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BALLYMONEY BOROUGH COUNCIL

Minutes of Corporate & Central Services Committee Meeting No 409 held in the McKinley Room, Riada House, on Monday 26th November 2012 at 7.00 pm.

IN THE CHAIR: Councillor I Stevenson

PRESENT: **Aldermen**
F Campbell

Councillors
J Atkinson
W Blair
J Finlay
R McAfee

IN ATTENDANCE: Director of Central and Leisure Services [Items 1-7]
Head of Corporate & Development Services [Items 8-12]
Committee Clerk

APOLOGIES: **Aldermen**
H Connolly
C Cousley, MBE

Councillors
R Halliday
E Robinson

409.1 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

- * **Councillor Atkinson arrived at the meeting at 7.03pm.**
- * **Councillor McAfee arrived at the meeting at 7.04pm.**

409.2 MINUTES OF MEETING NO 408 – 22ND OCTOBER 2012

It was proposed by Councillor Finlay, seconded by Alderman Campbell and
AGREED:

to recommend that the Minutes of Meeting No 408 – 22nd October 2012, as circulated, be approved.

CENTRAL SERVICES**409.3 STATEMENT OF ACCOUNTS 2011-12**

The Director advised the Annual Accounts for the year ended 31st March 2012 were certified by the Local Government Auditor on 9th November 2012.

As reported to Council on 5th November 2012 material adjustments, as undernoted, were made to the Statement of Accounts approved on 27th June 2012.

Material Adjustments:

- The net book value of land and buildings at 31st March 2011 has been reduced by £879,944, the Capital Adjustment Account has been reduced by £1,181,591 and the revaluation reserve had been increased by £430,657 following recent clarification on the application of indices in preparing the accounts. The Council's surplus on the provision of services has increased by £1,044,835.
- The net book value of land and buildings at 31st March 2012 has also been reduced by £874,931 the Capital Adjustment Account has been reduced by £1,045,843 and the revaluation reserve had been increased by £170,912 following recent clarification on the application of indices in preparing the accounts. The Council's surplus on the provision of services has decreased by £572,945.

There is no impact on the District Fund Reserve balance as a result of these amendments.

The Local Government Auditor has issued her opinion on the Accounts and certification that the audit has been completed.

The Auditors opinion is as follows:

“In my opinion:

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2011-12, of the financial position of Ballymoney Borough Council as at 31st March 2012 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (NI) 2006 and the Department of the Environment directions issued thereunder.”

The Accounts will be placed on the Council’s website. A full set of Accounts is available to members on request.

The Director responded to a number of member questions.

409.4 TREASURY MANAGEMENT POLICY 2012/13 MID YEAR REVIEW

The Director advised that, in accordance with the Council’s Treasury Management Policy 2012/13 a mid year review of Treasury Management practices has been carried out; report attached as Appendix A.

While a formal Treasury Management Policy was not in place in 2011/12, due to good treasury management practices savings of £323,933 were made mainly due to the use of internal finances to temporarily finance capital expenditure.

The 2012/13 mid year Review report is recommended for acceptance.

The Director responded to a number of member questions relating to loans, interest rates and capital expenditure.

It was proposed by Councillor Finlay, seconded by Councillor Atkinson and **AGREED:**

to recommend that Council accept the Treasury Management Policy 2012/13 – Mid Year Review, report attached as Appendix A.

409.5 ACTUAL PENNY PRODUCT 2012/13 – IN YEAR FORECAST

Land and Property Services (LPS) has completed the second quarter in-year Actual Penny Product (APP) calculations for the rate year ending 31st March 2013. The forecast outturn for the Council is a positive sum of around £121,000. This is equivalent to a 1.98% increase in revenues estimated through the rate setting process. This is an improvement on the first quarter forecast.

The forecast outturn is based on a number of assumptions and information extracted from the Revenues and Benefits Systems.

The Director responded to a number of member questions.

409.6 ACCOUNTS FOR PAYMENT – PERIOD 8, 2012/13

Treasury advice schedules for payments made in period 8, 2012/13 were made available for members to inspect at 6.30pm on Monday 26th November 2012 in the McKinley Room. The Director was in attendance to provide information requested and deal with queries.

Payments made in Period 8 2012/13 amount to

Revenue Account	£750,969.82
Capital Account	£230,606.15

409.7 VAT RECLAIM – LEISURE SERVICES

The Director reminded members, a claim was submitted to Her Majesty's Revenue and Customs (HMRC) for the payment of output VAT over declared on income for Leisure and Recreational Services. By letter dated 26th October 2012 HMRC has rejected the claim. The letter has been forwarded to the appointed legal advisors, DLA Piper, to draft the Notice of Appeal to the Finance and Tax Tribunals.

The Council in January 2011 agreed to work jointly with the other 25 District Councils to challenge HMRC in relation to whether Leisure Services activities should be subject to VAT and to appoint DLA Piper and VAT Support and Solutions LTD to pursue the action in the Tribunal.

- * **Director of Central & Leisure Services left the meeting at 7.34pm.**
- * **Head of Corporate and Development Services arrived at the meeting at 7.35pm.**

CORPORATE SERVICES

409.8 STAFF MATTERS

8.1 Local Government Pay

The Local Government Trade Union Side of the NJC (UNISON, GMB & UNITE) has formally tabled their pay claim for “*a substantial flat rate increase on all scale points as a step towards the longer term objective of restoring pay levels and achieving the living wage as the bottom NJC spinal column point*”. This covers 1.6 million local government employees in England, Wales and Northern Ireland. Teachers and fire fighters are covered by separate national pay agreements. The Trade Unions point out that the cumulative effect of the last three years is that pay has fallen by 13% since 2009 and is now more than 10% below where it was in 1996.

The employers’ initial response to the local government pay claim is “*We have made it clear since February that employers want to avoid a fourth year of pay freeze and will be working within the extremely challenging financial constraints facing local government to try and make that happen. Informal discussions with the unions have already taken place. We hope to take those forward in the same mutually positive spirit which this year delivered fair, affordable reform of local government pensions.*”

409.9 CONFERENCES

9.1 Planning Conference

Councillor Stevenson has applied to attend the Planning Conference on transfer of planning powers from DoE to local councils, one of the most

significant elements of local government reform. The event is to be held at The Island Civic Centre, Lisburn on 10 January 2013. Travel expenses only will be incurred as there is no fee.

IT IS RECOMMENDED that the application be approved.

It was proposed by Councillor Finlay, seconded by Councillor Atkinson and **AGREED:**

to recommend that Councillor Stevenson attend the Planning Conference at The Island Civic Centre, Lisburn on 10th January 2013.

9.2 Communications Conference

Notice is given of a DOE LGR Communications Event to be held on 17th January 2013 in Craigavon Civic Centre to get stakeholder feedback to test the communications strategy. Further information will issue shortly.

409.10 CONSULTATION – NILGOSC’S VISION, MISSION, STRATEGIC AIMS AND VALUES

The NI Local Government Officers Superannuation Committee is currently carrying out a consultation on the draft statement of its vision, mission, strategic aims and values and comments are invited. A copy is available from the Office of the Chief Executive. Closing date for comments is 11 January 2013.

409.11 SOMME SUBSCRIPTION

Application for renewal of annual subscription at £380.00 plus VAT has been received. Budget provision has been made in the current year’s budget.

IT IS RECOMMENDED that committee consider renewal of the subscription.

It was proposed by Alderman Campbell, seconded by Councillor Finlay and **AGREED:**

to recommend that Council renew the Somme annual Subscription at a cost of £380.00 + VAT, budget provision has been made.

409.12 REGISTERS OF ELECTORS FEE 2011/12

Head of Corporate and Development Services reported, Council has received an invoice from NI Office of £2,223.99 with regards to its proportionately calculated contribution.

Appendices attached:

Appendix A: Treasury Management Policy 2012/13

This being all the business the meeting closed at 7.45 pm.

APPENDIX A**Treasury Management Policy 2012/13 – Mid Year Review**

In accordance with Ballymoney Borough Council's Treasury Management Policy we are required to report mid-year on the performance of and compliance with the policy. This short report sets out the main areas of activity during the 2012 – 2013 financial year up to and including 30 September 2012.

1 New loan finance

During the first six months of this financial year loans totalling £580,000 have been taken out for the projects detailed below:

	Details	Loan	Term	Rate of Interest
(i)	Purchase of wheeled shovel	£70,000	7 years	1.46%
(ii)	Purchase of RCV	£130,000	10 years	1.72%
(iii)	Museum fit-out	£120,000	20 years	2.70%
(iv)	Robert Dunlop memorial garden	£250,000	20 years	2.70%

These loans have been secured at the specified interest rates for the entire term of the loan and constitutes a saving on the interest rate each loan was originally budgeted for on. Council continues to finance capital spend utilising internal funds given the Bank of England base rate remains low (0.5%) causing returns on any deposit funds to be extremely low.

2 Loans Outstanding

At 30 September 2012 the amount of outstanding debt owing on Council loans was £9,831,763.27.

3 Repayment of loans

During August 2012 Council paid the Department of Finance & Personnel (DFP) a total of £527,095.44 in loan charges, this figure being broken down into principal of £272,029.60 and interest of £255,065.84.

Council is due to pay DFP in February 2013 a total of £556,790.37 in loan charges, this figure being broken down into principal of £303,940.53 and interest of £252,849.84 based on the repayment schedules of those loans included in the outstanding total in paragraph 2.

4 Deposit Funds

Currently all surplus Council funds remain on instant access deposit with Bank of Ireland. There are currently no longer fixed term deposits due to the utilisation of reserves to fund projects as referred to in paragraph 1.

5 New banking facilities

In line with Council's Treasury Management Policy whereby funds can only be placed on longer fixed term deposits with institutions who meet our minimum criteria as specified in the policy arrangements have been set up with those Institutions listed below in anticipation of suitable funds becoming available in the future;

Santander
Barclays Bank Plc.

All activity complies with Council's Treasury Management Policy and there are currently no conditions, either existing or anticipated, which would necessitate setting aside or reviewing this newly adopted policy.

The next report will be after the close of the 2012 -2013 financial year.