

Derry City and Strabane District Council

Minutes of Meeting of the Special Meeting of Derry City and Strabane District Council held in the Guildhall, Derry on Monday 5 February 2018 at 4.30 pm

Present:- Councillor M McHugh (Mayor); Aldermen Bresland, Devenney, R Hamilton, Hussey ,M Hamilton Kerrigan, McClintock, Thompson and Warke; Councillors Boyle, Bresland, Campbell, Carlin, Carr, Cooper, Cusack, , Dobbins, Donnelly, Duffy, Fleming, Gallagher, Hassan, Hastings, Jackson, C Kelly, D Kelly, P Kelly, Kerrigan, Logue, McGinley, McGuire, M McHugh, R McHugh, McKnight, McMahon, O'Reilly, Ramsey, Reilly, Robinson and Tierney.

In Attendance:- Ms E Cavanagh (Lead Democratic Services and Improvement Officer), Mr A Dallas (Lead Finance Officer), Mr S Gillespie (Director of Business and Culture), Mr J Kelpie (Chief Executive), Mr P Kingston (Lead Legal Services Officer), Mrs K McFarland (Director of Health and Community) and Mrs K Phillips (Director of Environment and Regeneration); Miss L Bell (Committee Services Assistant) and Ms N Meehan (Committee Services Assistant).

SC15/18 Notice and Summons of Meeting

The Chief Executive read the Notice and Summons for the Meeting.

SC16/18 Member Attendance and Apologies

Apologies were received from Councillors Gardiner and McKeever.

SC17/18 Declarations of Members' Interests

There were no declarations of interest from Members.

SC18/18 Suspensions of Standing Orders

Councillor Gallagher proposed a suspension of Standing Orders, to allow Council to discuss the alleged ban on the use of the Tricolour at the Saint Patrick's Day celebration in Strabane, as this issue had caused great distress and harm to community relations within the town. Councillor Gallagher moved, Seconded by Councillor Donnelly

That Standing Orders be suspended to allow discussion on an alleged ban on the use of the Tricolour at the Saint Patrick's Day celebration in Strabane.

The Outcome of the vote was as follows; For 13, Against 26.
The proposal on being put to vote was therefore declared lost.
The Mayor indicated that the matter could be discussed at the end of the meeting.

SC19/18 Mayoral Address

The Mayor proceeded to address Members on the annual striking of rate for the 2018/19 financial year.
He thanked Members and Officers for their work within this challenging rates process and proposed that Derry City and Strabane District Council make and fix a District Rate of 30.0353p in the £ for Non-Domestic properties and of 0.4683p for Domestic properties for the year ending on 31 March 2019.

He stated that this District Rate increase of 2.99% was less than the current rate of inflation and that the current District Rates bill of £437.97 would increase by £13.10 per annum or 25p per week. He also stated that as property valuations in the District were lower than in other Council areas, the average ratepayer in the Derry City and Strabane District Council Area would continue to pay lower rates than that paid in the majority of other Council Areas.

He highlighted the positive messages within this year's rate process, in particular the growth and provision of new and enhanced services across the Council area.

He stated that 0.96% of the new rate increase will be invested in the capital programme adding to the £34.4m of projects which have been completed to date by the new Council and a further £63.1m of projects which are in progress and fully funded. He commented on the benefit this investment would bring to achieving the job and skills element of the Strategic Inclusive Growth Plan.

The Mayor expressed his delight to see the positive impact that the investment in growth has made, with rate-base growth well above the Northern Ireland average and the significant contribution this has made to the fall in unemployment numbers across the District.

He also expressed his pleasure in seeing the continued efforts to drive new efficiencies in Council, with a further £244k identified in this year's budget process bringing total efficiencies realised since amalgamation to almost £2.3m. He indicated that these have given rise to investments in the capital plan, community services provision, festivals and events

and cultural venues which have all contributed significantly to the achievement of positive growth indicators.

However, he also expressed his disappointment in noting the pressure now placed on Councils, particularly the impact that cuts in the Rates Support Grant and Community Services has placed on the most deprived Councils. He highlighted the direct district rates impact of 0.76% which he found concerning and emphasised the need to oppose these cuts.

The Mayor congratulated all involved on delivering a rates proposal below the rate of inflation which despite the challenges they faced remain focused on growth. He also praised Officers on the completion of the Inclusive Strategic Growth Plan and the case for a City Growth Deal which will secure necessary Central Government investment for an opportunity to make the City thriving, prosperous and sustainable. In conclusion the Mayor recommended that Derry City and Strabane District Council make and fix a District rate of 30.0353p in the £ for non- domestic properties and of 0.4683p in the £ for domestic properties for the year ending March 2019.

SC20/18 Chief Executive's Statement

The Chief Executive stated the budget agreed today would continue to drive growth and investment in the City and Region, as well as continuing to deliver on our strategic capital aspirations and investment into jobs and skills.

He highlighted that of the 2.99% increase, 1% represents further investment in growth which has been a key priority for the new Council. He added that this had been enabled by an ongoing efficiency programme in which Council has now delivered almost £2.3m of savings to its annual revenue budget.

He commented on the contribution of the new Council's investment in festivals and events, culture and tourism, capital plan and community services to the continued rate based growth which is well above the Northern Ireland average.

The Chief Executive specified that no. 662 new residential properties have been occupied in the Council area in the past year, representing 10% of all new residential properties across Northern Ireland. He also specified that the non-domestic rate base had grown by 1.59% compared to a Northern Ireland average of 0.58%. He commented that these high figures represent new investment and business expansion across the Council area which will be accompanied by public sector investment in particular on the new Cancer Centre at Altnagelvin and the new primary education facilities at Ebrington. He welcomed the positive picture for the City in the form of an increase in planning

applications and a pipeline of new projects of scale which include the continued development of the Ebrington site and ongoing expansion of Magee University.

The Chief Executive referred to the 11% reduction in 2017 of the unemployment rate currently at 4.7%, compared to a peak of 8.7% in August 2013. He stated that the Jobs and skills investment specified as a part of this year's rate increase, aims to further improve these figures. He expressed his disappointment to cuts relating to the Rate Support Grant and community services by Central Government which had a direct rate impact of 0.76%. He highlighted the impact this would have on investment for 7 of Northern Ireland's 11 Council's and emphasised the priority which ensuring these cuts are reversed must take.

The Chief Executive stated that despite these challenges, that the 2018/19 budget will continue to deliver high quality services to the Council area. He commented on the progress which Council has made in the deliverance of capital projects of £34.6m in the past 3 years and a further £63m in progress, with a further £20m-£25m of further funding that will be made available by this year's rates investment. He welcomed the near completion of the £7m redevelopment of Brandywell Stadium, £1.4m Melvin 3G pitch development and £1.27m Drumahoe play projects and indicated that 2018 will see advancement of a wide range of exciting capital projects, including;

- Completion of business case proposals and detailed designs for ambitious new strategic Leisure Facilities at both Templemore and in Strabane.
- Progression of 3 significant cross-border greenway developments from Derry to Bunrana, Derry to Muff, and Strabane to Lifford totalling €20m.
- Funding decisions on significant Peace IV project funding applications for both the Riverine Project in Strabane and the Clondermott Sports & Community Shared Space Project in the Waterside.
- Advancement of feasibility study and initial design/costings for the Strabane Town centre footbridge in partnership with DFI and DFC.
- Advancement of outline business cases and proposals for major physical regeneration schemes on a number of strategic sites in both Derry City Centre and Strabane town centre.
- Advancement of a range of proposed community centre developments and upgrades.

The Chief Executive added that Council's key priority this year will be working with all of our partners and government departments to deliver on the objectives and targets of the now agreed Strategic Inclusive Growth Plan 2017-2030 – our Council area's Community Plan. He continued that this plan is only possible with the full support and positive engagement of government and that the plan is projected to lead to the creation of over 10,000 new jobs in the Council area in the next 10 years, a reduction in unemployment levels to below the Northern Ireland average for the first time in the City and District's recent history, improvements in the wealth, prosperity and general well-being of all of our citizens and most importantly will specifically target need, poverty and inequality.

The Chief Executive stated that the well advanced City Growth deal proposals provide a strong case for investment in the critical catalyst projects required to drive this plan including:-

- The expansion of the University of Ulster at Magee to 9,400 students and the North West Regional College and associated investment in skills and pathways to employment
- Investment in Research & Innovation Assets (C-TRIC, Cognitive Analytics Research Lab (to international scale, and Centre for Advanced Manufacturing & Intelligent Systems Research Centre).
- Significantly enhancing external & internal connectivity through the continued progression of the A5 Western Transport Corridor Upgrade, the A6 Derry to Belfast Road Upgrade, the A6 Airport Link, the A2 Economic Corridor Upgrade, and the development of the Council's Airport & Port
- Sites in Fort George, Strabane Town Centre and the City riverfront.
- Development of a major tourism attraction

The Chief Executive continued that Council will work right across the entire City and District, both urban and rural, with all of its partners and stakeholders, at a Cross Border level through the new North West Partnership arrangements, at National level with government both North and South through the North West Strategic Growth Partnership and through its many contacts, connections and diaspora at European and International level to drive forward this North West City Region /Council area and to advance and progress all of the objectives of the City and District's emerging Strategic Growth Plan.

He concluded by stating that the agreed District rates increase of 2.99% representing an increase of £1.09 per month for an average domestic ratepayer, will also ensure continued delivery across all of Council's front-line services from street cleansing and waste, building control, planning and environmental health, grounds maintenance, parks and cemeteries, leisure, sport, health and community development and support, and vital corporate support services. It would also see a continued impressive cultural and festivals offering and attractiveness to visitors and tourists including the world renowned Halloween festival and the return of the Clipper Maritime festival, building on the current record levels of hotel occupancy and reflecting our success in hosting internationally renowned events.

SC21/18 Lead Finance Officer's Statement

The Lead Finance Officer followed on from the Chief Executive's report and stated that this year's rates provides a number of key financial messages.

He indicated that the rate increase of 2.99% is made up of 3 elements. 1.27% represents the baseline position, 0.76% relates to the significant central government grant cuts that have been imposed, and 0.96% relates to new investment in our capital plan and jobs and skills interventions. He emphasised that the increase was below inflation increase, and without having had to absorb central government budget cuts and with no growth or capital development ambitions, a 1.27% rates increase could have been achieved.

He continued that the baseline rates increase of 1.27% represented a range of statutory pressures and new initiatives offset by Council's rate-base growth and continued efficiency programme. In particular, nationally agreed pay awards, including living wage implementation and pension increases had presented a significant challenge in this year's rates. Increased service provision had also been made for increased waste disposal costs due to Council's growing population and increased development. This was a significant cost for Council, representing over 12% of the global budget, and a continued focus on recycling and composting was required to ensure these costs were minimised going forward and required targets were met. Other inflationary increases had been absorbed into existing budgets with minimal impact on rates. Provision had also been made for the extension of opening hours in Riversdale Leisure Centre and further investment in rural community services support to provide additional capacity in rural areas aligned to the delivery of the emerging Local Community Plans.

He added that the continued positive growth in Council's rate-base is very positive with growth significantly in excess of the Northern Ireland average. Council's efficiency plan had now realised almost £2.3m of efficiencies and Council would continue to seek all opportunities for further efficiencies to free up further funds for growth and investment. Council's benchmarking analysis against other Councils provides assurance that Council's core services represent value for money e.g. leisure was much less expensive in this Council area in comparison to the rest of Northern Ireland. It was also clear that this Council makes significant additional investment in areas of growth such as festivals and events, tourism and capital development, and in areas of need such as community services.

The Lead Finance Officer expressed his feeling that the most challenging and disappointing aspect of this year's rates was the central government grant cuts which had a direct impact on our rates proposals of 0.76%. The 2 key areas of cuts applied were Rates Support Grant and funding for community services and advice, the very grants which were targeted towards the less wealthy Councils with the highest levels of deprivation. He advised that the Rates Support Grant is an investment and leverage tool, a means by which the no. 7 district councils with lower rates bases receive a critical investment contribution towards creating growth through enterprise and achieving greater equality of service provision and facilities. The £400k of income lost by this Council through these 2 grant cuts could have delivered a further minimum £6m of capital investment or investment in other strategic priorities identified in Council's Strategic Inclusive Growth Plan. Furthermore, The Department of Finance had recently issued a briefing paper on the Northern Ireland Budgetary outlook 2018-20 which presented very significant budgetary challenges across all Departmental areas. If implemented, these would have significant implications for individuals, businesses and communities and for Councils in particular who relied heavily on central government funding. These would also undoubtedly place increased demand on Council services. Council has been strong in its' opposition to these cuts and whilst recognising the challenges, would continue to be so to ensure any potential cuts were implemented fairly and equitably. He emphasised that despite this, the key message from this year's budget was the additional 0.96% investment in Council's capital plan and jobs and skills initiatives. He reported that the investment made by this Council over the past few years was paying dividends in terms of rate-base growth and employment. He stressed that continued investment in growth was therefore critical, given that capital investment represented over 15% of Council's overall budget and with almost £100m of projects either completed or progressing with full

funding, the new rates would see a minimum further capital investment of £25m. He stated that this would enable Council to drive forward the strategic leisure aspirations and significant PEACE applications at Clondermott and Riverine, continue with the extensive programme of parks and greenway development, provide funding to progress with refurbishment of community centres, and develop major town centre regeneration aspirations. £1.74m of Council's overall budget was set aside for festivals and events allowing Council to continue to deliver internationally renowned events which would bring continued growth in tourism to the City and District. 2018 would see the return of the Clipper Maritime festival.

He concluded that the District rates increase of 2.99% would mean an increase of £13.10 per annum or 25p per week and would see the average domestic District rates bill increase to £451.07. He explained that rates were calculated based on pence rate x property valuation. On the basis of the average property valuations being lower than in other Council areas, the average ratepayer in the Derry City and Strabane District Council area would continue to pay lower rates bills than average ratepayers in the majority of other Council areas.

The Mayor thanked the Chief Executive and the Lead Finance Officer for their statements.

Councillor Reilly commended that positive steps had been taken to combat central government cuts. He highlighted the increase to the rate, 0.76 % of which was caused directly by cuts to the rate support grant. He stated that the SDLP leader, Mr Durkan MLA had tried to protect the Rate Support Grant but had not succeeded. He also stated that the SDLP had made a proposal not to accept the striking of the rate, however this proposal failed due to political process. He expressed his concern that rate payers would pay the price for the failure in Stormont, since the Civil Service would not engage with Council's to protect rate payers from these cuts.

Councillor Gallagher indicated that he would not support the striking of the rate. He referred to a Motion passed at the September 2017 Council Meeting and voiced his concerns that striking the rate would be against the corporate position of the Council and would make Council guilty of implementing cuts to the rate support grant and community services. He also commented that letters to the Secretary of State and the Civil Service were not making an impact in tackling this issue.

Councillor Donnelly concurred with Councillor Gallagher's remarks and added that he could not support a Community Safety Partnership which was led by what he felt was a discredited police force.

Councillor McGinley commented that he did not find the Independent Councillors reluctance to take responsibility for fiscal management in

Council surprising. He also remarked that he felt the SDLP's refusal to support the budget was a publicity stunt.

He commented that the rate increase of 2.99% would afford Council protection from the cuts to the Rate Support Grant whilst still allowing opportunity for capital investment. He also remarked that due to central government cuts to community services, work would need to take place to ensure frontline funding for community organisations continues to be provided.

Councillor McGinley also welcomed Council's commitment to the job and skills programme and praised Council staff for their commitment and work ethic. He stated that he hoped that the rates increase would ensure they received a pay rise.

He also highlighted the need for effective strategic leadership which would give rise to first class services, events and festivals.

Councillor O'Reilly stated that he felt by striking the rate, Council had missed an opportunity to oppose the cuts to the Rate Support Grant and community services.

Alderman Thompson highlighted the positive elements of the statements and the positive steps which were being taken to keep the area moving forward. He voiced his concerns over Councillor Donnelly's view on community safety stating that community safety was important to all citizens. He commended Officers on their efforts to combat the challenges which they had faced in establishing this year's budget.

Alderman Hussey conveyed his support for the striking of the rate at 2.99% and praised Officer's for establishing a rate which was below the rate of inflation and below the rate of other Council's.

Councillor P Kelly stated that he would not be supporting the striking of the rate at 2.99% as he disagreed with some of the cuts which had recently been enforced in his area, in particular cuts by the Policing and Community Safety Partnership which had impacted on the installation of a CCTV camera within Strabane town centre.

Councillor McMahan indicated his support for the 2.99% increase in the rate. He stated that he was looking forward to seeing developments such as the new Strabane Leisure centre and the Riverine Project which would regenerate the town. He suggested that it might prove detrimental not to strike the rate.

Alderman Devenney acknowledged his support for the striking of the rate of 2.99%, stating it was a wise decision.

SC22/18 Striking of the Rate 2018/19

The Chief Executive presented the following statement and proposal:

As Chief Financial Officer, in line with section 6 Local Government Finance Act 2011, I am required to report on the adequacy of Council's reserves for a financial year. With due regard to Council's in-year positive financial position, the medium term plan and Council's current General Fund balance of £4,693,118, I confirm that this reserve will be adequate for the financing of Council's services for 2018/19 and is in line with Department for Communities (DfC) guidance of between 5% and 7.5% of the net operating Expenditure.

Further to this, and having considered the detailed report of the Lead Finance Officer, as printed and circulated, on the Rates Estimates for the year ending 31 March, 2018, it is recommended that:-

- (a) Council strikes a District Rate Increase of 2.99%.
- (b) Council reallocated £200K per annum for 3 years from Council's new £500K capital rates investment on an interim basis to fund jobs and skills interventions as a key strategic priority within the Strategic Inclusive Growth Plan.
- (c) Ongoing lobbying with Central Government continues in relation to the significant budget cuts implemented, in particular the areas of Rates Support Grant and Community Services and Advice Services funding.
- (d) Council engages further with Central Government in relation to the significant grant cuts currently forecast produce results, this funding will be recurrently allocated to jobs and skills and the interim allocation will revert back to capital.

Councillor McGinley Moved, Alderman Thompson Seconded that Council agrees the aforementioned recommendations as outlined by the Chief Executive.

The outcome of the vote; For 26, Against 13. The proposal was carried. Adopted by the Special Council Meeting held on Monday 5 February 2018.

SC23/18 Flying of Tricolour at St. Patrick Day Parade in Strabane

Councillor Carlin addressed Council with reference to this issue, she requested that Council confirm that there is no ban imposed on participants in the St. Patrick's Day celebrations regarding the display of the Irish national flag and associated emblems.

The Director of Business and Culture explained that legislation within Section 75 of the NI Act (1998) stated that that no aspect of any

Council activity should be party political and that had given rise to no flags being permitted in the Derry St. Patricks Day Parade since 2004. The Mayor asked Council to clarify their position, as he did not feel Councillor Carlin's question had been answered.

The Chief Executive clarified that no ban exists.

Alderman Thompson stated that he felt that the national flag of Northern Ireland was the Union flag and not the Tricolour.

The Mayor stated that Alderman Thompson was entitled to his opinion.

The Mayor stated that since clarification had been given the meeting did not need to continue with any further discussion on this matter.

The meeting terminated at 5.45pm