

FINANCE COMMITTEE MEETING THURSDAY 19 DECEMBER 2019

| No | Item | Summary of key Recommendations |
|-----------|--------------------------------|---|
| 3 | Period 7 Management Accounts | <i>Head of Sport and Wellbeing in attendance</i> |
| 4 | Voluntary Severance Summary | <i>Information</i> |
| 5 | Council Borrowing Projections | <i>Information</i> |
| 6 | Rates Estimate Summary 2020/21 | <i>Hold Party break-out sessions with Directors at next meeting</i> |
| 7 | PwC Efficiency Proposals | <i>Standing Agenda Item – Update on Zero Based Budgeting</i> |
| 8 | Financial Advice Tender | <i>Approve PwC Tender at a cost of £22,035.00</i> <i>Standing Agenda Item – Engagement with Consultant</i> |

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF
THE FINANCE COMMITTEE
HELD IN COUNCIL CHAMBER, CIVIC HEADQUARTERS ON
THURSDAY 19 DECEMBER 2019 AT 7 PM**

In the Chair: Councillor Peacock

Members Present: Alderman Hillis and McCandless;
Councillors Beattie, Callan, Knight-McQuillan,
Nicholl, McAuley, McLean, Schenning and Scott

Officers Present: D Jackson, Chief Executive
D Wright, Chief Finance Officer
W McCullough, Head of Sport and Wellbeing
B Tohill, General Manager, Sport and Wellbeing
S Duggan, Civic Support & Committee & Member Services Officer

SUBSTITUTIONS

Councillor Nicholl substituted for Councillor McGurk.

1. APOLOGIES

Apologies were recorded for Alderman Duddy, Councillors Bateson, Chivers, Holmes and C McShane.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Councillor Schenning
Seconded by Councillor Beattie and

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

3. PERIOD 7 MANAGEMENT ACCOUNTS

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

Causeway Coast and Glens Borough Council has approved annual budgets and delegated authority to officers to utilize these budgets in the provision of services to rate payers.

A management accounts report detailing the financial position as at period 7 of the 2019/20 financial year (up to 31 October 2019) together with a single page summary was circulated. Also included was a commentary regarding individual areas of Council explaining deviations from budget.

The Head of Sport and Wellbeing introduced B Tohill, General Manager, Sport and Wellbeing.

Councillor Callan questioned the overspend of 114% in the estates budget and the lack of control over the element of cost. The Head of Sport and Wellbeing advised the definition was the upkeep and repair of facilities Sport and Wellbeing were responsible for; buildings, leisure centres, community centres, MUGA, play parks and pitches to fix, repair and maintain.

The Chief Finance Officer advised the global maintenance budget held did not reflect the true cost of the direct estates charges, the actual budget for the full cost of facilities was being built and nearing completion and was the reason for the costs being higher than reported previously.

The Head of Sport and Wellbeing agreed to circulate figures in relation to cover for sickness absence in leisure facilities. Councillor McAuley considered the lack of budget in this regard was required to be looked at.

The Head of Sport and Wellbeing advised that at the Workshop to be held in January, information would be presented to Members with a view to increasing income, caveat with an investment.

* **Head of Sport and Wellbeing and General Manager, Sport and Wellbeing left the meeting at 7.45PM.**

4. VOLUNTARY SEVERANCE SUMMARY

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

Causeway Coast and Glens Borough Council has approved since its inception operated the Local Government Reform Voluntary Severance scheme.

The Local Government Reform Severance Scheme sets out the circumstances under which an employee may avail of redundancy, the procedures which must be followed in facilitating the redundancy and the terms of the redundancy including monetary compensation for the employee concerned. In summary a post can be made redundant provided

the maximum payback period of 3.25 years is not exceeded in any given scenario.

Committee was provided with detail on the Severance Opportunities to date, projected Severance 2019/20 and Severance Financing.

Committee was informed Council has applied to the Department for Communities (DfC) for a capitalisation direction to the value of £4m. The remaining amount available to DfC for allocation is £8.5m however applications totalling £13.8m have been received from councils. It was agreed at a Finance Working Group in December that DfC write to all applicants for an update regarding their requirements with a view to possibly reducing the amount applied for. Should the initial allocation be pro-rata Council will receive a direction for £2,463,768 however the exact amount will not be known until after March 2020.

The reason for granting a severance package is to allow Council to reap the budgetary benefit in future years from removing the post in question from the structure. The severance packages detailed will generate a reduction in overall payroll costs amounting to approximately £3.5m.

Councillor McAuley sought information on current staffing levels compared to legacy Councils' staffing levels. The Chief Executive advised efficiencies had been made with voluntary severance and retired staff having not been replaced, he was aware Causeway Coast and Glens had the highest voluntary severance efficiencies amongst Councils and reminded committee of the additional Council function of Community Planning.

5. COUNCIL BORROWING PROJECTIONS

Confidential report, previously circulated, to inform Committee of the position regarding Council's loans portfolio.

The Chief Finance Officer informed Committee a report would be brought to January Corporate Policy and Resources Committee to seek authorisation to draw down loans and replenish cash Reserves.

6. RATES ESTIMATE SUMMARY 2020/21

Confidential report, previously circulated, to inform Committee of the initial pressures being faced by Council in terms of financial budgeting and the setting of the rate for 2020/21. The summary table detailed 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 2020/21.

The draft estimates as tabled has necessitated a number of assumptions being made and their impact included to allow Council to consider their consequences. These were laid out in detail. At this stage there are many factors the outcome of which are unknown but we can make some judgements about these. The draft was the highest level and does not take into account a great deal of the detail which officers will consider over the next couple of months to construct the budgetary requirements for the next financial year.

The Chief Executive advised he had engaged with the Permanent Secretary over the impending further reduction in Rates Support Grant and urged Committee to lobby their Party Leaders.

The Chief Executive advised that in advance of the Rates strike meeting, committees would be bringing savings proposals during January for decision.

At the next Finance Committee it was recommended that in consideration of the Management Accounts, Committee hold break-out sessions for Party Groups with rotating round table discussions with Directors on the detail of proposals.

Proposed by Councillor Callan
Seconded by Councillor Schenning and

AGREED – to recommend the Finance Committee hold break-out sessions for Party Groups with rotating round table discussions with Directors on the detail of proposals.

The Chair put the proposal to the Committee to vote.

Committee voted unanimously in favour.

The Chair declared the motion carried.

7. PWC EFFICIENCY PROPOSALS

Confidential report, previously circulated.

The purpose of the report was to provide Elected Members with an overview of potential areas for efficiency identified by PWC as part of the recent zero based budgeting exercise. The overview was circulated.

PWC has carried out recent work in conjunction with Council Officers, to identify the cost of operating the Council from a zero based budgeting perspective.

As part of the process, a number of cost areas and processes were identified that require further investigation with a view to operational efficiencies. The circulated report highlighted the areas identified by PWC.

Progress has been made since the report was written and Elected Members were briefed.

It is recommended that the Finance Committee note the report and the work undertaken by Council Officers to address the issues raised.

The Chief Finance Officer provided an update on the Actions from work carried out on Zero Based Budgeting, this would be circulated to Committee. The Chief Executive agreed to have the Item placed as a Standing Item on the Finance Committee Agenda.

Alderman McCandless queried an in-house transformation, the Chief Executive advised work carried out to date with PwC provided what Councillors had asked, independent advice, scrutiny and quality assurance, an in-house transformational framework could be undertaken. Alderman McCandless stated his satisfaction with the way forward.

Councillor Scott referred to a previously deferred report on essential car user Policy, the Chief Executive advised it would be brought to the Corporate Policy and Resources Committee to include a Tupé element.

Councillor Scott, commenting on the budgetary process, stated he was glad to see budget holders buying in and taking ownership.

8. FINANCIAL ADVICE TENDER

The Chief Executive stated he had invited 6 potential suppliers to tender based on 2 days per month for 6 months.

3 Expressions of Interest had been received and 1 tender had been receipted from PwC. The Chief Executive advised he could go back to the market to obtain additional bids, or to proceed with the submission, of which he had a copy to be circulated.

Councillor Callan requested a recess to read the Tender document.

*** Committee held a recess from 9.41pm-9.55pm.**

Proposed by Councillor Callan
Seconded by Alderman Hillis and

AGREED - to recommend that Council approve the Tender from PwC, at a cost of £22,035.00

The Chief Executive advised engagement with the appointed consultant would be a Standing Item on the Finance Committee Agenda.

MOTION TO PROCEED 'IN PUBLIC'

Proposed by Councillor Scott
Seconded by Councillor Knight-McQuillan and

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

There being no further business, the Chair thanked Members and Officers for their hard work and wished all a Happy Christmas, the meeting concluded at 9PM.

Chair