

SPECIAL COUNCIL MEETING WEDNESDAY 12 FEBRUARY 2020

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No	Item	Decisions
3.	Report from CIPFA	Information
4.	Savings Proposals	Adopt the savings initiatives excluding: no cuts to Riverside Theatre, no cuts to Pipe Band contest, no increase to Lammas fair.
5.	Notice of Motion to rescind proposed and signed by Councillor Callan, Councillor McAuley, Alderman Finlay, Councillor Scott, Alderman S Mckillop, Councillor McLean, Councillor Knight-McQuillan, Alderman Robinson, Alderman McCorkell	Rescind the decision of Council on 7th January Item 6 Review of Car Parking Charging.
	5.1 Review of Car Parking Charging	Apply Car Parking Charges as set out; take in immediate concerns of residents, impact assessment over the next year, especially charges in Portrush; - mitigating circumstances for Medical Centre and residents taken into consideration alongside; - include the residential element of East Strand Car Park.

6.	Strike the Domestic and Non-Domestic Rate 2020/21	<i>Deferred</i>
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**RECONVENED SPECIAL COUNCIL MEETING
THURSDAY 13 FEBRUARY 2020**

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No	Item	<i>Decisions</i>
3.	Strike the Domestic and Non-Domestic Rate 2020/21	<p><i>7.65% increase in the district rates 2020/21;</i></p> <p><i>Approve the report by the Chief Financial Officer on Reserves General – 2020/21;</i></p> <p><i>Approve the report by the Chief Financial Officer on the 2020/21 estimates</i></p>

**MINUTES OF THE PROCEEDINGS OF THE SPECIAL COUNCIL MEETING
HELD IN CIVIC HEADQUARTERS, COLERAINE ON
WEDNESDAY 12 FEBRUARY 2020 AT 7:00PM**

In the Chair : The Mayor, Councillor Bateson

Members Present : Alderman Boyle, Finlay, McCandless, McCorkell,
McKeown, S McKillop and Robinson

Councillors Anderson, Baird, Beattie, Callan, Chivers,
Dallat O'Driscoll, Holmes, Hunter, Knight-McQuillan, McAuley,
McCaw, MA McKillop, C McLaughlin, McLean, McMullan,
McQuillan, C McShane, P McShane, Mulholland, Nicholl,
Peacock, Quigley, Schenning, Scott, Wallace, Watton, Wilson.

Officers Present : D Jackson, Chief Executive
A McPeake, Director of Environmental Services
R Baker, Director of Leisure & Development
D Wright, Chief Finance Officer
W McCullough, Head of Sport & Wellbeing
J Welsh, Head of Community & Culture
S McMaw, Head of Performance
D Hunter, Council Solicitor
P Donaghy, Democratic & Central Services Manager
S Duggan, Civic Support & Committee & Member Services Officer

In Attendance : Internal Auditor
Civic Facilities Manager

Public (14)
Press (3)

1. APOLOGIES

Apologies were recorded for Alderman Duddy, Fielding, Hillis; Councillors McGlinchey and McGurk.

Councillor Holmes referred to previous statements made that Council's accounts were not qualified, he advised Council's Accounts were qualified and he considered staff deserved an apology.

Councillor C McShane advised an Elected Member had published information that impacted on staff, she considered this was a breach of the Code of Conduct.

2. DECLARATIONS OF MEMBERS' INTERESTS

There were no Declarations of Interest.

3. REPORT FROM CIPFA

The Chief Executive advised representatives from CIPFA were unable to be in attendance. He advised the report validated both the budget and estimates position previously presented.

The Chief Executive tabled a draft medium term financial plan, due to be presented to the forthcoming Finance Committee. The Chief Executive advised its aim was to deliver a sustainable financial plan for the next 3 years.

Councillor Wilson commented the CIPFA report validated information given to them by Council, at an additional cost to Council which was disappointing.

Councillor Callan requested a recess to consider the reports.

The Mayor declared a recess at 7.13PM.

The meeting reconvened at 7.45PM.

*** Councillor McCaw joined the meeting.**

Councillor Holmes stated his support for the medium term financial plan, he reflected on the need to consider Capital Asset Realisation and cost reductions, in advance of the next Finance Committee meeting.

Councillor P McShane advised he would like to have seen the Terms of Reference for the CIPFA report, he referred to caveats at points 1.4, 2.8 and 2.13, and when considered with the PwC report, he felt it was the same information including the exclusion of known costs.

Councillor Mulholland, on behalf of her Party referred to point 1.4 within the CIPFA report and called for a detailed review of all data.

In response to a question from Councillor Schenning, the Chief Executive confirmed the rates figures in the draft medium term financial plan were illustrative.

The Chief Executive agreed to share with Councillor McQuillan the analysis of all Council owned facilities with a view to rationalising, that had been presented to a previous Finance Committee meeting.

Councillor Baird welcomed the CIPFA report.

4. SAVINGS PROPOSALS

Report, previously circulated, presented by the Chief Executive.

The purpose of the report was to set before members a set of savings initiatives recommended by officers for inclusion in the rates estimates for 2020/21.

These measures have been previously provided to members at various committees and the rates workshop on Monday 27th January 2020 and discussed in detail.

The savings were set out in the appendices to the report.

It is recommended that Council considers and approves the savings initiatives as set out in the appendices for inclusion in the rates estimates.

It is recommended that Members consider and approve the proposals presented within this paper.

Alderman McCandless, advised his Party had been involved in discussions and would propose to adopt the savings with exceptions.

Proposed by Alderman McCandless

Seconded by Alderman Boyle

- that Council adopt the savings initiatives as set out for inclusion in the rates estimates, excluding the following: that there be no cuts to Riverside Theatre, no cuts to Pipe Band contest and there is no increase to Lammas Fair.

Alderman Boyle advised of a petition with 3,000 signatures against proposed cuts to the Riverside Theatre, she stated the Lammas Fair was a very important and culturally significant festival, including the Pipe Band contest.

Councillor MA McKillop, on behalf of her Party, stated she did not support any proposed cost saving measures, whilst there were serious question marks around Council's financial affairs.

Councillor Callan referred to misleading reports in the media surrounding the savings initiatives, he requested that each Director clarify, line by line, the saving measures to be agreed; following which, a recess would be held.

The Director of Leisure and Development and Director of Environmental Services respectively clarified the savings initiatives proposals.

The Mayor declared a recess at 8.21pm.

* **The meeting reconvened at 8.45PM.**

Councillor McQuillan sought clarification of the harmonisation of Leisure Centres and whether it would happen within the next year.

The Director of Leisure and Development advised the process had started, there had been numerous meetings with Trade Union Officials and had set a deadline.

Councillor Peacock considered the Leisure and Development Terms and Conditions should be excluded from the Savings proposals on the basis the issue remains in negotiations with Unions and it was not appropriate to factor in, prior to the process ending.

Amendment

Proposed by Councillor Peacock

Seconded by Councillor McMullan

- that Council adopt the savings initiatives as set out for inclusion in the rates estimates, excluding the following: Riverside Theatre, Pipe Band contest, Lammas Fair and the Leisure and Development Terms and Conditions harmonisation.

Councillor Watton declared he did not agree with the Savings Proposals.

Councillor Callan reflected on the work to date, that Council should support the saving proposal packages all Parties had sight of and discussion on.

Councillor Holmes outlined the Leisure and Development additional income predicted.

Councillor C McShane referred to collective responsibility and sought reasonableness from Elected Members.

Councillor McAuley supported the harmonisation of Terms and Conditions, as the Director had confirmed to him, the outcome was not a matter for Councillors, and was solely between Council Officers and Unions.

The Mayor declared a recess at 8.59PM.

* **The Meeting reconvened at 9.09pm.**

Councillor C McShane sought clarification of the harmonisation of Terms and Conditions of Leisure Centre staff and Trade Union engagement to date.

The Director of Leisure and Development advised of the harmonisation of 5 sets of legacy Terms and Conditions and the Union engagement.

Alderman Finlay sought the position of any legal challenge in terms of equal pay.

Councillor Holmes clarified the Leisure Project Board was aware of potential savings of approximately £200,000, he considered the harmonisation of Terms and Conditions figure did not affect this.

The Director of Leisure and Development clarified income opportunities existed that would require capital investment and negate the need to include the harmonisation figure, within this process of rate setting.

Councillor Peacock requested a Recorded Vote.

The Mayor put the Amendment to the Council to vote.

7 Members voted For; 19 members voted Against, 9 Members Abstained.

The Mayor declared the Amendment lost.

For (7)	Councillors Bateson, Chivers, McLaughlin, McMullan, C McShane, Nicholl, Peacock
Against (19)	Alderman Finlay, McCandless, McCorkell, McKeown, S McKillop, Robinson,
	Councillors Anderson, Baird, Callan, Holmes, Hunter, Knight-McQuillan, McAuley, McLean, McQuillan, Scott, Wallace, Watton, Wilson
Abstain (9)	Alderman Boyle
	Councillors Beattie, Dallat O'Driscoll, McCaw, MA McKillop, P McShane, Mulholland, Quigley, Schenning

Councillor P McShane proposed an amendment, during debate, Alderman Boyle declared a Point of Order, Standing Order 18.9, '*Member to Speak on Motion*', Alderman Boyle sought clarification on whether Councillor P McShane's proposal was being seconded.

Councillor Quigley, in consideration of seconding Councillor P McShane's amendment, sought clarification of the Department's position if there was a moratorium on financial decisions and a rate was not set.

The Chief Executive confirmed the Department would be informed if the rate was not struck by 15 February.

Councillor Quigley sought a recess to discuss Councillor P McShane's proposal to amend.

The Mayor declared a recess at 9.39PM.

* **The Meeting reconvened at 9.43PM.**

Councillor Quigley seconded Councillor P McShane's amendment.

Amendment

Proposed by Councillor P McShane

Seconded by Councillor Quigley

- that this Council place a moratorium on all major financial decisions including car parking and rate setting until a full independent Audit report is prepared. The report to look closely at PricewaterhouseCoopers financial mismanagement concerns and concerns highlighted in the Judgment by Justice McCloskey and Alistair Agnew vs Causeway Coast and Glens in particular, paragraph 220 of the Judgment. The Audit also look at Curran Gate land easements and Castleroe land sale to The Honourable The Irish; that the Department is informed immediately of the Council's decision.

The Mayor put the Amendment to the Council to vote. Councillor Quigley requested a recorded vote. The Mayor ruled the vote was already under way.

7 Members voted For; 27 Members voted Against.

The Mayor declared the Amendment lost.

Councillor Peacock requested Legal Advice on the proposed Leisure Centre harmonisation of Terms and Conditions. Alderman Finlay considered the figure had now been found elsewhere.

A proposed amendment by Councillor Callan, seconded by Councillor McAuley that Council accept the proposals as tabled, was overruled by the Mayor as a direct negative.

The Mayor declared a recess at 9.49PM.

* **The Meeting reconvened at 9.52PM.**

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Councillor Baird

Seconded by Councillor Dallat O'Driscoll

- that Council move '*In Committee*'.

* **Press/Public left the meeting at 9.52PM.**

Council's Solicitor referred to Section 3 of the Local Government Finance Act 2011, Council had a requirement to set a District Rate and could use estimates for doing so, but, in relation to employment Terms and Conditions, which were being negotiated and any inclusions in relation to that could prejudice ongoing negotiations.

During debate, the Director of Leisure and Development responded by stating a positive income generation in Leisure Centres over the next 12 months would mean there would be no reliant on the Terms and Conditions harmonisation as set out in the report.

MOTION TO PROCEED 'IN PUBLIC'

Proposed by Councillor Baird

Seconded by Councillor Wilson

- that Council move '*In Public*'.

* **Press/Public re-joined the meeting at 10.00PM.**

Alderman Boyle requested a Recorded Vote.

The Mayor put the proposal to the Council to vote.

15 Members voted For; 13 Members voted Against; 6 members Abstained.

The Mayor declared the motion carried.

For (15)	Alderman Boyle, McCandless, McKeown, Councillors Baird, Bateson, Chivers, Holmes, Hunter, McCaw, McLaughlin, McMullan, C McShane, Nicholl, Peacock, Wilson
Against (13)	Alderman Finlay, McCorkell, S McKillop, Robinson, Councillors Anderson, Callan, Knight- McQuillan, McAuley, McLean, McQuillan, Scott, Wallace, Watton
Abstain (6)	Councillors Beattie, Dallat O'Driscoll, MA McKillop, Mulholland, Quigley, Schenning

5. NOTICE OF MOTION TO RESCIND PROPOSED AND SIGNED BY COUNCILLOR CALLAN, COUNCILLOR MCAULEY, ALDERMAN FINLAY, COUNCILLOR SCOTT, ALDERMAN S MCKILLOP, COUNCILLOR MCLEAN, COUNCILLOR KNIGHT-MCQUILLAN, ALDERMAN ROBINSON, ALDERMAN MCCORKELL AS FOLLOWS:

"We undersigned would like to rescind the decision made by Council on 7th January Item 6 review of Car Parking Charging. This is under Standing Orders 23 (1)".

Councillor Callan, in advance of proposing to rescind the decision made by Council on 7th January, review of Car Parking Charging, outlined his further proposal surrounding car parking charges that he stated had been agreed amongst a coalition of Parties: Ulster Unionists, Alliance, PUP, Independent Unionist and DUP.

Councillor Callan proposed Car Parking Charges as follows:

Coleraine, The Mall - 60p / hour

Abbey Street - 60p / hour

Long Commons - 50p / hour

Railway Road/Railway Place, Coleraine - 40p / hour

Limavady Central Car Park and Connell Street - 50 p / hour

Ballymoney, Church Street - 50 p / hour

Ballymoney, Castle Street - Free

Ballycastle, Ann Street 30p / hour

Ballymoney, Townhead Street - 30p / hour, with the proviso there would be permits issued for residents in that area

Portrush, East Strand Car Park - 30p / hour

West Strand - Free

Dunluce Avenue - 30p / hour, with the proviso car parking would be made available to the Medical Centre, through an arrangement with them

Lansdowne Road - Free

Harbour Road - £1 / hour

Ballintoy - Free

Portballintrae - Free

Ballycastle Marine Harbour - Free

Portstewart - Free

- that Council take in the immediate concerns of residents, there will be an impact assessment carried over the next year to see what impact these charges would have, especially new introduced charges in Portrush, that the mitigating circumstances for the medical centre and residents are taken into consideration alongside the proposals.

Proposed by Councillor Callan

Seconded by Councillor Scott

- that Council rescind the decision made by Council on 7th January Item 6 review of Car Parking Charging.

The Mayor put the motion to rescind to the Council to vote.

21 Members voted for; 13 Members voted Against.

The Mayor declared the motion to rescind carried.

Thereafter, the Mayor invited further debate.

Councillor McCaw asked Councillor Callan to include the provision of resident permits for people living in and around East Strand Car Park, Causeway Street and surrounding areas, that Council bring the Portrush proposal back within a year and during that time consult with residents.

Councillor Callan agreed to include the residential element of East Strand Car Park in his proposal.

Councillor Peacock sought clarification of the public consultation exercise on proposed car parking charges carried out to date.

The Director of Environmental Services advised there had been public consultation, in particular, an evening where businesses and community groups were asked to attend The Lodge Hotel, he advised the issue had also been widely reported in the media and debated a number of times.

Councillor Peacock considered one event did not constitute a consultation with citizens.

In response to Councillor Schenning, the Director of Environmental Services outlined the process envisaged for a resident permit system on a Council owned and operated car park.

Councillor Wilson considered it was a fair and balanced approach with the potential to reduce the rates.

Councillor Wilson seconded Councillor Callan's proposal.

Proposed by Councillor Callan

Seconded by Councillor Wilson

- that Council apply Car Parking Charges as follows:

Coleraine, The Mall - 60p / hour;

Abbey Street - 60p / hour;

Long Commons - 50p / hour ;

Railway Road/Railway Place, Coleraine - 40p / hour;

Limavady Central Car Park and Connell Street - 50 p / hour;

Ballymoney, Church Street - 50 p / hour;

Ballymoney, Castle Street - Free;

Ballycastle, Ann Street 30p / hour;

Ballymoney, Townhead Street - 30p / hour, with the proviso there would be permits issued for residents in that area;

Portrush, East Strand Car Park - 30p / hour;

West Strand – Free;

Dunluce Avenue - 30p / hour, with the proviso car parking would be made available to the Medical Centre, through an arrangement with them;

Lansdowne Road – Free;

Harbour Road - £1 / hour;

Ballintoy – Free;

Portballintrae – Free;

Ballycastle Marine Harbour – Free;

Portstewart – Free;

- that Council take in the immediate concerns of residents, there will be an impact assessment carried over the next year to see what impact these charges would have, especially new introduced charges in Portrush;

- that mitigating circumstances for the medical centre and residents are taken into consideration alongside the proposals;

- that Council include the residential element of East Strand Car Park.

Councillor Baird stated she was opposed to car parking charges in seaside areas, she urged widespread consultation, especially in consideration of residents and health care service users and its employees.

Councillor Quigley advised her Party had not been consulted, she considered residents' parking would not work.

The Mayor declared a recess at 10.25PM.

* **The meeting reconvened at 10.42PM.**

The Mayor put the proposal to the Council to vote.

The Mayor declared the motion carried.

12. STRIKE THE DOMESTIC AND NON-DOMESTIC RATE 2020/21

Reports, previously circulated.

12.1 Rates Estimates

The purpose of this report is to inform members of the financial pressures being faced by Council in terms of budgeting and the setting of the rate for 2020/21. The summary table details the estimated budget to be considered in the setting of the rate for 2020/21.

This budget round has been an extremely difficult and challenging one for a number of reasons, some of which are mention later in this report. It cannot be ignored that Council has significantly reduced its General reserve over the last two complete financial years and the position remains challenging in the current financial year. With that in mind it is vital that the budget agreed and the rate struck are balanced in financial terms thereby minimising any risk of further diminishment of the General Reserve during 2020/21 to unsustainable levels. When striking the rate Council must consider fully and agree the necessary measures that will be required to ensure that the rate being set is sufficient to meet the needs of the services in financial terms.

Background

In considering this draft of the rates there are a number of significant high level pressures which have been incorporated.

Wages and Salaries – by far the largest cost to the Council. In recent years pay awards have been weighted towards those at the lowest pay grades in an effort to bring these up to at least National Minimum Wage. Union demands have been extremely high from their initial position which is not sustainable from an affordability viewpoint and the negotiation process is ongoing. For the purposes of this budget wages and salary costs have been increased by 2% for a pay award but also taking into account pay increments and employers pension contribution regarding agency staff. In addition in this version of the estimates the employer's contribution rate for pensions has been reduced by 0.5%, the annual lump sum payment to NILGOSC regarding deficit recovery

of £277,100 has been removed and staff who have taken voluntary severance has been removed, note the voluntary severance savings will be included within departmental savings schedules.

Zero Based Budgeting – the recent work which took a ground up approach to estimate ongoing costs for all council services has been taken into account when preparing this initial set of estimates with several major cost areas having been revised for example, waste contracts, landfill provision, fuel costs, repairs and maintenance, etc.

Applied Balance – the applied balance of £2.38m which was included in last year's estimates has been removed accounting for 5.33% of the estimated increase.

Other Factors

Land and Property Services (LPS) have recently provided us Estimated Penny Product (EPP). This figure is how much rates income is generated by adding a penny to the rate, the higher this figure the better.

The EPP, which has been included in the rates estimates tabled below at 3.7, is £1,879,280. This figure takes into account the results of the recent non-domestic revaluation therefore whilst in numerical terms it has increased the real effect after being adjusted for inflation is approximately 0.45%. The inflationary effect is removed by way of a conversion factor which means that the direct comparator for rates increase purposes is the domestic rate figure.

Minimum Revenue Provision (MRP) which, along with interest payable, makes up the Council's capital financing has been estimated for this budget taking into account;

- capitalisation of severance
- continuing capital programme

The estimated MRP and interest figure included in this draft is £9,652,908, an increase of £405,663 on the previous year.

Rates Support Grant (RSG) is a topic that has attracted a lot of attention in recent times. In 2018/19 Council benefitted from a recalculation of the allocation of the grant and this was included in the 2019/20 rates estimates. During 2019/20 whilst Council's allocation of grant was increased the total amount of grant available was reduced from £16,865,280 to £15,865,000 meaning Council's allocation was reduced to £2,571,995, a reduction of £219,898 against the estimated figure at rate strike. Department for Communities (DfC) indicate that budgetary pressures continue to threaten the amount allocated to this grant and it is likely to face a cut of approximately 5%, taking this into account the RSG figure in this budget has been reduced by £350,270 to £2,441,623. Further to previous reports Council has now received the final percentage allocation of RSG and this is yet more bad news for Council. Our allocation has dropped from 16.21% to 13.65% meaning a further reduction in our RSG budget, in total the reduction in grant assuming DfC apply a 5% cut to the total grant pot is now £734,599 and this has been

reflected in the table below. This has had a significant detrimental effect on the rates being equivalent to approximately 1.63% on the rates.

Inflationary increases have been applied to the following cost areas:

Electricity	18%
Oil	5%
Gas	5%
Insurance	5%

Rates estimates summary 2020/21

The rates table circulated takes into account all savings agreed by Council at the date of writing this report. The second table included at 3.9 illustrates the rates strike position assuming that all savings recommendations are agreed fully by Council.

Rates Estimate Summary 2020/21 (subject to savings being agreed by Council)

Causeway Coast and Glens Borough Council, Annual Estimates, Year Ended 31 March 2021 table, circulated.

Legislation - Local Government Finance Act (Northern Ireland) 2011

Under the above legislation in section 3(2) the duty of Council in relation to budget setting is set out as follows:

A council, before the prescribed date each year,

- (a) shall consider the estimates for the next financial year;*
- (b) may revise the estimates in such manner as the Council thinks fit;*
- (c) shall approve the estimates, subject to any revision under paragraph (b);*
- (d) shall authorise the expenditure included in the estimates; and*
- (e) shall fix for the next financial year the amount estimated to be required to be raised by means of rates made by the Council.*

It is recommended that Council considers the budgets presented together with savings agreed previously and strikes the rate for 2020/21. This will include approval of the Chief Executive's reports on the robustness of the estimates and reserves and the prudential indicators.

12.2 Report by the Chief Financial Officer on 2020/21 Estimates

Under Section 4 of the Local Government Finance Act (NI) 2011 the Chief Financial Officer of a council shall submit to the council a report on the robustness of the estimates and the Council shall have regard to that report when considering the estimates.

Councils budgets and finances have been under extreme pressures in recent times leading to reductions in the level of reserves being held by Council. The continued reduction of these reserves cannot continue

otherwise the reserves will be below sustainable levels. Consequently Council officers have in this budgeting round undertaken a most extensive exercise of zero based budgeting for all areas and services of Council in order to ascertain the level of funding required to continue to provide council services at their current levels and these figures are reflected in the rates estimates presented.

The single largest proportion of the gross expenditure is salaries and wages budgets. These budgets include adequate provision for employers pension and national insurance costs, taking into account the 0.5% reduction in employer's pension costs being introduced for all employers from 1st April 2020, plus an estimated 2% pay award for all employees since there is not yet agreement with unions on this matter. No provision however has been made for replacement cover for sickness absence.

On the income side the Estimated Penny Product calculated by Land & Property Services has been used to calculate the District Rates.

The Transferred Functions Grant and De-rating Grant penny products together with the Rates Support Grant allocation (as updated has been supplied by the Department for Communities (DfC)) have been included in the estimates, this includes an estimated decrease of 26% approximately in the level of Rates Support Grant expected to be received due to the expected reduction to the funding for this grant by DfC and the reduction in Council's allocation of this grant. Assumptions have been made about the level of grants from other governments departments where final offers or indications have not yet been received.

In conclusion it is vital that the rate council sets is sufficient to meet the requirements of Council services and minimizes the risk of further reduction of reserves.

I am broadly satisfied that the estimates put before Council this evening are sufficiently robust to enable the Council to deliver its services to a satisfactory level, in normal circumstances in 2020/21.

12.3 Report by the Chief Financial Officer on the reserves

Under Section 6 of the Local Government Finance Act (NI) 2011 the Chief Financial Officer shall submit to the Council a report on the adequacy of any proposed financial reserves for a financial year and the Council shall have regard to that report when considering the estimates.

At 31st March 2019 the General Fund balance of Causeway Coast and Glens Borough Council amounted to £3.762m equating to 6.19% of the Net Operating Expenditure.

Department for Communities (DfC) guidance indicates that the General Fund Level should be between 5% and 7.5% (£3.040m and £4.561m) of the Net Operating Expenditure.

Council budgets are under extreme pressures and as a result it is anticipated that the level of reserves will reduce further in the current financial year below the 5% threshold. Council will still have sufficient reserve in order to continue its day to day operations however the budget agreed will need to be fully financed in order to protect the reserves from further reduction.

12.4 Prudential Indicators for 2019/20 to 2022/23

Under Section 6 of the Local Government Finance Act (NI) 2011 the Chief Financial Officer shall submit to the Council a report on the adequacy of any proposed financial reserves for a financial year and the Council shall have regard to that report when considering the estimates.

At 31st March 2019 the General Fund balance of Causeway Coast and Glens Borough Council amounted to £3.762m equating to 6.19% of the Net Operating Expenditure.

Department for Communities (DfC) guidance indicates that the General Fund Level should be between 5% and 7.5% (£3.040m and £4.561m) of the Net Operating Expenditure.

Council budgets are under extreme pressures and as a result it is anticipated that the level of reserves will reduce further in the current financial year below the 5% threshold. Council will still have sufficient reserve in order to continue its day to day operations however the budget agreed will need to be fully financed in order to protect the reserves from further reduction.

The Chief Finance Officer advised the Rate reports had been presented, the position was 9.99% increase in the district rate and taken out during the meeting was £43,500, as amended in the cost savings, plus £825,000 in car parking charges, the rate had now moved to 8.27%, the Chief Finance Officer advised it was now for Members to consider the striking of the Rate.

Councillor C McShane stated, given the late hour, consideration be deferred to the following evening.

Proposed by Councillor C McShane

Seconded by Councillor McLaughlin

- that Council defer consideration.

The Mayor put the proposal to the Council to vote.

The Mayor declared the proposal lost.

The Mayor declared a recess at 10.45pm.

*** The meeting reconvened at 11.02PM.**

Councillor Callan commended a good working relationship among Councillors, he commended Officers who delivered accurate information, a

3-year financial plan and urged the development of a Project Board surrounding this, he commented on the work PwC would be engaged on in the next 6 months. Councillor Callan stated he wanted to ensure households would not be penalised, a fair way to bring in income and given concerns businesses had raised, he proposed a 7.64% increase in the district rate, resulting in a 0% increase in the non-domestic rate.

Proposed by Councillor Callan

Seconded by Councillor Anderson

- that Council apply 7.64% increase in the district rate, 2020/21.

Councillor Mulholland requested a Recorded Vote.

Councillor P McShane requested where the savings identified were coming from.

Councillor Dallat O'Driscoll reflected on an earlier Party motion, she considered independent experts and a detailed plan was required, whilst there were question marks over Council's financial affairs.

Councillor Holmes advised Council was grossly overspending in budgets, he outlined areas where he felt efficiencies could be made, overheads and staff costs reduced and savings to be identified.

Amendment

Proposed by Councillor Holmes

Seconded by Councillor Wilson

- that Council hold a ten minute recess for Officers to investigate if the areas highlighted manage to generate £600,000 in savings, to have a rate strike below 7%.

The Chief Executive advised he could not agree to his team identifying such savings within ten minutes.

The Mayor put the Amendment to the Council to vote.

The Mayor declared the Amendment lost.

Councillor C McShane proposed an amendment, that Council capitalise the Voluntary Severance Scheme, in order that Council could add to the General Fund Reserve and that money is used to offset the district rate.

The Chief Finance Officer clarified the capitalisation of the Voluntary Severance scheme was not in the rates estimates, it was in the current years' accounts, a £2.38M applied balance to protect the level of Reserves, the effect to cover the cost of capitalisation to increase Council's debt financing capability.

The Chief Finance Officer clarified the proposal by Councillor C McShane was not possible, as it was not in the correct financial period.

Councillor P McShane observed confusion around Reserves, the pressure to service debt of £9.5M, spending money out of the Sinking fund to increase risk for the future, known costs kept out of the rate setting process and drew on concerns around the financial viability of the organisation.

Councillor Watton stated he could not support the proposal by the DUP.

Councillor Peacock raised doubts over information presented to a previous Finance Committee.

Proposed by Councillor Wilson

Seconded by Councillor Holmes

- Under Standing Order 16.4, That the Question Now Be Put.

The Mayor put the proposal to the Council to vote.

18 Members voted For; 13 Members voted Against.

The Mayor declared the motion carried.

The Mayor put the proposal by Councillor Callan, seconded by Councillor Anderson to the Council to vote.

15 Members voted For; 18 Members voted Against; 1 Member Abstained.

The Mayor declared the proposal lost.

For (15)	Alderman Finlay, McCandless, McCorkell, McKeown, S McKillop, Robinson
	Councillors Anderson, Baird, Callan, Holmes, Knight-McQuillan, McAuley, McLean, Scott, Wilson
Against (18)	Bateson, Beattie, Chivers, Dallat O'Driscoll, Hunter, McCaw, MA McKillop, McLaughlin, McMullan, McQuillan, C McShane, P McShane, Mulholland, Nicholl, Peacock, Quigley, Schenning, Watton
Abstain (1)	Alderman Boyle

Proposed by Councillor Knight-McQuillan

Seconded by Councillor McLean

- Under Standing Order 26.1, Council set Standing Orders aside and continue the meeting after Midnight, until the rate is set.

The Chief Executive clarified the proposal required a qualified majority vote of 27, there were 33 members present.

The Mayor put the proposal to the Council to vote.

23 Members voted For; 7 Members voted Against;

The Mayor declared the proposal lost, having not reached a qualified majority.

The time being 11.56PM, the Mayor declared the meeting adjourned, to reconvene the following evening, Thursday 13 February 2020 at 7PM.

Unconfirmed

**MINUTES OF THE PROCEEDINGS OF THE RECONVENED SPECIAL
COUNCIL MEETING, CIVIC HEADQUARTERS, COLERAINE ON
THURSDAY 13 FEBRUARY 2020 AT 7:00PM**

In the Chair : The Mayor, Councillor Bateson

Members Present : Alderman Boyle, Fielding, Finlay, McCandless, McCorkell, McKeown, S McKillop and Robinson

Councillors Anderson, Baird, Beattie, Callan, Chivers, Dallat O'Driscoll, Holmes, Hunter, Knight-McQuillan, McAuley, McCaw, McGlinchey, MA McKillop, McLaughlin, McLean, McMullan, McQuillan, C McShane, P McShane, Mulholland, Nicholl, Peacock, Quigley, Schenning, Scott, Wallace and Wilson

Officers Present : D Jackson, Chief Executive
A McPeake, Director of Environmental Services
D Wright, Chief Finance Officer
S McMaw, Head of Performance
D Hunter, Council Solicitor
P Donaghy, Democratic & Central Services Manager
S Duggan, Civic Support & Committee & Member Services Officer

In Attendance : J Welsh, Head of Community & Culture
Civic Facilities Manager

Public (6)
Press (3)

1. APOLOGIES

Apologies were recorded for Alderman Duddy, Hillis; Councillors McGurk and Watton.

2. DECLARATIONS OF MEMBERS' INTERESTS

There were no Declarations of Interest.

3. STRIKE THE DOMESTIC AND NON-DOMESTIC RATE 2020/21

The Mayor invited discussion.

- * **Councillor McQuillan arrived at the meeting at 7.06PM.**
- * **Councillor McCaw arrived at the meeting at 7.15PM.**

In response to debate, the Chief Finance Officer clarified the position as at March 2019, Council held £3.8M in Reserves, Period 9 Management Accounts showed a £230,000 deficit, the effect on the Reserves was to reduce them to £1.78M approximately. The Chief Finance Officer advised the capital direction to finance voluntary severance payments made had now been confirmed by the Department (of £4M) to increase the Reserves, the projection maintained at £3-£3.8M approximately.

The Chief Finance Officer clarified the total debt projected for year-end was £68.7M, Council had approved a further £8M loans, if all drawn down would be £76.7M, however, Council was not scheduled to draw down loans before end March, the cost of financing the debt, £9M per year. He advised the £4M capitalised, spread over 5-years, came into the Accounts through the Minimum Revenue Provision allowance, equal to one fifth of the capitalisation.

The Chief Finance Officer clarified the Sinking Fund was approximately under £4M and would be reviewed at year end.

The Chief Finance Officer advised against setting a deficit budget and referred to both the CIPFA report and PwC report which had advised against this also.

The Chief Finance Officer clarified the detail of the voluntary severance cost capitalisation; further information on the APP, EPP, impact of Reval on non-domestic rate and the Management Accounts.

The Chief Executive clarified the rates position was 8.26%, if Council did not agree to strike a rate he would refer to the Department.

The Mayor declared a recess at 7.35PM.

* **The meeting reconvened at 7.50PM**

Councillor Callan referred to the serious decisions which had reluctantly been made the previous evening, he welcomed the 3-year financial plan. On behalf of his Group, Councillor Callan proposed 7.65% increase on the domestic rate.

Councillor Holmes referred to an exceptionally difficult process, he seconded Councillor Callan's proposal for a 7.65% increase on the domestic rate and resulting freeze on business rates.

Proposed by Councillor Callan
Seconded by Councillor Holmes

- that Council apply a 7.65% increase in the district rates 2020/21.

Councillor P McShane questioned where the further percentage in savings would come from.

Councillor McCaw reluctantly supported the proposal, he advised he would be seeking a review of car parking in Portrush at the earliest opportunity.

Councillor McQuillan advised 0% was good for businesses, however he could not support a 7.65% increase.

Alderman Finlay stated the situation should never happen again, there was no option other than to support what was on the table.

Councillor Quigley questioned where the savings would come from. Councillor Quigley referred to the decision regarding car parking, she stated the proposal had been incoherent and was not in front of Members.

The Chief Executive clarified savings had been found from a lease contract and waste contract and he had also asked Directors to find further savings.

Councillor P McShane requested a recorded vote.

The Mayor put the proposal to the Council to vote.
20 Members voted For; 16 Members voted Against.
The Mayor declared the motion carried.

For (20)	Alderman Boyle, Fielding, Finlay , McCandless, McCorkell, McKeown, S McKillop, Robinson
	Councillors Anderson, Baird, Callan, Holmes, Hunter, Knight-McQuillan, McAuley, McCaw, McLean, Scott, Wallace, Wilson
Against (16)	Councillors Bateson, Beattie, Chivers, Dallat O'Driscoll, McGlinchey, MA McKillop, McLaughlin, McMullan, McQuillan, C McShane, P McShane, Mulholland, Nicholl Peacock, Quigley, Schenning

The decision included approval of the Chief Executive's reports on the robustness of the estimates and reserves and the prudential indicators, as per the report recommendation to Council.

This being all the business, the Mayor thanked everyone for their attendance and the meeting closed at 8.15PM.

Mayor

Unconfirmed