

COUNCIL MEETING HELD THURSDAY 8 FEBRUARY 2023

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| No | Item | Decision |
|------------|---|---|
| 1. | Apologies | <i>Alderman McAuley, Councillor Kennedy</i> |
| 2. | Declarations of Members' Interests | <i>None</i> |
| 3. | Consider the Rates Estimates for 2024/25 | |
| 3.1 | Chief Executive report on Adequacy of Reserves | <i>That Council approve the Chief Financial Officer's report on the adequacy of reserves</i> |
| 3.2 | MRP Policy Statement | <i>That Council review the policy detailed in Appendix 1 and approve the statement</i> |
| 3.3 | Prudential Indicators | <i>That Council approve the Prudential indicators as tabled in the appendix</i> |
| 3.4 | Treasury Management Strategy | <i>That Council approve the Treasury Management Strategy for 2024/25 as tabled</i> |
| 3.5 | Estimate of Rates including General Estimate of Rates return for Department for Communities | <i>That Council Strike rate of 6.86% and accept recommendation within report with the exception of:- Charges for car parks at Seymour Street in Ballymoney/Fairhill Street in Ballycastle/Portballintrae/Ballintoy;</i> |

| | | |
|-------------------|--|--|
| | | <p>Inclusion two late night openings at Household Recycling Centres during June, July August and September;</p> <p>Seasonal car parking charges at Ballycastle Seafront and Westbay from April to September, to be reviewed after one year;</p> <p>Move Assumptions of a Rates Support Grant to £600,000;</p> <p>Electricity 70% of current year's budget;</p> <p>Gas 82.5% of current year's budget;</p> <p>Fuel budget 95% of current year's budget;</p> <p>Investment income at £455,000</p> |
| <p>3.6</p> | <p>Chief Executive report on Robustness of Estimates</p> | <p><i>That Council approve the Chief Financial Officer's report on the robustness of the estimates</i></p> |

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE
COUNCIL HELD IN THE COUNCIL CHAMBER AND VIA VIDEO
CONFERENCE ON
THURSDAY 8 FEBRUARY AT 7.00 PM**

In the Chair : The Mayor, Councillor Callaghan (C)

Members Present : Alderman Boyle (C), Callan (C), Coyle (R), Fielding (C), Hunter (R), Knight-McQuillan (C), McKillop (C), Scott (C), Stewart (C)

Councillors Anderson (C), C Archibald (C), N Archibald (C), Bateson (R), Chivers (R), Holmes (C), Huggins (C), Kane (C), Mairs (C), McAuley (R), McCully (C), McGlinchey (R), McGurk (R), McKillop (R), McMullan (C), McQuillan (C), McShane (C), Nicholl (R), Peacock (C), Schenning (R), Stirling (R), Storey (C), Wallace (R), Watson (R), Watton (C), Wilson (C), Wisener (C)

Officers Present : D Jackson, Chief Executive (C)
M Quinn, Director of Corporate Services (R)
P Mulvenna, Director of Leisure and Development (R)
A McPeake, Director of Environmental Services (C)
D Wright, Chief Finance Officer (C)
P Donaghy, Democratic & Central Services Manager (R)
I Owens, Committee & Member Services Officer (C)
J Keen, Committee & Member Services Officer (R)

Officers In Attendance: J Welsh, Head of Community and Culture (R)
W McCullough, Head of Sport and Wellbeing (R)
M McCook, Head of Estates (R)
L Clyde, Financial Accountant (R)
J Culkin, Management Accountant (R)
E Callaghan, Project Accountant (R)
S Gamble, Corporate Communications and PR Manager (R)

A Lennox, Mobile Operations Officer (C)
C Thompson, ICT Officer (C)
C Ballentine, ICT Officer (C)

Press (2 No) (R) (1 No) (C)
Public (3 No) (R)

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

The Chief Executive undertook a roll call.

The Mayor advised Council of its obligations and protocol whilst the meeting was being audio recorded; and with the remote meetings protocol.

1. APOLOGIES

Apologies were recorded for Alderman McAuley and Councillor Kennedy.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. CONSIDER THE RATES ESTIMATES FOR 2024/25

3.1 Chief Executive Report on Adequacy of Reserves

Report, previously circulated was presented by the Chief Finance Officer.

Purpose

To provide Members with an update in relation to the adequacy of Council's projected reserves for 2024/5.

Background

This report is prepared to facilitate Council's duty under Section 6 of the Local Government Finance Act (Northern Ireland) 2011 which states:

(1) Regulations may make provision requiring a council to maintain financial reserves in accordance with the regulations.

(2) The chief financial officer of a council shall submit to the council a report on the adequacy of any proposed financial reserves for a financial year – it should be noted that the Chief Executive is the Council's nominated Chief Financial Officer in accordance with Section 2 of the Local Government Finance Act (Northern Ireland) 2011.

(3) A council shall have regard to that report when considering the estimates for that year under section 3(2)(a).

Main report

At 31st March 2023 the General Fund balance of Causeway Coast and Glens Borough Council amounted to £4.591m (2022 - £4.505m) equating to 7.73% (2022– 7.89%) of the Net Operating Expenditure.

Department for Communities (DfC) guidance indicates that the General Fund Level should be between 5% and 7.5% (£2.971m and £4.457m) of the Net Operating Expenditure.

Although the 2023/24 financial outturn is not yet known, the officers estimate that when the financial commitments that the 2023/24 Rate income was intended to fund are accounted for, Council's General Fund Balance will be maintained with the residual applied balance figure being sourced from Council's Financial Recovery Reserve. This will allow the level of the General Reserve to remain

comfortably above the required minimum level of 5% of Net Operating Expenditure.

There continues to be significant cost pressures on Council revenue budgets but this will potentially be added to by income pressures as the Borough and its economy recovers from not only the pandemic but now also economic and inflationary pressures. It is vital therefore that a rate estimate budget is approved that allows Council to minimise the use of reserves.

In year forecasts of the Actual Penny Product for 2023/24 produced by Land & Property Services show a projected positive outturn in the region of £364k.

After considering all the information above I am of the opinion that Council reserves will be adequate.

Recommendation

It is recommended that Council approve the Chief Financial Officer's report on the adequacy of reserves.

Proposed by Alderman Scott
Seconded by Alderman Boyle and

RESOLVED - That Council approve the Chief Financial Officer's report on the adequacy of reserves.

3.2 MRP POLICY STATEMENT

Report, previously circulated was presented by the Chief Finance Officer.

Purpose of Report

The purpose of this report is to review the Minimum Revenue Provision (MRP) Policy Statement and seek Members' approval of this statement.

Background

Under regulation 6 of the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011, Councils now have a statutory requirement, to charge to its general fund, an amount of Minimum Revenue Provision (MRP) which it considers to be "prudent". 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.

The regulations also state that authorities are required to prepare an annual statement of their policy on making MRP for approval by Council. This report sets out Council's policy for 2024/25.

Recommendations

It is recommended that Council review the policy detailed in Appendix 1, previously circulated and approve the statement.

Proposed by Alderman Scott
Seconded by Councillor Kane and

RESOLVED - That Council review the policy detailed in Appendix 1 (previously circulated) and approve the statement.

3.3 PRUDENTIAL INDICATORS

Report, previously circulated was presented by the Chief Finance Officer.

Background

In setting the rate Council should also consider its Prudential Indicators which summarise the cost of servicing its loan finance.

Detail

The prudential indicators summary attached as an appendix (previously circulated) to this.

Recommendation

It is recommended that Council approve the Prudential indicators as tabled in the appendix, previously circulated.

Proposed by Alderman McKillop
Seconded by Alderman Knight-McQuillan and

RESOLVED - That Council approve the Prudential indicators as tabled in the appendix, previously circulated.

3.4 TREASURY MANAGEMENT STRATEGY

Report, previously circulated was presented by the Chief Finance Officer.

Background

In setting the rate Council should also consider its Treasury Management Strategy for the year ahead.

Detail

The Treasury Management Strategy for 2024/25 is attached as an appendix (previously circulated) to this report.

Recommendation

It is recommended that Council approve the Treasury Management Strategy for 2024/25 as tabled in the appendix (previously circulated).

Proposed by Councillor Huggins
Seconded by Alderman Scott and

RESOLVED - That Council approve the Treasury Management Strategy for 2024/25 as tabled in the appendix (previously circulated).

3.5 ESTIMATE OF RATES INCLUDING GENERAL ESTIMATE OF RATES RETURN FOR DEPARTMENT OF COMMUNITIES

Report, previously circulated was presented by the Chief Finance Officer.

Councils are required to consider their budgetary position annually and agree these budgets which are then converted into a domestic rating factor and non-domestic rating factor by 15 February.

Detail

This report and the appendix (previously circulated) to it entitled “Draft Rates Estimates 6 Feb 2024” set out the budgetary requirements of Council services for the 2024/2025 financial year. These estimates, as shown in the table below, demonstrate revenue to be raised totaling £63,523,454, £363,391 being raised through anticipated Rates Support Grant and £431,585 being an application from reserves as agreed by Council in respect of the net cost of the Air Show leaving a balance of £62,728,478 being raised through a combination of the district rate, derating grant and transferred function grant, all of which are derived from a penny product value. The split of these three areas of funding is shown in the second table below (circulated).

Assumptions

These estimates include a number of assumptions which are set out below:

- Pay award - 4% - after allowing for current year shortfall
- Property rates – 5%
- Insurance – last year actual plus inflationary increase
- All income budgets reviewed and increased where applicable
 - Inflationary increases 8.5% in some areas
 - Leisure VAT review
 - Investment income increased from £224k to £400k
 - RSG included at last year’s level* but revised for Council’s new allocation
- Utility costs revised based on current (P8) position projected
 - Electricity - 65% budget utilisation – budget set at 72.5%
 - Gas – 77% budget utilisation – budget set at 82.5%
- Waste management
 - Fees and charges revised for contractual inflationary increase
 - New rates of landfill tax
 - Tonnages revised based on current levels
 - Assumes landfill closure after 6 months
- Interest payable reduced to reflect lower debt levels

Assumptions included but requiring Council decision

There are in addition to those listed at above a number of items which require Council ratification before they can be fully implemented and these are listed below (a cross reference to any previous relevant Council/Committee report has been included where applicable to enable access to the detailed backup):

- Increase commercial waste collection charges by 4.6% - £18,194
Environmental Services Committee 9 January 2024 item 23c
- Car parking charges - various elements - £786,592 - *Environmental Services Committee 9 January 2024 item 23d*

- Increase cemetery charges - £62,920 - *Environmental Services Committee 9 January 2024 item 23c*
- Re-introduction of dog and litter enforcement team - £15,000 - *Environmental Services Committee 9 January 2024 item 23b*
- Harbours and Marina Charges inflationary increase 4.6% - £19,935 - *Environmental Services Committee 9 January 2024 item 23b*
- Leisure income inflationary increase 8.5% - £100,000 – to be consistent with other Leisure and Development Service area increases already agreed.

Effect on rate of recommendations above

The effect of each of the options listed in 1.4 above on the district rate factor increase is detailed in the table below:

| Item | Effect on the rate |
|----------------------------|--------------------|
| Commercial waste Charges | 0.03% |
| Car parking charges | 1.34% |
| Cemetery charges | 0.11% |
| Dog and litter enforcement | 0.02% |
| Harbour and marina charges | 0.03% |
| Leisure income | 0.17% |
| Total | 1.71% |

Recommendation

It is recommended that Council consider the rates estimates as presented together with the items listed in above and agree a budget for 2024/2025 thereby setting the district rate factors for both domestic and non-domestic properties in the Borough.

The Chief Finance Officer provided commentary as follows:-

The purpose of tonight's meeting and reports is to set a budget for the 2024/25 financial year and consequently strike the district rate factors for this Borough for that period.

Members have received papers in advance of this meeting and I would like to take you through the main paper entitled Rates Estimates for 2024-2025.

This paper sets out the current budgetary position and main contributing factors to that position and moves to set out a number of items which have been included but that still require a Council decision to implement and finalise their inclusion, in the absence of any such decision then the effect of these will need to be removed from the rates estimates and will lead to a higher rates increase. There will be very little in this report that is new to members since most of the recommendations will have been tabled at various committees previously however without a Council proposal none of these are within the power of Council Officers to execute.

Our reported current budgetary position is a rate increase of 6.90%.

Whilst thankfully inflation appears to be starting to ease it remains at higher levels than experienced for quite a few years and therefore we are mindful of continuing pressures on revenue budgets as a consequence. On top of that we have had more significant pay awards over the last couple of years and whilst these are unlikely to repeat there will still need to be a decent pay award for our hard-working public sector staff who continue to face cost of living pressures in their daily lives. With that in mind these estimates include provision for a 4% pay award but after taking into account the shortfall in the 2022/24 budget where the budgetary provision was exceeded by the eventual agreed pay award.

Rates Support Grant has been included assuming the same level of Departmental funding as last year and using Council's projected percentage allocation of the grant. In recent years this funding has been severely diminished by Department for Communities budget cuts and the seven Councils who receive the funding continue to make the case for the funding to be restored so that the purpose of the grant can be restored, current levels of funding continue to place additional budgetary pressures on those seven Councils who have a lesser rates base on which to raise revenues thereby leading to higher rates increases than would be required if the funding was adequate, in short seven Council are being penalised to enable the Department for Communities to meet its own needs.

Our own properties also pay rates and the budget in this regard has been increased by 5%.

Insurance costs continue to climb and we had a shortfall in the budget in the current year therefore insurance costs have been set at current year levels plus an inflationary increase.

All our income streams have been performing well in the current year and this performance has been reflected where applicable in these rates estimates, including inflationary increases in some areas of up to 8.5%, additionally investment income has been increased by £176k.

Energy costs continue to put immense strain on everyone's budgets are Councils are not immune to that pressure however there does appear to be some settlement in the sector and this is reflected in current year performance with substantial savings being made particularly with regards gas and electricity, in these rates estimates the gas budgets has been reduced to 82.5% of 2023/24 levels and electricity to 72.5% based upon 65% and 77% utilisation in the current year.

Waste management is and will continue to be the biggest area of expenditure after staffing. In these rates estimates all contractual charges for waste contracts have been given inflationary increases and revised tonnage figures produced. Landfill tax continues to increase annually and this has also been included. The final impact included in these estimates is the future of our last operational landfill site. This site has been nearing capacity in recent years and it is assumed that we may have to close the site after 6 months of the new year

therefore the tonnages being processed through contracts have been amended to take into account nothing going to landfill for the latter half of the year.

Members will have heard, both through the Finance Committee and in the local media, that our debt levels have been reducing steadily over recent years, now standing at just under £50m, well short of the £72m that some media outlets like to continually report. With that in mind, we have been able to reduce our projected interest payments in these rates estimates.

There are as I said at the outset a number of items included in these rates estimates that require a Council decision to become effective and these are set out in section the report, we have gone through these in detail previously so I do not intend to repeat myself tonight, that said Senior Officers are in attendance should members have any further questions on any item.

Council did approve the utilisation of reserves for 2023/24 and on the basis of our latest management accounts we are making significant efforts to offset the budgeted £2.6m applied balance however it is unlikely that it will be completely overturned therefore it is likely that we will reduce our overall level of reserves as a consequence. Council did approve the creation of a Financial Recovery Reserve which at 31 March 2023 sat at £9.040m and this may be utilised to cover any remaining applied balance required at year end however having set consecutive budgets in the last couples of budgeting cycles with deficits I strongly urge Council to take this opportunity to set a balanced budget allowing this new Council to begin its term on a sound financial footing thereby enable services to be adequately funded for the benefit of the ratepayer. The budget as presented is balanced with no unfinanced costs transferring into 2025/26 creating a poor starting position for that budgetary cycle.

To put this into some practical context a domestic rate increase of this level, based on the average capital value of a house in this Borough (£124,728) this would add £38.42 to the annual rates bill or 74p per week.

In terms of the non-domestic rate for a business with a Net Annual Vale (NAV) of £10,000 this would add £190.66 to the annual rates bill or £3.67 per week.

Both figures are purely in relation to the district rate factors, any increase in the Centrally set regional rate will be in addition to these figures.

The Rates Estimates for 2024/25 have been presented to members and I recommend that Council consider these with a view to proposing and striking a rate for the year commencing 1 April 2024.

Councillor Peacock thanked Officers for their patience and commended Elected Members on the work undertaken through the Finance and other Committees in an attempt maximise savings and keep the rate low.

Proposed by Councillor Peacock
Seconded by Councillor McQuillan

That Council:-

Strike rate of 6.86% and accept recommendation within report with the exception of:-

- Charges for car parks at Seymour Street in Ballymoney/Fairhill Street in Ballycastle/Portballintrae/ Ballintoy;
- Inclusion two late night openings at Household Recycling Centres during June, July August and September;
- Seasonal car parking charges at Ballycastle Seafront from April to September;
- Move Assumptions of a Rates Support Grant to £600,000;
- Electricity 70% of current year's budget;
- Gas 82.5% of current year's budget;
- Fuel budget 95% of current year's budget

The Mayor ruled that to allow the Chief Finance Officer to undertake calculations and for party groups to consider the proposal the meeting would move to recess for 20 mins.

* **The Mayor declared a recess at 7.25 pm.**

* **The meeting reconvened at 7.50 pm.**

Councillor Peacock advised that she wished to amend her proposal as follows:-

That Council:-

Strike rate of 6.83% and accept recommendation within report with the exception of:-

- Charges for car parks at Seymour Street in Ballymoney/Fairhill Street in Ballycastle/Portballintrae/ Ballintoy;
- Inclusion two late night openings at Household Recycling Centres during June, July August and September;
- Seasonal car parking charges at Ballycastle Seafront and Westbay from April to September, to be reviewed after one year;
- Move Assumptions of a Rates Support Grant to £600,000;
- Electricity 70% of current year's budget;
- Gas 82.5% of current year's budget;
- Fuel budget 95% of current year's budget;
- Investment income at £455,000

At the request of Councillor Peacock the Chief Finance Officer advised of financial implications to ratepayers as follows:-

Rates Strike – 6.83%

Average Householder £37.92 per year / £0.73p per week (increase)
Business with £10,000 NAV – £188.73 per year / £3.63 per week (increase)

At the request of Alderman Fielding, Councillor Peacock agreed to have the £15,000 regarding reintroduction of the litter enforcement contract removed from the proposal.

The Chief Executive advised that this would result in the figure being 6.86% with 0.3% being added to the rate.

Councillor Holmes suggested including March in the car parking exception for Ballycastle Seafront and Westbay given that Easter was in March. Councillor McShane felt that given it was for a trial period the proposal of April to September would be preferable.

At the request of Councillor Peacock the Chief Finance Officer advised of financial implications to ratepayers for including the extra month as suggested by Councillor Holmes, as follows:-

Rates Strike – 6.86%
Average Householder £38.17 per year / £0.73p per week (increase)
Business with £10,000 NAV – £189.56 per year / £3.65 per week (increase)

Councillor Watton spoke of his concerns regarding varying car parking prices throughout the borough and felt that the opening times of the Household Recycling Centre should be re-considered.

The Mayor put the motion to the Council to Vote.
33 Members voted For; 3 Members voted Against; 0 Members Abstained.
The Mayor declared the Motion carried.

RESOLVED – That Council:

Strike rate of 6.86% and accept recommendation within report with the exception of:-

- Charges for car parks at Seymour Street in Ballymoney/Fairhill Street in Ballycastle/Portballintrae/Ballintoy;
- Inclusion two late night openings at Household Recycling Centres during June, July August and September;
- Seasonal car parking charges at Ballycastle Seafront and Westbay from April to September, to be reviewed after one year;
- Move Assumptions of a Rates Support Grant to £600,000;
- Electricity 70% of current year's budget;
- Gas 82.5% of current year's budget;
- Fuel budget 95% of current year's budget;
- Investment income at £455,000

3.6 CHIEF EXECUTIVE REPORT ON ROBUSTNESS OF ESTIMATES

Report, previously circulated was presented by the Chief Finance Officer.

Purpose of the report

To provide Members with an update in relation to the robustness of the 2024/25 Rate estimates.

Background

This report is prepared to facilitate Council's duty under Section 4 of the Local Government Finance Act (Northern Ireland) 2011 which states:

1. The chief financial officer of a council shall submit to the council a report on the robustness of the estimates – it should be noted that the Chief Executive is the Council's nominated Chief Financial Officer in accordance with Section 2 of the Local Government Finance Act (Northern Ireland) 2011.
2. A council shall have regard to that report when considering the estimates under section 3(2)(a).
3. In this section "the estimates" means the estimates submitted to the council under section 3(1).

Report of the Chief Financial Officer on the 2024/25 estimates

The 2023/24 Rate estimates have been prepared, in so far as possible, on a zero-base basis. This is generally accepted as a more robust method of preparing budgets than the more usual practice of incremental based budgeting.

The amounts included within the Rate estimates have been prepared based on extensive discussions with the relevant Directors and associated budget holders and have regard to the officers' best estimates of known financial pressures and the resource requirements of continuing to deliver Council services in 2024/25.

The recommended rate estimates expressly provide for the:

- Annual pay award of 4%.
- Projected utility (Gas, electricity, water) costs
- Projected waste management costs
- Capital financing costs of approximately £9.2m
- Additional income as per the options paper
- Service adjustments as agreed during the meeting

Uncertainties

As in all budget estimate processes, senior officers have utilised their professional judgment where appropriate and had regard to market forces in so far as it has been practicable to do so.

The estimation of future financial requirements has also had regard to the projected financial outturn in 2023/24 and the desire to utilise prior period favourable variances, where possible, to deliver outcomes in the Borough as agreed with Council.

Members should note that the proposed estimates have been prepared on the basis of assumptions and information provided to Council by third parties such as the Department for Communities and Land and Property Services previously notified to the Council.

Members will be aware of the continuing uncertainty surrounding the quantum of Rate Support Grant (RSG) which will ultimately be allocated to Council. As previously reported both the Departmental allocation to this grant and Council's allocation of the grant have reduced meaning the projected income from this source has reduced from £610,402 to £363,391.

The on-going situation with regards the economy and continuing, albeit reducing, inflationary increases continue to disrupt all facets of daily life including the local economy. It is too early to be able to project the long-term effects this will have but the potential remains high for a longer-term adverse effect on the local economy and consequently the non-domestic rates base in this Borough.

Conclusion

Subject to the ongoing inflationary pressures and on the assumption that Council approves rate estimates which make provision for the cost pressures as set out in 3.3 above I am satisfied that the recommended rate estimates as presented are sufficiently robust to allow Council to deliver all its services in 2024/25.

Recommendation

It is recommended that Council approve the Chief Financial Officer's report on the robustness of the estimates.

Proposed by Alderman Scott
Seconded by Alderman Knight-McQuillan and

RESOLVED - that Council approve the Chief Financial Officer's report on the robustness of the estimates.

This being all the business, the Mayor thanked everyone for their attendance and the meeting concluded at 8.00 pm.

Mayor