

FINANCE COMMITTEE MEETING HELD THURSDAY 8 JUNE 2023

No.	Item	Summary of Key Recommendations
1.	Apologies	Councillors McGlinchey, Schenning
2.	Declarations of Interest	Nil
3.	Minutes of Finance Committee meeting held Wednesday 19 April 2023 reconvened Thursday 20 April 2023	Signed as a correct record
	'In Committee' Items 4-9 inclusive	
4.	Finance Committee Terms of Reference	To recommend that Council approve the Terms of Reference as set out in this report; that Finance Committee take a proper lead in the Rate setting process.
5.	Finance Business Plan 2023/24	To recommend that Council approves the Finance Business Plan
6.	Draft P12 Management Accounts	Information
7.	Debt Management	Information
8.	Financial Regulations	To recommend that Council approves the Financial Regulations
9.	Debt Management Policy	To recommend that Council approves the updated Debt Management Policy
10.	EQIA response to DFC cuts	Information

11.	Any Other Relevant Business (notified in accordance with Standing Order 12 (o))	<i>Nil</i>
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**MINUTES OF THE PROCEEDING OF THE
FINANCE COMMITTEE HELD
IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS AND VIA VIDEO
CONFERENCE ON THURSDAY 8 JUNE 2023 AT 7PM**

In the Chair: Councillor Peacock (C)

Members Present: Alderman Callan (R), Coyle (C), Knight McQuillan (C), S McKillop (R); Councillors Holmes (C), Huggins (C), Kane (C), Kyle (R), McQuillan (R), Mairs (C), Nicholl (R), Scott (R), Wisener (C)

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

In Attendance: A Lennox, Mobile Operations Officer (C)
C Thompson, ICT Officer (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

Apologies were recorded for Councillor McGlinchey and Councillor Schenning.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

**3. MINUTES OF FINANCE COMMITTEE MEETING HELD WEDNESDAY 19
APRIL RECONVENED THURSDAY 20 APRIL 2023**

Summary previously circulated.

AGREED – to recommend that the Minutes of the Finance Committee Meeting held Wednesday 19 April Reconvened Thursday 20 April 2023 are confirmed as a correct record.

MOTION TO PROCEED ‘IN COMMITTEE’

Proposed by Alderman Knight McQuillan
Seconded by Councillor Kane and

AGREED – that Committee move ‘*In Committee*’

- * **Press were disconnected from the meeting at 7.05pm.**

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. FINANCE COMMITTEE TERMS OF REFERENCE

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

Background

Causeway Coast and Glens Borough Council adopted the traditional committee system as its preferred form of governance and, at its Special Council Meeting in September 2019, decided to form a Finance Committee. This report sets out the Terms of Reference for that Committee.

Scope

The Finance Committee (“the Committee”) will be responsible for recommending to Council the key decisions and actions required to be taken specifically in relation to the work of the Finance function within Council. This will include:

- Leading on the annual Rates Estimate setting process;
- Monthly review of the management accounts; to include a summary by service area of income and expenditure, with commentary of positive or negative outcome on their budgets;
- Setting key finance targets and monitoring their delivery, including efficiency and income generation;
- All capital and resource expenditure to be reviewed by the committee before going to full council;
- To revise and manage the limits of authority on Officer spend;
- To investigate, review and set targets for efficiencies and income for each department.
- To implement and review a 3 year rolling budget/forecast
- Lead on capital asset realisation;
- Recommend the annual limit of capital expenditure and reviewing debt/ borrowing on a quarterly basis;
- Oversight of Council’s treasury management;
- Seek external expertise as required;
- The future development of the organisational structure for the Finance Service;
- Approving and overseeing the delivery of any relevant service strategies for the Finance Service;
- Approving relevant policies and procedures for the Finance Service;
- Monitoring and reviewing business and service delivery plans for the Finance Service;

- Approving the establishment of external partnerships where considered relevant to the Finance Service, including procurement of advice, review and investigation of Council finances, recommending efficiencies where appropriate;
- Approving and monitoring the implementation of any capital projects by the
- Finance Service, including related ICT systems;
- Approving and monitoring funding sources and mechanisms to assist with various initiatives, projects and actions within the remit of the Finance Service;
- Recommending to Council the resolution of any associated issues;
- Considering the resource implications of any recommendations;
- To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council;
- Require the attendance of any officers as required;
- Receive a rolling programme of finance related presentations from all service areas.

Membership

The Committee is comprised of the sixteen Elected Members appointed to the Committee using the quota greatest remainder formula. The Committee may also when required invite an external independent member to attend. The independent member will have no voting rights.

Chair

The Committee will be chaired according to the D'Hondt formula for positions of responsibility. In the absence of the Chairperson, the Committee will be chaired by the Deputy Chairperson. In the absence of the Deputy Chairperson, a chair for the meeting will be agreed by the Members present.

Meetings

Meetings of the Committee will be held on 2nd Thursday of each month.

All meetings of the Committee will be governed by the Council's Standing Orders and the Local Government Code of Conduct for Councillors.

Communication and Reporting

The Minutes of the Committee will be noted and confirmed at each meeting of Causeway Coast and Glens Borough Council by the Chair of the Committee. The terms of reference will be reviewed on an annual basis.

Review of Terms of Reference

The Terms of Reference are to be reviewed after 4 months.

Recommendation

It is recommended that the Finance Committee approve the Terms of Reference as set out in this report.

* **Alderman S McKillop joined the meeting remotely at 7.11 pm**

The Chief Finance Officer advised Committee that this report was for noting.

In response to questions, the Chief Finance Officer stated that it was anticipated the Finance Committee will be more involved in the Rates Setting process, due to commence in September, after the Summer recess.

Alderman Callan spoke in support of Finance Committee being involved in the Rate Setting process and suggested that consideration of a Sub Committee, which had worked well in the past.

Proposed by Councillor Holmes
Seconded by Councillor Wisener and

AGREED - To recommend that Council approve the Terms of Reference as set out in this report; that Finance Committee take a proper lead in the Rate setting process.

Councillor Holmes said that discussion should take place between Group Leaders and Senior Officers on how the proposal for the Finance Committee to take a lead on the Rate Setting process would work, in practice.

5. FINANCE BUSINESS PLAN 2023/24

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

Purpose of Report

All Council departments are required to prepare an annual business plan.

Background

Attached as an appendix (circulated) to this report is the Annual Business Plan for the Finance Department

Recommendation

It is recommended that Council approves the Finance Business Plan

In response to questions about the threat in payroll in the SWOT analysis, the Chief Finance Officer explained that Council is still slightly exposed due to the old finance system still being in place and this was a short term risk.

Alderman Callan questioned the position in terms of training staff, training for Finance Committee Members, and in terms of the Business Partner role, he queried how that was working. In relation to the Finance Director role, Alderman Callan questioned was that something that was going to come back and report to Councillors in the near future?

In response, the Chief Finance Officer advised of the timescales for staff and Elected Member training and provided detail of the Business Partner arrangements.

In relation to the question about a Finance Director role, the Chief Finance Officer stated a declaration of interest and explained the previous role was an interim role as a Director of Finance did not exist in the current structure. He clarified there was an interim role as Council had asked for it; a Director of Finance role would come out of a structural review for Council and the recommendation would come through Council on the staffing structure.

Alderman Callan stated that it was important to support the post of Finance Director in this organisation going forward; learn the lessons of the past 5/6 years, it has shown the strength of having a Finance Director. Over the last small period of time that has pushed forward certain projects, he stated it was vital to have that focus on Finance going forward. Alderman Callan stated it had been identified in numerous reports over the last number of years. In any restructuring going forward this was something Council needed to be identifying and felt Council should have a Finance Director going forward.

Proposed by Councillor Holmes
Seconded by Councillor Huggins

AGREED – to recommend that Council approves the Finance Business Plan.

6. DRAFT P12 MANAGEMENT ACCOUNTS

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

The Chief Finance Officer emphasised that the P12 Management Accounts are in draft explaining that they need to tie in with the year end financial accounts which will be presented to the Department for Communities before the 30th June 2023. The accounts will remain in draft until 30th September 2023 when the Annual Accounts are certified by the Northern Ireland Audit Office.

Currently, Council are £909k ahead of budget at Period 12; this is not surplus. The 2022/23 budget was set at £1.8m applied balance which means if Council came in on budget reserves would be reduced by £1.8m; Council were budgeting to run a budget at a £1.8m deficit; this has been reduced by £900k so Council will dip into reserves for approximately £900k.

Costs Council have encountered include energy costs, which have risen; Council are over budget in terms of electric and gas costs. In relation to wages and salaries, inflation and pay awards have added to the burden on the budget. Materials have also increased in cost and have also put pressure on the budget.

Council have had good returns on income especially around holiday and leisure parks which have performed very well and have helped to alleviate budgetary

pressures. All Council loans are set at fixed rates for the term of the loan so increased interest rates have not affected these, cash investments have started to earn better returns.

Narrative for each Directorate has been provided by the Directors in the report.

Committee NOTED the report.

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

As at 31st May 2023

Total Debt	Current	30 Days	60 Days	90 Days & over
£1,738,725.57	£498,668.79	£729,924.90	£73,660.00	£436,471.88

As at 31st May 2022

Total Debt	Current	30 Days	60 Days	90 Days & over
£ 1,255,815.95	£147,288.98	£692,567.70	£161,365.79	£254,593.48

Movement and comparison between last year and this year (31st May 2022 and 31st May 2023)

Total Debt	Current	30 Days	60 Days	90 Days & Over
Increase of £482,909.62	Increase of £351,379.81	Increase of £37,357.20	Decrease of £87,705.79	Increase of £181,878.40

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 £112,204 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 30 days and over figure includes £356,628.20 from customers who are paying by direct debit.

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 third party invoices and direct debit accounts):

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. Whilst there is no write-off required at this point Council is reminded that a significant debtor has gone into administration. Further detail provided within the confidential report.

Committee NOTED the report.

8. FINANCIAL REGULATIONS

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

Purpose of Report

Following an internal audit review of budgetary management it was recommended that a comprehensive set out Financial procedures should be developed.

Background

Attached as an appendix (circulated) to this report are a set of Financial Regulations covering all aspects of Council finances that have been developed in accordance with the audit recommendation.

Recommendation

It is recommended that Council approves the Financial Regulations

Proposed by Councillor Wisener
Seconded by Alderman Knight McQuillan

AGREED – to recommend that Council approves the Financial Regulations.

9. DEBT MANAGEMENT POLICY

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

Purpose of Report

Council implemented a new Debt Management Policy in February 2017, the policy should be subject to a regular review but has not been reviewed since adoption in 2017.

Background

A review of the current Debt Management Policy has been undertaken and a revised policy is attached as an appendix to this report. All amendments to the policy are highlighted in yellow for convenience.

Recommendation

It is recommended that Council approves the updated Debt Management Policy.

In response to questions the Chief Finance Officer advised that charging for late payments was included in Terms and Conditions rather than the Debt Management Policy.

Proposed by Councillor Huggins
Seconded by Councillor Holmes

AGREED – to recommend that Council approves the updated Debt Management Policy.

* **Alderman S McKillop left the meeting at 7.57 pm**

10. EQIA RESPONSE TO DFC CUTS

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

The responses provided in the EQIA consultation from DfC were detailed within the report.

Committee Members provided thanks to the Chief Finance Officer for providing the comprehensive response to the consultation.

11. 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 Alderman Knight McQuillan
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 8.00pm.

Chair

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