

**BALLYMONEY BOROUGH COUNCIL****Table of Contents**

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<b>416.3</b>	Draft Financial Statements 2012/13	<i>Increase aftercare costs and change discount rate</i>

**BALLYMONEY BOROUGH COUNCIL**

Minutes of Corporate & Central Services Committee Meeting No 416 held in the McKinley Room, Riada House, on Tuesday 18<sup>th</sup> June 2013 at 6.00pm.

**IN THE CHAIR:** Councillor I Stevenson

**PRESENT:** **Aldermen**  
C Cousley, MBE

**Councillors**  
J Atkinson  
W Blair  
J Finlay  
R Halliday  
T McKeown  
E Robinson, MBE  
I Stevenson

**IN ATTENDANCE:** Director of Central and Leisure Services  
Business Support Officer

**APOLOGIES:** Alderman H Connolly

**416.1 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

**416.2 CONGRATULATIONS**

Chair thanked members for a good end to his year as Chair.

Chair expressed his congratulations to 5 local people who received Honours on the Queen's Birthday list: Councillor Evelyne Robinson, MBE for services to Local Government and the community in Northern Ireland; Mr Joe Donaghy, MBE, Chairman, Board of Governors, Our Lady of Lourdes High School, Ballymoney for services to Education in Northern Ireland; Dr Catherine Young, MBE, GP, Rasharkin, for services to Healthcare and to the community in Northern Ireland, Mrs Anne McConaghey, MBE, Principal, Castleroe Primary School, Coleraine, for services to Education in Northern Ireland and Mr Shaun Esler, BEM, Member, Causeway Cardiac Support Group, for services to Healthcare in Northern Ireland, sadly Shaun passed away on 5<sup>th</sup> June, however Chair felt it would be of some comfort for Sean's family to know how highly he was thought of.

### 416.3 FINANCIAL STATEMENTS 2012/13

The Director issued members with a draft Balance Sheet and analysis of information as at 31<sup>st</sup> March 2013. She advised that the assets figures have not yet been finalised, hence the figures shown will change. She further advised that the complete financial statements will be available at the meeting on Monday 24<sup>th</sup> June.

The Director of Central and Leisure Services explained the purpose of the meeting was to give consideration to the reserves position before the financial statements are presented for sign off at its meeting on 24<sup>th</sup> June. The Director advised that a number of matters would impact on the General Fund balance including landfill site provision and minimum revenue provision. She explained in detail the calculations associated with these factors.

The Director drew members' attention to the increase of £146,739 in the landfill provision, increasing the provision to £2,597,593.00 at 31 March 2013. She explained that this increase took account of the unwinding of the discount, the increase in aftercare costs from 25 to 30 years and the change in the discount rate from 3.5% to 3.0%. She explained that having reviewed the discount rate and basing it on the rate of inflation, Retail Price Index, 3.0% was a more appropriate rate at March 2013. In response to a query from Councillor Atkinson regarding the closure cost of the landfill site she advised that the figures that were included in the 2012/13 financial statements were based on the initial consultant's report in 2007 and that it was her understanding that revised figures would not be available until later in the year.

Councillor Robinson advised that Council may be faced with additional costs that would have to be met when a new report is received.

Councillor McKeown sought clarification on the discount rate. The Director clarified.

The Director then explained the Minimum Revenue Provision (MRP). She advised that one of the main changes to the accounts is the requirement to include a MRP. She explained that instead of including the actual cost of borrowing ie principal and interest payments in the year, Council, under the new Finance Act, is required to provide for the need to borrow for capital expenditure.

The Director explained the MRP calculation based on the MRP Policy. She advised that this was the Minimum Provision and that Council could increase this if members so wished. She also advised that the MRP and interest as included in the draft accounts was less than the budget.

The Director then drew members' attention to the surplus for the year and the General Fund balance at 31 March 2013. She advised that DOE guidance was that the General Fund Balance as a minimum should be equal to 7.5% of net operating expenditure.

In response to a query from Councillor Finlay regarding surplus on services the Director advised that a Variance Report would be produced and issued in due course.

Members discussed the need for Council to earmark reserves for 2014/15 Rates purposes, landfill site closure and small capital projects.

**IT WAS AGREED** to increase the aftercare costs to 30 years and to change the discount rate to 3.0%, based on RPI.

The Director advised that the accounts for 2012/13 would be finalised on the basis agreed and that final accounts would be presented to committee on 24<sup>th</sup> June.

- \* **Councillor Atkinson arrived at the meeting at 6.11pm during consideration of this matter.**
- \* **Alderman Campbell arrived at the meeting at 6.15pm during consideration of this matter.**
- \* **Councillor Robinson arrived at the meeting at 6.15pm during consideration of this matter.**
- \* **Councillor Finlay arrived at the meeting at 6.45pm during consideration of this matter.**
- \* **Councillor McLaughlin arrived at the meeting at 6.48pm during consideration of this matter.**
- \* **Councillor McAfee arrived at the meeting at 7.00pm during consideration of this matter.**

**This being all the business the meeting closed at 7.06pm.**