

FINANCE COMMITTEE MEETING THURSDAY 28TH NOVEMBER 2019

No	Item	Summary of key Recommendations
1	Apologies	<i>Councillor Bateson, Hunter, Knight-McQuillan</i>
2	Declarations of Interest	<i>Councillor McGurk, Councillor Scott, Item 6 – Asset Realisation</i>
3	Confirmed Terms of Reference	<i>Information</i>
4	Actual Penny Product Forecast	<i>Information</i>
5	Estimated Penny Product Forecast	<i>Information</i>
IN COMMITTEE (Items 6-9 inclusive)		
6	Asset Realisation	<i>To prevent a delay between the conclusion of Dunluce Centre and Waterworld being declared surplus - that the capital project team shall commence developing added value options for Waterworld that would realise its maximum commercial value.</i>
7	Period 6 Management Accounts	<i>Information</i>
8	Current Debt Position	<i>Information</i>

No	Item	Summary of key Recommendations
9	Financial Pressure 2020/21	<i>Information</i>
10	Any Other Relevant Business (notified in accordance with Standing Order 12 (o))	<i>None</i>

Unconfirmed

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF
THE FINANCE COMMITTEE
HELD IN COUNCIL CHAMBER, CIVIC HEADQUARTERS ON
THURSDAY 28 NOVEMBER 2019 AT 7 PM**

In the Chair: Councillor Peacock

Members Present: Alderman Duddy, Hillis and McCandless,
Councillors Beattie, Callan, Holmes, McAuley,
McGurk, McLean, Schenning and Scott.

Officers Present: D Jackson, Chief Executive
D Wright, Chief Finance Officer
J Richardson, Head of Capital Works, Energy and
Infrastructure
A Mullan, Head of Operations
S McMaw, Head of Performance
T McKenna, Committee Clerk

1. APOLOGIES

Apologies were recorded from Councillor Bateson, Councillor Knight-McQuillan and Councillor C McShane.

2. DECLARATIONS OF INTEREST

Declarations of Interest were recorded as follows:

Councillor McGurk in Item 6 - Asset Realisation, Councillor McGurk left the meeting during consideration of the Item;

Councillor Scott in Item 6 - Asset Realisation, Councillor Scott left the meeting during consideration of the Item.

3. CONFIRMED TERMS OF REFERENCE

Report, previously circulated, presented by the Chief Executive.

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.

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;
- To consider the external auditor's report to those charged with governance on finance issues arising from the audit of accounts;
 - Require the attendance of any officers as required;
 - Receive a rolling programme of finance related presentations from all service areas.

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.

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 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.

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.

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

Members noted the Terms of Reference as set out in this report.

4. ACTUAL PENNY PRODUCT FORECAST

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

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.

LPS has issued to Councils the first in year forecast for the APP based on figures at 30 September 2019. The forecast for Causeway Coast and

Glens Borough Council indicates that we are on course to receive a positive finalisation in terms of rates income amounting to approximately £133k, an improvement from the first quarter which was £46k negative.

With regard to losses in the non-domestic sector and in particular vacant property we should not be complacent. The economic climate remains challenging and can impact without warning and sometimes significantly on revenue streams, thus making projections very difficult. We therefore believe that Council need to take a prudent approach to penny product figures at this stage of the year.

This is a more encouraging forecast however it does indicate that estimates used in setting the rate were very consistent with the strength of our rates base which continues to show growth albeit slowly and steadily.

Discussion ensued on potential rates revenue for new and partially completed properties. The Chief Finance Officer confirmed that these queries would need to be clarified with Land and Property Services.

5. ESTIMATED PENNY PRODUCT FORECAST

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

Land and Property Services (LPS) who issue bills and collect rates on behalf of Councils issue forecasts on the Estimated Penny Product (EPP) which is used in the rates setting process by Councils in order to determine the rate to be struck.

LPS have issued to Councils the first in year forecast for the EPP based on figures at 30 September 2019. The forecast for Causeway Coast and Glens Borough Council gives an EPP of £1,886,150 compared to £1,750,916 which was used in calculating our rate for the current year. This represents an increase of around 7.72% however caution needs to be exercised due the newer figure containing values derived from the non-domestic revaluation exercise. When adjusted for the inflation due to the revaluation the growth in EPP in real terms is approximately 0.36%. It is evident that reliance cannot be placed on significant rates base growth to increase available finance for Council to provide services, other efficiencies or sources of revenue generation must be explored and maximised to minimise the impact upon our ratepayers. Officers are currently investigating any potential sizable properties which have been approved recently or are imminent so that they could be added to our EPP thereby reducing potential additional ratepayer burden.

The new EPP as set out in 2.1 above has been updated in the current rates estimates being presented to this committee.

In response to a query from Councillor Callan as to whether a comparison table could be provided comparing the growth position for the previous 4 to 5 years, the Chief Finance Officer confirmed he would check this with Land and Property Services.

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Councillor Scott
Seconded by Councillor Schenning and

AGREED – to recommend that Committee move *'In-Committee'*.

6. ASSET REALISATION

- * **Councillors McGurk and Scott, having declared an interest, left the meeting at 7.15PM.**

Confidential information report, previously circulated, presented by the Head of Capital Projects, Energy & Infrastructure.

Asset realisation with added value has been ad hoc in the past, but a more structured approach co-ordinated by the infrastructure team is anticipated before and after the New Year.

Infrastructure is responsible for the delivery of all capital projects and has the necessary multi-disciplinary capability to co-ordinate and realise added values to assets. Resource is currently substantively assigned to the project management of new capital projects and this process will now place asset realisations within the capital programme resource to ensure delivery.

The Head of Capital Projects, Energy & Infrastructure updated Members on the following assets that Infrastructure are seeking to realise efficiency and commercial opportunities;

- Magilligan Ferry Terminal & Slipway
- Killyrammer Old School
- Lansdowne Shelter
- Laurel Hill
- North Pier Shop – Portrush Harbour
- Bushmills Visitor Information Centre

- Mountsandel Ground
- Waterworld
- Dunluce Centre
- Market Yard – Multi Usable Space / Carpark
- Ballyreagh Rd (8 acres site adjacent to Juniper Hill Caravan Park)
- Crescent Cafe building Portstewart
- Dungiven Sports Pavilion

Discussion ensued on the individual plans for each these capital projects. The Head of Capital Projects, Energy & Infrastructure confirmed that Waterworld in Portrush was not currently being considered as a project as the Department of Leisure and Development had not declared this asset as surplus.

In response to questions regarding planning for this site, The Head of Capital Projects, Energy & Infrastructure stated he would confirm with Planning Department as to what the potential options are for the site.

Proposed by Alderman Duddy
Seconded by Councillor Callan

- To prevent a delay between the conclusion of Dunluce Centre and Waterworld being declared surplus - that the capital project team shall commence developing added value options for Waterworld that would realise its maximum commercial value.

The Chair put the Motion to the Committee to vote.

10 Members voted For, 0 Members voted Against and 0 Members Abstained.

The Chair declared the Motion **CARRIED**.

* **Alderman Duddy left the meeting at 8.50pm**

* **Councillors McGurk and Scott re-joined the meeting at 9.10PM.**

7. PERIOD 6 MANAGEMENT ACCOUNTS

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

Causeway Coast and Glens Borough Council has approved annual budgets and delegated authority to officers to utilize these budgets in the provision of services to our rate payers.

The Chief Executive extended apologies on behalf of the Head of Sport and Well Being and distributed to Members a Sport & Well Being summary report for period 6.

The Director for Environmental Services and the Head of Operations responded to questions from Members regarding the Management Accounts for Period 6 for Environmental Services, Operations.

8. CURRENT DEBT POSITION

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

The purpose of this report is to inform members of the position regarding Council's loans portfolio.

In a response to a suggestion to include figures concerning assets, The Chief Finance Officer confirmed that he would alter the profile chart to take into account Member's suggestions

9. FINANCIAL PRESSURE 2020/21

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

The purpose of this report is to inform members of the initial pressures being faced by Council in terms of financial budgeting and the setting of the rate for 2020/21. The summary table details the estimated impact of the larger known high level influences on the rates and therefore gives an indication of the challenges which Council will face and need to address in considering the setting of the rate for 2020/21.

In response to requests from members for overall severance figures, incoming year income targets and review of staff overtime spend, The Chief Finance Officer confirmed he would have these all available for the next meeting.

10. 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 Councillor Callan
Seconded by Councillor Holmes and

AGREED – that the committee proceed to conduct the following business '*In Public*'.

There being no further business, the Chair thanked Members for their attendance and the meeting concluded at 10.35pm.

Chair

Unconfirmed