

**FINANCE COMMITTEE MEETING
THURSDAY 14 JANUARY 2021**

No	Item	Summary of Key Recommendations
1.	Apologies	<i>Noted</i>
2.	Declarations of Interest	<i>Nil</i>
3.	Minutes of Finance Committee meeting held Thursday 10 December 2020	<i>Confirmed</i>
	<i>'In Committee' Items 4 - 8 inclusive</i>	
4.	Management accounts for Period 8, including narrative	<i>Note</i>
5.	Finance Dashboards for Period 8	<i>Note</i>
6.	Rates Estimates 2021/22	<i>Note</i>
7.	PwC Update	<i>Verbal update</i>
8.	Any Other Relevant Business (Notified in Accordance with Standing Order 12 (o))	<i>Nil</i>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF
THE FINANCE COMMITTEE
HELD IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS AND VIA
VIDEO CONFERENCE ON
THURSDAY 14 JANUARY 2020 AT 7.00 PM**

In the Chair: Councillor McLean (C)

Members Present: Alderman Duddy (R) and Hillis (C)
Councillor Bateson (R), Callan (R), Beattie (R), Holmes
(R), McMullan (R), McCaw (R), Peacock (R), Nicholl
(R), Schenning (R), McQuillan (R) and Scott (R) Wilson
(R)

Officers Present: D Jackson, Chief Executive (C)
M Quinn, Director of Corporate Services (R)
A McPeake, Director of Environmental Services (R)
R Baker, Director of Leisure & Development (R)
L Clyde, Financial Accountant (R)
P Donaghy, Democratic and Central Services Manager (R)
I Owens, Committee & Member Services Officer (C)

In attendance: J Davidson, PwC (R)
C Thompson, ICT Operations Officer (C)
A Lennox, Mobile Operations Officer (C)

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

1. APOLOGIES

Apology was recorded for Councillor John McAuley.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

**3. MINUTES OF THE PREVIOUS FINANCE COMMITTEE MEETING
HELD THURSDAY 10 DECEMBER 2020**

AGREED – That the minutes of the meeting held on 10 December
2020 were confirmed as a correct record.

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Councillor Schenning
Seconded by Alderman Duddy and

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.**

***Councillor Callan joined the meeting at 7.06 pm**

4. MANAGEMENT ACCOUNTS FOR PERIOD 8, INCLUDING NARRATIVE

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

AGREED - to recommend that Council note the report.

***Councillor Bateson joined the meeting at 7.09 pm**

***Councillor Beattie joined the meeting at 7.12 pm**

^Councillor Wilson joined the meeting at 7.13 pm

5. FINANCE DASHBOARDS FOR PERIOD 8

Confidential report, previously circulated, presented by the Chief Executive, including modelled graphical illustrations as follows:-

Council Wide; Environmental Services; Leisure and Development; Corporate Services and Planning.

Councillor Scott asked if figures provided included Quarter 3 claim. The Chief Executive confirmed that losses will be offset and compensated and that it was expected that central government would make good any income losses.

Councillor Scott enquired about plans in place to re-instate membership at leisure facilities. The Director of Leisure and Development confirmed that work was ongoing in terms of a detailed plan on re-instatement of membership but explained to members that there was no certainty around the re-opening of leisure facilities at this time.

Councillor Holmes asked for details on the gift card scheme and the Director agreed to provide this information.

AGREED - to recommend that Council note the report.

6. RATES ESTIMATES 2021/22

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

The Chief Executive said that he had spoken to group leaders and parties regarding a consensus on reaching rates strike for this year and confirmed that Land and Property Services information on projected income was favourable. The Chief Executive further confirmed that although rates sat at 8% at present, he had asked Directors to aim for a rates strike of 5.9 %.

Councillor Beattie asked if the HMRC VAT Appeal had been factored in and the Chief Executive confirmed it had not been.

Councillor Peacock made reference to increase in rates should proposed Airshow go ahead. The Chief Executive confirmed that each £400,000 spend equates to a 0.1% rates increase and that the expenditure for this event which was subject to ratification, would equate to 0.3%. Councillor McMullan felt that Council should be seeking funding to supplement the budget for this type of event. The Chief Executive confirmed that the Funding Unit presently and continually seek funding opportunities available for a wide range of Council events.

Councillor McMullan asked about current car loan scheme and the Chief Executive confirmed that he did not believe there were any live applications at present but agreed to provide this information.

Councillor Nicholl referred to significant increase in cost of insurance provision. The Chief Executive confirmed that in conjunction with other Councils there was a plan to get an economy of scale in this regard. Council Nicholl said that he would welcome any work undertaken to potentially reduce this figure.

The Chief Executive confirmed that the Rates Booklets with a detailed programme would be available for members w/c 18 January and that £1 m savings needed to be made. In terms of the date for rates setting the Chief Executive said that he was still awaiting confirmation of 1 March 2021 deadline.

Alderman Duddy said it was important for the Rates Booklets to be issued as soon as possible, even though Stormont had delayed the rates setting to 1 March 2021 as this would give members and officers

the opportunity to reduce the rate figure. Alderman Duddy felt that savings may need to be in excess of £1 m.

The Chief Executive suggested that it may be necessary to schedule the next Finance committee meeting over two dates to enable fuller and detailed discussion of the Rates Booklet.

Councillor McQuillan asked the Chief Executive for an update on the disposal of Waterworld and The Dunluce Centre. The Chief Executive said he believed that The Dunluce Centre was close to conclusion and that Waterworld was progressing.

Councillor Holmes reminded members that an increase in rates would take money from the economy and also referred to the slow timescale at which asset disposal progressed.

Councillor Holmes pointed out that Coleraine Leisure Centre needed replaced and that Joey Dunlop Leisure Centre need works undertaken as well as a project in Ballycastle area which had a financial resource impact, all of which Council had currently no means to fund.

In terms of waste disposal, Councillor Holmes felt that Council needed to give further consideration to reducing the cost of this function.

Councillor Callan requested that Asset Realisation be included as a standing item on the Finance agenda for each meeting and the Chief Executive confirmed this would be included in future agendas.

Councillor Callan asked for an update regarding the appointment of the Director of Finance and the Chief Executive confirmed that recruitment was being progressed.

***Councillor McCaw left the meeting at 7.29 pm**

AGREED - to recommend that Council note the report.

7. PwC UPDATE

Mr Davidson was invited to provide a verbal update summarised below:-

(i) Period 8 numbers disappointing with regard to the negative swing but the reasons for same are explainable, in three areas namely:

One off refund on Caravans which was expected.

Ongoing impacts of Covid-19 through centrally managed cost centres, some of which may be reclaimable.

Waste contracts price pressure, as flagged previously and is noted as a significant factor in next year's budget increase.

(ii) A number of upsides may still materialise, including potential monies from DfC, the Actual Penny Product which appears to be estimated as a positive, and a number of timing differences in the numbers. The usual downsides such as landfill provisions and Covid costs remain.

(iii) In terms of management accounts format, it would be helpful to see a breakdown of assets under construction to further the insight given on capital spend in the year to date.

(iv) In terms of Estimates paper, I note the main costs pressures remain as Wages and Salaries; Waste Contracts; Insurance Provision, which have been discussed by members earlier.

(v) In terms of other potential risks to the Estimates, it would appear the ongoing pandemic will most likely impact the first quarter of 2021-22 and income may be impacted more than is noted in the estimates e.g. Leisure facilities should they re-open would potentially have less foot-fall and lower membership.

In addition, clarifying Central government support for Covid related loss of income, the updated EPP position, any risk of DfC clawback, and central funding of rates holidays will be critical in setting the final budget.

Mr Davidson confirmed that he had been in discussion with the Chief Executive and that at the next meeting the contents of the Rates Book would be considered in much more detail - he suggested robust and challenging discussions should be held on these to look for further opportunities for savings, noting that savings needed to be found to bring estimates down to the level indicated in Estimates papers.

Members were invited to ask questions:-

Councillor Nicholl felt that many prudent decisions were required and that members should be cautious given the Brexit impact at this time also.

The Chief Executive confirmed that although the rate pressure at present was around 8.5% he has asked the Directors to seek to reduce this to 5.9%.

AGREED - to recommend that Council note the verbal update.

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

None.

MOTION TO PROCEED 'IN PUBLIC'

Proposed by Councillor McQuillan

Seconded by Alderman Duddy

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

This being all the business, the Chair thanked everyone for their attendance and the meeting closed at 8.05 PM.

Chair