

Minutes of Meeting of Mid Ulster District Council held on Monday 11 February 2019 in the Council Offices, Circular Road, Dungannon

Members Present: Councillor McPeake Chair

Councillors Ashton, Bell, Buchanan, Burton, Clarke, Colvin, Cuddy, Cuthbertson, Doris, Elattar, Gildernew, Gillespie, Glasgow, Kearney, Mallaghan, McAleer, McEldowney, McFlynn, McGinley, B McGuigan, S McGuigan, McKinney, McNamee, McPeake, Milne, Molloy, Monteith, Mullen, Mulligan, M Quinn (7.02pm), Robinson, G Shiels, Totten and Wilson

Officers in Attendance: Mr A Tohill, Chief Executive
Ms Campbell, Director of Culture and Leisure
Ms Canavan, Director of Organisational Development
Mr Cassells, Director of Environment and Property
Mr Kelso, Director of Public Health and Infrastructure
Mr McCreesh, Director of Business and Communities
Mr Moffett, Head of Democratic Services
Ms McNally, Marketing & Communications Officer (C Lead)
Mr JJ Tohill, Director of Finance
Mrs Forde, Member Support Officer

The meeting commenced at 7 pm.

SC006/19 Apologies

Councillors Forde, McLean and O'Neil

SC007/19 Declarations of Interest

The Chair reminded Members of their responsibility with regard to declarations of interest

Councillor M Quinn entered the meeting at 7.02pm

SC008/19 Chair's Business

None

Matters for Decision

SC009/19 Minimum Revenue Provision Policy

The Director of Finance drew attention to the previously circulated report regarding the 2019/2020 Minimum Revenue Provision Policy and sought approval that the policy as detailed for year 2018/19 be retained for the incoming year.

Proposed by Councillor S McGuigan

Seconded by Councillor McGinley and

Resolved That the 2018/19 Minimum Revenue Provision Policy be retained for year 2019/20.

SC010/19 Robustness of the Estimates

The Director of Finance drew attention to the previously circulated report on the robustness of the Rate Estimates for 2019/20 and drew attention to key issues outlined within the report. He further reminded Members that no extra provision had been made in relation to Minimum Revenue Provision, that the windfalls highlighted were one offs, that the £1m previously used to service a loan which was now settled should be retained to fund Council's commitments under the Growth Deal, which was under development, and that existing cash balances could be utilised to fund capital projects as opposed to drawing down loans. The Director also highlighted that the level of the Rate Support Grant was as yet unknown as was the impact of Brexit.

The Director of Finance concluded that subject to the foregoing and issues highlighted in the report he is satisfied that the proposed Rate estimates are sufficiently robust to enable Council to deliver its services in 2019/20.

Councillor Ashton drew attention to 3.10 of the report which highlighted the possible funding of the NI Air Ambulance and asked that it would be noted that she had not indicated that the funding would be sourced from Council's Rate income and that her request had not been supported by Committee.

Councillor McKinney stated that the matter had been discussed at Policy & Resources Committee on 7 February and had been deferred.

The Chair, Councillor McPeake stated that it was his recollection also.

Councillor Ashton clarified that she had proposed at the Policy & Resources Committee to support the NI Air Ambulance and it had been voted down.

The Chair, Councillor McPeake stated that Councillor Ashton was correct, there had been two votes and the matter had been deferred for discussion at a subsequent Policy & Resources Committee meeting.

Resolved That the report and associated comments of the Director of Finance in relation to the robustness of the Rate estimates be noted

SC011/19 Adequacy of Council's Reserves for 2019-20

The Director of Finance drew attention to the previously circulated report on the adequacy of Council's reserves drawing attention to the key issues outlined in the report.

Resolved That Members note the report Adequacy of Council's Reserves for 2019/20.

SC012/19 Estimates of Income and Expenditure for financial year 1 April 2019

The Director of Finance drew attention to the previously circulated report regarding the Estimate of Income and Expenditure for financial year 2019/2020. He referred to previous meetings and party group meetings held in recent weeks to explain the process. The Director drew attention to key issues effecting the Rate estimates and the windfall Council had received regarding the Rate Support Grant. He also stated that, if it was the desire of the Council, the officers were satisfied that the proposed increase in the Rate could be reduced by in the region of 1% due to the knowledge that the Rate Support Grant increase arising from Council's successful Judicial Review challenge had not been committed in the Rate estimates, but cautioned that this would be an arbitrary subvention, which would have to be managed and filtered back into the Rate estimates in subsequent years.

The Director of Finance drew Members attention to the proposal outlined in the report as undernoted and sought Members direction.

That Council considers the above and accepts the officers' recommendation that it:

- (1) Approve the Rate estimates and authorise the associated expenditure of £44,141,450*
- (2) Strike non-domestic and domestic Rates which will reflect a 2.89% increase on the 2018/19 district Rates, i.e. non-domestic 24.937 and domestic 0.3312;*
- (3) Authorise the Chief Executive to vire such amounts between budget headings as he deems necessary to secure Council's objectives in 2019/20*

Councillor McGinley thanked the Chief Executive and his staff team for their ongoing work to reach the recommendation. He said that conversations were rife as to what benefits the windfall would deliver and that Members were mindful of the pressures of the forthcoming elections. He stated that officers had come to a good conclusion in proposing a 2.89% rise but noted that Sinn Féin, whilst agreeing with future proofing, felt that some part of the windfall should be passed to the rate payer. He therefore proposed that Council should seek to meet 'in the middle' and requested that the Chief Executive consider a 1.5% increase and offset the associated decrease in Rate income with monies gained from the windfall.

The Chief Executive stated that the Director of Finance would analyse the impact of the reduction and confirmed that due to the windfall Council could accommodate a 1.5% rise in the incoming financial year for 2019/20 but asked how it would be managed going forward.

The Director of Finance stated highlighted that an approximate 1.5% increase in the Rate would result in Council's authorised expenditure (total amount to be raised) equating to £44,141,450; a non-domestic rate of 24.5989 (1.49% increase from previous year) for 2019/20; and a domestic district rate of 0.3267 (1.49% increase from previous year) for 2019/20;

Councillor McGinley reiterated his appreciation of the work carried out to date in reaching the recommended 2.89% increase but confirmed that Sinn Féin would like to pass on the benefit of the windfall to the rate payers.

Proposed by Councillor McGinley

That Council increases the rate by approximately 1.5%

Councillor Ashton stated that each year she prepares the DUP proposal supported by figures. She mentioned the Rate Support Grant windfall being £5.8million and the recurring Rate Support Grant increase anticipated for 2019/20 to being £1.4million and said that this should be the funds used to support the NI Air Ambulance. Councillor Ashton stated that a 0% rise in the Rate could be achieved if Council applied £1.17 million of the additional Rate Support Grant.

Proposed by Councillor Ashton

That Council increase the Rate by 0%.

Councillor S McGuigan seconded Councillor McGinley's proposal and stated that Members should reflect on what has happened in previous terms with increases which ranged from 1.4% to 5.8%. He further reflected that the Legacy council of Dungannon had made the decision to keep the rate increase at 0% and in hindsight this had been wrong and Council should make provision for growth.

Councillor McFlynn reflected on the range of the rises in other districts and stated that to go with 0% rise did not allow Council to expand and that the SDLP would support 1.5%.

Councillor Cuthbertson seconded Councillor Ashton's proposal and concurred with her comments. He stated that there had been a steady increase in the Rate from day one of Mid Ulster District Council especially for his electoral area of Dungannon. He reminded the meeting that the former Dungannon & South Tyrone Borough Council had had a 0% increase in the rate for five years in a row and as a legacy Council were in a better financial position, had a fleet of new vehicles and had completed capital projects.

Councillor Gildernew made reference to Councillor Cuthbertson's comments and stated that the 0% maintained in Dungannon for five years came 'back to bite' as the people had incurred a 6% rise.

Councillor Monteith stated he did not question the motive of a 0% rise but that, whilst he had issues with delivery of capital projects in Mid Ulster, in the legacy Council projects had got kicked down the path or ground to a halt to maintain the 0%. He stated that officers had met with Members to discuss the Rate, that a rise of 1.5% was less than the rate of inflation and the increase being made in neighbouring districts. He commented that staff pay increases brought a rise to the Rate and that even though the legacy Council had maintained a 0% rise because central government raised the regional Rate, Councils got blamed for rises anyway.

Councillor Monteith concluded stating that he would support a 1.5% rise in the rates.

The Chair, Councillor S McPeake called for a vote on Councillor McGinley's proposal

For 23
Against 12

Resolved That Council

- (i) Approve the rate estimates and authorise the associated expenditure of £44,141,450;
- (ii) Strike a non-domestic rate of 24.5989 (1.49% increase from previous year) for 2019/20;
- (iii) Strike a domestic district rate of 0.3267 (1.49% increase from previous year) for 2019/20;
- (iv) Authorise the Chief Executive to vire such amounts between budget headings as he deems necessary to secure Council's objectives in 2019/20.

SC013/19 Duration of Meeting

The meeting was called for 7.00 pm and ended at 7.21pm

CHAIR _____

DATE _____