

CASTLEREAGH BOROUGH COUNCIL

Minutes of the proceedings of the Finance & General Purposes Committee meeting, held in committee, in the Council Chamber, Civic & Administrative Offices, Bradford Court, Upper Galwally, Castlereagh, BT8 6RB, on Thursday, 8 December 2011, at 7.00 pm

PRESENT: Alderman J Beattie MBE
(in the chair)

ALDERMEN: S Duncan

COUNCILLORS: A Beattie
M Copeland MLA
M Gregg
C Hall
V McCoy
T Morrow
P O'Reilly
T Sandford
J Spratt MLA
D Vitty
J White

IN ATTENDANCE: Director of Finance, Director of Administration & Community Services, Human Resources Manager, Economic Development Manager and Members' Services Officers

APOLOGIES: Apologies were received on behalf of Aldermen Henderson, Rice and Robinson, Councillors Chambers, Drysdale, Hanvey, Howard and Long

Councillor White left the meeting at 7.00 pm.

F&GP/2011/193 : DECLARATIONS OF INTEREST

Members and Officers were invited to declare any pecuniary and non-pecuniary interests (including gifts and hospitality) they should have in respect of items on this agenda. There were no declarations of interest.

Noted.

HUMAN RESOURCES MATTERS

TABLED : MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING HELD ON 10 NOVEMBER 2011

There were no matters arising in relation to Human Resource issues.

REPORT FROM THE DIRECTOR OF ADMINISTRATION & COMMUNITY SERVICES
(copy previously circulated)

F&GP/2011/194 : INDUSTRIAL ACTION

The Human Resources Manager advised that 22 staff members had participated in strike action on 30 November 2011. There had been no adverse impact on service provision.

Councillor Spratt requested that Officers prepare a report showing the saving for the Council as a result of non-payment of wages to those staff members who took part in the strike action.

RESOLVED (7.02 pm): That Officers prepare a report showing the saving for the Council as a result of non-payment of wages to those staff members who participated in strike action on 30 November 2011.

F&GP/2011/195 : TRAINING REQUEST

The Human Resources Manager sought approval for the Economic Development Manager to attend a two-day course, entitled 'Finance for Non-Financial Managers', at a cost of £390. She added that the course would provide information in respect of better interpretation of financial accounts in order to make informed choices relating to the appraisal of potential projects and businesses. Furthermore, the course aimed to develop an understanding of the fundamentals of finance and the implications of managers' decisions. The Director of Finance had confirmed that there were sufficient funds to cover the cost of this course.

RESOLVED (7.02 pm): That the Council be recommended to grant approval for the Economic Development Manager to attend a two-day course, entitled 'Finance for Non-Financial Managers', at a cost of £390.

F&GP/2011/196 : ATTENDANCE REPORTING

The Human Resources Manager referred to a request from the Leisure Park Board that a quarterly report be brought to the Finance & General Purposes Committee in respect of absenteeism in the Council. She went on to take Members through the proposed format of the report to cover the following periods:

- April – June
- July – August
- September – December
- January - March

The Human Resources Manager stated that the first report would be tabled either at the January or February 2012 Committee meeting and it was intended to present absence rates by Directorate.

The Human Resources Manager advised that the Absenteeism Return to NIAO had recently been completed and based on the period 2010-11, the average number of days lost per employee in the Council was 10.3 days. In comparison, in 2009-10 the rate had been 11.27 days, which showed an overall improvement. The main reason for absenteeism was stress, with 21% of absences due to stress, depression, mental health and fatigue syndromes. The Council would, therefore, be addressing such matters through its new Stress Policy and training. The Human Resources Manager also advised that NIAO were no longer publishing a composite league table on absenteeism for all councils.

During the ensuing discussion, Councillor Spratt commented that an average absence of 10.3 days per employee was still relatively high. He felt that managers should continuously be reminded of the importance to try and get employees back to work as soon as possible and to monitor any patterns of absence. Councillor Spratt asked that a circular be issued to all staff, advising them of the importance of keeping absences to a minimum and reminding them of their requirements under the Attendance Policy.

Councillor Morrow congratulated managers on achieving a reduction in absenteeism. He also commented that, when employees felt valued they were less likely to take sick leave and the Council should reward staff members who did not take any time off. The Director of Administration & Community Services advised that any staff members who did not take any sick leave for a year were awarded two additional days annual leave. She went on to say that, although there was room for improvement, the Council had raised issues with the Local Government Auditor as to the recording procedures, whereby the Council's absenteeism figures might be skewed due to some persons still registered as long-term sick but no longer on the Council's payroll.

RESOLVED (7.04 pm): That a circular be issued to staff, advising them of the importance of keeping absences to a minimum and reminding them of their requirements under the Attendance Policy.

Councillor White returned to the meeting at 7.04 pm.

STAFF FROM OTHER COMMITTEES

F&GP/2011/198 : TECHNICAL & ENVIRONMENTAL SERVICES COMMITTEE – T&ES/2011/426: CONSULTATION PAPER ON IMPLEMENTING EC REGULATIONS 1971-2009, 1072-2009, 1073-2009 ON ROAD TRANSPORT OPERATIONS AND NEW FITNESS AND FINANCE REQUIREMENTS FOR 'OWN ACCOUNT' OPERATORS (6.55 PM)

The Human Resources Manager referred to discussion at the October Technical & Environmental Services Committee meeting in respect of the above consultation paper. The Client Manager had tabled a detailed report in respect of the consultation as well as the anticipated impact on the provision of Council services and budgets. The Human Resources Manager advised that approval had been granted for the preparation and evaluation of a job description and person specification for the position of Transport Manager. She added that she would provide a further update once the results of the evaluation were available.

Noted.

At this point, the meeting went into Staff in Committee and the Members' Services Officers left the meeting.

Councillor Spratt left the meeting at 7.05 pm.

STAFF IN COMMITTEE

The Members' Services Officers returned to the meeting.

FINANCE MATTERS

TABLED : MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING HELD ON 10 NOVEMBER 2011 AND THE SPECIAL FINANCE & GENERAL PURPOSES COMMITTEE MEETING HELD ON 22 NOVEMBER 2011

MATTERS ARISING

F&GP/2011/202 : OVER-DECLARED OUTPUT TAX ON LEISURE FACILITIES (Minute F&GP/2011/183 refers)

The Director of Finance advised that the above VAT claim was still ongoing. He went on to state that the Council was also pursuing a four-year backdated VAT claim in respect of waste management. The Director of Finance anticipated that this claim would be successful, as the Council was required by legislation to carry out waste management. No output tax should, therefore, be paid. The claim was being processed by Finance staff, therefore any consultancy fees could be avoided.

Noted.

F&GP/2011/203 : MINUTES OF THE SPECIAL ECONOMIC DEVELOPMENT SUB-COMMITTEE MEETING HELD ON 22 NOVEMBER 2011 (copy previously circulated)

Councillor Spratt enquired whether there had been any further developments regarding the proposed cycle trail at Shaw's Bridge.

At this point, Councillor O'Reilly declared an interest as member of the Lagan Rural Partnership, Alderman Beattie and Councillors Beattie and Morrow declared an interest as members of the JCC, Councillors Copeland and Spratt declared an interest in respect of the Department of Agriculture & Rural Development (DARD).

The Economic Development Manager advised that the funding applications to DARD and Sport NI had been positive in principle. Belfast City Council had also committed to provide some funding towards the project and future maintenance costs.

Following some further discussion, it was proposed by Councillor Spratt, seconded by Councillor Morrow and

RESOLVED (7.14 pm): That the Minutes of the special Economic Development Sub-Committee meeting of 22 November 2011 be adopted as a true and accurate record of the meeting.

F&GP/2011/204 : MINUTES OF THE ECONOMIC DEVELOPMENT SUB-COMMITTEE MEETING HELD ON 30 NOVEMBER 2011 (copy previously circulated)

The Chief Executive advised that legal advice had been received in respect of the position of the current tenant of the Lock Keeper's Cottage Tea Rooms. The matter was being progressed under the guidance of the Council's solicitor. The Economic Development Sub-Committee had met prior to the Committee meeting, in light of further legal correspondence, to consider how the matter could proceed reasonably while maintaining Due Diligence standards. It was, therefore, recommended that Officers engage with the tenant's solicitor and report back to Council in due course.

RESOLVED (7.16 pm):

- (a) That the Minutes of the Economic Development Sub-Committee meeting of 30 November 2011 be adopted as a true and accurate record of the meeting.
- (b) That Officers progress the matter in accordance with the Chief Executive's verbal update of discussion at the Economic Development Sub-Committee meeting on 8 December 2011.

Councillor Copeland returned to the meeting at 7.16 pm.

**REPORT FROM THE DIRECTOR OF FINANCE
(copy previously circulated)**

F&GP/2011/205 : SUMMARY OF ACCOUNTS

The Director of Finance referred Members to a copy of the Summary of Accounts and advised that there was currently an underspend of £439,387. He went on to say that he was trying to identify areas where savings could be achieved. He commented that savings had been achieved through VAT refunds and reorganisation of working arrangements within Council Departments. The Director of Finance also hoped to be able to achieve more favourable interest rates on borrowing towards the end of the year.

Councillor Spratt complimented the Senior Management Team for all their good work. Councillor Copeland echoed these comments.

Noted.

F&GP/2011/206 : TREASURY MANAGEMENT POLICY & STRATEGY 2012-2013

The Director of Finance advised that there was a legislative requirement to approve the Treasury Management Policy & Strategy before the beginning of the financial year and there were currently two changes to report, namely, that the borrowing limit be increased to £30 million and that the year be changed to 2012-2013. He added that, as the Estimates process was advancing, there would be further changes to allow for legal matters to be embedded.

Following some discussion, it was proposed by Councillor Morrow, seconded by Councillor Spratt and

RESOLVED (7.25 pm): That the Council be recommended to grant approval for the Treasury Management Policy & Strategy 2012-2013.

F&GP/2011/207 : USE OF VARIABLE INTEREST RATE LOANS

The Director of Finance stated that, in the current economic recession, there was an opportunity for the Council to generate substantial savings in financing Capital expenditure by using variable interest rate loans. However, as there was a major risk of exposure attached to this option, he sought approval for the extension of current arrangements intended to mitigate against any future risks by monitoring movements in variable interest rates and to ascertain savings achieved from each loan. The Director of Finance also sought approval to set up a Variable Interest Rate Contingency Reserve (VIRCR), which would finance the difference between the variable rate and the fixed rate. The VIRCR would build up over time and would be used if variable interest rates began to rise sharply.

Following discussion, it was proposed by Councillor Gregg, seconded by Councillor Copeland and

RESOLVED (7.40 pm):

- (a) That the Council be recommended to grant approval to extend current monitoring arrangements of movements in variable interest rates and to ascertain savings achieved from each loan.
- (b) That the Council be recommended to grant approval to set up a VIRCR to be used to finance the difference between the variable rate and the fixed rate should variable interest rates begin to rise sharply.

There being no further business, the meeting concluded at 7.45 pm.

CHAIRMAN

CHIEF EXECUTIVE

Adopted by the Council this _____ day of
_____ 2011 with the exception of
Minute Nos. _____

MAYOR