

FINANCE COMMITTEE MEETING HELD THURSDAY 12 JANUARY 2023

	Item	Summary of Key Recommendations
1.	Apologies	Councillor Schenning
2.	Declarations of Interest	Nil
3.	Minutes of Finance Committee meeting held Thursday 8 December 2022	Signed as a correct record
	'In Committee' Items 4-10 inclusive	
4.	P8 Management Accounts	Information
5.	Prompt Payment Statistics	Information
6.	Debt Management	Information
7.	Energy Procurement	to recommend that Council approve delegated authority to council officers to engage in the tender process to secure the best financially viable and competitive offer from suppliers and enter into a legally compliant contract
8.	Rates Estimates	Information
9.	Any Other Relevant Business (notified in accordance with Standing Order 12 (o))	Nil
10.	Council Debt, Reserves and Rates increases	Information

**MINUTES OF THE PROCEEDING OF THE MEETING OF THE
FINANCE COMMITTEE HELD
IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS AND VIA VIDEO
CONFERENCE ON THURSDAY 12 JANUARY 2023 AT 7PM**

In the Chair: Alderman McLean (C)

Members Present: Alderman Duddy (C), Hillis (C), A McQuillan (C)
Councillors Bateson (R), Beattie (R), Callaghan (C),
Callan (R), Holmes (R/C), McCaw (R), C McQuillan (R),
Peacock (R), Scott (R), Wilson (R)

**Non Committee
Members present:** Councillor MA McKillop (R)

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

In Attendance: A Lennox, Mobile Operation Officer (C)

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

The Chief Finance Officer undertook a roll call.

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

1. APOLOGIES

Apologies were recorded for Councillor Schenning

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

**3. MINUTES OF FINANCE COMMITTEE MEETING HELD THURSDAY 8
DECEMBER 2022**

Summary previously circulated.

AGREED – to recommend that the Minutes of the Finance Committee Meeting held Thursday 8 December 2022 were confirmed as a correct record.

MOTION TO PROCEED ‘IN COMMITTEE’

Proposed by Alderman Duddy
Seconded by Councillor Callaghan

AGREED – that 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.

4. P8 MANAGEMENT ACCOUNTS

Management Accounts for P8 were presented. The Chief Finance Officer highlighted the current position to Members being £213k favourable against budget. The Chief Finance Officer pointed out a key point to note, that the biggest change in these accounts to previous accounts is that the Rates Support Grant has been included in these accounts. In December 2022 the Department for Communities announced an allocation of Rates Support Grant to 7 Councils in Northern Ireland; Causeway Coast and Glens have received £1.19m. The budget is £2.12m so there is a £933k deficit. At Period 8 Council should have received three quarters of the grant, so we have accrued for three quarters of the payment coming in which leaves us at £699k adverse variance on Rates Support Grant. For January, the money has been paid into the account this week, so when Council take full account for the whole grant for the whole year in the January accounts the variance will increase by £233k to £933k adverse. It was approved to write to the Permanent Secretary to ask for this to be reconsidered and this will happen in due course.

The Chief Finance Officer highlighted that the Leisure and Development Directorate continues to be under budgetary pressures due to cost of utilities and maintenance. The Environmental Services Directorate continues to perform strongly.

The Chief Finance Officer highlighted employee costs currently accounted for in the Management accounts is based on the previous pay award offer, the current offer will be a significant increase and will be included in the next set of accounts.

The Chief Finance Officer invited questions.

* **Councillor McCaw joined remotely at 7.10pm**

5. PROMPT PAYMENT STATISTICS

Confidential 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 2019 the latest data being for quarter 3 of 22/23 year being up to and including end of December 2022. The excellent start in terms of performance for 2022/23 had seen a drop in performance during Q2 but has been recovered during Q3. In December 71.52% (72.49% for November) of invoices were paid within 10 working days and 94.23% (92.69% for November) of invoices were paid within 30 calendar days.

Improvement Actions

Whilst the recent decline in figures has been recovered and Council is meeting its self imposed target of paying 90% of invoices within 30 days, Council cannot afford to rest on its laurels. There is still room for improvement as other Councils have performance that is higher than Causeway Coast and Glens Borough Council therefore we must now strive to continually improve levels of performance and with the implementation of a new finance system seek to identify efficiencies in our processes especially where the new technology can offer electronic solutions to manual tasks. It should be noted that the process of implementing the new finance system is ongoing and Council should be able to expect future improvements once the implementation is complete.

Prompt Payment Statistics 2019/2020					
	Q1	Q2	Q3	Q4	Total
Total No of Invoices	5453	7504	7102	7923	27982
Total amount paid	£ 11,235,850	£ 14,304,005	£ 11,816,835	£ 15,184,690	£ 52,541,380
Number of invoices paid within 10 days	1767	2648	3078	3818	11311
% of invoices paid within 10 days	32.40%	35.29%	43.34%	48.19%	40.42%
Number of invoices paid within 30 days	4177	5924	5723	6404	22228
% of invoices paid within 30 days	76.60%	78.94%	80.58%	80.83%	79.44%
Number of invoices paid outside 30 days	1276	1580	1379	1519	5754
% of invoices paid outside 30 days	23.40%	21.06%	19.42%	19.17%	20.56%
No. of Disputed Invoices	36	80	107	99	322
% of disputed invoices	0.66%	1.07%	1.51%	1.25%	1.15%
Average Payment Days	23.52	24.26	21.55	21.68	22.7
Prompt Payment Statistics 2020/2021					
	Q1	Q2	Q3	Q4	Total
Total No of Invoices	3424	5544	5802	6296	21066
Total amount paid	£ 5,602,247	£ 10,310,263	£ 10,622,455	£ 17,216,296	£ 43,751,261
Number of invoices paid within 10 days	2414	3804	4308	4087	14613
% of invoices paid within 10 days	70.50%	68.61%	74.25%	64.91%	69.37%
Number of invoices paid within 30 days	2846	4951	5184	5383	18364
% of invoices paid within 30 days	83.12%	89.30%	89.35%	85.50%	87.17%
Number of invoices paid outside 30 days	578	593	618	913	2702
% of invoices paid outside 30 days	16.88%	10.70%	10.65%	14.50%	12.83%
No. of Disputed Invoices	10	82	102	57	251
% of disputed invoices	0.29%	1.48%	1.76%	0.91%	1.19%
Average Payment Days	15.52	13.85	16.26	17.06	15.74
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		19376
Total amount paid	£ 17,214,458	£ 17,078,164	£ 12,851,511		£ 47,144,133
Number of invoices paid within 10 days	4446	3487	4806		12739
% of invoices paid within 10 days	68.81%	57.26%	70.42%	#DIV/0!	65.75%
Number of invoices paid within 30 days	5872	5267	6252		17391
% of invoices paid within 30 days	90.88%	86.49%	91.60%	#DIV/0!	89.76%
Number of invoices paid outside 30 days	589	823	573	0	1985
% of invoices paid outside 30 days	9.12%	13.51%	8.40%	#DIV/0!	10.24%
No. of Disputed Invoices	33	35	61		129
% of disputed invoices	0.51%	0.57%	0.89%	#DIV/0!	0.67%
Average Payment Days	16.24	18.55	15.92	#DIV/0!	16.85

6. DEBT MANAGEMENT

Confidential report, 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 February 2017.

Detail – Aged Debt Analysis

Tables (circulated) detail Aged Debt Analysis as at 31 December 2021 and 31 December 2022

Table (circulated) detail the movement and comparison between last year and this year (31st December 2021 and 31st December 2022)

Details were provided regarding debts in relation to two debtors.

Tables (circulated) detail the status of any debt which was over 90 days in excess of £10 at the previous report but which has now been cleared.

Over 90 Days analysis

Tables circulated detail the status of any debt which was over 90 days in excess of £10 currently (excluding BID and direct debit accounts):

Options

Debt write-off under £1,000

In accordance with our debt management policy the Chief Finance Officer is required to report to Council any debts under £1,000 which he has the authority to write-off. There is one such debt this month:

Car park penalty notice write-off

In addition to the debt in 4.1 above the table below sets out a number of penalty notices which are being written off due to being unenforceable. Unlike the debt in 4.1 these have not been recorded as income in our accounts, penalty income is only recognised upon receipt of payment however the actual debt needs to be written off so that further action to pursue need not be expended. These notices are not to be confused with the notices that are cancelled on appeal which are reported quarterly to this committee, the next update on those will be in February for the October to December 2022 quarter. As individually these are less than £1,000 they are being written off under the delegated authority to the Chief Finance Officer.

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. Whilst there is no write-off

required at this point Council is reminded that a significant debtor has gone into administration. Further details were provided in the report.

* **Councillor Holmes arrived in The Chamber at 7.14pm after attending remotely**

In response to questions regarding changing practices to reduce debt in some areas of Council the Chief Finance Officer provided information on how debt is managed and steps in place to keep debt owed to Council to a minimum. In response to further questions the Chief Finance Officer provided information on the BID invoices.

7. ENERGY PROCUREMENT

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

Purpose of report

To inform members of the committee of an upcoming multi council energy procurement exercise and seek authority to proceed with participation in this vital tender process.

Recommendation

It is recommended that Council approve delegated authority to council officers to engage in the tender process to secure the best financially viable and competitive offer from suppliers and enter into a legally compliant contract.

In response to questions the Chief Finance Officer provided information on steps being taken by Council to reduce the carbon footprint and confirmed there is funding available to meet the requirements.

Proposed by Councillor Scott
Seconded by Alderman Duddy and

AGREED – to recommend that Council approve delegated authority to council officers to engage in the tender process to secure the best financially viable and competitive offer from suppliers and enter into a legally compliant contract.

8. RATES ESTIMATES

Verbal update for the rates estimates was presented. The Chief Finance Officer provided an update on where the rates estimates currently stand and how these estimates have been calculated. The Chief Finance Officer also advised of what factors still need to be taken into consideration.

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

There were no items of Any Other Business.

* **Councillor C McQuillan joined remotely at 7.33pm**

MOTION TO PROCEED ‘IN PUBLIC’

Proposed by Councillor Callaghan
Seconded by Alderman Duddy

AGREED – that Committee move ‘*In Public*’.

10. COUNCIL DEBT, RESERVES AND RATES INCREASES

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

Background

The Finance Committee has requested an analysis of inherited Council debt, current reserve levels, Special Responsibility Allowances and cumulative rates increases for all eleven Councils.

Detail

The table below (circulated) set out each the dataset as described above.

Inherited debt

Table, previously circulated, sets out the debt position for each Council as at 31 March 2015 and 31 March 2022 (for those whose data was publicly available).

Reserves at March 2022

Table, previously circulated, sets out the usable reserves position for each Council as at 31 March 2015 and 31 March 2022:

Special Responsibility Allowances

The following table, circulated, sets out the Special Responsibility Allowance total, Mayor/Chair’s Allowance and Deputy Mayor/Vice-Chair’s Allowance paid during the year ended 31 March 2022 for each of the eleven Councils.

Cumulative rates increases

The table and chart below, circulated, sets out the annual percentage rates increase, and cumulative rates increases for all eleven Councils for the last seven years based on their domestic rate factor:

Councillor Holmes welcomed the report and the information contained within and encouraged Elected Members to use this information when speaking to members of the public and when in the Chamber.

Alderman Duddy concurred with the previous speaker adding this information should be used to challenge the public and falsehoods in social media.

This being all the business The Chair thanked Elected Members for their attendance and the meeting closed at 7:45pm

Chair

UNCONFIRMED