

## **Minutes of Meeting of Mid Ulster District Council held on Monday 1 March 2021 in the Council Offices, Circular Road, Dungannon and by virtual means**

**Members Present:** Councillor Mallaghan (Chair)

Councillors Ashton, Black\*, Brown\*, Buchanan\*, Burton\*, Clarke\*, Colvin\*, Corey\*, Cuddy\*, Cuthbertson\*, Doris\*, Elattar\*, Forde\*, Gildernew\*, Glasgow\*, Graham, Hughes\*, Kearney\* Kerr\*, N McAleer\*, S McAleer\*, McFlynn\*, B McGuigan\*, S McGuigan\*, McKinney\*, McLean\*, McNamee\*, D McPeake\*, S McPeake\*, Milne\*, Molloy\*, Monteith\*, O'Neill\*, Quinn, Robinson\*, Totten\* and Wilson\*

**Officers in Attendance:** Mr McCreesh, Chief Executive  
Ms Campbell, Director of Leisure and Outdoor Recreation  
Ms Canavan, Director of Organisational Development  
Mr Cassells, Director of Environment and Property  
Mr Kelso, Director of Public Health and Infrastructure  
Ms Mezza, Head of Communications  
Mr Moffett, Head of Democratic Services  
Mr JJ Tohill, Director of Finance  
Ms Grogan, Democratic Services Officer

The meeting commenced at 7 pm.

### **SC001/21 Apologies**

Councillor Mullen.

### **SC002/21 Declarations of Interest**

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

### **SC003/21 Chair's Business**

Councillor Mallaghan advised that normally at this meeting of striking the rate no other business was constructed, but there has been one item raised today in the press which was of particular significant, particularly to those people who live in Dungannon or the surrounding areas who use the Bank of Ireland branch which has now been listed for closure resulting in a huge disappointment to its customers. He felt that this had come at a time when there had been the anticipation of seeking a way forward in revitalising our town centres and going to do banking was one of those particular reasons where there was an opportunity to make a stop at other shops, go for a cup of coffee or go for lunch which was now a very regrettable situation particularly for Dungannon and although Mid Ulster were very fortunate this didn't affect any of our other towns, none the less it was still a very hard hit for Dungannon.

He advised that within his own party, Pearse Doherty was taking the lead today on an All Ireland point of view as this just didn't affect Mid Ulster, but right across the whole island of Ireland and he would be doing all in their power to get these closures reversed.

He stated that Bank of Ireland was heavily subsidised by the taxpayer in the past and was scandalous for them to turn around and do this to the taxpayer in its own right and brought into the scene the whole scenario around the public relationship with their local banks as customers were of the view it was a public service. He stated that this was the capitalist nature of bank shareholders and its profit focus and nothing to do with service as everything has moved to online packages. He said that it was sad to see the multi-national banks like Santander, Nationwide or those types of banks which were becoming the most common name on our local high streets rather than our local banks.

Councillor Monteith stated that the Chair had reflected on a lot of what he wished to say about a very significant blow to Dungannon town centre today that a lot of people were talking about. He said that there was a physiological impact as the people of Dungannon were reeling at the minute from the uncertainty moving forward. When restrictions are lifted a lot of people won't know what they were going to be returning to within our towns as we will probably see a change in the way of life in the last 12 months for everyone in relation to how they go about their daily business and how it's going to be facilitated. He said that it was going to take a lot of money and imagination to make town centres vibrant again. It was galling to reflect upon the substantial public and borrowed money used 12 to 13 years ago to bail out these banks, which many people questioned at the time. Now this was the end result which shows what the banks actually think of the public. He had a lot of sympathy for workers in the banks who now face a lot of uncertainty. Although the banks are saying that there would be no forced redundancies, ultimately there will be concerns around job security. He felt that banking organisations have now put their two fingers up at the public, despite the fact the public had previously bailed them out; this is a despicable act especially during these unprecedented times. There was widespread concern that this will not be the only bank to do this type of thing. He said that he would encourage the Economic Development department within the Council to liaise with Traders and DRP as there needed to be a formal method of interaction between the Council, Councillors and traders as soon as possible. The Council has a responsibility to listen to, and be an advocate for the traders who needed a lot of imagination and substantial money to bring any type of life or vitality to town centres when this was all over.

Councillor Quinn concurred with the previous speakers and said that, although he lived outside Dungannon, like many others he was going to be badly affected by this announcement today. He was fortunate in that he does a lot of his banking online but he recognised that this closure would greatly disadvantage the elderly who were immobile and untrusting of internet transaction mechanisms. Many people would also miss the face to face engagement with the person in the bank who they know, trust and was local. He felt that this was going to create a massive hole in Dungannon as a town as most towns were built around the banks. It may be a struggle to bring traders and vitality back to the town centres, which was already hard enough. He advised that when First Trust pulled out of Coalisland, this left a

massive void in the town and difficulty trying to get another tenant for the property vacated. Thankfully the property was filled, but still the absence of the bank left a massive gaping hole for years to come. He agreed with previous comments regarding the public bailing out these banks 12 to 13 years ago and how people were now being left high and dry once again. Unfortunately, the scenario was that banks want to increase their profit, as they don't want to pay the rent, building maintenance and staff costs. This was all about them and not about the public service, which they should be providing. Although he agreed with comments about getting the Economic Development department on board to liaise with traders etc., he felt that it may be more beneficial to write to the Bank of Ireland to see what their plans are and what their reasons were for closing these branches. He said that the Mid Ulster District was fortunate to have only one bank closure as there were other areas which have seen two or three bank closures. This was especially true down South where people have been hit particularly bad by bank closures. He felt that this was something which the Council had to take on head on and suggested meeting with representatives from the Bank of Ireland to find out why they came to this decision and if there was any chance of reversing the decision. The Economic Development department should also investigate working with Traders to help them move forward.

Councillor Kerr said he wished to reflect on previous comments made as the bank's action was purely capitalism and the banks do not care about the public. He concurred with Councillor Quinn's comment regarding Coalisland losing Halifax and First Trust and also noted that Stewartstown had lost Ulster Bank. As a Halifax customer, the nearest branch to him was in Portadown which was ridiculous. He agreed with Councillor Monteith's comment about staff redundancies and felt that this was a very worrying time for them. He concurred with Councillor Quinn's suggestion about the Council writing to the Bank of Ireland to try and encourage them to reverse the bank's decision.

Councillor Ashton said that it was a major blow to Dungannon town centre and would be happy to second Councillor Quinn's proposal of writing to the Managing Director of the Bank of Ireland. She had in the past, as a Member of the Council, met with banks when they had made these sort of decisions and would have to say that the outcome of those discussions had not been very successful. However, she certainly thought that it was worthwhile for the Council to let them know that this Council was not happy that one of the major banks in the town was going to be leaving. She said that and the Council needs to ensure that they agree that there will continue to be proper banking facilities left in the town. She said that, if the decision was related to a premises issue, the Council could signpost them to other adequate sites within the town centre.

Councillor Cuthbertson said that he was very disappointed to hear the news today of the proposed closure of the bank, which was just another hammer blow to Dungannon. Dungannon had lost a number of businesses through lockdown this past year and he stated that this was going to leave a huge void in the town centre. He indicated that he would be fully supportive of what the Council could do in relation to organising a meeting with or writing to the Bank of Ireland and that the decision should be actioned as soon as possible.

The Chair advised that the Council was also a customer of Bank of Ireland with a large turnover in terms of money going through the accounts and that, in addition to writing as a local authority representing its district, the Council should be writing from the perspective of being a customer of Bank of Ireland. He added that Councillors Quinn and Ashton were correct in their proposal and also suggested that the Council write to the Taoiseach as the Irish Government hold a 14% stake in the Bank of Ireland. The Southern government was obviously quite a prominent stakeholder of the bank and it should be doing what's right on behalf of the local people as well.

Proposed by Councillor Quinn  
Seconded by Councillor Ashton and

**Resolved** To:

1. Write to the representatives of the Bank of Ireland to find out why they came to this decision and to establish if there was any chance of reversing it ;
2. Allow its Economic Development department to work with the Traders to try to progress the economic recovery of the Dungannon town;
3. Write to the Taoiseach as the Irish Government is a prominent shareholder in the Bank of Ireland to request that the Government show support for the people of Dunagannon

Councillor Cuddy concurred with all previous comments but stated that the Bank of Ireland building held very significant character for the town centre. He suggested that it would be important for the Council not to let the building get dilapidated and should work to identify an early use for it if the bank closes. He felt that the bank closure had been on the cards for some time, even before Covid occurred, and suggested that the bank only used the pandemic as an excuse to advance their plans. He suggested that it would be beneficial for the Council to brainstorm the issue and agreed that it was important for the Economic Development department to get involved with the Traders to try and identify ways of revitalising the town centre as soon as possible.

### **Matters for Decision**

The Chair advised that the Director of Finance would go through each individual paper with comments and decisions being taken thereafter.

### **SC004/21 Minimum Revenue Provision Policy**

The Director of Finance drew attention to the previously circulated report regarding the 2020/2021 Minimum Revenue Provision Policy and sought approval that the policy as detailed for year 2021/22 be retained for the incoming year.

**SC005/21 Rate Estimates for 2021-2022**

**SC006/21 Approval of Rates Estimates for 2021/22**

**(i) Authorisation of the expenditure included in the Estimates**

**(ii) Fixing for the Financial Year beginning 1 April 2021 the amount to be raised by means of rates and striking the domestic and non-domestic rate for 2021/22**

**SC007/21 Robustness of Rate Estimates 2021/22**

**SC008/21 Adequacy of Council's Reserves for 2021/22**

The Director of Finance, on behalf of the Chief Executive, explained to the Members that the two reports "Robustness of Rate Estimates 2021/22" and "Adequacy of Council's reserves for 2021/22" were central to the Council's consideration of what Rate it should strike for 2021/22. Although both reports were included on the agenda as items for information, the Members needed to carefully consider their contents as they deliberated what Rate the Council should strike. The reports are expressly referenced in statute and therefore were essential reading.

The Director of Finance presented all three of his previously circulated reports, which collectively dealt with the officers' recommendations in relation to the 2021/22 Rate Estimates.

The Director outlined the Council's process for considering the 2021/22 Rate Estimates and explained the actions that SOLACE and ALGFO were engaged in with both the Departments for Communities and Finance to try to find a pragmatic solution to the financial problems arising as a result of the pandemic.

Having explained the detail of the financial considerations underpinning the officers' recommendation that the Council agree a budget for 2021/22 that would allow the Council to strike a Rate, which would reflect a 1.59% increase from the previous year. The Director concluded by reminding the members that a 1.59% increase in the district Rate would result in domestic and non-domestic ratepayers experiencing a 0.68% and 0.73% increase in Rate bills due to the fact that the regional Rate was being held at the 2020/21 level.

The Chair thanked the Director of Finance for the paper, which included important detail, and for all the officers' work over the past number of months during which there had been many meetings to discuss the Rate estimates, especially with the members of the P&R committee who had put so much work into this issue. He said that the Directors and Heads of Service had undertaken an exceptional amount of work by trawling through all their budget lines to identify savings. He acknowledged that savings should be made where possible, but noted that members should be wary of putting the Council under financial pressure over the next 12 months by simply cutting budgets. He advised that 2020/21 had been a very turbulent year and that it was very difficult to see a lot of its facilities and services closed, like the Arts & Culture Centres, Leisure Centres etc. Closure had not just meant the loss of revenue. It was difficult to actually see the doors closed because of the wonderful service provided by all the staff and people who work in Council facilities and many

people are missing the opportunity to go out and do the things that they were used doing. He said that the response by the Council to the Covid pandemic has been exceptional, particularly the amount of work which has happened and staff redeploying themselves into different areas of work in order to keep delivering the high level of service that the people of Mid Ulster expect.

The Chair advised that the Rate Support Grant (RSG) would be a very important part of the discussions taking place tonight and the uncertainty pertaining to its future availability is always a concern. He noted the additional RSG that the Council had received late in 2020/21, which as a one off payment for this year with no guarantee of a similar or any amount in future years, could not be relied upon as a solution to the Council's recurrent financial pressures. The Mid Ulster district area is a fantastic place to live and currently has the second lowest domestic district rate of all the 11 councils. This is a fact that the Council should be very proud of. The Chair noted that the ability of the Council to have such a low domestic district Rate came from the leadership within the Council Chamber that is shown by a very modest Council. He commended the Development departmental team on their commitment to investing in projects which levered extra money into our Council areas and said that the Council was not afraid to put its money towards securing funding from government departments or elsewhere, particularly the EU PEACE Programmes. He noted that the Council was committed to a very comprehensive Capital Programme, which would be taken forward over the next five years. This Programme would really make a huge impact on the local economy, initially in relation to construction jobs, which were so important to the Mid Ulster district. He said that he was encouraged to see that the Council's ambitions would still be achieved and welcomed the fact that the proposed budget that was presented at the meeting did not recommend any reduction in the Council's aspirations.

He stated that, reflecting on all the things said by the Director Finance, on behalf of himself and his party, he would propose that the Council accept the Officer recommendation of agreeing a budget which would see the increase in district Rate being limited to a 1.59% increase.

Councillor Quinn thanked the Director of Finance on all the work in which he done preparing the figures over these last few months. He referred to the Rate Support Grant not being guaranteed for next year and asked the Director to confirm his understanding that if the Council used the additional RSG received in 2020/21 to lower the 2021/22 Rate, ratepayer would effectively have to find a way to fund the subvented costs when striking the 2022/23 Rate in addition to funding the 2022/23 financial pressures.

The Director of Finance agreed that the Rate Support Grant was not guaranteed for any year and could only be relied upon when it's in the Council's bank account. He advised that it was his understanding that the Council would benefit from RSG in 2021/22 but that Department of Communities officials had told him that the additional funding received in 2020/21 would definitely not be made available in 2022/22. Consequently, he said that it was important for members to appreciate that the extra £517k RSG recently received would not be replicated next year or indeed any future years. The Director advised that when he reported on the robustness of the estimates earlier in the meeting, he was attempting to explain that what the Council

is attempting to do when trying to strike a Rate is to fund its recurrent expenditure. Rate income must be recurrent because it funds recurrent expenditure. Therefore, if the Council seeks to rely on the additional RSG received in 2020/21 as a recurrent source of income that can be used to defray recurrent expenditure included within the 2021/22 Rate estimates, it would be breaking a fundamental accounting principle which he would recommend against. In reply to the query about the consequence of applying the additional funds received in 2020/22 to defray recurrent expenditure in 2021/22, the Director advised that the ratepayers would indeed have to fund the defrayed expenditure when it sought to strike its 2021/22 district Rate.

Councillor Graham thanked the Director of Finance for providing a very robust report, but said that this was a very challenging year and that just as the Council had looked after its staff who she wished to commend for all their efforts during this pandemic, by not making them redundant, now was the time to look after ratepayers. She advised that the Ulster Unionist Party proposal would be for a 0% increase as any increase would put a further financial pressure on people within the district. Such an increase also ignores the reality of the hardships in homes and in businesses. The Council wants to see local businesses recover from Covid and to see its town centres flourish, but it also wants its residents to know that their Council was working for their best interests at all times. She reiterated her party's proposal for a 0% increase.

The Chair asked, as a point of information, Councillor Graham what proposal she had to fund the savings necessary to deliver a zero per cent increase.

Councillor Graham replied to advise that the savings should be funded by the Council applying a balance, i.e. from the Council's reserves.

Councillor Ashton wished to firstly commend the Director of Finance on once again the effort that he and his team had went in preparing this year's budget and said that it would be remiss of her not to acknowledge the progress that had been made towards delivering an affordable Rate since the Council initially started these discussions late last year. She said that, although every members knows that every year she champions low rates, it was particularly important for her to do so this year. The Council's residents and businesses have went through one of their toughest years yet due to the Covid Pandemic and although a 1.59% increase was a very low rate increase, she proposed that the 2021/22 rate be frozen at the 2020/2021 level. This would require the Council to identify additional savings of just over 688K. She said that the Council was in good financial position to absorb this cost for one year. In addition, the Council has recently received an additional amount for Rates Support Grant in 2020/21 that has not been reflected in the 2020/21 budget. The Council also received a substantial amount following its win in Court regarding previous RSG allocations that could be used to offset the one off £688k saving. This is now the time to utilise these funds. Individuals last year and this year have seen their pay reduced, businesses don't know from one month to the next whether or not they are going to be allowed to open. In fact this Council through no fault of its own has had to reduce its services to our ratepayers whether through a reduction in the opening hours of recycling centres, or closure of leisure centres and culture centres. The domestic ratepayers have in fact seen a reduction in the services they have been able to avail of this year despite having to pay their Rates for 2020/21.

She asked members this year, for the year that was in it, to seriously consider her proposal for this year at 0%.

The Director of Finance thanked members for their kind words in relation to the officers' efforts to present proposals to secure an affordable Rate. He agreed that it was a difficult year for everyone and he welcomed the engagement with the members over recent months to facilitate the preparation of the officers' proposal of a 1.59% Rate increase. He referred to Councillor Graham's comment in that staff were fortunate to work for this Council as they were protected but felt that members needed to be aware that, in preparing the 2021/22 Rate estimates, the officers had to make assumptions in relation to future costs. He stated that the Rate estimates presented did not make any provision for staff pay rises in 2021/22 apart from a modest amount that the Chancellor had suggested might be appropriate for lowly paid staff. Members needed to be aware that the Council has no control over whether pay rises will occur or not as these matters are negotiated in England by the NJC. He requested that members be mindful of this as, if the NJC agreed a pay rise, the Council would have to pay an undoubtedly significant amount in respect of pay awards regardless of whether it had budgeted to do so. In referring to the suggestion that Rates should be frozen with a 0% increase from the previous year, he said that it such a decision was like kicking a can down the road as the unfunded costs would have to be funded as part of the next year's Rate estimates.

The Director of Finance agreed with Councillor Ashton's comments in relation to the Council's cash reserves, but went on to explain that, the additional Rate Support Grant, which was successfully obtained through court action, was no different to the additional Rate Support Grant that was secured this year, as it would not be received again in the future. The funds were available to Council and an important part of the reason why the Council had adequately funded its Capital programme. These additional previously unbudgeted amounts also enabled the Council to take advantage of unforeseen opportunities and to manage unanticipated issues that will materialise in the future. Referring to Councillor Cuddy's remarks about the importance of ensuring that the Bank of Ireland building doesn't fall into disrepair, although he could not know what this would mean for Council financially, but if it resulted in the Council utilising any of its money, such expenditure was not included within the Rate estimates. He said that the officers had recommended that the Rate is increased by 1.59% from its 2020/21 level to enable the Council to respond to various uncertain situations and circumstances during 2021/22. In summary, he urged members to be wary of attempting to on striking a 0% increase as previous councils that had done this in the past often had done it to their detriment. However, he said that the Rate to be struck was a decision for members.

The Chair referred to the Director of Finance's last comment, and said that he remembered when this Council had come together, it didn't have the luxury of having cash reserves to use. The Council's cash reserves had taken years to build up, and would play a significant role in funding the Council's Capital programme over the next five years. He felt that a decision to strike a Rate with a 0% increase will tie the Council's hands and stymie its inability to move forward. He said that more and more expected from the Council now, much more than in the past. Discussions had taken place last week about using Council resources to revitalise our high streets, lowering car parking charges which itself would have a direct impact on the Council's



budget with the possibility of a reduction to free car parking likely to result in £400k loss to Council. Discussions ensued five weeks ago regarding the district's walking paths as the population were making more use of the outdoors due to the pandemic and the current budget doesn't take into consideration funding the salting or gritting. He felt that members needed to be careful and felt that a 0% increase would not be progressive, would be retrospective and cause damage to the Council's finances moving forward.

Councillor Cuddy also supported Councillor Graham's proposal and commended the Chief Executive and Director of Finance and his team on all the work which was carried out. The work was even handed right across the board and any questions which needed clarified were addressed. He concurred with comments made by the Chair regarding the unprecedented times within the last 12 months, but this Council was in the fortunate position to have been supported during the pandemic by the Government as money came straight away. This Council had a healthy balance sheet. The Council's Leisure Centres and Arts Centres may have had to close but this didn't mean there was a huge amount of money lost as it costs the Council up to £1 million to run each of these facilities. Whilst it may be a disadvantage to some, there has been a lot of savings also.

He commended the Director of Finance on his sterling job and his success on getting money back and Mid Ulster Council were fortunate to be in such good shape financially. He give credit to the Sinn Fein minister for saying that councils should not increase rates. There was an onus on members to look after the here and now going forward and felt that staff had been looked after financially in the past. However, now was the time to look after the ratepayers as this Council was in a good financial position.

Councillor McKinney advised that a 1.59% saving equated to approximately £702k. He stated that each year the Council put away 1.2% of its Rate into savings for Capital projects, which had been possible for a number of years as Mid Ulster was an efficient Council. He felt that by proposing a 0% increase due to the pandemic and the year it was, it wasn't an issue for this Council due to its financial strength. He referred to specific amounts included within the Rate estimates like provision for additional National Insurance and the additional RSG funding from Stormont at £517k. When those two figures were added together, this more than covered the savings needed to eliminate the Rate increase. He said what was being proposed was to take money out of the reserves for the time being. This was an opportunity for the Council to lead and not to follow. He also said that this was now the perfect time to look after our ratepayers as each Councillor was elected by the ratepayer and this was the one and only time during this unprecedented year to give something back to them. He concluded by saying that this was a once in a lifetime opportunity and was happy to be part of the party which brought this proposal forward.

Councillor Monteith commended the Director of Finance on always making himself available to members on any concerns they may have and always providing an excellent explanation. He advised that everyone has come through an extraordinary year and this means extraordinary budgets. He stated that he had sat on the legacy Dungannon and South Tyrone Borough Council where year on year there were 0% increases, which effectively became a cut. Although he was very reluctant to go for

a 0% increase, his conscience would not allow him to proceed to vote for a 1.59% increase and he would not be supporting it. For this Council to receive a windfall which no-one knew was coming of £517k of Rate Support Grant and for not at least to consider attributing all or part of it for easing the rate burden on ratepayers was a retrograde decision as all government funding comes through tax or rates. He felt that, for an organisation which received a huge intervention through the public purse during the pandemic it would be unjustifiable for it to call for a rate increase and felt that extraordinary years call for extraordinary decisions. He would not be voting for a 1.59% increase and would be minded this time to support the 0% increase. He concluded by saying the physiologically and morally the Council had to be on the side of the ratepayer and symbolically there was a need to say that there would be no increase to put a burden on them and would be more supportive of the £51k7 being taken off at this stage.

The Director of Finance thanked members for their kind sentiments in relation to the officers' efforts. However, he wished to come back to some issues raised by members, but didn't want to be seen blocking political debate and decision making. In relation to Councillor McKinney's comment about Council being the lead, he stated that, in his opinion, the Council was certainly a leader and not a follower, because it had challenged Department for Communities and HMRC. The Council had been proven correct to do so as it led to some financial windfalls which were significant to the Council. The Council has already decided to use a significant proportion of these windfalls to fund the Capital programme which delivers significant elements within both the community and corporate plan with no or very minimal cost to the ratepayer. He therefore stated that reducing the pressure on the current ratepayer would put additional pressure on the ratepayers of tomorrow who would be paying off the debt that would otherwise would not have to be taken if cash reserves are used to fund revenue expenditure instead of being applied to the Capital programme.

The Director of Finance also referred to Councillor McKinney's comments around the budgeted increases in National Insurance costs which were estimated in the amount of approximately £280k. The officers anticipate that this cost will materialise when the Government has to eventually raise taxes across the board to fund Covid related borrowings. He said that he didn't dispute the fact that the projected expenditure associated with potential National Insurance increases could be taken out of the Rate estimates. However, knowing now how much discussion was being directed towards the application of the previous financial windfalls towards funding recurrent revenue expenditure, if he was preparing the Rate estimates again, he would reflect very strongly on the fact that Officers were anticipating that there would be no pay rise for the staff in 2021/22. This pressure, if materialised, could result in approximately half a million pounds (£0.5m) of pay rises, which were completely outside the Council's control. His dilemma now is compounded by the fact that he knows that nearly every other council's Rate estimates have factored this pressure into their 2021/22 Rate estimates. He said that, if he was asked tonight by members to reflect on Councillor McKinney's comments and, bearing in mind that the report noted that the Officers had volunteered to work towards making additional recurrent savings of £200k in 2021/22, he would find it very difficult to support the member's comments. He emphasised again to members that the Rate estimates proposed by the officers were robust as they recommended a 1.59% increase. However, he

could not be sure that Council could reduce the rate increase to 0% and still be able to conclude that the estimates would be robust. He felt that a 0% increase wouldn't cripple the Council, but he suggested that members should reflect carefully as the robustness of the estimates report was a statutory report which the Council had to consider when striking the Rate.

The Director advised that, the Council's success in challenging public bodies like DfC and HMRC, is clouding the fact that it was actually beginning to peak in its accumulation of cash reserves, and for the first time was spending more delivering capital projects than was provide for within the annual funding of the capital budget. He advised that if the Council wasn't continually going back to central government and successfully challenging their decisions etc., members would see the cash reserves slipping away. He stated that the Council cannot plan on continuing to go to the "litigation well" as opportunities were now drying up.

The Director also advised that, if the Council strikes a Rate showing a zero per cent increase on the previous year and is unable to realise sufficient recurrent savings in 2021/22, it was foreseeable that the 2022/23 Rate could have to rise by up to 5.9% without even having regard to funding new 2022/23 financial pressures.

The Chair said as a point of information for members that the recent VAT case which was won by the Council was currently under appeal and it would be prudent for the Council not to anticipate those amounts at this stage.

Councillor Cuthbertson advised that this was an exceptional tough year for householders and businesses which had struggled and said that there had been great intervention by the Northern Ireland Executive and Westminster in providing additional funding, but felt that it was unfair to some businesses on the high street missing out on the rate holiday as they really have struggled in paying their rates. He said that furlough scheme was guaranteed to 30 April and there was every indication that this could be extended to the summer and while the Leisure Centres could potentially open on the 1 April, he would be very surprised that there would be any staff, particularly staff which were shielding or vulnerable returning to work on the 1 April never mind the 30 April and felt that there were savings there.

He said that this Council had recently spoken a lot about eradicating child poverty and fuel poverty, with this Council taking great praise in advertising £40 fuel vouchers to eligible families on free school meals, but felt that members needed to be aware of families in the district which potentially had missed out on this fuel assistance by a few pounds or pennies a week and suggested rather than giving those families facing fuel poverty, we were actually adding an extra tax on them this year to make them suffer more. He felt that there was an onus on the Council to be mindful of this and do what we say that we were going to do by trying to eradicate child poverty and this was the year the Council had their Rate Support Grant and felt it would be foolish not to support our ratepayers who haven't received anything this year.

Councillor Gildernew thanked the Director of Finance in preparing such a substantial report and referred to previous speaker's comment about the bad year regarding child and fuel poverty etc. and said that the proposed domestic Rate increase

equated to 68p per month. He asked if the people of Mid Ulster wished for this Council to carry on as it was or freeze Rates and go back to where they were 10 years ago. He said that in his mind the question would answer itself.

Councillor Quinn said that he had been listening very closely to members comments and contributions and especially to Councillor Cuddy's comment around the Council being in a good financial position, but felt it didn't provide an opportunity for Council to get a flesh wound if it could be avoided. He referred to comment around Officers not coming begging to meetings stated that this could be argued as he had in the past approached Officers for some ideas he may have had and a whilst they agree it was a good idea, they advise that there was no money for it in the budget and may be something that could be looked at down the line. He said that, although there was a perception that there was ample funding available, there was always the opportunity to generate more. He further said that he wouldn't be comfortable with the 1.59% increase proposed, especially in the light of Councillor Monteith's comments regarding the policy within Dungannon of having a 0% increase year on year. This policy had come back to bite the Council and when Mid Ulster Council came into existence and Rates had to be raised, this effected Dungannon ratepayers a lot more than those from the other two legacy councils. He referred to the provision for additional National Insurance costs, and asked if it was removed from the Rate estimates, where the Rate could be brought down to.

The Director of Finance advised that additional National Insurance costs of £281,557k as detailed in attachment had been included in the Rate estimates. If this was removed, this would bring the Rate increase down to 1.4% equating to a 40p increase per month to ratepayer instead of 68p. He reminded members of the anticipated pay award not being included as this was like a tax on Council because, if awarded, it would have to be paid regardless of whether there was budget provision for it.

Councillor Ashton referred to Capital spend and reserves and said that it was her understanding that there was £1.5 million built into the Rate base and a further £1 million for funding the Council's contribution to the growth deal, which she wouldn't be anticipating reducing even if the Council accepted the 0% proposal. She said that it would be remiss of her not to refer to previous comment by Councillor McKinney regarding budget holders and advised that she had been involved heavily in meetings with the Director of Finance on the Rates and all parties around this table tonight had commented on the great job and the scrutiny which had been done by the Finance team. She said that the reason 1.59% increase was proposed was because of the scrutiny and putting back to budget holders from where it was started and she had sat in P&R meetings where Property Services had come quite regularly looking money for doing repair work to provide building maintenance and she had previously proposed that the Environment & Property budget be rectified to stop them coming each year requesting money. She said that she doesn't support the comments indicating that there was loads of money laying within the budget holders as this had been robustly scrutinised by the Director of Finance and Chief Executive.

Councillor McNamee commended the Director of Finance on his impressive report and said that from the formation of this Council, it had been investing in the community through leisure, community groups, culture and arts, masterplans and the

growth deal. He said that 1.59% increase allowed the Council to invest in all our communities and was constantly listening each month to members complaining that they needed certain things within their areas and this wouldn't be feasible with a 0% increase in the budget. He agreed that this was a very tough year but 1.59% increase proposed from expert advice should be progressed as it was well acceptable and not a heavy burden to the ratepayer.

The Chair agreed with Councillor McNamee's sentiments and said that there would be no funding available to put back into the community if 0% increase was agreed tonight.

Councillor S McPeake commended the Director of Finance on his very detailed report as always. He agreed with Councillor Ashton's comment regarding the rates projections being robustly investigated and felt that the Director's recommendation of a 1.59% increase was a very modest figure as he remembered years previously in Magherafelt rates being a 5 to 6% increase as there wasn't ample funding for Capital projects. He said now was a time for the Council to deliver adequate walkways and promote good health & wellbeing, this would be criminal on the Council's part to not have funding at hand to provide this and no-one could predict the money which may be needed going forward and to tie our hands at this stage would be the wrong thing to do. He supported the 1.59% figure as it was a modest increase.

Councillor Kerr thanked the Director of Finance for compiling such a comprehensive report and said that he had listened intently to both sides of the argument and felt that he morally couldn't support the 1.59% increase as it was an exceptional year and there should be an opportunity to maximise the costs and would support 0% increase.

Councillor Colvin commended the excellent work of the Director of Finance but said that he had to agree with the other members in supporting a 0% increase as this was a very different situation this year. He felt that people were under enough pressure and if there was a signal sent out to the ratepayers that the Council empathised with them during these unprecedented times and proposed a 0% increase that this would be a very important gesture by the Council. He said that he didn't see the amount of 68p but the word increase speaks volumes and in reality the future was uncertain but this gesture would go down well with the ratepayers when they need support the most.

Councillor Cuddy stated that it was important for the Council to look at more outdoor leisure going forward as Covid had set the precedent for the sign of the future.

Councillor Elattar thanked the Director of Finance and his team for working tirelessly to get to the proposed rate of 1.59%. She said that this was a very hard year for every resident within Mid Ulster but we had to look forward to our Capital projects and there had been a suggestion by a member to take the money from leisure but this would be unwise as this funding was needed more than ever for forests as these were paramount for people's good mental health. She said although 68p per month could be an additional cost to some people, but it could also be very beneficial to the community as a whole to enhance areas where there was need. In referring to staff being protected advised that our staff often go above the call of duty and work very

hard for the members and residents of Mid Ulster and wouldn't like to think that members were vilifying them and putting this responsibility upon their shoulders.

Councillor Milne also commended the Director of Finance for producing an excellent report and felt that the meeting tonight could be seen as a bit of stargazing and political party playing. He said there was an onus on the Council to look to the future and what may emerge like the issue of Brexit which was misread by some members here tonight and asked the Director of Finance where this Council would be if it was another year like this one and possibly another year after that.

Councillor Doris advised that Councillor Milne had already raised the issue around Brexit and concurred with Councillor Elattar's comments around staff. She referred to Councillor Cuddy's comment earlier regarding the change of life after this pandemic as no-one could be certain to what life would be like going forward especially around leisure and didn't feel it was morally right for the sake of a saving of 68p per month to add further pressure to people, families and leisure staff.

Councillor S McGuigan thanked the Director of Finance for his comprehensive report and felt it was good to have a challenging meeting from his perspective so figures can add up. He concurred with Councillor Monteith's comments regarding 0% increase in Dungannon and what this resulted in the past. He felt that each year when members sit down and make their projections on what was needed for the future there was always the anticipation to be prudent each year and money from rates being put into a pot for eventualities like this year so as not to hit the ratepayer with a large increase the following year. He said that he was satisfied with the proposed rate increase of 1.59% and would have concerns if cutting back that proposal to a 0% increase as this may have dire consequences going forward.

Councillor Quinn thanked everyone again for their input but raised concerns about staff's pay award and said that he didn't wish to put this issue at risk and if members could go for a 1.4% increase could this go forward without putting something else at risk.

The Director of Finance advised that the Council was as financially sound as any other Council in the North and had been cautious in its spending. He said that, if members proposed a 1.4% increase this could potentially be deliverable, but he would have to reiterate his concern about decreasing the Rate further as it wasn't, in his opinion, appropriate, due to the real risk of a staff pay award. He said that University of Ulster Jordanstown (UUJ) had predicted £1.4 million loss in non-domestic Rate income for the Council in 2021/22 due to the effects of the pandemic, and when this was added into the financial mix, it would certainly further suggest that reducing the increase to % would be a bold move.

The Chair enquired from Councillor Quinn (SDLP Party Leader) what his party's thoughts were if the recommendation went to a vote.

Councillor Quinn said that although he wouldn't be a fan of the 1.59% increase, he felt that his party could not agree to the 0% recommendation.

Councillor Clarke said that he had listened to the debate tonight and was involved in the discussions and listening to the Director of Finance, it was clear that if Mid Ulster Council wished to take the lead and deliver on its commitments, it was incumbent for members to make the proper decision on proceeding forward and would second the recommendation of 1.59% increase.

Councillor Molloy welcomed the debate and found it a good open discussion and with the terrible news emerging today about the closure of the Bank of Ireland in Dungannon and the past closure of First Trust in Coalisland, this was another major blow to residents of the borough. He referred to footprint in Dungannon town centre decreasing and doesn't know what the future holds and felt that the Council needed to be in a position to be a lot stronger to support these businesses with grants and other financial assistance and in terms of Capital projects and outdoor recreation. He said that he was proud to be a member this Council as it does sterling work across the district and cannot expect officers to perform miracles with one hand tied behind their back and would be supporting the 1.59% increase this year.

Councillor McLean said he purposely left his comments to the end and felt that Councillor Ashton had explained very clearly the sentiments of the DUP stance and took exception to the comment regarding to political party playing as his party had spent a lot of time rigorously going through the figures. He commended Councillor Ashton on clearly setting out her agenda and how it was going to be achieved and felt that there was nothing further to be said and suggested moving on to the voting stage.

The Chief Executive said that on behalf of staff he wanted to thank members for their political opinion on their direction, guidance and discussions with the Director of Finance and himself. He advised that it was wonderful to see everyone sharing the same enthusiasm and determination on working to the best of their abilities for the good of the Council. He also thanked the SMT on their commitment on working tirelessly to get where we were currently and reminded members of services across the Council which SMT had done a sterling job on. Moving forward would be uncertain and no indication on what our services would be like, but there would be an onus on Officers to try and mitigate things going forward. He said that he had every confidence in the recommendation proposed by the Director of Finance.

He stated that in terms of the services the budget which was presented to members tonight allows Officers and members to continue the services in the manner in which they were carried out over the current year and previously.

This potential rate increase of 1.59% would allow the Council to:

Support hundreds SME's over the next 12 months moving forward; Grow multiple existing businesses to help them grow, develop and generate employment and expand their businesses; Address the high level of increased unemployment particularly in the sectors which Mid Ulster was strong in; Support hundreds of community groups, voluntary groups, church groups and support groups; Deliver an extremely ambitious Capital programme in the excess of £61 million over the next 3 years which was the communities programme, programme of Mid Ulster which addressed the wellbeing, sports, young, elderly, visitors alike and was the legacy of

our children and grandchildren; Continue that investment and continue to enforce it and minimise our borrowings and if money was not being spent on repayments, then these would be invested into decent projects and services on the ground.

He advised members as first year as Chief Executive of Mid Ulster District Council, he commended the budget and as Chief Executive he was confident that the Council's reserves were adequate. The 1.59% increase was based on robust estimates and he therefore recommended the 1.59% increase in Rate to the Council.

The Chair put the proposed recommendation of 0% rate increase to the meeting.

For - 17  
Against - 16  
Abstained - 5

**Resolved** That, although the Council notes the officers' recommendations, it would instruct the officers to:

1. Reduce the expenditure recommended to be included in the 2021/22 Rate estimates by applying a balance in the amount of £690,000 to result in the amount of £43,363,323 to be raised by Rates;
2. Similarly adjust the income and expenditure budgets for 2021/22 on the understanding that the Chief Executive shall be authorised to vire funds between budget lines during 2021/22 as he considers necessary to deliver the Council's services and aspirations in so far as practicable;
3. Strike domestic and non-domestic Rates for 2021/22 in the amount of 0.3373 and 23.4749 respectively each reflecting a 0% increase from the Rates struck in 2020/21.

**SC009/20 Duration of Meeting**

The meeting was called for 7.00 pm and ended at 8.50 pm.

Chair \_\_\_\_\_

Date \_\_\_\_\_