

**FINANCE COMMITTEE MEETING HELD THURSDAY 12 MAY 2022**

|     | <b>Item</b>  | <b>Summary of Key Recommendations</b>   |
|-----|--|---|
| 1.  | Apologies  | <b><i>Alderman Duddy,<br/>Councillors Beattie,<br/>Callan, McLean,<br/>Nicholl and<br/>Schenning</i></b>  |
| 2.  | Declarations of Interest   | <b><i>None</i></b>  |
| 3.  | Minutes of Finance Committee meeting held Thursday 14 April 2022 | <b><i>Signed as a correct record</i></b>  |
|     | <b>'IN COMMITTEE' (Items 4-15 inclusive)</b>                     |   |
| 4.  | P12 Update   | <b><i>Received</i></b>  |
| 5.  | Inflation Report   | <b><i>Deferred</i></b>  |
| 6.  | P12 Debt Management Report                                       | <b><i>Information</i></b>   |
| 7.  | BID Invoice Administration                                       | <b><i>To recommend that Council approve a fee of £2,000 for the BID levy administration for the 2021/22 year.</i></b>   |
| 8.  | P12 Prompt Payment Statistics                                    | <b><i>Information</i></b>   |
| 9.  | 2021/22 Finance Business Plan Update                             | <b><i>Information</i></b>   |
| 10. | 2022/23 Finance Business Plan                                    | <b><i>To recommend that Council approve the Finance Business Plan for 2022/ 23; caveat that Council keep an eye on the threats to the organisation, specifically inflation, over the coming year.</i></b> |

|            |   |  |
|------------|---|--|
| <b>11.</b> | Finance System Implementation Update  | <b>Information</b>   |
|            |   |  |
| <b>12.</b> | Energy Procurement  | <b>To recommend that Council approve the three letters within the Appendix for Council to enter into an annual contract with a 30 day cancellation period and authorises officers to sign the letters.</b> |
|            |   |  |
| <b>13.</b> | CPD Fuel Contract   | <b>To recommend that Council approve the CPD Fuel Framework for Council use and authorises officers to complete and sign the documents.</b>  |
|            |   |  |
| <b>14.</b> | Independent Member Update   | <b>Information</b>   |
|            |   |  |
| <b>15.</b> | Any Other Relevant Business Notified in Accordance with Standing Order 12 (o) | <b>None</b>  |

**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 12 MAY 2022 AT 7.23 PM**

**In the Chair:** Alderman Hillis (C)

**Members Present:** Alderman Finlay (R) McKeown (R)  
Councillors Holmes (R), McCaw (R), McQuillan (C),  
Peacock (R), Scott (R)

J Robinson, IND Member (C)

**Officers Present:** M Smyth, Director of Finance (Interim) (C)  
D Wright, Chief Finance Officer (C)  
Civic Support & Committee & Member Services Officer (C)

**In attendance:** A Lennox, ICT Mobile Operations Officer (C)  
C Thompson, ICT Officer (C)

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

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

**1. APOLOGIES**

The Chair apologised for the lateness of the meeting commencing, due to not having a quorum. The Chair advised Alderman McKeown substituted for Councillor Wilson.

The Chair, on behalf of Finance Committee, conveyed sympathies to Councillor McLean on the sad passing of his mother.

The Chair stated the IND Member would be invited to contribute after Item 13 on the Agenda.

Apologies were recorded for Alderman Duddy, Councillors Beattie, Callan, McLean, Nicholl and Schenning.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTES OF FINANCE COMMITTEE MEETING HELD THURSDAY 14  
APRIL 2022**

Summary, previously circulated.

The Chair advised the Minutes of the Finance Committee meeting held Thursday 14 April 2022 had been passed by Council at its meeting in May.

## **MOTION TO PROCEED ‘IN COMMITTEE’**

Proposed by Councillor McQuillan  
Seconded by Alderman Finlay 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. P12 UPDATE**

The Director of Finance (Interim) provided a verbal update.

- The Director of Finance (Interim) advised the P12 Management Accounts Year end 31 March 2022 were not yet available as depreciation was to be accounted for, the Accounts would be kept open until end of June, prior to sending to the Northern Ireland Audit Office on 3<sup>rd</sup> June. The final draft P12 Accounts would be presented to Committee next month.
- The Director of Finance (Interim) reported a £6.05m surplus, and cautioned items were still outstanding and could affect the result and stated examples of this. He advised there were a significant number of factors influencing the surplus including the Rates finalisation surplus of £1.29M, Rates Support Grant of £1.3M and Covid Support Funding, an additional £1.1M.
- The Director of Finance (Interim) outlined the current accounting position of the MRP calculation after taking account of the Dunluce Centre.

Alderman Finlay sought clarification of putting in place controls to improve the position, he stated savings could have been made at Rates setting that were rejected and needed to be looked at again, in order that Council does not dip into Reserves.

The Director of Finance (Interim) referred to the £6.05M surplus, he stated that Council does consider how it can improve to be better, was always looking for efficiencies, and considering the impact of inflation on the Management accounts for the end of the year, inflation would put pressure on the budget, an anticipated 10% CPI this year as the Bank of England forecast, and expenditure therefore was to be managed. The £6.05M surplus would be placed into Reserves and provide a cushion for future financial years if needed.

Councillor McQuillan stated £6.05M was good on the balance sheet, and did not wish that Council get too complacent. Councillor McQuillan sought clarification of the Dunluce Centre accounting process.

In response, The Chief Finance Officer detailed the process undertaken at Rates Setting and the current budgetary position.

## 5. INFLATION REPORT

The Chair suggested that as Councillor Wilson had requested the information and was not in attendance, the Inflation Presentation would be deferred to the next Committee meeting.

**AGREED** – to recommend that the Inflation Presentation is deferred to the next Committee meeting.

## 6. P12 DEBT MANAGEMENT REPORT

Confidential report, previously circulated, presented by the Chief Finance Officer, to inform 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 following tables were presented for comparators:

Table - As at 30<sup>th</sup> April 2022

Table - As at 30<sup>th</sup> April 2021

Table - Movement and comparison between last year and this year (30<sup>th</sup> April 2021 and 30<sup>th</sup> April 2022)

The 90 days and over figure includes debts relating to Business Improvement District (BID) invoices (£20,416), the BID debt belonging to a third party. This also includes £12,537 awaiting May's Council ratification of last month's Finance Committee recommendation to write off two outstanding debts which will be actioned in May's figures. Adjusting for these figures the debt which Council staff are actioning in accordance with the debt management policy amounts to £204,725, it should be noted that £135,291.37 relates to the waste disposal customer who has recently gone into administration.

The tables circulated detail the status of any debt which was over 90 days in excess of £10 at the previous report but which has now been cleared.

### **Over 90 Days analysis**

The tables circulated detail of the status of any debt which was over 90 days in excess of £10 currently (excluding BID accounts).

### **Options**

#### **Debt write-off under £1,000**

In accordance with Council's debt management policy the Chief Finance Officer is 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 Council's 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 is reminded that a significant debtor has gone into administration. Further detail was set out within the confidential report

and advised a report would be brought to committee on what level of debt will require write-off at a subsequent meeting.

The Chief Finance Officer provided an update since the report had been issued, regarding the debtor referred to within the confidential report, the CVA arrangement accepted by all creditors, and awaiting the administrator to dispose of the available assets before Council being paid.

The Chief Finance Officer presented answers to queries raised at the last Committee meeting, PCN debt was 16.36% fees issued overturn, he clarified every PCN issued was an admin fee built into the contract and chargeable whether collected or overturned.

## **7. BID INVOICE ADMINISTRATION**

Confidential report, previously circulated presented by The Chief Finance Officer.

### **Background**

Business Improvement Districts (BIDS) are business led partnerships which are created through a ballot process to deliver additional services to local businesses.

They can be a powerful tool for directly involving local businesses in local activities and allow the business community and local authorities to work together to improve the local trading environment.

### **Detail**

Under the enabling legislation regarding BIDS the local Council is designated as the billing and collection authority for the BID levy which will fund the programme. This will involve raising an invoice to each business and the collection of the levy as set out in the invoice including, if necessary, any debt collection actions against defaulters. The collection process will be handled in line with Council's current Debt Management Policy. Each levy is calculated based on the rateable value of a business' premises the data for each property being held by the BID office. Invoices will be issued on a pre-determined date with the necessary data regarding all businesses being provided to Council finance staff in advance of that date to allow processing. Once the invoices have been issued Council will collect the levy from each business in the same manner as it would from any other customer of Council. Once collected the levy will at prescribed points in time be paid over to the BID team,

### **Previous Decision**

The legislation provides for the ability of Council to make a charge for this service and Council agreed in August 2019 that a charge be made for years 2 to 5 of the current BID programme.

As this is a service being provided by the Council's finance department we act on the instructions of the BID Company who are the legal owners of the debt raised through these invoices.

### **Recent Developments**

With the onset of the global pandemic and the resulting economic impact the BID company decided to waive the BID levy for one year and as a result they are requesting that Council consider lowering the administration fee for the

2021/22 financial year from the level previously agreed, £7,500 per annum. I can confirm that the amount of administration during the last year has decreased as a consequence therefore the request is not unreasonable. The BID company have suggested £2,000 for 2021/22, the previous fee of £7,500 being applicable for the remaining years of the scheme.

**It is recommended** that Council approve a fee of £2,000 for the BID levy administration for the 2021/22 year.

Proposed by Councillor McQuillan  
Seconded by Councillor Scott and

**AGREED** – to recommend that Council approve a fee of £2,000 for the BID levy administration for the 2021/22 year.

## 8. P12 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 2019 the latest data being for quarter 1 of 22/23 year being up to and including end of April 2022. This is an excellent start in terms of performance for 2022/23 with 75.13% (68.67% for 2021/22) of invoices were paid within 10 working days and 97.29% (91.84% for 2021/22) of invoices were paid within 30 calendar days, the comparative figure for March being 90.63%.

### Improvement Actions

Whilst the recent figures 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.

| <b>Prompt Payment Statistics 2019/2020</b> |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
|  | 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         |
| <b>Prompt Payment Statistics 2020/2021</b> |              |              |              |              |              |
|  | 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        |
| <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                       | 1737         |              |              |              | 1737         |
| Total amount paid                          | £ 3,206,188  |              |              |              | £ 3,206,188  |
| Number of invoices paid within 10 days     | 1305         |              |              |              | 1305         |
| % of invoices paid within 10 days          | 75.13%       | #DIV/0!      | #DIV/0!      | #DIV/0!      | 75.13%       |
| Number of invoices paid within 30 days     | 1690         |              |              |              | 1690         |
| % of invoices paid within 30 days          | 97.29%       | #DIV/0!      | #DIV/0!      | #DIV/0!      | 97.29%       |
| Number of invoices paid outside 30 days    | 47           | 0            | 0            | 0            | 47           |
| % of invoices paid outside 30 days         | 2.71%        | #DIV/0!      | #DIV/0!      | #DIV/0!      | 2.71%        |
| No. of Disputed Invoices                   | 5            |              |              |              | 5            |
| % of disputed invoices                     | 0.29%        | #DIV/0!      | #DIV/0!      | #DIV/0!      | 0.29%        |
| Average Payment Days                       | 14.97        | #DIV/0!      | #DIV/0!      | #DIV/0!      | -142.58      |
| * Incomplete period                        |              |              |              |              |              |

## 9. 2021/22 FINANCE BUSINESS PLAN UPDATE

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

### **Purpose of Report**

The aim of this report is to advise Members on the progress that has been made on the 2021/22 medium term plan for the Finance Department, that supports the Councils overall long-term Corporate Strategy of 2021 - 2025

Finance Committee is asked to note progress in the year 2021/22 and give direction to the Finance Team for the new 2022/23 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 processes, in reflection with the Corporate Strategy 2021 – 2025 aims and objectives, to support its approach to medium term business planning.

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

An additional column has been added to the 2021/22 objectives and outcomes for Members analysis and feedback.

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

### **Recommendation**

**It is recommended** that the Finance Committee reviews the report and additional column and notes the 2021/22 Finance Business Plan position, provide feedback and direction in the coming 2022/23 year.

Councillor McQuillan sought an update on the Procurement Officer post.

The Director of Finance (Interim) advised the Procurement Officer was in post for two months and had brought out a number of tenders. The Officer was aware of the Finance Business Plan and was also looking at a procurement Strategy over the coming months.

## 10. 2022/23 FINANCE BUSINESS PLAN

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

### **Purpose of Report**

The aim of this report is 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 2022/23, as detailed in Appendix 1 and reject, adjust or approve the plan to give direction to the Finance Team for the new 2022/23 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 processes, 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 2022/23 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.

### **Recommendation**

**It is recommended** that the Finance Committee approves the Finance Business Plan for 2022/ 23.

Councillor McQuillan proposed the recommendation with a caveat.

Proposed by Councillor McQuillan  
Seconded by Councillor McCaw and

**AGREED** – to recommend that Council approve the Finance Business Plan for 2022/ 23; caveat that Council keep an eye on the threats to the organisation, specifically inflation, over the coming year.

The Director of Finance (Interim) advised inflation forecast was a high list item on Senior Leadership Team meetings, there could be a potential deficit at the end of the year, inflation at 10% according to the Bank of England forecast. He also advised there was a lot of volatility and uncertainty in the Energy market, and stated reports the energy Market was softening. The Director of Finance (Interim) stated best and worst scenario budgeting forecast and impact and mitigating measures to increase income and to reduce costs.

## **11. FINANCE SYSTEM IMPLEMENTATION UPDATE**

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

Council has recently agreed that a new Financial Information and Payroll system be procured.

Detail, Progress and Implementation Deadlines and Costs were set out within the confidential report.

## 12. ENERGY PROCUREMENT

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

This report is to agree Council signing up to a rolling 30 day Contract with gas and electric energy providers.

Background and Detail were circulated within the confidential report.

### **Recommendation**

**It is recommended** that Council approve the three letters within the Appendix for Council to enter into an annual contract with a 30 day cancellation period and authorises officers to sign the letters.

Proposed by Councillor McQuillan  
Seconded by Councillor Scott and

**AGREED** – to recommend that Council approve the three letters within the Appendix for Council to enter into an annual contract with a 30 day cancellation period and authorises officers to sign the letters.

Committee thanked the Officers for their work.

## 13. CPD FUEL CONTRACT

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

### **Purpose of Report**

This report is to agree Council signing up to the latest Central Procurement Directorate (CPD) Fuel Framework Contract

### **Background**

The existing framework expired at 31 March 2022.

### **Detail**

CPD have recently completed a tender exercise for the supply of fuel oils to public sector bodies, relevant documentation is attached as appendices to this report. Council have previously signed up to this framework for the following reasons:

- It provides benchmark pricing of fuel oils
- There is no minimum quantity requiring purchase during the duration of the contract
- There are guarantees of supply for the duration of the contract in times of fuel shortage

The tendering process for a fuel contract is extremely complex due to the volatility of fuel prices over time therefore this is not something that Council officers would be well placed to undertake.

### **Recommendation**

**It is recommended** that Council approve the CPD Fuel Framework for Council use and authorises officers to complete and sign the documents.

**AGREED** – to recommend that Council approve the CPD Fuel Framework for Council use and authorises officers to complete and sign the documents.

#### **14. INDEPENDENT MEMBER UPDATE**

The Chair welcomed the IND Member and invited him to contribute.

The IND Member stated it was good to hear some of the questions around the various issues. The IND Member presented as follows:

- The year end cash surplus of approximately £6m was to be welcomed, however, it needs to be remembered there was £3m of exceptional income, not uncommon after the Covid pandemic, and does not come again;
- Inflation is a major issue, a major potential problem going forward, where the energy costs are going to and will affect wage settlements, which may be 6% next year, a tremendous effect on where Council's finances are. The IND Member urged caution to not be rushing to spend £6m if striving to achieve the goal of having reasonable rate increases;
- Regarding the Finance Business Plan, stated was an impressive piece of work and moves towards identifying key strategic areas for the Finance function, over the two years, moving away from operational to Strategic issues, stating Finance was a key issue.

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

There were no matters of Any Other Relevant Business.

#### **MOTION TO PROCEED 'IN PUBLIC'**

Proposed by Councillor McQuillan  
Seconded by Alderman Finlay and

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

The Chair stated this was his last meeting as Chair and thanked Committee Members for their co-operation, a very interesting committee, seldom political, that Committee Members were interested in running Council on as financially stable basis as possible.

Councillor McQuillan thanked the Chair for all his efforts during the year.

This being all the business the Chair thanked everyone for their attendance and the meeting closed at 8.24pm.

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Chair