

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

**MONTHLY COUNCIL MEETING
11 FEBRUARY 2014**

Minutes of special meeting held in the Council Offices, 7 Connell Street, Limavady at 7.00 pm on the above date.

PRESENT:

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

IN ATTENDANCE:

Head of Finance and the Committee Clerk.

APOLOGIES: - Councillors O Beattie, A Brolly, B Chivers and C McLaughlin.

CHIEF FINANCIAL OFFICERS REPORT:

The Head of Finance informed members the Local Government Finance Act (Northern Ireland) 2011 placed responsibilities on the Chief Financial Officer (CFO). He said under section 4, the CFO of the Council was responsible for submitting a report to Council on the robustness of the Estimates and under section 6, the CFO would submit a report to Council on the adequacy of any proposed financial reserves for the financial year and highlighted that Council should have regard to the reports when considering the estimates for that year. The Chief Financial Officer Report was noted by Council.

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 MRP Policy whereby it was proposed that the asset life (annuity) method would be used for capital expenditure incurred from 1 April 2012 which would be financed by borrowings. He said that based on this policy an amount of £635,861 had been included in the Council's 2014/15 estimates in respect of MRP.

It was agreed on the proposal of Alderman M Coyle, seconded by Councillor McCorkell that Council would accept the proposed Annual Minimum Revenue Provision Report as outlined above.

COUNCIL ESTIMATES FOR 2014/15:

Following the meeting of Council's Support Services Committee on 9 January and 4 February 2014, Councillor Robinson Chairperson of that Committee proposed:

- The adoption of the projected estimated net expenditure of £9,945,519 for 2014/15;
- 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 2014/15.

This means that there was no increase from the year 2013/14 for both the Domestic and Non-Domestic Rates. Inflation for December 2013 was 2%.

Councillor Robinson stated that Council would 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 Local Government Auditor Guidance.

Council Robinson outline that Council's reserves were forecast to be £750,000 in March 2015 and would equate to 7.54% of Council's 2014/15 net expenditure which is in line with the level recommended by the Department of Environment of 5% to 7.5%. He confirmed that Council was committed to providing high quality services for all residents and ratepayers and as we move into the new financial year Council would continue to look at ways in which service delivery could be improved and offer value for money. He stated that as in previous years, Council would continue to explore all available avenues open to them to minimise the cost of delivering programmes and capital projects which would include exploration of external funding opportunities and partnership approaches to minimise costs to the ratepayer.

From April 2014 Council is committed to the following areas of activity:

- Raising the profile and develop the tourism potential of Limavady Borough through investment and improvements to Benone Tourist Complex, provision of new Watersports facilities at Benone Beach, improvements to visitor servicing, partnership working and providing support to the local tourism industry.
- Assisting the local community to improve their health and well-being through the provision of new and upgrading of existing indoor and outdoor sporting and recreational facilities; working in partnership with a wide range of organisations to deliver programmes and initiatives which will improve the health and well-being of the community. Creating new opportunities for local communities including the development of allotments and outdoor fitness trails.
- Providing play facilities for young people.
- Continuing to improve community and leisure facilities across the Borough and specifically in for Dungiven, Magilligan and Greysteel.

- 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.
- Supporting the voluntary and community sector and continuing to improve Good Relations across the community.
- Ensuring that everyone has access to excellent facilities and opportunities for involvement in arts, cultural and heritage experiences.
- Continuing to offer the recycling education and awareness programme.
- Continuing to improve disability access to services and facilities.

The Rates Estimates for 2014/15 consist of:

Loan Charges of £1,409k – this represents an increase of £108k or 8.29%. This increase is due to:

- 2013/14 net capital expenditure, costing £75k
- Provision of the new recreation facilities in Dungiven, costing £20k
- Loans taken out in 2013/14, costing £41k
- Loans which will be paid up by August 2014, saving £31k

Other items net off to an increase of £3k.

Wages and Salaries of £5,331k - this represents an increase of £97k or 1.85% and is due to:

- 4 new employees, the cost of which is mostly funded by either grants or a reduction in Other Expenditure, £87k
- 1% pay increase, £52k
- 4 employees have left Council saving £82k, but there will be a reduction in funding of £68k

Other items net off to an increase of £40k.

Other Expenses of £5,252k - this represents an increase of £308k or 6.23%. The increase in these expenses is due to:

- Increase in RPA costs (Statutory Transition Committee/Shadow Council), £212k
- Increase in Waste Disposal Gate Fees and Landfill Tax, £69k
- Increase in RVLC Water Rates, £31k
- Local Government Reform Capacity Building, £30k
- Increase in Good Relations costs, £29k, which are 75% funded
- Increase in Active Communities costs, £24k, which are 100% funded
- Decrease in Cohesion Officer costs, £34k, but there is a similar reduction in funding.
- Decrease in Roe Valley Arts and Culture Centre costs, £28k
- Decrease in Economic Development costs, £19k

Other items net off to a decrease of £6k

Income of £2,046k - this represents an increase of £105k or 5.39%. The increase is due to:

- Increase in income for Benone Tourist Complex, £36k
- Increase in income for Roe Valley Leisure Centre, £27k
- Increase in income for Roe Valley Arts & Culture Centre of £26k
- Increase in grant for Creative Sector Development Officer, £27k
- Increase in grant for Active Communities, £26k
- Increase in grant for Good Relations, £26k
- Increase in grant for Oughtymoyle Wages, £17k

- Decrease in grant for Rural Development, £56k
- Decrease in grant for Cohesion Officer, £49k

Other items net off to an increase of £25k

This results in net expenditure of £9,946k – an increase of £408k or 4.28%.

The General Grant is £1,496k - a decrease of £27k.

A balance applied of £235k means that the net amount to be raised by the rates is £8,215k which is equivalent to a District Domestic Rate of 0.4124 pence in the pound, an increase of zero %, and a District Non-Domestic Rate of 28.2389 pence in the pound, an increase of zero %.

The proposal was seconded by Councillor E Scott and the rate was struck without debate.

Alderman M Coyle acknowledged staff for the work carried out to facilitate the zero % increase and thanked Senior Management and the departments for managing their budgets. The Mayor, Councillor G Mullan echoed the sentiments expressed.

CAPITAL EXPENDITURE 2012/13 TO 2016/17:

The Head of Finance outlined actual and forecast capital expenditure for the years 2012/13 to 2016/17 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 2014/15 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 including the adoption of CIPFA's Prudential Code for Capital Finance in Local Authorities and the Affordable Borrowing Limit for 2014/15 of £16,414,424 on the proposal of Alderman Coyle, seconded by Alderman Rankin.

ANY OTHER BUSINESS: - None.

THIS CONCLUDED THE BUSINESS
(The meeting ended at 7.25 pm)

Chair: _____