

**FINANCE COMMITTEE MEETING
TUESDAY 30 JUNE 2020**

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No	Item	Summary of Key Recommendations
1.	Apologies	<i>Noted</i>
2.	Declarations of Interest	<i>None</i>
3.	Minutes of meeting held 27 th February 2020	<i>Confirmed</i>
4.	Minutes of meeting held 12 th March 2020	<i>Confirmed</i>
	<i>'In Committee' (Items 5-8 inclusive)</i>	
5.	Period 12 Management Accounts	<i>Information</i>
6.	Covid-19 Financial Support	<i>Working Group Covid-19 Recovery</i>
7.	Finance Policy Manual	<i>Information</i>
8.	PwC financial advice	<i>Noted</i>
9.	Any Other Relevant Business (Notified in Accordance with Standing Order 12 (o))	<i>None</i>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF
THE FINANCE COMMITTEE
HELD IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS AND BY VIDEO
CONFERENCE ON
TUESDAY 30 JUNE 2020 AT 7.00 PM**

In the Chair: In the absence of the Chair the Vice-Chair, Councillor Bateson took the Chair.

Members Present: Alderman Hillis
Councillors Beattie **Remote**, Holmes, McAuley, Callan **Remote**, McLean, McQuillan, Nicholl, Schenning **Remote**, Scott, Peacock **Remote** and Wilson **Remote**

Officers Present: D Jackson, Chief Executive
R Baker, Director of Leisure & Development **Remote**
A McPeake, Director of Environmental Services

Remote
P Donaghy, Democratic and Central Services Manager **Remote**
A Ruddy, Audit, Risk and Governance Officer **Remote**
S Duggan, Civic Support & Committee & Member Services Officer **Remote**
I Owens, Committee & Member Services Officer (Temp)
A Lennox, ICT Mobile Operations Officer **Remote**
J Winfield, ICT Operations Manager **Remote**
C Thompson, ICT Operations Officer
P McColgan, Head of ICT,
C Ballentine, ICT WiFi Operations Officer

In attendance: J Davidson, PwC **Remote**
Alderman Finlay **Remote (Item 1-7)**
Alderman Robinson **Remote (Item 1-8)**

1. APOLOGIES

Apologies were recorded for Alderman Duddy and Councillor McCaw.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Councillor Scott
Seconded by Councillor McLean

AGREED – that Committee move *'In Committee*

3. MINUTES OF MEETING HELD 27TH FEBRUARY 2020

The minutes of the Finance Committee held on 27th February 2020 were confirmed as a correct record.

4. MINUTES OF MEETING HELD 12TH MARCH 2020

The minutes of the Finance Committee held on 12th March 2020 were confirmed as a correct record.

Councillor Holmes referred to Item 5.1 Departmental Capital Spend and Revenue Budget which was to be brought back to next Finance Committee. The Chief Executive confirmed he would follow this up.

5 PERIOD 12 MANAGEMENT ACCOUNTS

Confidential report, previously circulated, presented by the Chief Executive.

The Chief Executive referred members to the Management Accounts report detailing the financial position as at period 12 of the 2019/20 financial year (up to 31 March 2020) together with a single page summary. Included in Section 2 onwards was a commentary regarding service areas of Council explaining deviations from budget. He stated that at the end of period 12 Council are favourable by £1,345,347 subject to any final end adjustments or audit changes.

Councillor Holmes commended Directors on the hard work undertaken which was reflected in the year-end figures.

Councillor Scott asked for an update on harmonisation of terms and conditions for employees in the Leisure and Development Directorate. The Director of Leisure and Development confirmed this was progressing. The Chief Executive confirmed that harmonisation of Job Descriptions and terms and conditions were ongoing in Environmental Services Directorate also. Councillor Scott also asked if there was Union involvement which the Director of Leisure and Development confirmed was the case. The Director advised that during COVID-19 negotiations have been suspended but will resume as soon as safely possible.

Councillor Nicholl joined the meeting during this item at 7.15 pm

Alderman Hillis asked about the total costs of Estates Management in Council which was noted as £3.6M. The Director of Environmental Services confirmed that the amount related to grass cutting, planting, painting, and other building maintenance such as the repair of fixtures and fittings of premises.

Councillor Holmes asked about the cost of running assets and the Director of Environmental Services clarified that a portion for maintenance is built into the budgets for each asset e.g. leisure centres for specific work completed by their inhouse team such as pool and pumps.

Alderman Hillis queried landfill provision costs. The Director of Environmental Services stated that provision must be made each year for the appropriate closure of the landfill site and its aftercare. The amount required each year is determined by the void space left to fill and this can fluctuate each year depending on the amount of waste being inputting into the Landfill and how much the waste settles/sinks within that year. An estimate is made at the start of the financial year on what this value is going to be but it is not verified until year end.

Alderman Hillis queried current 3rd party waste contracts. The Director of Environmental Services advised that there are no current 3rd party waste contracts in place but Contractors use the Landfill on an adhoc basis.

It was AGREED to recommend that Council note the Period 12 Management Accounts report.

6. COVID-19 FINANCIAL SUPPORT

Confidential report, previously circulated, presented by the Chief Executive.

The Chief Executive advised member as follows:-

On 10th of June 2020 the Council received a payment of £1,965,989 from the Department for Communities to offset Covid-19 related income losses for the period March to June 2020. This amounts to 60.29% of Council's bid for £3,260,946 and is proportionate to payments received by other Councils. Presently a further claim is being calculated for the next quarter (*July to September*).

Payment of £186k from HMRC has been received for a claim for the period up until the end of May. A further claim is being made for June. 106 letters for June were issued in total and the overall majority (86 employees) have opted to be furloughed on 100% pay and use 20% annual leave. Only three employees have requested to be redeployed. These claims are for Council employees; agency staff are being dealt with by Grafton Recruitment.

A bid for £174k has been made to DAERA for the increased cost of waste management up until the end of June resulting from the Covid-19 situation.

Scheme of Emergency Financial Assistance (SEFA) was activated by the Department for Communities on the 3rd of April and runs the 3rd of October 2020. Any expenditure prior to 3 April cannot be claimed for and claims will be in two phases, phase 1 until 3 July; phase 2 from 4 July until 3 October. The schemes intend to cover costs resulting from emergency response but is quite prescriptive on what can be claimed.

Land and Property Services (LPS) on behalf of the Department for Finance are responsible for the calculation, collection and payment of domestic and non-domestic rates to councils. LPS are presently calculating the potential impact on each council of the economic downturn associated with the Covid-19 situation.

In general terms, for 2020/2021 non-domestic (business rates) account for £17m of our rates income with domestic rates providing £29.8m. Considering a number of loss of business rate scenarios could result in losses of income as summarised in the table below:

5% loss	10%	15%	20%	25%	30%	35%	40%
£851,865	£1,704m	£2,556m	£3,407m	£4,259m	£5,111m	£5,963m	£6,815m

The latest analysis of this Council area by Dr Eoin Magennis, the Senior Economist at Ulster University Economic Policy Centre, models an annual impact of 13.3% on the Borough's economic output.

Discussions are ongoing with the Department for Finance and Treasury to secure an offset for this loss of rates. The request is that the estimated income for 2020-2021 is guaranteed and that the same income is assured for the following two financial years (three years in total). This is consistent with requests from other regional local government jurisdictions.

Councillor Callan felt that given the financial scale of the issues faced by Council in the coming days, a COVID-19 Working Group with member input could help secure the financial sustainability of this Council.

Councillor Nicholl felt that there was no requirement for a further Working Group to deal specifically with this matter.

Proposed by Councillor Callan

Seconded by Councillor Holmes

to **RECOMMEND** that due to the scale of the crisis faced that Council set up a Working Group by D'hondt consisting of 6 members to consider a 'Recovery Plan' for COVID-19

The Chair put the motion to the Committee to vote.

The Committee voted unanimously in favour.

The Chair declared the motion carried.

Alderman Hillis sought clarity on the reduced figure of Business Rates Income and the Chief Executive clarified that this would be as a result of some businesses not sufficiently recovering from the effect of COVID-19.

Councillor Callan mentioned the importance of scenario planning for consideration by the Covid-19 financial recovery Working Group.

In response to a query from Councillor Peacock, the Chief Executive advised that economic recovery is being considered through the Leisure and Development Committee.

It was AGREED to recommend that Council note the Covid-19 report.

7. FINANCE POLICY MANUAL

Confidential report, previously circulated, presented by the Chief Executive. It was noted that a formal review of this report will be undertaken in June 2021.

Councillor McLean sought clarity around the Procurement Policy and whether there were instances when Purchase Orders were not used and if tender procedures were followed prudently.

The Chief Executive said that policy should be followed at all times.

In response to a Member's query the Chief Executive advised that the Finance Policy Manual would be amended to include reference to the procedures for Asset Management and Land and Property. The Chief Executive advised Members that Council had adopted an Asset Management Strategy and Land and Property Policy earlier in the year.

It was AGREED to recommend that Council note the content of the Finance Policy Manual.

Alderman Finlay left the meeting at the end of this item at 19.40

8. PWC FINANCIAL ADVICE

Confidential report, previously circulated, presented by PwC representative.

The report set out a programme of proposed review work being undertaken.

Discussion ensued about the sustainability of current financial controls and timely financial reporting.

Members explored the possibility of offloading assets. The Director of Leisure & Development confirmed that work was ongoing in relation to the disposal of assets within the Leisure and Development Directorate and that in terms of the Dunluce Centre the Title Pack was currently being progressed.

The Chief Executive confirmed that the Period 1 and Period 2 Management accounts would be available at the end of next week.

Councillor McLean said given the adverse publicity in previous months that it may be helpful for Officers to give an update indicating finances were getting back on a firm footing. The Chief Executive felt this could be helpful and agreed to follow up.

Alderman Robinson left the meeting during this item at 19.54 pm

It was AGREED to recommend that Council note the PwC Financial Advice report.

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

There was no other business.

MOTION TO PROCEED 'IN PUBLIC'

Proposed by Councillor Scott

Seconded by Alderman Hillis

AGREED – that Committee move '*In Public*'.

This being all the business, the Chair thanked everyone for their attendance and the meeting closed at 20.20 PM.

Chair

UNCONFIRMED