

FINANCE COMMITTEE MEETING HELD THURSDAY 9 MARCH 2023

No.	Item	Summary of Key Recommendations
1.	Apologies	<i>Nil</i>
2.	Declarations of Interest	<i>Nil</i>
3.	Minutes of Finance Committee meeting held Thursday 12 January 2023	<i>Signed as a correct record</i>
4.	Presentation by Land & Property Services on Reval 2023	<i>Received</i>
	<i>'In Committee' Items 5-13 inclusive</i>	
5.	Management Accounts	<i>Noted</i>
6.	Prompt Payments	<i>Noted</i>
7.	Debt Management	<i>Noted</i>
8.	Finance System Update	<i>Noted</i>
9.	Scheme of allowances 2022/23	<i>Noted</i>
10.	Scheme of Allowances 2023/24	<i>to recommend that Council approve the scheme of allowances for the 2023/2024 financial year including any subsequent updates to the basic allowance being automatically applied</i>
11.	MRP Policy Statement 2023/23	<i>to recommend that Council review the policy detailed in Appendix 1</i>

		<i>(circulated) and approve the statement.</i>
12.	Treasury Management Strategy 2023/24	<i>to recommend that Council approve adoption of the Treasury Management Strategy Statement for 2023/24 as presented</i>
13.	Any Other Relevant Business (notified in accordance with Standing Order 12 (o))	<i>Nil</i>

**MINUTES OF THE PROCEEDING OF THE MEETING OF THE
FINANCE COMMITTEE HELD
IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS AND VIA VIDEO
CONFERENCE ON THURSDAY 9 MARCH 2023 AT 7PM**

In the Chair: Alderman McLean (C)

Members Present: Alderman Duddy (C), Hillis (C)
Councillors Beattie (R), Callaghan (C), Holmes (R/C), C
McShane (R), C McQuillan (R), Peacock (R), Schenning
(R), Scott (R), Wilson (R)

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

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

G Humphrey, Land and Property Services (R)

Press (1 No) (R)

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

There were no apologies.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

**3. MINUTES OF FINANCE COMMITTEE MEETING HELD THURSDAY 12
JANUARY 2023**

Summary previously circulated.

AGREED – to recommend that the Minutes of the Finance Committee Meeting held Thursday 12 January 2023 were confirmed as a correct record.

* **Councillor C McQuillan joined remotely at 7.05pm**

4. PRESENTATION BY LAND & PROPERTY SERVICES ON REVAL 2023

The Chair invited Mr Humphrey to present his presentation.

Mr Humphrey provided detail on the history of the rates system, the advantages and disadvantages of rates, Legislation, rateable and unrateable properties, the purpose of the revaluation process highlighting the key dates in this process, detail on what this means for Causeway Coast and Glens Borough Council and the next steps in this process.

* **Councillor Holmes attended in the Chamber at 7.24pm**

In response to questions from Elected Members, Mr Humphrey provided detail on the difference in the figures for different Councils and confirmed that further information can be obtained through the Land and Property Services website. Mr Humphrey advised of the ways revaluations had been advertised. It was further confirmed that rates valuations can be challenged but it was rare that they are changed and provided an example of when a rates valuation may be increased. Mr Humphrey confirmed the utilities team engage with the utility sector regularly.

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Alderman Hillis
Seconded by Alderman Duddy

AGREED – that Committee move '*In Committee*'

- * **Press were disconnected from the meeting at 7.30pm**
- * **Alderman Duddy left the meeting at 7.31pm**

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.

In response to a question about the revaluation of rates at the University of Ulster, the Chief Finance Officer advised he would need to check on the detail of this.

5. MANAGEMENT ACCOUNTS

Management Accounts were presented by the Chief Finance Officer.

He advised the main figures at Period 10, Council were £284k favourable against budget, this reduces the budget deficit for the year. Projecting towards year end, one of the known factors Council have are rates finalisation; at Period 10 Council are £229k favourable in terms of finalisation. MRP is going to be slightly adverse against budget for the year end but to counteract that interest payable is going to be positive and the interest received in Council's treasury management investments is going to be positive against budget; it is projected that Council could have £500-600k favourable at the end of the year. It is projected that at year end Council will reduce the £1.8m deficit to £1.2m. Pay awards this year came in significantly higher than budget. Employee costs are

currently £404k adverse against budget, the accrual at Period 10 for the pay award it is about £1.2m, the addition in year costs at Period 10 for the NJC award that was recently implemented its £1.398m; to adjust Council's position for those increased payments it makes a difference of £2m. There is £933k rates support grant that was not received in year compared to budget.

The Chief Finance Officer wished to put on record the tremendous result in savings made by officers and managers. Income has increased; Council are £1.36m ahead of budget; there is excellent income being received. In terms of supplies and services Council are £870k ahead of budget.

The management accounts for individual directorates were detailed within the report.

The Chief Finance Officer invited questions.

In response to questions, the Chief Finance Officer advised that a pie chart could be created to show how the rates are used within the Council area and this can be circulated to Elected Members at the Finance Committee in April 2023. The Chief Finance Officer confirmed that he would look into creating a pie chart to illustrate how wages are categorised within Council.

Committee NOTED the report.

6. PROMPT PAYMENTS

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 4 of 22/23 year being up to and including end of February 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 and Q4. In February 79.79% (71.52% for December, 62.88% for January) of invoices were paid within 10 working days and 95.44% (94.23% for December, 87.61% for January) 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.

Committee NOTED the report.

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	3890	23266
Total amount paid	£ 17,214,458	£ 17,078,164	£ 12,851,511	£ 25,739,535	£ 72,883,668
Number of invoices paid within 10 days	4446	3487	4806	2809	15548
% of invoices paid within 10 days	68.81%	57.26%	70.42%	72.21%	66.83%
Number of invoices paid within 30 days	5872	5267	6252	3576	20967
% of invoices paid within 30 days	90.88%	86.49%	91.60%	91.93%	90.12%
Number of invoices paid outside 30 days	589	823	573	314	2299
% of invoices paid outside 30 days	9.12%	13.51%	8.40%	8.07%	9.88%
No. of Disputed Invoices	33	35	61	20	149
% of disputed invoices	0.51%	0.57%	0.89%	0.51%	0.64%
Average Payment Days	16.24	18.55	15.92	14.04	16.38
* Incomplete period					

7. 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

Table circulated to show Aged Debt Analysis as at 28 February 2023.

Table circulated to show Aged Debt Analysis as at 28 February 2022.

Table circulated to show movement and comparison between last year and this year (28 February 2022 and 28 February 2023)

As reported previously it should be noted that £135,291.37 included within the 90 days and over figure relates to the waste disposal customer who has gone into administration. A further £125,579 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.

The tables below (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

The tables below (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 Council's Debt Management Policy the Chief Finance Officer is required to report to Council any debts under £1,000 which the Chief Finance Officer has the authority to write-off. There is one such debt this month.

Debt Write-off over £1,000

In accordance with Council's 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 detail was provided within the report.

Committee NOTED the report.

8. FINANCE SYSTEM UPDATE

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

Background

Council has recently agreed that a new Financial Information and Payroll system be procured.

Detail

The purpose of this report is to update Council on progress. The One Council system has been purchased from Technology One Ltd. This is a cloud-based system which will allow increased flexibility for Council staff to access financial information but also vital processes such as payroll, accounts payable, accounts receivable and more.

Progress

Since the last update finance staff have engaged in numerous workshops and training sessions with the consultants from Technology One. These sessions have provided staff with overviews of the various modules and capabilities of the product and demonstrated areas where potential process automation could be implemented. There have also been sessions regarding data migration where staff were instructed in considerations regarding what data needs to be brought from the old system to the new one, where that data may be stored and what way it needs to be presented to the new system. The final sessions considered the configuration of all aspects of the new system. These were highly detailed sessions resulting in the production of eight Configuration Design Documents which Council staff are in the process of reviewing before finalisation and sign off with Technology One. The detailed review of these documents is crucial as these will form the blueprint for the design and configuration of the new system.

Financials

Excellent progress has been made on the financial side of the project and the Chief Finance Officer is pleased to report that the project is on schedule to go live on 1 April 2023. There is still a lot of work to get through during March including an extensive training programme for end users however the project is on track for completion. Financials include General Ledger (reporting such as Management Accounts), Accounts Payable and Account Receivable.

Payroll

Whilst excellent progress has also been made on the payroll section of the project it was agreed at a meeting on 24 February 2023 with the software provider that there was too much risk in trying to meet the 1 April 2023 deadline and the software supplier was reluctant to sign off on that basis, it has therefore been agreed to delay the implementation of payroll until either 1 June or 1 July 2023. Ongoing local pay negotiations combined with the very late implementation of the National Joint Council (NJC) pay award have contributed to this delay.

Committee NOTED the report.

9. SCHEME OF ALLOWANCES 2022/23

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

Background

Causeway Coast and Glens Borough Council has established a scheme of allowances payable to Members for the current period. The scheme provides for the payment of allowances to Councillors on the basis that:

8. The maximum level of basic allowance as determined by the Department for Communities (DfC) is paid
9. The maximum level of carers allowances as determined by the DfC are paid
10. The maximum level of mileage rates as determined by the DfC are paid
11. Councillors' payments are made on the third last banking day of each month

Detail

The updated scheme of allowances, a copy of which has been included with this report, takes into account a number of factors:

- basic allowance – budget allowed for 2% increase, 2022 – 2023 increase now approved, will be retrospective to 1 April 2022.
- mileage rates
- rates for dependant carer's allowance
- Special Responsibility Allowance (SRA)

The four items are in keeping with the normal periodic update of the scheme of.

Amendments

Circular LG 03/2023 (attached as an appendix (circulated)) from DfC dated 25 January 2023 sets out the revised consolidated Councillor's Allowances guidance, as our scheme is predicated on the inclusion of the maximum rates allowable under departmental guidance these updated rates have been included in the attached revised Scheme of Allowances. The Basic allowance is increasing by £637 (4%) to £16,394 per annum. This increase relates to the 2022/2023 year therefore will be back dated to 1 April 2022. As Council had previously approved the increases to be automatically applied this report is for information only.

Committee NOTED the report.

10. SCHEME OF ALLOWANCES 2023/24

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

Background

Causeway Coast and Glens Borough Council has established a scheme of allowances payable to Members for the current period. The scheme provides for the payment of allowances to Councillors on the basis that:

- The maximum level of basic allowance as determined by the Department for Communities (DfC) is paid
- The maximum level of carers allowances as determined by the DfC are paid
- The maximum level of mileage rates as determined by the DfC are paid
- Councillors' payments are made on the third last banking day of each month

Detail

The updated scheme of allowances, a copy of which has been included with this report, takes into account a number of factors:

- basic allowance – budget allows for 4% increase, 2022 – 2023 increase yet to be advised by Department.
- mileage rates
- rates for dependant carer's allowance
- Special Responsibility Allowance (SRA)

The four items are in keeping with the normal periodic update of the scheme of.

Amendments

Circular LG 03/2023 (attached as an appendix) from DfC dated 25 January 2023 sets out the revised consolidated Councillor's Allowances guidance, as our scheme is predicated on the inclusion of the maximum rates allowable under departmental guidance any updates to rates of basic allowance will be automatically applied should Council approve this report. The Basic allowance is remaining at £16,394 per annum pending a Departmental update in this regard, it should be noted that a 4% increase has been allowed for in the rates estimates in line with the 2022/23 increase. The second item of note is under section 3 regarding dependant carer's allowance which will increase with effect from 1 April 2023 to £10.42 per hour for standard care and £20.84 per hour for specialist care.

Recommendation

It is recommended that Council approve the scheme of allowances for the 2023/2024 financial year including any subsequent updates to the basic allowance being automatically applied.

In response to questions regarding setting the scheme of allowances for the next term, the Chief Finance Officer advised there was a legal obligation to set the scheme of allowances before the 1 April and these can be amended in the new term, if required.

Proposed by Councillor Scott
Seconded by Councillor Callaghan

AGREED – to recommend that Council approve the scheme of allowances for the 2023/2024 financial year including any subsequent updates to the basic allowance being automatically applied

11. **MRP POLICY STATEMENT 2023/23**

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

Purpose of Report

The purpose of this report is to review the Minimum Revenue Provision (MRP) Policy Statement and seek Members' approval of this statement.

Background

Under regulation 6 of the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011, Councils now have a statutory requirement, to charge to its general fund, an amount of Minimum Revenue Provision (MRP) which it considers to be "prudent". This replaced the previous requirement whereby the revenue charge was broadly equivalent to the amount of loans and leasing principal paid in any one year.

The regulations also state that authorities are required to prepare an annual statement of their policy on making MRP for approval by Council. This report sets out Council's policy for 2023/24.

Recommendations

Members are asked to review the policy detailed in Appendix 1 (circulated) and approve the statement.

Proposed by Councillor Schenning
Seconded by Alderman Hillis

AGREED – to recommend that Council review the policy detailed in Appendix 1 (circulated) and approve the statement.

- * **Alderman Duddy joined the meeting remotely at 8.16pm**
- * **Alderman Hillis left the meeting at 8:17pm**

12. TREASURY MANAGEMENT STRATEGY 2023/24

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

Background

Treasury Management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Detail

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. In addition, the Department for Communities (DfC) issued *Guidance on Local Authority Investments* in November 2019 that requires the Authority to approve an investment strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Finance Act (Northern Ireland) 2011* to have regard to both the CIPFA Code and the DfC Guidance.

Revised Strategy

Attached as an appendix (circulated) is the Treasury Management Strategy Statement for 2023/24.

Recommendation

It is recommended that Council approve adoption of the Treasury Management Strategy Statement for 2023/24 as presented.

Proposed by Councillor Holmes
Seconded by Councillor Wilson and

AGREED – to recommend that Council approve adoption of the Treasury Management Strategy Statement for 2023/24 as presented.

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

There were no items of Any Other Relevant Business.

MOTION TO PROCEED 'IN PUBLIC'

Proposed by Councillor Wilson
Seconded by Councillor Holmes

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

This being all the business The Chair thanked Elected Members for their attendance and the meeting closed at 8:18pm

Chair

UNCONFIRMED