

**FINANCE COMMITTEE MEETING HELD THURSDAY 9 MAY 2024**

<b>No</b>	<b>Item</b>	<b>Summary of Key Recommendations</b>
1.	Apologies	<b><i>Aldermen Callan, Scott Councillors Holmes, McGlinchey, Nicholl</i></b>
2.	Declarations of Interest	<b><i>Nil</i></b>
3.	Minutes of Finance Committee 11 April 2024	<b><i>Signed as a correct record</i></b>
4.	Management Accounts period 12	<b><i>Noted</i></b>
5.	Actual Penny Product Forecast	<b><i>Noted</i></b>
6.	Prompt Payments	<b><i>Noted</i></b>
7.	Treasury Management Broker Approval	<b><i>To recommend that Council approve the appointment of TP ICAP group as an alternative broker for the purpose of managing Council investments and authorise the Chief Executive, Chief Finance Officer and Financial Accountant to act on Council's behalf.</i></b>
	<b>FOR CONFIDENTIAL CONSIDERATION (Items 8 – 11.1 inclusive)</b>	
8.	Finance Committee Terms of Reference	<b><i>To recommend that Council approve the Terms of Reference as set out in this report.</i></b>

<b>9.</b>	Staffing and Overtime	<b><i>Deferred to the next Finance Committee meeting</i></b>
<b>10.</b>	Debt Management	<b><i>Noted</i></b>
<b>11.</b>	Transformation Plan Update	<b><i>Noted</i></b>
<b>11.1</b>	FMT Minutes 3 April 2024	<b><i>Noted</i></b>
<b>12.</b>	Any Other Relevant Business (notified in accordance with Standing Order 12 (o))	<b><i>Nil</i></b>

**MINUTES OF THE PROCEEDINGS OF THE  
FINANCE COMMITTEE HELD  
IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS  
ON THURSDAY 9 MAY 2024 AT 7.00PM**

**In the Chair:** Councillor Peacock

**Members Present:** Aldermen Coyle, Knight McQuillan, S McKillop;  
Councillors Huggins, Kane, Kyle, McQuillan, Mairs,  
Schenning, Wisener

**Officers Present:** D Wright, Chief Finance Officer  
J Keen, Committee & Member Services Officer

**In Attendance:** A Lennox, Mobile Operation Officer

Press: (1 No) (R)

**Key:** (R) Attended Remotely

The Chair advised Committee of its obligations and protocol whilst the meeting was being audio recorded.

**1. APOLOGIES**

Apologies were recorded for Alderman Callan, Alderman Scott, Councillor Holmes, Councillor McGlinchey, Councillor Nicholl.

The Chair informed the Committee that Item 9 Staffing and Overtime is deferred to next month's Finance Committee to be discussed there.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest recorded.

**3. MINUTES OF FINANCE COMMITTEE MEETING HELD THURSDAY 11 APRIL 2024**

Summary previously circulated.

**AGREED** - the Minutes of the Finance Committee Meeting held Thursday 11 April 2024 were confirmed as a correct record.

\* **Councillor Kane joined the meeting in the Chamber at 7.11pm during consideration of this item.**

#### **4. MANAGEMENT ACCOUNTS PERIOD 12**

Verbal update provided by the Chief Finance Officer.

A verbal update was provided for the Period 12 accounts as they need to correlate with the Annual Accounts that Council submits to the Department for Communities on the 30 June 2024. The Chief Finance Officer advised a draft set of Accounts can be brought through the June Finance Committee, with the caveat they could change pending their audit. Period 12, year end accounts will not be finalised until 30 September 2024, this is the date the accounts need to be audited, signed off, certified and published.

The Chief Finance Officer stated the Period 12 position, there are adjustments to be made at year end that are not made at month end, for example accumulated absences, pension fund accounting and landfill provision. The Chief Finance Officer explained that accumulated absences are untaken leave, which needs to be costed and charged to the accounts. He advised this information has been received from Human Resources and has been included in the accounts. Pension fund accounting is where Council shows their share of surplus or deficit in the NILGOSC pension fund relating to Council and past staff, this is done by an actuarial report. This report has been received and included in the accounts. Landfill provision for Craighulliar landfill site has not been completed yet. The required information is provided through an engineer's report, they will provide projected capping costs once closed and aftercare, Council have to discount those values. Council have budgeted for this, it should not have an adverse impact on the accounts. Council also show accruals, this is in relation to invoices at year end that refer to before the 31 March 2024 for projects that have not been completed or grants that have not been paid out. At the end of the year accruals are kept open a little longer because anything up to the 30 June could be considered an accrual.

The Chief Finance Officer stated that, in terms of the actual figures Council have significantly reduced the £2.6m deficit in the agreed budget. Council have had unexpected income at year end, including gas extraction income from the landfill site being more than expected, an extra £150k, this is due to utility charges being higher, Council was paid more for selling the extracted gas. There was a property certificate income at year end which was due to Council surrendering VAT on district property certificates which was incorrect. Council had surrendered approximately £70k of VAT which has been returned. In relation to the derating grant at year end, a small finalisation settlement grant has been paid to Council. In the APP forecast some challenges have been settled which means Council are in a clawback position, the derating grant will offset this. The Treasury Management Investments have yielded significant income as interest rates are high, due to this Council are approximately £150k ahead of budget. In the last month the landfill tax is a little lower than expected.

Committee NOTED the verbal update.

In response to questions, the Chief Finance Officer advised that all grant monies due to be paid are reflected in the accounts, this money has been accounted for. The Chief Finance Officer confirmed that Craighulliar landfill site is due to close in the next few months and detailed how the closure plan will take effect once the site is closed and the aftercare plan will be put in place.

The Chair provided congratulations to staff for their hard work on reducing the £2.6m deficit and also to the diligence of the Finance Committee

## 5 ACTUAL PENNY PRODUCT FORECAST

Report, previously circulated, was presented by the Chief Finance Officer.

### Background

Land and Property Services (LPS) who issue bills and collect rates on behalf of Councils issue in year forecasts on the Actual Penny Product (APP) and projected outturns with regards the amount of rates actually collected.

### Detail

LPS has issued to Councils unaudited indicative final in year forecast for the APP based on figures at 31 March 2024. The forecast for Causeway Coast and Glens Borough Council has been based on actual figures as opposed to using in year assumptions for previous months.

### Monthly Analysis

Month	Jun	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Forecast	£421	£322	£334	£335	£364	£256	£377	£-27

All figures £'000

### Additional analysis

The March figure shows a significant adverse movement when compared to previous periods resulting in a finalisation clawback of approximately £27k. Adjustment for this figure will be made, following audit completion, in October or November of this year however provision will be included in the 2023/24 accounts for its impact so there will be no carried forward consequence for 2024/25 accounts. Clarification has been sought around the reasons for this movement and there are two major contributing factors. Firstly, as has been previously reported, a significant revaluation challenge has been settled which is also back date for three years, the estimated effect of this settlement is £270k. Secondly the cost of collection has increased in March by 11.8% and the question has been asked as to how this could suddenly arise. The reason

for this increase has been mainly attributed to a back dated pay award for civil service staff which also includes a one off lump sum payment.

### **APP analysis**

The tables below set out the analysis of the APP forecast for the current financial year in terms of both domestic and non-domestic properties.

### **Revaluations**

The figures presented in this report demonstrate how detrimental the effect of successful valuation challenges can be. It should be noted that there are still a number of outstanding challenge cases to be heard and whilst they will no longer affect the figures for 2023/24 they could impact on our APP for 2024/25 however most of the significant challenges have by now been dealt with.

### **Recommendation**

**It is recommended** that Council note the report.

**AGREED** – to recommend that Council note the report.

## **6 PROMPT PAYMENTS**

Report, previously circulated, was 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 2021 the latest data being for quarter 1 of 24/25 year, up to and including end of April 2024. This time last year we had the impact of implementing the new finance system but this year in the absence of a similar event we can see the continued improvement following that implementation.

### **Improvement Actions**

The statistics will be continually to ensure the performance levels and where possible improved. Council's self-imposed target remains at 90% of invoices being paid within 30 days. During April 90.72% (March 91.93%) of invoices were paid within 30 days, a greatly improved starting position when compared to the figures from the previous year where 82.89% was recorded for the

entirely of Q1. Combined performance for Q3 and Q4 of the previous year was 90.19%.

<b>Prompt Payment Statistics 2021/2022</b>					
	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
<b>Prompt Payment Statistics 2022/2023</b>					
	Q1	Q2	Q3	Q4	Total
Total No of Invoices	6461	6090	6825	6265	25641
Total amount paid	£ 17,214,458	£ 17,078,164	£ 12,851,511	£ 35,804,964	£ 82,949,097
Number of invoices paid within 10 days	4446	3487	4806	4628	17367
% of invoices paid within 10 days	68.81%	57.26%	70.42%	73.87%	67.73%
Number of invoices paid within 30 days	5872	5267	6252	5829	23220
% of invoices paid within 30 days	90.88%	86.49%	91.60%	93.04%	90.56%
Number of invoices paid outside 30 days	589	823	573	436	2421
% of invoices paid outside 30 days	9.12%	13.51%	8.40%	6.96%	9.44%
No. of Disputed Invoices	33	35	61	20	149
% of disputed invoices	0.51%	0.57%	0.89%	0.32%	0.58%
Average Payment Days	16.24	18.55	15.92	14.28	16.22
<b>Prompt Payment Statistics 2023/2024</b>					
	Q1	Q2	Q3	Q4	Total
Total No of Invoices	6512	7263	6847	7031	27653
Total amount paid	£ 23,864,802	£ 17,139,245	£ 13,837,183	£ 13,491,210	£ 68,332,440
Number of invoices paid within 10 days	3675	5233	5444	5774	20126
% of invoices paid within 10 days	56.43%	72.05%	79.51%	82.12%	72.78%
Number of invoices paid within 30 days	5398	6232	6215	6301	24146
% of invoices paid within 30 days	82.89%	85.80%	90.77%	89.62%	87.32%
Number of invoices paid outside 30 days	1114	1031	632	730	3507
% of invoices paid outside 30 days	17.11%	14.20%	9.23%	10.38%	12.68%
No. of Disputed Invoices	33	162	35	169	399
% of disputed invoices	0.51%	2.23%	0.51%	2.40%	1.44%
Average Payment Days	18.71	15.59	11.36	13.58	14.64
<b>Prompt Payment Statistics 2024/2025</b>					
	Q1*	Q2	Q3	Q4	Total
Total No of Invoices	2069				2069
Total amount paid	£ 5,052,528				£ 5,052,528
Number of invoices paid within 10 days	1522				1522
% of invoices paid within 10 days	73.56%				73.56%
Number of invoices paid within 30 days	1877				1877
% of invoices paid within 30 days	90.72%				90.72%
Number of invoices paid outside 30 days	192	0	0	0	192
% of invoices paid outside 30 days	9.28%				9.28%
No. of Disputed Invoices	17				17
% of disputed invoices	0.82%				0.82%
Average Payment Days	12.02				12.02
*Incomplete period					



Committee NOTED the report.

In response to questions, the Chief Finance Officer clarified the figure paid out in the first quarter of the last financial year looks higher, the figures for the same period this financial year are incomplete, this is noted in the table with the asterisk. The Chief Finance Officer advised the figure paid out in the first quarter is higher because insurance, rates etc are paid at this time.

## **7 TREASURY MANAGEMENT BROKER**

Report, previously circulated, was presented by the Chief Finance Officer.

### **Purpose of Report**

To seek approval of members for the appointment of an alternative broker for Treasury Management purposes.

### **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.

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.

### **Brokerage Services**

Council currently uses the services of a broker to access investment opportunities.

With increasing opportunities to make investments a second broker has been identified to enhance the diversity of our investments.

Both this company and the current broker are independent of Council's Treasury Management advisers.

### **Recommendation**

**It is recommended** that Council approve the appointment of TP ICAP group as an alternative broker for the purpose of managing Council investments and authorise the Chief Executive, Chief Finance Officer and Financial Accountant to act on Council's behalf.

Proposed by Councillor Schenning  
Seconded by Alderman S McKillop and

**AGREED** – to recommend that Council approve the appointment of TP ICAP group as an alternative broker for the purpose of managing Council investments and authorise the Chief Executive, Chief Finance Officer and Financial Accountant to act on Council's behalf.

### **MOTION TO PROCEED 'IN COMMITTEE'**

Proposed by Alderman Knight McQuillan  
Seconded by Alderman Coyle 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.***

- \* **Press were disconnected from the meeting at 7.24pm.**

## **8 FINANCE COMMITTEE TERMS OF REFERENCE**

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

Confidential by virtue of paragraph(s) 3 & 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

### **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. Part of the implementation of the extraordinary audit requires that these terms be reviewed annually, the last review occurred at the June 2023 committee.

### **Recommendation**

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

Proposed by Councillor McQuillan  
Seconded by Alderman S McKillop and

**AGREED** – to recommend that Council approve the Terms of Reference as set out in this report.

## **9 STAFFING AND OVERTIME**

### **9.1 Appendix A - Employee overtime**

### **9.2 Appendix B - Agency overtime**

Item 9 Staffing and Overtime was deferred to the next Finance Committee meeting to be discussed there.

## **10 DEBT MANAGEMENT**

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

Confidential by virtue of paragraph(s) 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

### **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 July 2023.

Due to the implementation of the new finance system on 1 April last year an April 2023 aged debt comparison is not available therefore for the purposes of this report figures from May 2023 are being used.

### **Detail – Aged Debt Analysis**

Table circulated detailing Aged Debt Analysis as at 30<sup>th</sup> April 2024.

Table circulated detailing Aged Debt Analysis as at 31<sup>st</sup> May 2023.

Table circulated detailing movement and comparison between last year and this year (31<sup>st</sup> May 2023 and 30<sup>th</sup> April 2024).

With regards the 90 days and over figures there are customers who have entered administration totalling £254.32, in due course we will be informed if Council will receive any settlement from these companies following which any debts requiring written off will be informed to this committee or if required authority to write off will be sought, there are two debts for write off detailed in sections 4.1 and 4.2 below. A further £159,282 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.

### **Over 90 Days analysis**

The tables 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).

The table circulated sets out such debts that have been cleared since the last report in March.

### **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. There are no such debts this month.

Committee NOTED the report.

## **11 TRANSFORMATION PLAN UPDATE**

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

Confidential by virtue of paragraph(s) 3 & 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

### **Purpose of Report**

The purpose of this report is to present an update on the Transformation Action Plan in terms of Financial Governance

### **Recommendation**

**It is recommended** that the Action Plan Update is considered and noted.

Committee NOTED the report.

The Chair offered congratulations and thanks to staff for completing the extra work required for the transformation action plan.

### **11.1 FINANCIAL MANAGEMENT TEAM - MINUTES 3 APRIL 2024**

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

Confidential by virtue of paragraph(s) 3 & 5 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

Committee NOTED the report.

**MOTION TO PROCEED ‘IN PUBLIC’**

Proposed by Councillor Kane  
Seconded by Councillor Schenning and

**AGREED** – that Committee move *‘In Public’*.

**15 ANY OTHER RELEVANT BUSINESS (NOTIFIED IN ACCORDANCE WITH STANDING ORDER 12 (O))**

There were no items of Any Other Relevant Business.

This being all the business, the Chair thanked Elected Members for their attendance and the meeting closed at 7.32pm

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Chair