

FINANCE COMMITTEE MEETING HELD THURSDAY 10 MARCH 2022

	Item	Summary of Key Recommendations
1.	Apologies	Alderman Hillis, Councillors Peacock and Wilson
2.	Declarations of Interest	None
3.	Minutes of the Finance Committee meeting held Thursday 10 February reconvened Wednesday 16 February 2022	Confirmed
	'IN COMMITTEE' (Items 4-10 inclusive)	
4.	P10 Management Accounts	Information
5.	P10 Debt Management Report	Information
6.	P10 Prompt Payment Statistics	Information
7.	Bad Debt Report	To recommend to Council Option 1, to argue the point of contention under the terms of the licence agreement and pursue for the full amount of £3561.79
8.	Bank Approvers	To recommended that Council approve the (Interim) Director of Finance is added to the Bank Mandates and giving authority to sign cheques, approve online and BACs payment.
9.	Pay Award	Information

10.	Scheme of Allowances	<i>To recommend that Council approve the scheme of allowances for the 2022 – 2023 financial year, including any subsequent updates implementing inflationary increases to the basic allowance</i>
11.	Any Other Relevant Business Notified in Accordance with Standing Order 12 (o)	None

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE
FINANCE COMMITTEE MEETING HELD
IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS AND VIA VIDEO
CONFERENCE ON THURSDAY 10 MARCH 2022 AT 7.00 PM**

In the Chair: Councillor Callan (C)

Members Present: Alderman Finlay (C), Duddy (C)
Councillors Bateson (R), Beattie (R), Holmes (R),
McLean (C), McMullan (R), McQuillan (C), Nicholl (R),
Scott (R)

Officers Present: M Smyth, Director of Finance (Interim) (C)
D Wright, Chief Finance Officer (R)
I Owens, Committee & Member Services Officer (C)

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

The Director of Finance (Interim) undertook a roll call.

In the absence of the Chair, Alderman Hillis, Vice-Chair Councillor Callan presided.

The Chair, Councillor Callan 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 Alderman Hillis, Councillors Peacock and Wilson.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

**3. MINUTES OF THE FINANCE COMMITTEE MEETING HELD THURSDAY 10
FEBRUARY RECONVENED WEDNESDAY 16 FEBRUARY 2022**

Summary circulated.

Proposed by Councillor Scott
Seconded by Councillor Holmes and

AGREED – that the Minutes of the Finance Committee meeting held Thursday 10 February 2022, reconvened on Wednesday 16 February 2022 were taken as read and signed as correct.

It was reported that those minutes had been adopted by the Council at its meeting on 1st March 2022.

MOTION TO PROCEED ‘IN COMMITTEE’

Proposed by Councillor Holmes
Seconded by Councillor McLean and

AGREED – to recommend that Council 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. P10 MANAGEMENT ACCOUNTS

Confidential information report, previously circulated, presented by the Director of Finance (Interim).

The Director of Finance (Interim) summarised the P10 Management Accounts:

- We are now 83% of the way through the year of a £67.6m budget;
- Net Variance reports a £1.8m surplus.
- Staff savings are the largest savings to date at £1.26m.
- Large variances to focus on are third party payments at £2.6m adverse within Environment Services Directorate.
- Income at £2.431 results in a good year supported by £0.6m Holiday and Leisure Parks staycations.
- The General Fund in the Balance Sheet remains in a strong position at £9.3m, a result of noted saving through the year;
- Capital finance requirement has reduced through the year, and has moved from £79m to £76m in P10
- Our Loan balance is £63.8m and below our £80M authorised limit that is approved by Members within our Treasury Policy;
- Cumulative Capital expenditure year to date has a conservative at £3.1m;
- Cash position is strong and forecasted to be £15M in May. We have recently spread our cash between banks to reduce risk as recommended by the Treasury Policy.

The remaining tables were Directorates and commentary’s, specific factors for their areas including Leisure and Development; Environmental Services; Corporate, Policy and Resources; Finance, Performance, Planning and Legal.

Alderman Finlay asked the Director of Finance (Interim) if he had any financial concerns in particular with the impact of current situation in Ukraine.

The Director of Finance (Interim) advised there was the potential for significant further increases in energy costs and that Senior Leadership Team were aware of these pressures and considering options; Causeway Coast and

Glens Borough Council and the other 10 Council's in Northern Ireland will be negotiating renewing contracts in the next month for provision of gas, electricity and oil and confirmed there were available Reserves should the cost of energy rise at an unprecedented rate.

Alderman Finlay referred to the hardship encountered by low paid ratepayers in managing living expenses at this time.

Councillor McQuillan concurred with Alderman Finlay's remarks and enquired as to the position of budgets for fuel for Council refuse vehicles for the remainder of this financial year. The Director of Finance (Interim) advised that he was aware of rising cost of fuel and confirmed there was sufficient provision.

The Chief Finance Officer explained to Elected Members that provision of fuel was through a fluctuating Central Procurement Directorate (CPD) contract which tracks market price and ensures guaranteed quantities and was confident that finances could absorb a substantial increase in the last two months of this financial year.

5. P10 DEPT MANAGEMENT REPORT

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

The Chief Finance Officer advised of the position as at 28th Feb 2022 and 28th Feb 2021 and the movement and comparison between last year and this year (28th Feb 2021 and 28th Feb 2022)

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

Options

Debt write-off under £1,000

In accordance with our debt management policy the Chief Finance Officer advised that there were no debts under £1,000 for this month which he had the authority to write-off.

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 has recently been informed that a significant debtor has gone into administration.

In response to questions the Chief Finance Officer provided further detail of a specific debt contained within the report.

The Chief Finance Officer advised that the Credit Controller was pro-active in identifying defaults at an early stage and confirmed that credit limits varied and if debts were flagged, service could be suspended or interrupted until default was made good on debt.

6. P10 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 2018 the latest data being for quarter 4 of 21/22 year being up to and including end of February 2022. The slight dip in performance for January has been mostly reversed for February with 65.58% (68.94% year to date) of invoices being paid within 10 working days and 89.06% (91.99% year to date) of invoices being paid within 30 calendar days, the figure for February being 91.91% (January 86.14%). Overall the figures for the year to date are still comfortably better than previous years.

Improvement Actions

Whilst the improvements above are most welcome 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 firstly maintain this level 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 has recently begun and Council should be able to expect future improvements once the implementation is complete.

Prompt Payment Statistics 2018/2019					
	Q1	Q2	Q3	Q4	Total
Total No of Invoices	4785	8355	7245	9823	30208
Total amount paid	£ 6,610,672	£ 13,234,217	£ 11,722,216	£ 18,675,670	£ 50,242,775
Number of invoices paid within 10 days	2222	3629	3205	4406	13462
% of invoices paid within 10 days	46.44%	43.44%	44.24%	44.85%	44.56%
Number of invoices paid within 30 days	4330	6845	5992	7679	24846
% of invoices paid within 30 days	90.49%	81.93%	82.71%	78.17%	82.25%
Number of invoices paid outside 30 days	455	1510	1253	2144	5362
% of invoices paid outside 30 days	9.51%	18.07%	17.29%	21.83%	17.75%
No. of Disputed Invoices	2	14	22	88	126
% of disputed invoices	0.04%	0.17%	0.30%	0.90%	0.42%
Average Payment Days	19.24	23.45	31.17	23	24.49
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	3739	23128
Total amount paid	£ 12,255,753	£ 14,938,664	£ 11,824,362	£ 10,551,369	£ 49,570,148
Number of invoices paid within 10 days	4139	4113	5240	2452	15944
% of invoices paid within 10 days	70.99%	63.85%	73.63%	65.58%	68.94%
Number of invoices paid within 30 days	5447	5886	6613	3330	21276
% of invoices paid within 30 days	93.43%	91.37%	92.92%	89.06%	91.99%
Number of invoices paid outside 30 days	383	556	504	409	1852
% of invoices paid outside 30 days	6.57%	8.63%	7.08%	10.94%	8.01%
No. of Disputed Invoices	32	26	48	20	126
% of disputed invoices	0.55%	0.40%	0.67%	0.53%	0.54%
Average Payment Days	15.80	17.23	15.27	16.88	16.21
* Incomplete period					

Alderman Duddy highlighted the significant and dramatic improvement in Prompt Payments and wished his comments to be passed on to the Finance department.

7. **BAD DEBT REPORT**

Confidential report, previously circulated, was presented by the Director of Finance (Interim).

Background

The purpose of this report is to seek approval to write-off £2510.80, of an outstanding debt of £3,561.79.

The detail of the debt was presented by the Director of Finance (Interim) and in the confidential report, previously circulated. The report also provided Members with two options to consider.

The two options provided were (in summary):

Option 1, to argue the point of contention under the terms of the licence agreement and pursue for the full amount of £3561.79

OR

Option 2, to concede one element of the debt (writing off £2510.80) and pursue the remainder £1050.99.

Recommendation

It is recommended that Members approve Option 2, to concede one element of the debt (writing-off £2510.80) and pursue for the remainder £1050.99 as detailed within the confidential report.

The Director of Finance (Interim) advised that the debtor disputed Causeway Coast and Glens Borough Council staff costs.

At the request of Councillor McQuillan the Director of Finance (Interim) agreed to provide detail of the legal advice sought with regard to this debt.

Proposed by Alderman Duddy
Seconded by Councillor McQuillan and

AGREED to recommend to Council Option 1, to argue the point of contention under the terms of the licence agreement and pursue for the full amount of £3561.79

8. **BANK APPROVERS**

Confidential report, previously circulated, was presented by the Director of Finance (Interim)

Background

The purpose of seek Member's approval to add the (interim) Director of Finance onto the Bank Mandate for all the banks within Council, access to online bank processing, cheque authorisation and BACs approval.

Detail

Access to banking information and authority to make payments from within the organisation should be tightly controlled and restricted to a select few trusted senior members of staff for control and governance purposes. The majority of these functions normally rest with the Finance Team, alongside some senior operational management who provide back-up approval support to the Finance Team and general oversight of the bank authorisation and payment approval function.

At all times segregation of duties should be considered when allowing staff to perform final payment transactions. These can include a two stage approval process of final end payments. For this to happen, the organisation needs more than two staff having approval to the process to allow for holidays, absence and sickness, especially when short notice or urgent payments are needed to be made.

Members are therefore requested to approve that then (interim) Director of Finance is added to the Bank Mandates of all the banks within Council to give them written instruction and speak on Councils behalf, and also have authority to sign cheques, approve online payments, and approve BACs payments.

In providing this approval, Members will reduce the burden on those small number of staff that has approval and the risk that payments will not be made while increasing the overall financial oversight of the banking and payment function.

Recommendations

It is recommended that Members approve the (interim) Director of Finance is added to the Bank Mandates and giving authority to sign cheques, approve online and BACs payment.

Councillor McLean asked that given the Interim status of the Director of Finance appointment was there any issues with permissions for delegated authority to act as signatory.

The Director of Finance (Interim) suggested that to avoid any conflict of interest the Chief Finance Officer should answer this query.

The Chief Finance Officer advised there were similar positions held within Council by agency staff who had delegated authority and it was within the gift of Council to make such decisions.

Proposed by Councillor McLean

Seconded by Councillor Scott and

AGREED to recommended that Council approve the (interim) Director of Finance is added to the Bank Mandates and giving authority to sign cheques, approve online and BACs payment.

9. PAY AWARD

Confidential report, previously circulated, was presented by the Director of Finance (Interim)

Background

The purpose of this report is to advise members of the 2021/22 pay award acceptance by Unions.

Detail

Members are advised on the 28th February 2022, the Northern Ireland Local Government Organisation, advised Council that the 1.75% below Chief Executive, has been approved and to proceed with payment to staff, as per Appendix 1, previously circulated.

Members are advised that the Chief Executive pay award was approved at the start on the 9th February 2022 at 1.5% in previous correspondence from the Northern Ireland Local Government Organisation.

The pay agreement covers the period 1st April 2021 to 31st March 2022. Backpay will be awarded to those since left Council.

Members are advised this pay award is within our 2021/22 budget expectations and no adverse impact. Payroll are now in the process to ensure that these payments are made within this financial year.

Recommendation

Members are asked to note that the 1.75% pay award is processed.

The Director advised that a 1.75% pay rise had been awarded to employees and would be payable in March salaries and backdated from 1st April 2021.

10. SCHEME OF ALLOWANCES

Confidential report, previously circulated, was 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:

1. The maximum level of basic allowance as determined by the Department for Communities (DfC) is paid
2. The maximum level of carers allowances as determined by the DfC are paid
3. The maximum level of mileage rates as determined by the DfC are paid
4. 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:

1. Basic allowance – budget allows for 2% increase, 2021 – 2022 increase not yet approved or applied yet, will be retrospective to 1 April 2021
2. Mileage rates
3. Rates for dependant carer's allowance
4. Special Responsibility Allowance (SRA)

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

Amendments

Email correspondence (attached as an appendix) from DfC dated 14 February 2022 set out the revised rates Carer's Allowance, as our scheme is predicated on the inclusion of the maximum rates allowable under departmental guidance these updated rates have been included.

Special Responsibility Allowance

Members are reminded of the change to the allocation of Special Responsibility Allowance (SRA) in the scheme for 2021 – 2022 which is replicated in this scheme, the consequence of this being that those who received SRA as a Planning Committee member during 2021 – 2022 will no longer do so for 2022 – 2023 as the positions will rotate for the next year. These will revert again in 2023 – 2024.

Recommendation

It is recommended that Council approve the scheme of allowances for the 2022 – 2023 financial year, including any subsequent updates implementing inflationary increases to the basic allowance.

The Chief Finance Officer advised that this is approved annually and informed Elected Members that some details within the Scheme of Allowance had been updated and that a further 'for information' report would be provided to the Finance Committee.

Proposed by Alderman Finlay
Seconded by Alderman Duddy and

AGREED to recommend that Council approve the scheme of allowances for the 2022 – 2023 financial year, including any subsequent updates implementing inflationary increases to the basic allowance.

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

There were no matters of Any Other Relevant Business Notified.

MOTION TO PROCEED *'IN PUBLIC'*

Proposed by Alderman Finlay
Seconded by Councillor McLean and

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

This being all the business the Chair thanked everyone for their attendance and the meeting closed at 8.10pm