

## RESOURCES TASK GROUP

Report of meeting of Resources Task Group held in the **McKinley Room**, Riada House, on 4<sup>th</sup> January 2008 at 1.00 p.m.

**Chair** Ald J Simpson

### **Present**

Ald. F Campbell, C Cousley  
Cllrs. J Finlay, M McCamphill, E Robinson  
CE, DBS, HCDS, HFIT

### **Apology**

Cllr P McGuigan

## **1. Minutes of last meeting 20/12/07**

Minutes of the last meeting on 20/12/07, as circulated, were agreed as a correct record on the proposal of Cllr. McCamphill, seconded by Cllr Finlay.

### **Matters arising:**

#### **1.1. Agency Staff**

Chief Executive advised, in response to question by Cllr Robinson, that arising from a study management agreed a pilot use of Randstad as the main provider, offering a number of advantages to Council that other agencies were not at that time providing, radically increasing administrative and operational efficiency. other agencies are only used when Randstad cannot supply. Management are now looking at putting the service out to tender and tender documentation has been prepared.

Agency workers are currently used in the following circumstances:

- short-term absence (unplanned)
- for new services by way of test – eg. recycling points where hours of operation need to be assessed, etc.
- short-term annual leave (planned)
- if there is difficulty recruiting for long-term leave – eg. long-term sickness or maternity leave, etc.
- Seasonal posts, summer scheme, to cover a peak in work (short-term posts are notoriously difficult to fill and advertising and re-advertising of these posts is very costly and can affect service delivery.)

There has been various reports to Council by the Director of Central and Leisure Services on level of use, reason for use and cost of agency services.

## **2. Terms of Reference**

The Terms of Reference, previously circulated, were reviewed. The remit of the group, as set out at item 5, was agreed, but it was decided that the matter be deferred to the next meeting to allow members to consider whether there should be any additional items included.

### **3. Disposal of Council Lands**

DBS advised in response to question by Cllr McCamphill about lands at Dunloy and Dervock offered for sale some time ago, that certain issues had arisen which required further investigation before the sales could be progressed further. Work was in hand to examine the issues and a report would be presented to LAC in due course.

### **4. Capital Projects**

A status report, circulated and discussed, detailed Projects numbered 1 – 17 inclusive relating to the Borough Services Directorate, while projects numbered 18 – 23 inclusive relate to the Central & Leisure Services Directorate (Joey Dunlop Leisure Centre). DBS responded to members questions, providing additional information regarding expected delivery of vehicles, grant for works at Riverside Park from EHS, implementation of CCTV at Town Hall (to be addressed by working group later in the day), sites for bus shelters currently the subject of planning application, commencement of contract at Killyrammer on 7 January from which time facility would be out of service, festive lighting in respect of which no proposals were to be presented for consideration in the current year. DBS undertook to provide further information in relation to order/delivery dates in respect of vehicles, which he indicated had been actioned following approval by Council.

The Chief Executive addressed, in response to questions by Cllr Robinson, the legal issues pertaining to the proposed extension of fitness centre contract and advised that upon receipt of legal advice he would report further via LAC.

### **5. Review Policy on filling vacancies**

It was decided that this matter be deferred to the next meeting.

### **6. Review estimate assumptions 2008/09**

The Chief Executive highlighted the key issues in his report on this subject, circulated, and set out hereunder.

*It was agreed by the Resources Working Group that it would be useful for members to be explicitly told the major assumptions made by management when drawing up the draft estimate. It is hoped that it will help Members, in making their decisions on the draft estimate, if they are more aware of what has been taken into account in the estimate and, just as importantly, what has not.*

### ***General***

1. *Budgeting has been done from the starting point of the current year's estimate, with amendments made for any major discrepancies shown up in the most recent year-to-date income and expenditure reports.*
2. *Where a new service or significant change to an existing one has occurred, the best estimate of the new income and expenditure has been made – one full year's operation will give a better idea of actual figures.*
3. *Inflation in November, measured by RPI, was 4.3% while CPI measured 2.1%. An inflation factor of 3% has been applied to most items; some major costs like energy, fuel and rates are recalculated using best available information from current year.*
4. *Staffing costs (being the largest single item of expenditure) are treated differently, as set out in the next section.*

### ***Staffing***

1. *Pay costs are based on the new actual scale point for each employee at 1/4/08, assuming that the Single Status arrangements will have been agreed and implemented by then. If that is not the case the extra in the budget will help reduce the cost to reserves, since the new rates will be backdated to 1 February 2006. Included in pay costs is the Employers' pension contribution (15%) & National Insurance (7% – 12.8%).*
2. *Where Job Evaluation results produced increased pay, the new pay rate has been used.*
3. *Where Job Evaluation results produced no change, the current pay rate has been used.*
4. *Where Job Evaluation results produced lower pay, the current pay rate has been used, since some form of pay protection will apply.*
5. *The cost of:*
  - a. *arrears of pay due to job evaluation;*
  - b. *carrying out the job evaluations and the resultant appeals; &*
  - c. *any compensatory arrangements to protect pay or for changes to working hours **is not included** and will be met from reserves.*
6. *For 2008/09, a pay increase of 2.5% has been allowed for; the latest information from the NJC is that the Trades Unions are likely to lodge a claim of 6/7%.*
7. *The cost of holiday cover has, as usual, been included for front line staff only (generally below scale point 6); **no cover** is included for sickness absence.*

*That covers the general points – there are specific assumptions in each directorate and they are dealt with below:*

### ***Office of Chief Executive***

*No by-elections or freedom ceremonies*

*No major legal costs e.g. judicial reviews or equality cases*

*No costs for Northern Area Plan public enquiry or RPA implementation.*

***Borough Services***

*Residual Waste to landfill estimated as 9504 tonnes = 792 tonnes/month  
Landfill Gate fee estimated as £34.29/tonne for 7 months and (£34.29 +3%)/tonne for 5 months  
Haulage charges estimated as £8/tonne for 9504 tonnes  
Landfill tax estimated at £32/tonne for 9504 tonnes*

*Residual Waste to processing estimated as 2500 tonnes at £50/tonne  
Haulage charges for processing estimated as 2500 tonnes at £10/tonne*

*Blue bin recycling estimated as 1700 tonnes at £59.80/tonne  
Green waste processing estimated using 50% participation rate from 7300 households, 200 kilograms/household per year and £30/tonne processing fee*

***Central & Leisure Services***

*Cost of revaluation of Council's assets to be met from reserves*

***Closing comments***

*In preparing the first draft of the estimate, management have been conscious of some members' desire for a zero increase this year and also of the example set by the Assembly in the draft Programme for Government, recently released for consultation. The Assembly has committed itself to no increase in cash terms in the Regional Rate for domestic ratepayers, while for non-domestic ratepayers the rise will be capped at 2.7%, which means around a zero increase in real terms. However I would caution members against any commitment to follow the Assembly's lead without first considering two very significant differences between the Assembly and Ballymoney Borough Council.*

*These two differences are a) the size of the increases in the local and regional rates over the past few years and b) the relative importance of rate income to the two organisations.*

*According to figures quoted in the draft budget, the Regional Rate has risen by 53% over the past 4 years, while Local Rates set by Councils rose on average by just 20% in the same period. Ballymoney's increase over those four years was 23%, which is 30% less than the rise in the Regional Rate. If we had applied the same increase to our Local Rate as was done to the Regional Rate, we would be taking from our ratepayers in 2007/08 an extra £1.4 million. That would allow us to set a zero rise this year and still meet all the increases we face due to single status, pensions, pay, landfill costs and inflation while having money available for capital works too. Unfortunately, we don't have the comfort of such a cushion, and that is the first difference between us and the Assembly.*

*The other important difference is how significant rate income is to the Assembly and to this Council. The draft budget states that the Regional Rate brings in £500 million, or less than 6% of the income available to the Assembly. If it forgoes an inflationary rise of say 3% this year, the Assembly's income will be reduced by £15 million, or less than 0.2% overall.*

*By contrast, for Ballymoney Borough Council the rate income in 2007/08 represents 59% of the total. If we forgo a 3% rise needed to offset inflation, it would cut our total income by nearly 2%. So the effect of freezing the rate would be ten times greater on the council's budget than on the Assembly's. And, of course, the Assembly freeze applies only to domestic rate payers, not to the non-domestic sector, who are to have an inflationary rise applied to their regional rate this year. So the actual amount they will forgo may only be 0.1% of total income.*

HFIT indicated that provision had been made for revaluation of all Council assets, an exercise which had to be done every five years to comply with accountancy practice. The work would be carried out by VLA.

During discussion the Chief Executive advised on the method of building up the estimate based on current years estimate and comparison with more recent actual spend figures. He confirmed that salary costs accounted for around 60% of the estimate.

DBS, by means of a slide presentation, dealt with budget assumptions 2008-09 in relation to residual municipal waste, including disposal charges for waste landfilled and waste processed; haulage charges and landfill tax. He also addressed assumptions regarding blue bin recycling and the soon to be introduced brown bin recycling. A copy of the slides is attached as appendix A to these minutes.

Cllr Robinson, the Mayor and other members, expressed thanks to the officers for the level of information provided which they appreciated represented a considerable amount of work.

## **7. Variance Reports**

DBS circulated to members a table (attached as appendix B) detailing reasons for variances on 2006-07 12 month variance report, covering amenities, building control, environmental health, waste disposal and waste collection and responded to questions.

Members noted from the report published the six month variance position and Cllr Robinson indicated that her party was keen to see the most up-to-date variance figures for the current year, preferably the nine month figures. It was noted that the nine month figures would not be available before rates had to be set but that the eight month variance position would be available by the time the group was considering the second cut rates book.

Discussion also took place on the level of revenue reserves at year end 2007-08 and it was noted that some of the reserve funds had been applied to projects in the 2007-

08 year at the rates meeting, while a number of projects and other spend had been funding during the year from reserves, as agreed by Council.

#### **8. League Table of Rates Set**

The Chief Executive referred to the different starting point for Council with regard to level of rates, compared to NIA and the comparative importance of rate income to the two bodies and pointed to the levels of increase in the regional rate in previous years.

HFIT indicated he would obtain for the rates meeting details of proposed rates to be set by other authorities.

#### **9. Draft Rates Book**

Members attention was drawn to resource difficulties in the current year due in drawing up information for rates meeting due to the absence of DCLS. CE committed to having the first issue of the book, for the council meeting on 16 January, delivered to members by Saturday 12<sup>th</sup> January. Cllr Robinson, while appreciating current difficulties, expressed some concerns at the limited time which would be available to members to study the information. She suggested that Council might start the next rate process earlier, pointing to some Councils who had indicated to her at a recent NILGA meeting that they had their estimates and proposed rate for 2008-09 agreed. It was agreed that this be considered, the CE pointing to RTG action in the previous year in organizing an away day to discuss and agree capital projects.

#### **10. Play Area Provision**

This matter engaged members attention and discussion ensued regarding changed play patterns and reduced use of public unsupervised play areas and the differential service provided between private and public (or former public) estates. It was noted that a recent survey of estates revealed in some instances the children in estates were visiting grandchildren. It was agreed that this issue warranted further consideration.

#### **11. Date of next meeting**

23<sup>rd</sup> January 2.30 p.m. The meeting to address matters referred from rates meeting on 16<sup>th</sup> to be considered in greater depth by RTG.