

**LIMAVADY BOROUGH COUNCIL
COMHAIRLE BHUIRG LÉIM AN MHADAIDH**

**MONTHLY COUNCIL MEETING
5 FEBRUARY 2013**

Minutes of meeting held in the Council Offices, 7 Connell Street, Limavady at 7.25 pm on the above date.

PRESENT:

In the Chair: Councillor C McLaughlin.

Aldermen M Coyle, J Rankin and G Robinson. Councillors O Beattie, A Brolly, B Chivers, B Douglas, T McCaul, J McCorkell, S McGlinchey, G Mullan, D Nicholl, A Robinson and E Stevenson.

IN ATTENDANCE:

Chief Executive, Director of Environmental Services, Head of Finance and the Committee Clerk.

APOLOGIES: - None.

MINUTES:

The minutes of meeting held 8 January 2013 were approved on the proposal of Alderman Coyle, seconded by Councillor Robinson.

MATTERS ARISING: - None.

MINIMUM REVENUE PROVISION POLICY:

The Head of Finance explained that under regulation 6 of the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011, a statutory requirement was required by Councils to charge to its general fund an amount of Minimum Revenue Provision (MRP) which it considered to be prudent. He said this replaced the previous requirement whereby the revenue charge was broadly equivalent to the amount of loans and leasing principal paid in any one year. He added that the regulations also stated that authorities are required to prepare an annual statement of their policy on making MRP for approval by the council.

The Head of Finance gave an overview of the Minimum Revenue Provision Policy and highlighted that the DoE guidance included specific examples of options for making a prudent provision. He recommended that Council use option 1 – the asset life method for capital expenditure incurred from 1 April 2012. Based on this policy an amount of £584,734 had been included in the Council's 2013/14 estimates.

It was agreed on the proposal of Councillor McGlinchey, seconded by Councillor McCaul that Council would accept the proposed Annual MRP Statement for 2013/14 as outlined above.

COUNCIL ESTIMATES – DISTRICT FUND BALANCE AS % OF NET EXPENDITURE/RISKS:

The Head of Finance outlined that DOE guidance recommends that the District Fund Balance should be between 5% and 7.5% of Net Expenditure. He said that the district fund balance as a % of Net Expenditure was forecast to be 7.12% for 2013/14.

The Head of Finance outlined some of the risks that the SMT had considered in preparing the rates estimates.

COUNCIL ESTIMATES FOR 2013/14:

Following the meeting of Council's Support Services Committee on 24th January 2013, Councillor McCorkell Chairperson of that Committee proposed:

- The adoption of the projected estimated net expenditure of £9,537,511 for 2013/2014;
- The authorisation of the expenditure as set out in the Estimates; and
- The adoption of a Domestic Rate of 0.4124 pence and a Non-Domestic Rate of 28.2389 pence for the year 2013/2014.

This represents an increase from the year 2012/2013 of 1.83% for both the Domestic and Non-Domestic Rates. Inflation for December 2012 inflation was 2.7%

Councillor McCorkell stated that Council will continue to implement its corporate plan for the period 2012-2015 with the overall mission to provide leadership, deliver quality, accessible services and promote the area for everyone. He said that Council was most conscious of the need to maintain tight and effective budgetary control, strike a reasonable rate for the incoming year and endeavour to maintain reasonable reserves in line with the Department of Environment Guidance.

Councillor McCorkell outlined that Council's reserves were forecast to be £679,000 at March 2014. This would equate to 7.12% of Council's 2013/14 net expenditure which is in line with the level recommended by the Department of Environment of 5% to 7.5%. He said that Council is committed to providing high quality services for all residents and ratepayers and as we move into the new financial year Council will continue to look at ways in which service delivery can be improved and offer value for money. He added that to help offset costs to the ratepayer Council will endeavour to attract external funding to minimise the cost of delivering programmes and capital projects.

From April 2013 Council would concentrate on the following areas of activity:

- Provision of a Sports Pavilion and outdoor recreation facilities & environmental park in Dungiven.
- Continuation of the recycling education and awareness programme.
- Development of the major waste infrastructure project.
- Continued upgrading of indoor and outdoor, sporting and recreational facilities across the Borough and enhancement of existing open space provision.

- Provision of play facilities for young people including up to 2 new play areas and improvements to 2 existing play areas.
- Continued improvements to disability access to services and facilities.
- Raising the profile and importance of Limavady as a tourism destination through support for the local tourism industry, development of Council's key tourism products and facilities, partnership working through regional and national tourism organisations, and support for the Magilligan to Greencastle ferry service.
- Support the local business and retail sectors through the economic recession by providing training, encouraging business start-ups, skills development, and working closely with Roe Valley Chamber of Trade.
- Support for the voluntary and community sector and continued efforts to improve Good Relations across the community.
- The health, well-being and safety of the community are important to Council. Over the coming months Council will continue to provide quality recreational, leisure and cultural facilities for all sections of the community. Council will also continue its practice of working in partnership with a wide range of organisations to deliver programmes which will improve the health and well-being of the community.

The Rates Estimates for 2013/2014 consisted of:

Loan Charges of £1,301k – this represents an increase of £99k or 8.25%. This increase is due to

- Improvement works at Roe Valley Leisure Centre, £24k.
- Provision of the new recreation facilities in Dungiven, £17k.
- Vehicles, £16k.
- A generator for emergency planning and IT equipment, £19k.
- Various improvements to other Council facilities, £23k.

Wages and Salaries of £5,234k - this represents an increase of £60k or 1.17%. This increase is due to:

- A cost of living increase of 1% costing £52k.
- An increase in the employer's pension contribution rate from 19% to 20% costing £44k.
- 2 new employees (one permanent and one temporary) costing £36k.
- Maternity cover and increments costing £22k
- An increase in wages for the 3G pitch costing £23k
- A saving in Roe Valley Leisure Centre wages of £41k
- A reduction from 53 weeks to 52 weeks for weekly-paid staff saving £44k.
- The Cohesion Officer and Community Wardens will be leaving, saving £46k but there will be a reduction in funding.
- A saving in the Astroturf Pitch wages of £15k

Other items net off to an increase of £29k.

Other Expenditure of £4,944k - this represents an increase of £246k or 5.23%. This increase is due to:

- Increase in Waste Disposal Gate Fees and Landfill Tax of £140k.

- Increase in costs for the Healthy Towns Initiative of £23k which is 100% funded and therefore results in no additional cost to Council.
 - Increase in costs for the Policing & Community Safety Partnership of £27k which, together with a reduction in payroll costs, is 100% funded and therefore results in no additional cost to Council.
 - Increase in Support Services professional fees of £24k of which £12k relates to the 5-yearly valuation of properties by Land and Property Services
 - Increase in procurement costs of £20k. This relates to a proposed employee of Coleraine Borough Council where the costs will be shared equally.
 - The cost of the Health, Safety and Well-Being Officer was shared equally with Moyle District Council. The post is now funded 100% by the Council costing £21k.
- Decrease in derv saving £55k

Other items net off to an increase of £46k

Income of £1,942k - this represents a decrease of £107k or 5.21%. The decrease is due to:

- Decrease in income for the Roe Valley Arts & Culture Centre of £15k
 - Decrease in income for Benone Tourist Complex of £16k
 - Decrease in income for the Astroturf Pitch of £24k
 - Decrease in income for trade waste collection of £24k
 - Decrease in building control income of £17k
 - Increase in bank interest of £20k
- Increase in grants for Healthy Towns Initiative of £23k.
 - Decrease in grants for the Cohesion Officer and Community Wardens of £42k which relate to employees leaving
 - Increase in grants for Policing & Community Safety Partnership of £21k

Other items net off to a decrease of £33k. This results in net expenditure of £9,538k – an increase of £512k or 5.67%.

The General Grant generates £1,523k – an increase of £93k.

A balance applied of £88k means the net amount to be raised by the rates is £7,927k which is equivalent to a District Domestic Rate of 0.4124 pence in the pound – an increase of 1.83% and a District Non-Domestic Rate of 28.2389 pence in the pound – an increase of 1.83%.

For both Regional Domestic and Non-Domestic Rates, the increases are 2.7%. This means a net overall increase of 2.25% or £17 per year for the average householder in Limavady and an increase of 2.3% for the non-domestic business.

It was confirmed that an amount had been set aside in the rates for upgrade of the Environmental Park in Dungiven. Officers were congratulated in keeping the rate to as low a level as possible.

Councillor McCorkell's proposal was seconded by Councillor A Brolly and the rate was struck without further debate.

COUNCIL MEDIUM TERM FINANCIAL PLAN:

The Head of Finance gave an overview of the Medium Term Financial Plan for Limavady Borough Council. The plan included forecast total net expenditure for 2013/16 - an increase of 5.78% in 2014/15 and an increase of 5.8% in 2015/16. He explained potential movements in expenditure for 2014/15 and 2015/16 against forecast; forecast waste disposal costs and movements against expenditure for 2014/15 & 2015/16.

The Head of Finance referred to Drumaduff landfill closure and aftercare costs and said an agreement with the DoE's Environmental Policy Division in conjunction with the Northern Ireland Environment Agency meant that i) any landfill closure costs in excess of £2,820,312 (currently estimated at £927,623) could be spread over ten years commencing the financial year in which the engineering works to close the landfill site start and ii) any landfill aftercare costs in excess of £2,773,680 (currently estimated at £682,575) may be spread over ten years commencing in the final year in which the engineering works to close the landfill site finish. This was based on an estimated aftercare provision of 30 years. However, the actual period of aftercare could only be agreed between NIEA and Council after a full assessment was carried out as part of the closure works.

A member queried funds set aside for the landfill closure. The Head of Finance stated that capital expenditure incurred now, for which loans would normally be taken out at this time, would be funded by the monies previously set aside for landfill site closure. When the landfill site was to be closed the loans as per the previous sentence, would be taken out to fund the landfill closure. He confirmed that this was a timing issue regarding the taking out of loans and that for any capital expenditure incurred by Council loans would have to be taken out.

The Medium Term Financial Plan was approved on the proposal of Councillor Brolly, seconded by Councillor Chivers.

CAPITAL EXPENDITURE 2011/12 TO 2015/16:

The Head of Finance outlined actual and forecast capital expenditure for the years 2011/12 to 2015/16 as required by the Prudential Code which was subsequently approved by Council.

TREASURY MANAGEMENT STRATEGY:

The Head of Finance informed members that the strategy statement sets out the expected treasury management operations for 2013/14 linked to the Council's Medium Term Financial Plan, Capital Investment Plan and the Council's Corporate Plan. He said it was based on CIPFA's Treasury Management Code of Practice and the Prudential Code as well as well as Guidance from the Department of the Environment. The key requirements included:

- (a) The treasury management strategy
- (b) The annual investment strategy
- (c) The reporting of the prudential indicators.

It was noted that the strategy provided an approved framework within which officers would undertake the day to day capital and treasury activities.

The Treasury Management Strategy was approved on the proposal of Alderman Coyle, seconded by Councillor McCorkell.

The Head of Finance drew member's attention to newspaper articles which indicated that interest rates would remain low for the foreseeable future. Noted.

PRESENTATION BY NORTH WEST REGION WASTE MANAGEMENT GROUP (NWRWMG) – PROCUREMENT OF MAJOR WASTE INFRASTRUCTURE:

IN COMMITTEE on the proposal of Councillor McCorkell, seconded by Councillor McCaul.

The Chair welcomed Mr Eamon Molloy and Mr Jonathan Grey from North West Region Waste Management Group to the meeting.

Mr Molloy read a statement which highlighted that as members were aware, the Councils of the NWRWMG has been engaged in the Waste infrastructure procurement process for a period in excess of 30 months. He said that the Group were now approaching the preferred bidder stage of this process and that it was essential that in so far as is possible that the Group adhere to a strict timetable to ensure the delivery of the project by the absolute date of 31st March 2017. He added however, that there were matters that could arise that would have the potential to impact on this timetable and which must be dealt with in a timely fashion.

Mr Molloy stated that one such instance had just occurred. That is a High Court Writ has been issued by Mills Selig, acting for City Industrial Waste Limited (CIWL) to challenge the procurement process. He said the effect of the issue of the Writ was to prevent the Councils from entering into the contracts relating to the procurement. He indicated that it would be unlawful to do so unless and until the Court confirmed that the Councils may do so and that the outcome of the proceedings were a matter for the Court. He added that it was therefore essential that member Councils do not take any action that could be interpreted as infringing procurement law.

Mr Molloy referred in paragraph two to the timetable for completion of the project and said it was this matter that he now wished to address for completeness. He outlined that the Group had a duty, if the project proceeded to ensure that where possible, every care necessary was taken to meet project timelines and to remain compliant, not least because of the amount of time and monies that had been invested in the Project to date. This includes costs incurred during the procurement exercise by both the Public Purse and the bidder.

Mr Molloy pointed out that the timeline has been dictated not only by the actual planning, permitting, construction and commissioning periods but also by the need to maintain the ability to achieve maximum benefit from the NI Renewable Obligations Certificates regime (NIROC's). He said this was a vital component with regards to the financial viability of the project and the date of the 31st March 2017 was immutable. He added that with this in mind, Councils should confirm if they wished to receive the presentation on the Project and consider the recommendation of the Joint Committee and that if members deem this to be appropriate any recommendation that might be made on the matter should, for

clarity, carry the caveat “subject to the outcome of Court proceedings”. He added further that in doing so, members would protect the procurement process against any additional undue delays whilst at the same time taking cognisance of the Public Procurement Regulations and respecting the authority of the Courts. It was noted that the Group had instructed solicitors in relation to the Court proceedings. It was agreed that in order for Council to be fully informed about the Waste Infrastructure Project, that Mr Molloy and Mr Grey would proceed to present details of the project and its Appointment Business Case to members.

Following the presentation, the Chief Executive reminded members that the information presented was commercially sensitive and due to this, confidentiality must be maintained.

The following recommendation was put to that meeting:

That the Joint Committee of the North West Region Waste Management Group recommended to member councils that the Tender Evaluation Report presented to the committee at its meeting on Wednesday 19th December 2012 be accepted on the basis of the SBS Mandatory Variant bid. The committee further recommended that on the basis of the Appointments Business Case, SBS is appointed preferred bidder and that the award of contract is subject to the approval of the Final Business Case by member councils. The recommendations were approved on the proposal of Alderman Coyle, seconded by Councillor Brolly subject to the outcome of court proceedings.

OUT OF COMMITTEE on the proposal of Alderman Robinson, seconded by Councillor Chivers.

CHIEF EXECUTIVES REPORT:

The Chief Executive presented his report for February 2013, which was approved on the proposal of Councillor Chivers, seconded by Alderman Coyle subject to the following:

RPA/ICE: The Chief Executive circulated a copy of recent correspondence from the Office of the Minister for Finance and Personnel on the Executives position regarding local government reform transition costs. It was noted by members that costs associated with RPA would not be met by central government and that the Executive had agreed that functions transferred to local government should be fit for purpose, sufficiently resourced and rates neutral at the point of transfer.

It was agreed that a workshop would be held to discuss Councils response to policy proposals for the Statutory Transition Committee’s.

Scorecard Report: The Integrated Business Plan 2012/13 for the period October to December 2012 was tabled for information.

Corporate Risk Register 2012/13: The Chief Executive presented the Corporate Risk Register 2012/13 for approval. He informed members that the Risk Register had been reviewed by Senior Management and Services Manager teams and had been approved by the Audit Committee on 12 December 2012. The Corporate Risk Register 2012/13 was approved by members.

Dungiven Castle Right of Way Issue: IN COMMITTEE on the proposal of Councillor Chivers, seconded by Councillor Robinson. The Chief Executive updated members on discussions and risk to Council on resolving an issue on right of way at Dungiven Castle.

Councillor Douglas alluded to rumours and requested that it be noted in the minutes that when the right of way at Dungiven Castle had been discussed previously, Unionist Councillors had not voted against the claim of right of way and that the only decision taken during the discussion had been to seek legal advice on the matter. Agreed.

OUT OF COMMITTEE on the proposal of Alderman G Robinson, seconded by Councillor A Brolly.

Dereliction Intervention Funding: The Chief Executive advised that it had recently been announced that the Minister had changed his mind on Dereliction Funding for Dungiven and that Council was waiting confirmation on this. Welcomed.

EXTERNAL MINUTES NOTED:

- Western Health & Social Care Trust – 1 November 2012.

CONSULTATIONS:

Members reviewed the consultation list for February 2013. There were no comments made by members for submission by the consultation deadlines.

The Director of Environmental Services tabled a proposed response to the Street Trading Consultation. It was agreed that the response would be held for one week before being submitted to DSD.

COURSES/CONFERENCES: - None.

FORMAL CORRESPONDENCE:

- Northern Ireland Human Rights Commission – The 2012 Annual Statement
- 24 Housing – 2013 Young Leaders, the future of housing.

SEAL LEGAL DOCUMENTS: - None.

ANY OTHER BUSINESS:

Request for Automatic Barriers: It was agreed that the Chief Executive would write to Translink to request a meeting on provision of automatic barriers at two locations in which the rail line crossed farmland in the Borough.

World Autism Day: It was agreed that Council would support World Autism Day on 2 April 2013. The Chief Executive agreed to discuss level of support with officers.

Request for Funding: It was agreed on the proposal of Alderman Coyle, seconded by Councillor Chivers that Council would contribute £1,000 towards the

cost of erecting a plinth at the new public art sculpture, Finvola Gem of the Roe in Dungiven.

Ipad Trial: Following on from the success of the ipad trial, it was agreed on the proposal of Alderman Coyle, seconded by Councillor McCaul that ipads would be provided to those Councillors who wished to avail of these and to relevant officer to be agreed by the Chief Executive.

NEXT MEETING: - 5 March 2013.

THE BUSINESS CONCLUDED AT 9.55 PM

Signed: _____
Chair of Meeting