

SPECIAL COUNCIL MEETING HELD MONDAY 25 SEPTEMBER 2023

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No.	Item	Decision
1.	Apologies	<i>Alderman Fielding, S McKillop, McMullan</i>
2.	Declarations of Interest	<i>None</i>
3.	Annual Accounts 2022/23	<i>Council approves the adoption of the annual statement of accounts as presented and where applicable any amendments notified during the meeting, including the approval of the various transfers to and from the various reserves.</i>

**MINUTES OF THE PROCEEDINGS OF THE SPECIAL COUNCIL MEETING OF
HELD IN THE COUNCIL CHAMBER AND VIA VIDEO CONFERENCE ON
MONDAY 25 SEPTEMBER 2023 AT 7.00PM**

In the Chair : The Mayor, Councillor Callaghan (C)

Present : Alderman Boyle (C), Callan (R), Coyle (C), Hunter (R),
Knight-McQuillan (R), Scott (R), Stewart (C)

Councillors Anderson (C), C Archibald (C), N Archibald (C), Bateson (R), Chivers (R), Huggins (C), Kane (C), Kennedy (R), Kyle (R), Mairs (C), Jonathan McAuley (C), McCully (R), McGurk (R), MA McKillop (R), McQuillan (R), McShane (R), Nicholl (R), Peacock (R), Schenning (C), Stirling (R), Wallace (R), Watton (C), Wilson (R)

Officers Present : D Jackson, Chief Executive (C)
D Wright, Chief Finance Officer (C)
S Duggan, Civic Support & Committee & Member Services Officer (C)

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

Press (1 No.) (C)
Public (1 No.) (R)

Key – C = Attended in the Chamber
R = Attended Remotely

The Mayor opened the meeting and extended a welcome to members of the press and public in attendance and provided guidance in relation to Council's Remote Meetings Protocol and audio recordings.

The Chief Executive undertook a roll call.

1. APOLOGIES

Apologies were recorded for Alderman Fielding, S McKillop and McMullan.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. ANNUAL ACCOUNTS 2022/23

Report, previously circulated.

Purpose of Report

The purpose of this report is to present the annual accounts for Causeway Coast and Glens Borough Council for the financial year ended 31 March 2023 for approval.

Background

Councils and other public bodies are required to prepare and submit to the Department for Communities (DfC) by 30 June each year their annual accounts for the previous financial period, I can confirm Council complied with this requirement. Under current regulation the approval of the accounts now occurs after completion of the audit meaning Council are approving what will eventually be published. Northern Ireland Audit Office (NIAO) are in the process of completing their work in this regard and the accounts are presented in conjunction with the reports from NIAO.

Detail

Attached as an appendix (circulated) is a draft copy of the Annual Statement of Accounts for Causeway Coast and Glens Borough Council. At the time of writing this report NIAO are still completing aspects of the audit therefore the accounts being approved may contain a few amendments when compared to the accounts appended, any such changes will be advised verbally at the Council meeting, these are not expected to be significant.

Income and Expenditure that was controlled by Budget Holders is £5,345k (page 85) surplus to budget. The surplus includes an accounting adjustment for long term provisions arising as a result of a significant change in interest rates, inflation and hence the discount factors used in provision calculation amounting to £2,964k and rates finalisation of £324k. The Financial Recovery Reserve was increased by £152k leaving a balance at 31 March 2023 of £9,040k.

The Comprehensive Income and Expenditure Statement (CIES) recorded within the Annual Accounts includes expenses outside the control of Budget Holders. It includes property, provisions and pension revaluations and accumulated absences. Some of these adjustments are accounting entries or future long-term liabilities that are based on pension assumptions and will only materialize on retirements.

The main figure members will be interested in can be found in being the Movement in Reserves statement which details an in-year movement in the General Fund Summary of a increase of £86k giving a carrying total of £4,591k. Under regulation we are recommended to carry a minimum fund balance in the range of 5% to 7.5% of our Net Operating Expenditure (£59,420k) which translates into a recommended balance between £2,971k and £4,457k. Causeway Coast and Glens Borough Council is compliant with these recommendations.

Whilst the result is slightly favourable it should be noted that in addition Council has increased other useable reserves by £1,338k to a total of £18,823k. The major contribution to this increase was the transfer into the Sinking fund (£646k) and the Election Reserve (£450k) the purposes of which are to meet any future interest only loan maturity and election costs respectively,

additionally the Financial Recovery Reserve has improved by £152k in the year.

The breakdown of these reserves was shown in the table circulated.

The Financial Performance Outturn was detailed in the table (circulated).

Overall Council expenditure was favourable to budget by £0.282m despite increased staffing costs due to higher than budgeted pay awards (£0.678m over budget), increased premises costs including insurances and energy (£0.643m over budget). These overspends were mitigated by gapping of vacant posts, reduced property maintenance programmes and reduced service costs where the impact on the service was minimised.

In addition to close control of expenditure Council income for the year was £4.316m favourable against budgeted however this figure includes an accounting adjustment relating to changing discount rates used in the calculation of our landfill provisions, the effect of these rate changes was a benefit to Council of £2.964m. Adjusting for this non-cash item the income streams were favourable against budget by £1.352m, the main contributing areas being Holiday and Leisure Parks and Off Street Car Parking and Rates finalisation. Taking this into account and also an adverse variance in respect of capital financing costs (Minimum Revenue Provision) of £0.385m the adjusted deficit for the year is £0.583m against a budgeted deficit of £1.832m. During the year the level of Rates Support Grant received by Council was significantly reduced meaning the final receipt was £933k below what had been estimated in the annual budget, without this significant impact on Rates Support Grant Council would have been able to reverse the budgeted deficit of £1.83m and generate an operational in-year surplus for 2022/23.

Recommendation

It is recommended that the Council approves the adoption of the annual statement of accounts as presented and where applicable any amendments notified during the meeting, including the approval of the various transfers to and from the various reserves.

Chief Finance Officer presented the Accounts for approval to Council.

“The Annual Statement of Accounts for the year ended 31 March 2023 are presented this evening for Council approval.

Council is required annually to prepare and submit draft accounts to the Department for Communities by 30 June and I am pleased to be able to confirm Council’s compliance with this requirement.

There are no material amendments to the accounts as circulated with the agenda to report although there may have been some typo’s corrected.

The audit of the accounts is nearing completion with just final certification by Northern Ireland Audit Office Certification to take place once Council have approved and the publication of the certified accounts by 30 September in accordance with regulations.

The audit findings were reported to the Audit committee last week in the draft report to those charged with governance and the associated audit recommendations, this was an excellent report from Council's viewpoint with only 4 recommendations.

Turning to the accounts themselves, Council set a budget for the 2022/23 year that included an applied balance of £1.8m, during the year close expenditure control together with enhanced income and a positive rates finalisation managed to reduce the final deficit to approximately £580k, indeed had it not been for the cut to rates support grant which resulted in Council receiving £933k less than budgeted Council would have successfully overturned the entire deficit and generated a modest surplus for the year.

In addition to this Council benefitted from a change in the discount factors applied to landfill provisions, this being mainly driven by higher inflation and interest rates. The effect of these changes meant Council could reduce the level of funding in the provisions however since the reduction would be eventually reversed over time the credit back to Council of £2.946m has not been added to the General Fund but rather transferred into the Financial Recovery Reserve so that it can be reapplied over time as required and not therefore result in significant fluctuations in the General Fund balance.

The accounts as presented therefore show a modest increase in the general fund of £86k and an increase in other usable reserves of £1.338m to £4.591m and £18.823m respectively.

It should also be noted that the accounts contain several transfers to other usable reserves, namely £686k into the sinking fund, £450k into the election reserve and £50k into the Area Planning Reserve, by approving these accounts Council is also approving these transfers to reserves.

The final point I would like to draw members attention to is the debt position, during the 2022/23 financial year this has improved from £61.345m to £56.476m, significantly down from the inherited position of £72m, indeed as we speak in the current financial year this has further improved to £52.1m. Such a reduction has been achieved as a result of close financial monitoring of the capital spend and expenditure limits imposed by this Council in an effort to keep these costs under control”.

*** Councillor Bateson arrived at the meeting at 7.07pm during consideration of the Item.**

Councillor Peacock congratulated the staff and finance team for their hard work, in difficult financial circumstances, worldwide.

Proposed by Councillor Peacock
Seconded by Councillor Schenning and

RESOLVED - that Council approves the adoption of the annual statement of accounts as presented and where applicable any amendments notified during the meeting, including the approval of the various transfers to and from the various reserves.

The Mayor congratulated the Chief Finance Officer and team on their work, especially in reducing Council's debt. The Mayor referred to Council's historical debt position in the press, the Mayor advised the figures now demonstrated great strides in the financial position of Council.

Councillor Watton queried Council's debt position.

The Chief Finance Officer thanked The Mayor and Elected Members for their comments.

The Chief Finance Officer responded, he advised most Councils were in debt, some had little or no debt. At the Accounts end March 2022, Council had the third highest debt level. He stated the Council's 2023 accounts would be looked at and anticipated an improved position on the table, would brought to Finance Committee.

Elected Members thanked the Chief Finance Officer and team for their work.

The Chief Executive commended the Chief Finance Officer and team and all services areas, in such challenging circumstances. He stated Council inherited £72m borrowings from Legacy Councils and list of Capital Projects. In the early months of the newly formed Council, it was decided to limit Annual Capital Expenditure to £6.5M per annum and due to this early decision, has brought the level of borrowings down to a more acceptable level and would like to be brought down further.

The Chief Executive clarified not all Councils were equal, for example there were low Business Rates in this area and therefore not comparing like for like. The Chief Executive advised the Strategy to drive Council's debt down, and to continue with a rigorous approach, managing its finances to maintain a solid position.

This being all the business, The Mayor thanked everyone for their attendance and the meeting concluded at 7.16pm.

Mayor