

SPECIAL COUNCIL MEETING THURSDAY 25 FEBRUARY 2021

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No	Item	<i>Decision</i>
1.	Apologies	<i>Councillor Mulholland</i>
2.	Declarations of Members' Interests	<i>Nil</i>
3.	Strike the Domestic and Non-Domestic Rate 2021-22	<i>Agreed that Council strike a rate of 2.49 percent</i>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE
COUNCIL HELD IN THE COUNCIL CHAMBER AND VIA VIDEO
CONFERENCE ON
TUESDAY 25 FEBRUARY 2021 AT 7:00PM**

In the Chair : The Mayor, Alderman Fielding (C)

Members Present : Alderman Baird (R), Duddy (C), Finlay (R), Hillis (C), McCorkell (R), McKeown (R), S McKillop (R), Robinson (R) Boyle (R)

Councillors Anderson (C), Bateson (R), Beattie (R), Callan (R), Chivers (R), Dallat O'Driscoll (R), Hunter (R), Knight-McQuillan (R), McAuley (C), McCandless (C), McCaw (R), Holmes (R), McGurk (R) MA McKillop (R), McLaughlin (R), McLean (C), McMullan (R), McQuillan (C), C McShane (R), P McShane (R), Nicholl (R), Peacock (R), Quigley (R), Schenning (R), Scott (R), Wallace (R), Watton (R) and Wilson (R)

Officers Present : D Jackson, Chief Executive (C)
M Quinn, Director of Corporate Services (R)
R Baker, Director of Leisure and Development Services (R)
A McPeake, Director of Environmental Services (R)
P Donaghy, Democratic & Central Services Manager (R)
I Owens, Committee & Member Services Officer (C)
S Duggan, Committee & Member Services Officer (R)
J Mills, Council Solicitor (R)
A Ruddy, Audit and Risk Governance Officer (R)
E Callaghan, Project Accountant (R)
A McAuley, Public Relations Manager (R)

Officers In Attendance C Thompson, ICT Officer (C)
A Lennox, ICT Mobile Operations (C)
J Winfield, ICT Operations Manager (R)

Press (5 No) (R)

Key – C = Attended In The Chamber
R = Attended Remotely

The Mayor extended a welcome to members of the press and public in attendance and provided the following guidance.

'You will be required to leave the meeting when Council goes into committee. You will be readmitted by Democratic Services Officers as soon as the meeting comes out of committee. I would also remind you that the taking of photographs of proceedings or the recording of proceedings for others to see or hear is prohibited.

If you are having technical difficulties try dialling in to the meeting on the telephone number supplied and then insert conference ID code which is on the chat.

If you continue to have difficulties please contact the number provided on the chat at the beginning of the meeting for Democratic Services staff and ICT staff depending on your query. The meeting will pause to try to reconnect you.

Once you are connected

- *Mute your microphone when not speaking.*
- *Use the chat facility to indicate to that you wish to speak. The chat should not be used to propose or second.*
- *Please also use the chat to indicate when you are leaving the meeting if you are leaving before the meeting ends.*
- *Unmute your microphone and turn your camera on when you are invited to speak.*
- *Only speak when invited to do so.*
- *Members are reminded that you must be heard and where possible be seen to all others in attendance to be considered present and voting or your vote cannot be counted'.*

The Mayor wished to put on his record his appreciation and best wishes to Mr Paul Beattie who is leaving Council to take up a new position. The Mayor wished Mr Beattie every success.

1. APOLOGIES

Apology was recorded for Councillor Mulholland.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. **STRIKE THE DOMESTIC AND NON-DOMESTIC RATES 2021-22**

Report, previously circulated, was presented by the Chief Executive.

Purpose of Report

The purpose of this report is to inform the rates setting process for 2021/22. The paper sets out the estimated impact of the larger known high level influences on the rates and offers proposals to reduce the setting of the rate for 2021/22 to an acceptable figure. Presently there are three important issues:

- The extent to which local government may be compensated for Covid-19 related income losses in financial year 2021/2022;
- The extent to which businesses will be supported or rates income underwritten in financial year 2021/2022;
- The ability to decouple the domestic and non-domestic Rates.

At this stage it appears that the Department for Communities will compensate Councils for income losses during financial year 2021/2022 through a prepaid grant and the rates holiday for businesses will be extended for 6 months into the next financial year. Stormont has indicated that the regional rate will be frozen next year although it should be noted that this only comprises approximately five percent of their budget income.

The attached spreadsheet report shows a rates pressure of 2.49%, subject to Members agreeing to the proposed Directorate savings, and prepaid appropriations (*reserve allocation*) of £761,838.

Headline pressures on the Rates

In considering the first draft of the rates there are a number of significant high level pressures which must be included:

Wages and Salaries - Wages and salary costs are estimated to increase by 2% for pay award. This takes into account the recent announcement by the Chancellor of the Exchequer regarding a pay freeze for the public sector, although local government is not obliged to follow that direction. Salaries are agreed at a national level. Last year a 2.75% increase was agreed with Council having provided for 2% in the estimates. Therefore this draft allows for the additional backdated increase of 0.75%; presently other Councils are estimating between 0% and 3% for the pay award.

Insurance - Insurance costs have risen in recent years and with the continued

uncertainty around EU Exit coupled with a new tender for insurance services the insurance budget has been increased to approximately £1.3m, up from approximately £940k in the current financial year.

Waste Contracts - The budget for our waste contract has been increased by approximately £1.2m taking into account a combination of increased waste tonnages and rates.

Planning income - This has been reduced by £241k reflecting the reduction in service income during the past year; in particular the lack of large scale applications.

Other Factors

Presently the Actual Penny Product (APP) is forecast to provide a benefit of c£635k. Domestic properties in the rating system have been showing strong growth in this past year; offsetting losses in the business sector. This figure has been reduced due evaluation appeals by NI Railways Network (£117k) and Community Rescue Services (£47k).

The year-end budgetary position for March 2021 is forecast to be c.£6.1 million.

Proposals to reduce the rates increase. (As detailed in the rates booklet).

The following is a summary of proposed headline cost savings, further detail is included at Appendix 1 (previously circulated):

• Hook Loader Kit purchase to remove hire costs:	26,000
• Caravan park 5% VAT benefit:	287,827
• Reduced Hire of 9 RCV's	234,000
• Training:	55,000
• Route optimisation	101,738
• Travel costs	50,543
• Catering	30,000
• Advertising costs:	30,000

The following prepaid appropriations (*reserves allocations*) are proposed, removing expenditure cost:

• Elections reserve (<i>for 3 years</i>)	84,000 per year
• Provision for Discount Rate Reserve (<i>for 3 years</i>)	192,971 per year
• Landfill regulation (<i>for 3 years</i>)	145,423 per year
• Sinking Fund (<i>for 2 years</i>)	304,444 per year
• Area plan (<i>for 3 years</i>)	35,000 per year
Total:	£761,838

Other suggested reserve allocations without impact on the rates:

- Provision against future Covid-19 related losses: 1,500,000
- HALP investment fund 300,000
- Special Covid recovery events: 150,000
- Reorganisation reserve: 200,000
- Repairs and maintenance reserve: 500,000
- Increase in general fund (based on £6.1m year-end): 778,701

Recommendation

It is recommended that Council strikes a rate of 2.49 percent.

The Chief Executive referred to reports previously circulated, the work undertaken through the Finance committee since November 2020 and the lengthy workshop on Thursday 18 February 2021 which led to the recommendation of 2.49 percent.

Councillor Holmes thanked officers who have worked throughout the rates setting process bringing forward information for consideration at the Finance committee, group leads meetings and workshop. Councillor Holmes referring to the current pandemic and the uncertainty going forward, wished to propose a rates increase of 2.49 %. Councillor Holmes felt that the route planner had made saving through Environmental Services, Leisure Services had worked hard to maintain costs and caravan parks had worked out well financially.

Councillor Quigley proposed that a 0 percent increase be implemented. Councillor Quigley felt it was preposterous for Council to consider any increase in rates given the difficult circumstances which people faced including furloughed staff only receiving universal credit, small business owners and practitioners being adversely affected and others having to take mortgage breaks. Councillor Quigley also referred to people who had lobbied her who were in financial crisis and were waiting on government help and/or falling through the criteria to apply for help. Councillor Quigley further referred to the fact that the Executive had frozen rates and provided £10 million funding to local government during the pandemic and further proposed that a hardship fund of £1.5 million be implemented to alleviate the suffering of the poorest and those most affected by the pandemic. Councillor Quigley said that proposals and options could be drafted by senior management team and brought to Council for agreement.

Councillor P McShane wished to second the proposal in full and said that he believed the monies were available to assist the poorest and those needing immediate help. Councillor P McShane referred to millions saved by furloughing staff and the closing of services and facilities and questioned how

only £6 million had been saved this year, given the grant aid and assistance provided. Given monies provided by the Exchequer Councillor P McShane felt that Council should look more closely at the rates and formulate a strategy for poverty which has been exacerbated with people unable to pay bills and make ends meet.

Councillor Callan commended officers and the Finance committee on their hard work referring to workshops and party lead meetings where budgets were scrutinised and felt that the way information was communicated to members had improved and noted the guidance received from PwC. Councillor Callan said that although the DUP party would rather not have an increase they had worked hard to deliver savings and value for money for businesses and households in the area and felt that a 2.49 percent increase was prudent and would be manageable for most ratepayers. Councillor Callan said that his party welcomed the recruitment of a Finance Director and referred to difficult choices which had to be made to reach this year's rate strike and wished to second the proposal made by Councillor Holmes. Councillor Callan suggested that Councillor Quigley and Councillor McShane should propose how Council could arrive at a 0 percent rate increase suggesting that the poorest would be affected if facilities and services should be cut further.

Councillor McLean as Chair of the Finance Committee concurred with the DUP party position and expressed disappointment at Councillor P McShane's comments and felt that the elected members should support the officer team fully. Councillor McLean referred to the hard work of the Finance Committee, Officers and productive workshops which enabled the detailed information provided to be scrutinised and said that he believed the figure reached should be acceptable to all.

Councillor McQuillan paid tribute to the Officers who had enabled the Finance Committee to reach the rates strike achieved given the difficulties faced during the year and the situation which Council faced when setting the rates last year. Councillor McQuillan said having worked on a daily basis with the poorest in society he had not heard any complaints regarding the rates setting process.

Councillor Peacock referred to Covid-19 and the uncertainty which prevailed saying that Council should continue to be sensible, cautious and prudent. Councillor Peacock said that the figures had been analysed and scrutinised resulting in the rates increase being brought down to a manageable rate and that to reduce further would impact on jobs and services. To use reserves, Councillor Peacock felt would result in a bigger rise next year and affect financial stability so she was content with a 2.49 percent increase.

Alderman Baird congratulated staff for achieving a really tight budget which was prudent and not excessive and referred to the importance of the continuation of services. Alderman Baird also referred to the trying circumstances and hoped for better days ahead.

Councillor MA McKillop thanked officers, referred to the tough year which many ratepayers had experienced and although she would like a 0 percent increase it was important that services were unaffected. Councillor MA McKillop referring to the hardship fund suggested this could be explored after the rates setting process by Council.

Councillor Watton said that he had been against 0% increase previously and was content with the current proposal and said that to reduce further would adversely affect some of the services which impact on the poorest such as advice centres. Councillor Watton said that 2.49 percent is fair rates given the difficult year which has passed and also said that Officers deserved credit for the work they had undertaken.

Alderman Duddy thanked officers for their hard work and due diligence this year and also the Chair of the Finance committee and felt that the Council had demonstrated that they were robust.

Alderman Duddy asked the Chief Executive to outline the impact of 0% increase as per the amendment proposed by Councillor Quigley and seconded by Councillor P McShane.

The Chief Executive said that there would be service cuts and that an element of that could be unfortunate loss of staff, arts facilities and increase in charges.

In terms of the £1.5 million hardship fund, the Chief Executive explained that this would have to be taken from reserves which could result in consequences further down the road as in the past.

At the request of Alderman Duddy the Chief Executive confirmed that to reach the current proposal of 2.49 percent the senior management team had saved just under £4 million

The Mayor confirmed that no-one would be permitted to speak on a second occasion and that he wished to proceed to a vote.

The Mayor put the Amendment to the Council to vote.

Proposed by Councillor Quigley
Seconded by Councillor McShane

To recommend that Council strike a rates of 0% increase and that a hardship fund of £1.5 million be implemented to alleviate the suffering of the poorest and those most affected by the pandemic.

36 Members voted Against; 2 Members voted For; 0 Members Abstained

The Mayor declared the Motion lost.

The Mayor put the substantive Proposal to the Members to Vote

Proposed by Councillor Holmes

Seconded by Councillor Callan

To recommend that Council strikes a rate of 2.49 percent.

36 Members voted For; 2 Members voted Against; 0 Members Abstained

The Mayor declared the Motion carried.

This being all the business, The Mayor thanked everyone for their attendance and the meeting concluded at 7.45 pm.

Mayor