

## **NEWRY, MOURNE & DOWN DISTRICT COUNCIL**

Ref: NMD/FR

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### **Minutes of the Meeting of Newry, Mourne and Down District Council Finance and Resources Committee held on Tuesday 21 October 2014 at 6.00pm in the Boardroom, District Council Offices, Monaghan Row, Newry**

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**In the Chair: Cllr. Hearty**

**In attendance: (Councillors)**

Cllr. T Andrews	Cllr. S Burns
Cllr. M Carr	Cllr. C Casey
Cllr. P Clarke	Cllr. S Doran
Cllr. D Curran	Cllr. G Fitzpatrick
Cllr. V Harte	Cllr. H Harvey
Cllr. D Hyland	Cllr. R Mulgrew
Cllr. K McAteer	Cllr. G Stokes
Cllr. P O'Gribin	Cllr. D Taylor
Cllr. B Walker	

**(Officials)**

Mr L Hannaway, Chief Executive Designate  
Mr J McBride, Change Manager  
Mr R Dowe, Head of Finance  
Mrs C Miskelly, Head of Human Resources  
Mrs C McAteer, Committee Administrator

**(Officials Newry and Mourne District Council)**

Mr G McGivern, Director of District Development

**(Officials Down District Council)**

Mr M Lipsett, Director of Recreation & Community Services  
Mrs M Ward, Group Chief Building Control Officer

**FR/59/2014: APOLOGIES**

Apologies were received from Councillor C Enright.

**FR/60/2014:            DECLARATIONS OF INTEREST**

Mr L Hannaway, Chief Executive Designate, declared an interest in item No. 12 on the agenda "Shadow Council Policy on Business Travel, Subsistence and Expenses".

**MINUTES**

**FR/61/2014:            ACTION SHEET FROM F&R COMMITTEE MEETING HELD ON TUESDAY 16 SEPTEMBER 2014**

**READ:**                Action Sheet arising from the Finance and Resources Committee Meeting held on Tuesday 16 September 2014. **(Copy circulated).**

**NOTED:**              Mr Hannaway confirmed that all actions had been progressed and it was agreed to mark the action sheet 'noted'.

Mr Hannaway gave an update on the following:-

**Costs of Assembly Ombudsman**

- A letter had been sent to all the NI Assembly Ministers as requested and the Chief Executive of NILGA had advised they would be picking up on this issue.

**Transferring Functions**

- Mr Hannaway confirmed he would be tabling a report on this issue at the November Development Committee Meeting.

**FINANCE BUSINESS**

**FR/62/2014:            RENEWAL POLICY FOR ICT EQUIPMENT AND DOWNLOADING OF APPS ON TO COUNCIL I-PADS**

**READ:**                Report dated 21 October 2001 from Mr R Dowey on the Renewal Policy for ICT equipment and the downloading of apps on to Council i-pads. (Copy circulated).

**AGREED:**            **It was AGREED on the PROPOSAL of Councillor S Burns, SECONDED by Councillor Taylor to note the contents of the above report.**

**FR/63/2014:            AWARD OF ELECTRICITY TENDER**

**READ:**                Report dated 16 October 2014 from Mr R Dowey recommending that:- (Copy circulated)

- *Newry, Mourne and Down District Council are involved in a framework to tender for electricity from 1 April 2015 to 31 March 2018 with the possibility of extension for up to 5 years.*
- *The lead Council is Newry, Mourne and Down District Council.*
- *Powers need to be given to the Procurement Officer to award this tender, after identifying best value for money, on behalf of the new Council.*

**AGREED:** It was **AGREED** on the **PROPOSAL** of Councillor Stokes, **SECONDED** by Councillor Andrews, to approve the above report and recommendations.

**FR/64/2014:** **FUTURE AUDIT COMMITTEE ARRANGEMENTS**

**READ:** Report from Mr R Dowey (RDowey/docs/NMDDCtoolkit for audit committee 08/10/14 doc) on proposals for an Audit Committee for Newry, Mourne and Down District Council. (Copy circulated).

**AGREED:** It was **AGREED** on the **PROPOSAL** of Councillor S Burns, **SECONDED** by Councillor Casey, to approve the above report and recommendations, including the resources required (page 10) and the decisions required (page 11).

**NOTED:** In response to a query from Councillor Burns, Mr Hannaway confirmed that when the Lay Chairman of the proposed Audit Committee was appointed, they would have to sign up to the Code of Conduct.

**FR/65/2014:** **PROGRESS ON I.T. ITEMS**

**READ:** Report on Newry, Mourne and Down District Council ICT Convergence Projects high level overview dated 10 October 2014 from Chris Birt. (Copy circulated).

**AGREED:** It was **AGREED** to mark the above report 'noted'.

**FR/66/2014:** **PROGRESS ON FINANCE ITEMS**

**READ:** Report dated 16 October 2014 from Mr R Dowey on Capital Spend (all categories) – approvals required/documentation. (Copy circulated).

**AGREED:** It was **AGREED** on the **PROPOSAL** of Councillor Andrews, **SECONDED** by Councillor Carr, to approve the above report and accept the procedures outlined ref: Capital Spend – New Works and Capital Spend – replacement items.

**FR/67/2014:            TREASURY MANAGEMENT MEETING – ARLINGCLOSE LTD**

**NOTED:**                Mr Dowey gave a verbal update on a management meeting held with representatives from Arlingclose Ltd. to discuss a treasury management strategy for Newry, Mourne and Down District Council. The possible charge to the Council would be an annual fee of £5,500 and this may go to a joint tender process with some of the other new Councils. In return the Council would receive high level financial advice on how to use their reserves and how to borrow money.

**NOTED:**                **It is noted that Mr Dowey has now put this information into a written report and this is attached to these Minutes.**

**HUMAN RESOURCE BUSINESS**

**FR/68/2014:            MEMBER CAPACITY BUILDING**

**READ:**                Report dated 21 October 2014 from Mrs C Miskelly informing Members of the Equality Training for all Elected Members being held on 6 November and 11 November 2014 and also the Planning Training Events and the Study Visit to Fife Council for Planning Committee Members on 26 and 27 November 2014. (Copy circulated).

**AGREED:**                **It was AGREED to mark the above report `noted`.**

**NOTED:**                Mr Hannaway noted comments made by Councillor Walker in relation to the unsuitability of Down Arts Centre as a venue for the DoE capacity planning training and said he had raised this issue with the Department and also other broader issues in relation to the training being given.

**FR/69/2014:            SHADOW COUNCIL POLICY ON BUSINESS TRAVEL, SUBSISTENCE AND EXPENSES**

**NOTED:**                Mr Hannaway declared an interest and withdrew from the meeting for the discussion on this issue.

**READ:**                Report dated 21 October 2014 from Mrs C Miskelly seeking the agreement of Members to adopt the proposals contained within this report regarding the recording and claiming of business mileage for employees or workers appointed to the Shadow Council; pending a policy being development and adopted by the new Newry, Mourne and Down District Council, as follows:-

- i. That where employees or workers are appointed to the Shadow Council and required to travel to/from locations in both Councils, that this should not create an out of pocket situation for the people concerned.
- ii. That where employees or workers are required to undertake authorised journeys in the course of their work on behalf of the Council, they should be eligible to reclaim mileage incurred; **in excess** of their standard travel to work mileage (s)he would have otherwise incurred to report to their work/base.

**AGREED:** It was **AGREED** on the proposal of Councillor Burns, **SECONDED** by Councillor Clarke to approve the above report and recommendations.

**NOTED:** Mr Hannaway returned to the meeting.

**FR/70/2014:** **CONSULTATION RESPONSE TO THE LOCAL GOVERNMENT REFORM JOINT FORUM**

**READ:** Report dated 21 October 2014 from Mrs C Miskelly on the consultation responses to the Local Government Reform Joint Forum and providing Members with draft policies on Draft Location: Relocation and Expenses Policy and Draft Internal One Step Grievance Procedure to link with RPA Independent Third Party Dispute Resolution Procedure, which the Local Government Reform Joint Forum sought comments on. (Copy circulated).

**AGREED:** It was **AGREED** to mark the above report 'noted'.

**NOTED:** Mrs Miskelly and Mr Hannaway responded to queries from Councillors Carr and Hyland on the location of staff after amalgamation and the timetable for decisions be made as to where staff would be based. Mr Hannaway outlined the timeframe which had been approved at the October Governance Committee Meeting and said this would be considered by the Shadow Council at their meeting on 4 November 2014. The issue of a call for severance packages will also be considered after the Shadow Council had approved the new political and managerial structures at their meeting on 2 December 2014.

**NOTED:** Mrs Miskelly confirmed that the initial timetable would deal with Senior Managers of both predecessor Councils; Heads of Service/Assistant Directors and PAs to the Senior Managers and that the vast majority of employees would simply transfer to the new Council under 'TUPE' arrangements.

**FR/71/2014:            HR CAPACITY REQUIREMENTS TO SUPPORT RPA  
EMPLOYEE CONVERGENCE ACTIVITIES**

**READ:**                Report dated 21 October 2014 from C Miskelly on HR capacity requirements to support RPA employee convergence activities and to seek the agreement of Members to second additional resources to drive key convergence activity in a number of critical areas as set out in the Newry, Mourne and Down HR RPA Convergence Short/Medium Term Work Plan, as outlined in the report. (Copy circulated).

**AGREED:**            **It was AGREED on the PROPOSAL of Councillor Hyland, SECONDED by Councillor Andrews, to approve the above report and recommendations.**

**CONSULTATIONS**

**FR/72/2014:            APPORTIONMENT OF COSTS ASSOCIATED WITH THE  
ETHICAL STANDARDS FRAMEWORK BETWEEN  
COUNCILS – NI COMMISSIONER OF COMPLAINTS**

**Read:**                Report dated 16 October 2014 from Mr R Dowey in relation to the apportionment of costs associated with the Ethical Standards Framework between Council – the NI Commissioner of Complaints, and recommending that the most economically advantageous solution for the Council is that the apportionment of costs is based on Gross Penny Product, giving an estimated annual figure of £31,354 (dependent on what option is accepted by the II Councils).

**AGREED:**            **It was AGREED to note the above information and that Mr Dowey would be taking a further report back to the Finance and Resources Committee when a decision is made at a later date.**

**OTHER BUSINESS**

**FR/73/2014:            CAPITAL PROGRAMME WORKSHOP  
TUESDAY 21 OCTOBER 2014**

**Read:**                Report dated 21 October 2014 from Mr R Dowey regarding the outcome of the Members Capital Programme Workshop held on Tuesday 21 October 2014 and recommending approval of the following:- (Copy circulated).

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- 1) Ring McElroy Play Area (Warrenpoint) – additional information required **< £100k – PROCEED (2014/15)**
- 2) Bessbrook Cloghervan Kickabout Area – additional information required - **MOVE (2015/16) – to be reviewed subject to receipt of firm Letter of Offer from DSD**
- 3) Saintfield Community Hall (construction, fees & fit-out) – economic appraisal & business case required – **MOVE (2015/16)**
- 4) Ballynahinch Steel Frame Construction – full information required – **MOVE (2016/17)**
- 5) Down Leisure Centre – report required with full information on Planning conditions & subsequent financial implications – **All Approvals in place – PROCEED (2014/15)**
- 6) Newry Chamber Refurbishment – **REMOVE (2014/15)**

It was further agreed to hold an Elected Members Workshop on 18 November 2014 to finalise a capital programme for 2015/16 and to consider revenue expenditure as part of the 2015/16 Rates estimates process.

- **The amendments proposed for the 2014/15 capital programme (as detailed below)**
- **All business cases for the 2015/2016 capital programme be presented to the new Council for agreement prior to tender;**
- **Authority granted for Officials (prior to November 2014) to critically evaluate projects included on the capital programme for 2015/2016 and beyond;**
- **New Council agrees that it will not approve any further expenditure in the predecessor Councils for:**
  - i. **Revenue or grant expenditure > £100k**
  - ii. **Capital expenditure > £250k**
- **Develop a strategy for fleet provision to any expenditure for 2015/2016 onwards**

**AGREED:** It was **AGREED** on the **PROPOSAL** of Councillor Andrews, **SECONDED** by Councillor S Burns, to approve the above recommendations subject to an amendment being added that if any capital project goes out to tender and comes back over budget, that the project must then come back to the Shadow Council for further discussion and decision.

**AGREED:** It was **AGREED** at the request of Councillor P Clarke that a report be brought back to the relevant Committee giving the age profile of all fleet used by both Councils and any operational problems associated with the vehicles.

**NOTED:** Mr Dowey advised that there as potential issue for the new Council in relation to breaching the VAT exemption level on capital spend and he would keep the Council updated on this matter.

**NOTED:** In reply to a query from Councillor Hyland on the future of the Boardroom in the District Council Offices, Monaghan Row, Newry, Mr Hannaway confirmed that a paper had went through the October Governance Committee agreeing that all Shadow Committee Meetings would be held in Down and that the Planning Shadow Meetings would be held in Newry. On this basis the refurbishment of the Boardroom in Newry would be abandoned. He said these recommendations would be tabled for formal approval at the Shadow Council Meeting on 4 November 2014.

There being no further business the Meeting ended at **7.00 pm**.

**For consideration at the Shadow Council Meeting to be held on Tuesday 4 November 2014.**

**Signed:** **Councillor T Hearty**  
**Chairperson**  
  
**Mr L Hannaway**  
**Chief Executive Designate**

**Appendix:** Report dated 21 October 2014 from Mr R Dowey re: Arlingclose Ltd. Treasury Management.



<b>Agenda Item:</b>	<b><i>Item 10</i></b>
<b>Report to:</b>	<b><i>Finance and Resources Committee Meeting</i></b>
<b>Subject:</b>	<b><i>Arlingclose Ltd. Treasury Management</i></b>
<b>Date:</b>	<b><i>21 October 2014</i></b>
<b>Reporting Officer:</b>	<b><i>R Dowey</i></b>
<b>Contact Officer:</b>	<b><i>R Dowey</i></b>

### **Decisions Required**

At this stage there are no decisions required as this is simply a report to Members on the current and desired situation. In the event matters change an update will be brought back to the Finance and Resources Committee.

#### **1.0 Purpose & Background**

**1.1** *A Meeting was held with Mark Swallow of Arlingclose Ltd. on the premises of Newry and Mourne District Council on Wednesday 8 October 2014. In attendance were Ken Montgomery of Down District Council and Brenda Philips of Newry and Mourne District Council and Robert Dowey.*

*The purpose of the meeting was to discuss a treasury management strategy for Newry, Mourne and Down District Council. Details in respect of the financial situation in both respective Councils as at 31 March 2014 had been e-mailed in advance to Mark Swallow.*

*It was also an opportunity for the Head of Finance to meet with Mark Swallow as Down has been a part of their contract for a period of time whereas Newry and Mourne has only recently been involved with the organisation.*

*Mark Swallow brought forward a document dated 8 October 2014 which helps set out the financial situation in respect of the two separate Councils and also provided detailed forecasts on investment of monies and borrowing of monies.*

#### **2.0 Key Issues**

**2.1** *The key issue is that the Council have expertise in respect of treasury management prior to setting a rate in February 2015 and also has access to detailed treasury advice and treasury policies which are required in the current Councils and will be required particularly in the combined larger Council.*

3.0	<b><u>Resource Implications</u></b>
3.1	<p><i>Arlingclose Ltd. were appointed circa two years ago by 11 of the current Councils tendering for their services on a joint basis with each Council paying a figure of £3,950 for these services. This tender appears to expire on 31 March 2015, although given the prevailing situation it would seem appropriate that an extension be given if only for a period of 6 months i.e. to 30 September 2015. However Newry, Mourne and Down District Council are not their own master in respect of this tender although representations have been made to other Councils on the merits of extending the tender period as outlined.</i></p> <p><i>Arlingclose have indicated that provided the existing Councils, albeit in their combined form continue with a service, they would be willing to charge a fee of £5,500 per combined Council.</i></p>
4.0	<b><u>Appendices</u></b>
	<ul style="list-style-type: none"> <li>▪ <b>Appendix - none</b></li> </ul>