of the transformation plan.

Recommendation

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

The Chief Finance Officer advised the outstanding areas, training for Chief Financial Officers of Councils, in this Council was held by the Chief Executive, to date had not happened. That at a meeting with the Department of Finance Working Group on Tuesday, an update on the 2 outstanding recommendations at this stage was that CIPFA, a professional accounting body, would provide some information and training and Local Government Staff Commission (LGSC) would look at an e-learning module the Officers can use to deliver. No timelines had been supplied. The Chief Finance Officer stated Sub Committee Members had expressed disappointment at the Transformation Implementation Oversight Panel held on Monday past.

Finance Committee NOTED the Action Plan Update.

There were no comments posed.

10.1 Appendix A - Transformation Action Plan

Copy circulated.

Finance Committee NOTED the report.

10.2 Appendix B – Financial Management Team Minutes

Copy circulated.

Finance Committee NOTED the report.

11. EXTENSION OF SOFTWARE PROVIDER CONTRACT

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

Background

In 2021 Council embarked on the implementation of a new Finance and Payroll system replacing the soon to be discontinued TotalMobile system with a product called CiAnywhere from Technology One Limited.

Detail

The contract was procured through a framework agreement and was for a potential 4 year deal including extensions, as of August Council is entering the final extension year of that deal.

As the cost of the annual licence exceeds delegated limits Council approval is required and due to there being no committees during July and August this approval is retrospective.

The annual licence for CiAnywhere costs £111,167 and this has been included in the Finance Department's revenue budgets for 2024/25.

Recommendation

It is recommended that council approve the extension of Contract with Technology One Limited to provide continued software support for the CiAnywhere system until 31 August 2025.

There were no questions posed.

Proposed by Councillor Kyle
Seconded by Councillor Kane and

AGREED – to recommend that council approve the extension of Contract with Technology One Limited to provide continued software support for the CiAnywhere system until 31 August 2025.

12. DEBT MANAGEMENT

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

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 August 2024 and compares this to the position at 31 August 2023.

Detail – Aged Debt Analysis

As at 31st August 2024 was circulated.

As at 31st August 2023 was circulated.

Movement and comparison between last year and this year (31st August 2023 and 31st August 2024) was circulated.

With regards the 90 days and over figures there are customers who have entered administration totalling £254.32, 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. There are also balances amounting to £227,092 relating to customers who pay by direct debit therefore these are not of any immediate concern to Council. A further £152,584 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.

Over 90 Days analysis

The tables attached as appendix A to this report detail the status of any debt which was over 90 days in excess of £10 currently (excluding third party invoices and direct debit accounts):

The table below sets out such debts that have been cleared since the last report in June (circulated).

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.

Councillor Holmes queried whether other caravan parks invoiced for electric or what is pay-as-you-go?

The Chief Finance Officer advised he was not aware of other caravan parks arrangements.

Finance Committee NOTED the report.

12.1 Appendix A - Debt Management

Confidential document previously circulated.

Finance Committee NOTED the Appendix.

13. RATES ESTIMATES

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

Councils are required under Section 3 of the Local Government Finance Act (Northern Ireland) 2011 to consider the estimates of income and expenditure for the following year, Council may revise those estimates but must ultimately approve and authorise estimated expenditure required to provide the services of Council. Finally, the approved amount of estimated expenditure required to provide these services is fixed by means of a rate on the local ratepayers.

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 and to seek Council agreement on the setting of general assumptions for inclusion within those estimates.

The agreed assumptions will be included in a first draft of estimates to be tabled at the next Finance Committee.

The factors being discussed are laid out in some more detail below. At this stage there are many factors the outcome of which are unknown but we can make some judgements about these. This first draft will be at the highest level and will 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.

Background

In considering the first draft of the rates there are a number of significant high level pressures which we must include.

The Chief Finance Officer put the format of the recommendations to the Committee to either consider collectively or consider each individually. The Chief Finance Officer provided a narrative with each recommendation that he advised was an initial draft and could be revised later.

* **Councillor McQuillan joined the meeting at 7.41pm.**

The Chair suggested the ten recommendations were considered one at a time and sought Committees contentment on the way forward.

- (i) **Wages and Salaries** – by far the largest cost to the Council. Currently the pay award for 2023/24 has not been agreed at national level therefore our baseline is not known with certainty as there now exists the possibility of an improved pay offer from the National Joint Council (NJC) who negotiate on all Local Authorities behalf across the United Kingdom. The Proposed National pay offer for 2023/24 equates very closely to the budgetary inclusion in 2024/25 estimates of 4%, any improved offer will therefore exceed the budgeted increase for the current financial year and in that event we will need to make up that shortfall before considering any inclusion for 2025/26. The Officer recommendation to cover the current year and percentage for 2025/26 was provided within the confidential report, previously circulated.

Proposed by Councillor Kane
Seconded by Alderman Boyle and

AGREED – to recommend that Council approve the Officer recommendation as detailed in paragraph 2.2 of the confidential report, previously circulated.

- (ii) **Energy costs** – current indications are that energy costs continue to be relatively stable however that could change with the onset of winter and further market destabilisation. Council did agree to reduce the budgets in this area significantly due to improving market conditions and at period 4 Council is running slightly favourable (3.6%) against budget. The Officer recommendation for the percentage increase for energy budgets was provided in the confidential report, previously circulated.

Proposed by Alderman Coyle
Seconded by Councillor Kyle and

AGREED – to recommend that Council approve the Officer recommendation as detailed at paragraph 2.3 of the confidential report, previously circulated.

Alderman S McKillop stated she was content to second the motion.

- (iii) **Vehicle Fuel** – as with energy costs fuel does appear to be more stable however at period 4 Council is running adverse against budget by approximately 12.3%. This may partly be due to the use of Hydrotreated Vegetable Oil (HVO) in some vehicles which has been slightly more expensive than traditional fossil fuels. Council has a choice of strategies in this instance, does Council

A – continue with fossil fuels at a slightly lower cost; or

B – switch to HVO on all possible vehicles taking advantage of the environmental benefits of such a decision but at a slightly higher cost potentially?

It is recommended that Council consider the options and if required a paper on option B be presented to the Environmental Services committee for consideration in advance of finalising budgets.

Councillor Holmes queried whether the MPG's (miles per gallon) were known, the difference between HVO and diesel? Following discussion Councillor Holmes suggested long term Council could have vehicles using both. Councillor Holmes expressed concerned 12% on the budget, he questioned was it costing more or more mileage?

The Director of Environmental Services advised there was no difference on the fuel economy, and confirmed more expensive on the cost to buy, that Council was running four Refuse Collection Vehicles, out of a fleet of 30 vehicles on it and that 12% covered the whole fleet.

The Chief Finance Officer advised the 12% adverse against budget covered the entire fleet that uses fuel anywhere in Council. The Chief Finance Officer stated more analysis would need to be undertaken on the 12.3% adverse and bring back to the next Finance Committee.

Councillor Kane sought clarification as the terminology within the report stated, 'may'. Councillor Kane stated fuel a volatile cost, and whether HVO was more stable? Councillor Kane considered a move to HVO, that there could be further discussion at the Climate Emergency Forum and that if Council were to move, what impact would that have on its carbon budget.

The Chief Finance Officer clarified HVO cost would fluctuate and tracks fossil fuel prices, the differential had closed and it was a more affordable question currently.

Alderman S McKillop requested information on the reasons why there was a high variation of 12% against the budget.

Councillor Peacock considered Finance Committee was not the place to discuss or determine Environmental policies, however for the purposes of Finance committee that it accept the Officer recommendation in the estimates at this stage and Environmental Services undertake a cost benefit analysis and analysis of the impact on Council's net zero targets.

Proposed by Councillor Peacock
Seconded by Councillor Schenning and

AGREED – to recommend that Council accept the Officer recommendation as detailed in paragraph 2.4 of the confidential report, previously circulated and allow Environmental Services the time to look at the outcome of the pilot and how they want to take the next steps in terms of that Policy; if there is a subsequent decision Committee can look at it again.

Alderman S McKillop stated she agreed with the comments from Councillor Peacock and requested input from the Director of Environmental Services.

The Chair clarified a report would be taken through Environmental Services Committee and was something staff could work on meantime.

- (iv) **Insurance** – insurance costs have come in slightly below budget for 2024/25. The Officer recommendation for the budget was provided within the confidential report, previously circulated.

Councillor Holmes sought clarification as he had considered his personal insurance costs had risen significantly.

The Chief Finance Officer advised the Insurance budget had increased in recent years and hoped had plateaued, it was currently favourable against budget.

Proposed by Councillor Kyle
Seconded by Councillor Kane and

AGREED – to recommend that Council approve the Officer recommendation for the first draft, as detailed in paragraph 2.5 of the confidential report, previously circulated.

- (v) **Rates** – Rates on Council property have come in slightly below budget for 2024/25 The Officer recommendation for the rates budgets was provided within the confidential report, previously circulated.

No questions were put.

Proposed by Councillor Kane
Seconded by Alderman Boyle and

AGREED – to recommend that Council approve the Officer recommendation as set out in paragraph 2.6 of the confidential report, previously circulated.

- (vi) **Balance Applied** – For 2024/25 Council set a budget which was in deficit by £431,585. The Officer recommendation surrounding the balance applied for 2024/25 was provided within the confidential report, previously circulated.

The Chief Finance Officer also advised this decision would be dependent on what Leisure and Development present to Finance Committee.

Councillor Kane queried how sponsorship was mitigating against the cost.

The Chief Finance Officer clarified sponsorship was budgeted within the overall net cost, that the Air Show had cost more and income through Trade Stands, programme sales etc, the figures would come through the October meeting.

Proposed by Councillor Wisener
Seconded by Councillor Kane and

AGREED – to recommend that Council approve the Officer recommendation as set out at paragraph 2.7 of the confidential report, previously circulated, at this stage; and that Council approve removal of the associated costs, pending what Leisure and Development present to Finance Committee.

- (vii) **Rates Support Grant** – There is ongoing uncertainty regarding rates support grant finding and coupled with that Council's share of the grant received has reduced in recent years. The Officer recommendation surrounding Rates Support Grant was set out within the confidential report previously circulated.

Councillor Peacock considered the Officer recommendation a prudent approach however offered as an alternative to retain at current levels.

The Chief Finance Officer clarified this was an internal document and he was happy to include the level Council are at in the current year as an assumption.

Proposed by Councillor Peacock
Seconded by Alderman Boyle and

AGREED – to recommend that Council approve Rates Support Grant budget at the level Council are getting for the current year.

* **Alderman S McKillop left the meeting at 8.17pm.**

- (viii) **Rates Income – it is recommended** at this point the rates income is assumed to be based on the same rates base as the previous year, with no adjustment being made to the penny product figures, there may be an opportunity to amend these once estimated penny product figures are available which demonstrate sustained growth in that area, Council's current year penny product is positive after quarter 1.

Councillor Peacock stated this was a prudent approach.

Councillor Kyle concurred this was a cautious approach.

Proposed by Councillor Peacock
Seconded by Councillor Kyle and

AGREED – to recommend that Council approve at this point the rates income is assumed to be based on the same rates base as the previous year, with no adjustment being made to the penny product figures, there may be an opportunity to amend these once estimated penny product figures are available which demonstrate sustained growth in that area, Council's current year penny product is positive after quarter 1.

- (ix) **Service income** – Council generates a significant amount of income from its own services however not all of the various fees are set by Council, there are quite a number of charges which are defined in legislation and cannot therefore be amended. Future drafts of the estimates will look at each area in more detail for each specific income budget, in some cases (eg: caravans) there is a defined formula for fee increases which, subject to the relevant committee approval, will be applied eventually. The Officer recommendation surrounding the first draft for these budgets was set out within the confidential report, previously circulated.

Proposed by Councillor Kane
Seconded by Councillor Kyle and

AGREED – to recommend that Council approve the Officer recommendation as set out in paragraph 2.10 within the confidential report, previously circulated.

Other Factors

Whilst provision has been made for all those influences detailed above there remain many areas to be considered over the next couple of months. Areas such as waste have not yet been considered in detail but have the potential to make a significant impact. Environmental Services will be presenting to this committee later to allow initial examination of those areas in some more detail. Councillors are encouraged to raise any other factors they believe should be considered at this stage.

Next steps

All of the recommendations agreed at this committee will be factored into a first draft of the estimates which will be presented to the Finance Committee in October. Officers will also include provision for other areas not mentioned above that have been considered by this or other committees.

14. RATES ESTIMATES - ENVIRONMENTAL SERVICES

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 Director of Environmental Services.

Purpose of Report

The purpose of this report is to inform members of the pressures being faced by the Environment Services directorate in terms of financial budgeting and the setting of the rate for 2025/26 and to seek Council agreement on the setting of general assumptions for inclusion within those estimates.

The agreed assumptions will be included in a first draft of estimates to be tabled at the next Finance Committee.

The factors being discussed are laid out in some more detail below. At this stage there are many factors the outcome of which are unknown but we can make some judgements about these. This first draft will be at the highest level and will 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.

Background

In considering the first draft of the rates there are a number of significant influences on service delivery within the directorate which we must include.

Confidential report, previously circulated, was discussed.

Summary of Increased Pressures

The total of pressures is approximately £890,806.

Other Factors

To offset the increases some proposals can be reviewed and brought back to Members for further consideration.

Building Control Income is currently tracking ahead of budget. If this trend continues there could be potential to increase the income.

Car Parking Charges can be reviewed again.

Trial robotic mowers for pitches. Estimated savings to be confirmed.

Next steps

All of the recommendations agreed at this committee will be factored into a first draft of the estimates which will be presented to the Finance Committee in October. The Environmental Services committee will also be considering provision for other areas not mentioned above.

Recommendation

It is recommended that Council agree the level of assumptions discussed for inclusion in the estimates.

The Director of Environmental Services drew Committee's attention to an error within paragraph - Contract Inflationary Increases.

Councillor Holmes queried what the 'additional' was regarding the Town Wardens for Kilrea/Garvagh.

The Director of Environmental Services stated the additional was for the other towns listed. The Director of Environmental Services clarified Kilrea/Garvagh had been removed and reinstated.

Councillor Holmes stated he was not aware of wardens being removed, more was being spent and in Ballycastle and Portrush but Council had lost £257,000 in car parking fees which would pay for this and Council would need to look at being able to afford one without the other.

Councillor Holmes questioned whether Council had considered rewarding staff for coming up with savings, a scheme which would be in the private sector.

The Chief Finance Officer clarified Terms and Conditions had no provision for performance related pay or bonuses, and would be very restricted, a paper would have to be brought back with a Policy and negotiated with JCNC and a change to Terms and Conditions. The Chief Finance Officer advised a report could be brought back however he was hesitant around the Policy setting around it.

Councillor Holmes proposed that a paper be brought back.

The Chair stated she was aware of incentive payments and personally did not see how that would work and provided an example of the proposed outworkings.

Councillor Kane stated bonus payments were for private sector, staff were happy to share ideas about service improvement and how to better a service to the ratepayer without expecting incentivization.

Councillor Kane referred to the introduction of an additional resource to target dog fouling and a potential increased revenue, he queried how much of £217,000 could be offset by the potential income there. Councillor Kane stated there had been a positive difference in Ballymoney street cleansing. Councillor Kane stated Council did need to look at car park income again and sought an update with the consultation.

The Director of Environmental Services advised the Car Parking Consultation would be issued on Monday.

Alderman Coyle stated rewards could be given in other ways and suspected it would be difficult practically to do.

The Chief Finance Officer stated he was by The Director of Environmental Services that here had been a bonus system in place in Legacy Councils until 2009, where parts of Council was set up as a trading unit and in some Councils bonuses had to be bought out. He would try to find old contracts to see how it would work, it was a private sector idea to make Council's more efficient and did not last very long.

Proposed by Councillor Holmes
Seconded by Councillor Wisener and

AGREED – to recommend that Council bring a report back to look at running a Council wide reward scheme incentive for employees, that it is not put into Terms and Conditions.

The Chief Finance Officer clarified remuneration of employees would become a Term and Condition in the Public sector, negotiated with Trade Unions.

Proposed by Councillor Kane
Seconded by Councillor Holmes and

AGREED – to recommend that Council approve the level of assumptions discussed for inclusion in the estimates.

MOTION TO PROCEED 'IN PUBLIC'

Proposed by Councillor Kyle
Seconded by Councillor Holmes and

AGREED – to recommend that Finance Committee move '*In Public*'.

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

There were no matters of Any Other Relevant Business.

This being all the business, the Chair thanked Elected Members for their attendance and the meeting closed at 8.46pm.

Chair