

FINANCE COMMITTEE MEETING THURSDAY 13 MAY 2021

	Item	Summary of Key Recommendations
1.	Apologies	Councillor Nicholl
2.	Declarations of Interest	Nil
3.	Minutes of the previous Finance Committee	Confirmed
	'In Committee' (Items 4-8 inclusive)	
4.	Year End Financial Position 2021	Information
5.	System Migration	Council does not avail of outside independent project management support to provide assurance to Council members; - That Council approve the timetable.
6.	Finance Business Plan 2021 / 22	Information
7.	Financial Recovery Plan Update	That Council approve the draft report and directs work accordingly; - that the Working Group consists of the 16no. Finance Committee members; the Chair of the Finance Committee also Chair the Working

		<i>Group; meetings to be held immediately before or immediately after Finance Committee meetings.</i>
8.	PwC update	<i>Received</i>
9.	Any Other Relevant Business	<i>Nil</i>

**MINUTES OF THE PROCEEDINGS OF THE FINANCE COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBER, CIVIC HEADQUARTERS
AND VIA VIDEO CONFERENCE ON THURSDAY 13 MAY 2021 AT 7.00 PM**

In the Chair: Councillor McLean (C)

Members Present: Alderman Duddy (C), Hillis (C), Finlay (R)
Councillors Bateson (R), Beattie (R), Callan (R), Holmes (C),
McMullan (R), McQuillan (C), Peacock (R), Scott (R), Wilson
(R).

Officers Present: D Jackson, Chief Executive (C)
M Smyth, Director of Finance (Interim) (R)
D Wright, Chief Finance Officer (R)
S Duggan, Civic Support & Committee & Member Services Officer (C)

In attendance: J Davidson, PwC (R)

A Lennox, ICT Operations Officer (C)
C Thompson, ICT Mobile Operations Officer (C)

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

The Chair read from the Remote Meetings Protocol:

Welcome to the Finance Committee Meeting.

I extend a welcome to members of the press and public in attendance. You will be required to leave the meeting when Council goes into committee. You will be readmitted by Democratic Services Officers as soon as the meeting comes out of committee. I would also remind you that the taking of photographs of proceedings or the recording of proceedings for others to see or hear is prohibited.

If you are having technical difficulties try dialling in to the meeting on the telephone number and Conference ID provided.

If you continue to have difficulties please contact the number provided on the chat at the beginning of the meeting for Democratic Services staff and ICT staff depending on your query.

*The meeting will pause to try to reconnect you.
Once you are connected*

- *Mute your microphone when not speaking.*
- *Use the chat facility to indicate to that you wish to speak. The chat should not be used to propose or second.*
- *Please also use the chat to indicate when you are leaving the meeting if you are leaving before the meeting ends.*
- *Unmute your microphone and turn your camera on when you are invited to speak.*
- *Only speak when invited to do so.*
- *Members are reminded that you must be heard and where possible be seen to all others in attendance to be considered present and voting or your vote cannot be counted.*

1. APOLOGIES

Apologies were recorded for Councillor Nicholl.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

3. MINUTES OF PREVIOUS FINANCE COMMITTEE MEETING

Summary, previously circulated.

The Minutes of the Finance Committee meeting held Thursday 22nd April 2021 were confirmed as a correct record.

MOTION TO PROCEED ‘IN COMMITTEE’

Proposed by Councillor McQuillan
Seconded by Alderman Duddy 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. YEAR END FINANCIAL POSITION 2021

Confidential report, previously circulated, presented by the Director of Finance (Interim), to update and indicate to the Finance Committee, a Draft Financial Position of the Financial Year End 2021/2.

With any forecasted position comes uncertainty, and as such, any position given to Finance Committee before Finance fully signs off and approves our position, is subject to change and must be treated with caution.

Background

Councils are required under The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 to close and report their financial period each 12 month period to March 31.

In closing and reporting the financial period for the year, Causeway Coast and Glens Finance Team works to an agreed timetable that is focused on a June 30th deadline submission of their financial accounts to Northern Ireland Audit Office (NIAO) and Department for Communities (DfC).

There are some factors that are outside the control of a Finance Team that influences the final number and therefore reduces the ability for the Finance Team to accurately forecast. The most obvious factors relate to invoices for the period in question that are unknown to Finance and have not been submitted to the Finance Team.

Finance mitigates such factors through planning and regular communication with operational Budget Holders and Directors, to remind them to submit all invoices and operational reports that may impact the financial accounts, on a timely basis, or inform Finance of significant costs for the period that are expected but not yet received, for accruals.

As of close of business on Thursday 6th May 2021, our forecast, that takes into consideration future income and expense, remains favourable to meet previously disclosed estimate in the region of £6M.

There was a small number of key movements that supported this surplus as the table circulated indicated.

Members were requested and reminded to treat any forecasted figure with caution before any final number is brought to Finance Committee as signed off.

Further Considerations

The forecast suggests Council is in a usual position of a large surplus to budget at Year End. Council's surplus comes from an unprecedented year as we emerge from a worldwide pandemic, were benchmarking and forecasting financial information proved challenging.

Our future as we emerge from the pandemic, in addition to Brexit, creates significant uncertainty to forecasting the financial challenges that lie ahead in the months and years to come.

As such, the Finance Team will look to advise the Finance Committee on any surplus once finalised and seek direction how we proceed through this uncertainty with careful prudent financial recommendations balanced with meeting the needs of our stakeholders, with a key focus on our ratepayers.

Recommendation

There are no recommendations on this paper.

Alderman Finlay questioned how much was in Council's Reserves. The Director of Finance (Interim) advised it was still being finalised and would be brought back to Committee when the Accounts signed off.

In response to Councillor Holmes, the Director of Finance (Interim) clarified the timescale for the Accounts to be sent to NIAO.

* **Councillor Bateson joined the meeting at 7.10pm.**

5. SYSTEM MIGRATION

Report, previously circulated, to update Finance Committee on the progress made from the last meeting on the 22nd May 2021, where Committee was presented with a Project Mandate and agreed to proceed on investigations for a system migration from council's current provider to a new provider.

Detail was provided within the confidential report, circulated.

Next Steps

OBC delivered next meeting, June 10th with full costings, option analysis and recommendations for approval to engage in system procurement.

For Consideration

Council may wish to consider outside independent project management support to provide assurance to Council members. Indicative charges indicate that this could be provided by Big 4 consulting firms at around £15,000 for 30 days of a senior consultants' charge over the project year.

Councillor Holmes queried bringing in a Project Manager, rather than the Director of Finance, he stated preference for the management internally.

The Director of Finance (Interim) clarified it was a consideration for Committee.

Proposed by Councillor Holmes
Seconded by Alderman Finlay and

AGREED – to recommend that Council does not avail of outside independent project management support to provide assurance to Council members;
- That Council approve the timetable.

6. **FINANCE BUSINESS PLAN 2021 / 22**

Report, previously circulated, to set out the medium term plan for the Finance Department, over the next year, that will support the Councils overall long-term Corporate Strategy of 2021 – 2025.

Finance Committee are asked to review the objectives and outcome that are listed in the Finance Business Plan 2021/22, as detailed in Appendix 1 and reject, adjust or approve the plan to give direction to the Finance Team for the new 2021/22 Financial Year.

Background

Good governance is supported by independent oversight and direction from Boards and Committees in supporting operational directors manage organisations.

The organisational Finance Plan used SWOT and PESTEL analysis, that are strategic management process, in reflection with the Corporate Strategy 2021 – 2025 aims and objectives, to support its approach to medium term business planning.

The Finance Team has set out 5 objectives and 15 outcomes to support the departments role.

The 2021/22 Business Plan will give direction and goals for the Finance Team to strive to meet, and targets for Finance Committee to hold Finance to account.

It is recommended that the Finance Committee approves the Finance Business Plan for 2021/ 22.

The Chair advised the Business Plan had been presented to Corporate Policy & Resources Committee and had been recommended for approval, however, the Minutes had not been ratified.

In response to questions, the Director of Finance (Interim), referring to the SWOT, clarified inefficiencies including use of paper, his vision paperless and electronic. The Director of Finance confirmed he would bring a report back on the work undertaken to date regarding the issue.

The Director of Finance (Interim) confirmed the new Finance Software would address most of the weaknesses, for example in invoicing; an operation example was detailed.

Councillor Callan considered a traffic light system along with periodic reporting on the Business Plan would be beneficial.

7. FINANCIAL RECOVERY PLAN UPDATE

Report, previously circulated, to update Committee on the financial recovery plan as the Council moves on from the second Covid-19 lockdown.

Background

This report sets out a programme of proposed projects designed to ensure the sustainability and robustness of Council finances for the current term and beyond.

Objectives

- Minimise the impact of Covid-19 on the delivery of Council services;
- Maximise support to the local businesses and economy;
- Efficiency and improved effectiveness through transformation, including embracing changes forced by pandemic response;
- Balance the budget by minimises the deficit on the provision of services;
- Increase income and reduce costs that will not impact local ratepayers;
- Replenish reserves;
- Reducing the level of borrowing to £50m;
- Realise assets, reduce liabilities and optimise the use of the estate;
- Set rates to meet the level of service expected by the ratepayer.

Further detail was set out within the confidential report, circulated.

It is recommended that the Finance Committee considers this draft report and directs work accordingly.

Councillor McQuillan referred to Capital Asset Realisation, he requested an update on the Dunluce Centre.

The Chief Executive outlined the current position and confirmed an update could be brought to the Council Meeting.

Councillor Callan requested continuation of the Covid-19 Working Group to look at the key strands proposed, he sought an update on Senior Leadership buy-in and how it was being managed. He queried when the Financial Health check would be completed.

The Director of Finance (Interim) concurred on the re-establishment of the Working Group. He outlined Senior Leadership management to include the Capital Working Group; Efficiencies through the Finance Team with monthly Business Plan and Management Accounts meetings and; Transformation management by the Chief Executive and the Director of Finance (Interim), with current Papers in circulation and meetings set up as and when required.

The Director of Finance (Interim) advised the Financial Health Check was currently scheduled for November 2021 and was ongoing.

Alderman Finlay commented there was only one Working Group that consisted of Councillors. He proposed the 16 no. Finance Committee Members sit on the Working Group. The Director of Finance (Interim) confirmed the situation, and advised he was content to consider alternative options.

Proposed by Councillor Callan

Seconded by Councillor Peacock and

AGREED – to recommend that Council approve the draft report and directs work accordingly;

- that the Working Group consists of the 16no. Finance Committee members; the Chair of the Finance Committee also Chair the Working Group; meetings to be held immediately before or immediately after Finance Committee meetings.

8. PWC UPDATE

J Davidson offered comment on the reports. He stated it was positive to hear the £6m target surplus remained the Finance Team's expectation for the annual result. He understood there would be additional analysis of the remainder of the surplus, which the papers note includes a £1.9m Rates Support Grant / Rates Uplift, and that when the final figures were known, the remainder of the surplus would be broken down for Committee.

J Davidson advised there was a lot to be done on the Systems Migration element, an important task for delivery. Many of the improvements noted in the Finance Business Plan would be facilitated by the System implementation, but noted it was important to get this project completed to a high standard to deliver the improvements. J Davidson concurred the Finance team and interim Finance Director appear to know the systems well, and did not challenge the recommendation for Council to avoid incurring the additional consultancy cost. He offered to facilitate a conversation with the systems implementation team with a PwC specialist for an overview conversation.

J Davidson referred to the Finance Business Plan, and that it formed a good basis for a detailed Service Level Agreement with the Finance Team and the Organisation - agreed that tracking progress on the actions was important. The Finance Recovery Plan, noted as very thorough, and if all items achieved within Annex A, Council's Finance Committee would be in a good position. He stated it was important to track ongoing progress on each.

9. ANY OTHER RELEVANT BUSINESS

There were no matters of Any Other Relevant Business.

The Chair, being his final Finance Committee meeting before the end of the Year, thanked Committee for their support throughout the year. Committee also thanked the Chair for his work.

MOTION TO PROCEED '*IN PUBLIC*'

Proposed by Councillor McQuillan
Seconded by Alderman Duddy and

AGREED – to recommend that Council move '*In Public*'.

This being all the business the Chair thanked everyone for their attendance and the meeting closed at 7.48pm

Chair