

# Causeway Coast & Glens

## District Council

Corporate Policy & Resources Committee Thursday 4<sup>th</sup> December 2014

### Table of recommendations

No	Item	Recommendation
3.	Minutes of meeting held 6 <sup>th</sup> November 2014	<i>Confirmed</i>
4.	Update on Rates Process	<i>For information</i>
5.	Banking Arrangements	<i>Agree</i>
6.	Requirement for Minimum Revenue Provision Policy	<i>Adopt</i>
7.	Insurance Services	<i>Grant full council powers to Jan CP&amp;R Committee to deal with item</i>
8.	Consumer Credit Licence	<i>Agree</i>
9.	Requirement for Treasury Management Policy and Strategy	<i>Adopt</i>
10.	Planning Service ICT Provision	<i>Approve purchase &amp; write to DoE Minister</i>
11.	Provision of Common Telephony System	<i>Approve option 3</i>
12.	Grant Funding Policy	<i>Adopt</i>
13.	Investment Criteria for Capital Projects	<i>Approve</i>
14.	Rural Development Programme	<i>For information</i>
15.	Consultations <ul style="list-style-type: none"><li>The Commissioner's draft guidance on the NI Local Government Code of Conduct for Councillors (copy of guidance attached) Comments by 30<sup>th</sup> January 20</li><li>Draft Response to Accounts Audit Regulations (draft response attached)</li><li>Draft Response to Transferred Functions Grant Consultation (draft response attached)</li></ul>	<i>Noted</i>

# Causeway Coast & Glens

## District Council

	<ul style="list-style-type: none"><li>• Consultation including draft regulations on the future cost control arrangements for the Local Government Pension Scheme (Northern Ireland).</li></ul>	
16.	Initial Investment Appraisal for the Purchase of Lands for the Enabling, Development and Management of Enterprise Zone	<i>Place conditional offer</i>

## **Corporate Policy & Resources Committee**

Minutes of the Meeting of Causeway Coast & Glens Shadow Council Corporate Policy & Resources Committee, held in the Council Chamber, Coleraine Borough Council on Thursday 4<sup>th</sup> December 2014 at 7.00pm

In the Chair: Councillor D Harding

Members present: Councillors Campbell, Clarke, Fitzpatrick, Hillis, Holmes, Knight-McQuillan, McCorkell, McGlinchey, McKeown, S McKillop, McLean, Mullan, Nicholl, Stevenson, Wilson

In attendance: Mr D Jackson, Chief Executive Designate  
Mr D Wright, Lead Finance Officer  
Mr P McColgan, Head of ICT  
Mrs P Donaghy, Committee Administrator  
Mr R Baker, Lead Officer Leisure & Development  
  
Press x 1

### **1. Apologies**

Apologies were recorded from Councillors Beattie, McGuigan, McShane C and Quigley.

### **2. Declarations of Interest**

No declarations of interest were reported.

### **3. Minutes of meeting held 6<sup>th</sup> November 2014**

The minutes of the meeting held on 6<sup>th</sup> November were confirmed as a correct record.

### **4. Update on the Rates Process**

#### **\*Councillor Holmes joined the meeting at 7.09pm.**

The Lead Finance Officer informed Members that operational budgets were currently sitting around a 6.5% increase on the rates, this being 6.5% on the amalgamated baseline as advised previously, and taking into account known factors such as removal of balances applied, cut in rates support grant and removal of STC budgets. Officers have started the process of seeking areas where reductions can be made in budgets to have this increase brought down to acceptable levels for Members having taken into account the guidance and indications Members have given on this matter.

In terms of transferring functions latest Deloitte report helps explain some of the differences in earlier due diligence exercises but does not give any split of budgets across the new 11 council setup. The Officer advised Members that he plans to meeting with the Area Planning Manager and others to draw up budget figures for each transferring function and use this to negotiate with Central government.

Preliminary work on capital financing indicates another 0.5% based on figures from 2 legacy councils, 2 more outstanding so probably another 0.5% or thereabouts required to complete the picture. Next step is to prioritise capital programme the effect of which will not be seen in terms of rates until next year so prudence still the order of the day.

Minister has announced the Rates Convergence Scheme, will be based on 2014/2015 baseline of amalgamated rates of 4 legacy councils, potentially adjusted to take into account Rates Support Grant and phased in an 80%, 60%, 40%, 20% pattern over the life of this council. Have asked for detail on the exact workings and calculation of baseline but no information thus far.

He further advised that the second cut of the estimated penny product (EPP) is due soon and also awaiting final confirmation of conversion factors since a very small change in these factors has a material effect on the rates. Members were advised that there was but still no announcement but would possibly come with EPP information.

## 5. Banking Arrangements

The Lead Finance Officer presented the report, previously circulated, as undernoted advising Members that the matter would be brought before Council again as the new Council structure evolves.

***Causeway Coast and Glens District Council approved in July for the Lead Finance Officer to setup temporary banking facilities and to commence a procurement process for longer term arrangements.***

***Causeway Coast and Glens District Council requires permanent banking facilities in order to finance its activities from no later than 1 April 2015. Currently there are 2 providers of banking services within our cluster and both have been approached with a view to receiving proposals to facilitate Council in this regard, both have indicated a willingness to provide such a service. Council has now received detailed proposals from both parties setting out their proposals for a transactional banking service which are summarized below:***

***Danske Bank have offered a three year deal on the basis of transactional charges in year one being 100% discounted and years two and three being substantially discounted at the rate of 65% or 75% depending on the transaction type, this would roughly translate into a cost to council for years two and three of approximately £9,500. They have also set out in their proposal terms for two further optional years with slightly reduced discounts, years four and five costing approximately £12,000 per year.***

***Bank of Ireland have offered a three year deal on the basis of transactional charges being 100% discounted for all three years. They have also offered the option to extend for two further periods of one year but the terms are not specified although a verbal indication was given that the extended period would be on the same terms. At the time of writing this report no written confirmation has been received on the matter.***

***Transactional charges are those day to day fees and charges relating to BACS payments, cheques, cash lodgements, etc. Other charges such as for example an authorised overdraft would not be part of either of the proposals.***

***Given the terms of the proposals tabled it is not regarded as necessary nor economically advantageous to seek any further quotations. The two banks in question have a sufficient infrastructure locally to meet the needs of the new council in terms of cash handling and lodgements facilities thereby causing minimum impact on the day to day operations of council services.***

***A commitment has been given by both Council and the banks to investigate methods of reducing the volume of more costly transactions such as cash handling. Council's commitment is to implement more electronic payment systems whereas the banks are committed to minimising the costs of operating such systems. It should be noted that facilities like card terminals and the associated fees and charges are outside the scope of the general banking contract since in most cases those services are provided by a third party therefore Council will incur charges on these types of transactions and facilities. This is no different from the current arrangements currently in place in each of the legacy councils.***

***The recommendation in this report grants certain authorizations but it should be noted that given the ongoing development of the organizational structure these authorizations will have to be updated in the near future and additional authorizations will be sought with regards other facets of the wider banking and financial realm.***

**It is recommended** that the Causeway Coast and Glens Shadow Council agree to setup a banking facility with Bank of Ireland with immediate effect and that the Chief Executive, Lead Finance Officer and Head of Convergence be the authorized signatories on the account with the Lead Finance Officer as the administrator and administrative contact for the account. It is also recommended that 2 out of the 3 signatories be required on cheques.

It was proposed by Councillor Fitzpatrick, seconded by Councillor Hillis and AGREED: **to recommend that the Causeway Coast and Glens Shadow Council agree to setup a banking facility with Bank of Ireland with immediate effect and that the Chief Executive, Lead Finance Officer and Head of Convergence be the authorized signatories on the account with the Lead Finance Officer as the administrator and administrative contact for the account. It is also recommended that 2 out of the 3 signatories be required on cheques.**

Councillor Hillis asked that the Officer press the issue for extended period of free transactional charges with the Bank of Ireland to be confirmed in writing.

The Officer confirmed following queries from Members that the figure for merchant services would be available in the New Year.

## **6. Requirement for Minimum Revenue Provision (MRP) Policy**

The Lead Finance Officer presented the report, previously circulated, as undernoted.

**Causeway Coast and Glens District Council has to establish a framework of governance under which its services and functions can operate.**

**Under regulation 6 of the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011, Councils now have a statutory requirement, to charge to its general fund, an amount of Minimum Revenue Provision (MRP) which it considers to be “prudent”. This replaced the previous requirement whereby the revenue charged was broadly equivalent to the amount of loans and leasing principal paid in any one year.**

**The regulations also state that authorities are required to prepare an annual statement of their policy on making MRP for approval by Council. The report set out Council’s draft policy for 2015/16, attached Appendix 1.**

**Each year Councils carry out a number of capital schemes ranging from replacement vehicles, to refurbishment of existing assets to new build projects. An MRP policy is required to set out the ground rules for the financing of such schemes and with particular reference to any borrowing relative to them.**

**Traditionally these costs were accounted for quite simply by taking the repayments due on outstanding loans and charging this as an expense to the Council’s accounts. There is nothing wrong with this methodology however it does not take into account situations where the loan financing is not accessed immediately, something which has become more prevalent in recent years. In such cases the accounts for any given year could effectively be undercharged for the effect of certain capital financing, especially where the scheme in question is of a longer term given the size and scope possibly stretching across two or more financial years. It has also been increasingly common for Councils in the last few years to utilise their working capital or cash reserves to finance projects rather than borrow from the outset due to the continued low level of interest rates. Councils have elected to use these cash balances since holding them and investing them has borne effectively no return even over longer terms. The latter position will no doubt change as interest rates will at some point begin to rise again.**

**The Minimum Revenue Position removes this anomaly by forcing Councils to make a “minimum provision” in their estimates and accounts for costs as described above. It removes the timing difference where an asset could be bought or built in one year and the costs may not be accounted for until a number of years later.**

**The policy is in draft format as Council needs to agree the principles under which it will operate since the various options will have significantly different impacts upon Council’s budgets and budgeting processes.**

**The options are described within the body of the draft policy and a preferred option has been indicated. The preferred option is in-line with the current practices of all four legacy councils therefore it is considered appropriate to adopt this approach for Causeway Coast and Glens District Council.**

**Current practice is to account for the financing of capital projects under the MRP policy commencing in the financial year immediately after completion. The**

*justification for this being that during the year of purchase or construction it is unlikely that any financing costs will normally be incurred and even in cases where they are they will not be incurred for the entire year.*

*In practical terms this means that current year capital expenditure will not impact on either the budgets or accounts until next year which is why the draft policy requires approval in order to determine how the figures are calculated in conjunction with the on-going rates process before the final policy can be approved along with the rates estimates. Alteration of these principles could affect the timing of the impacts of expenditure and therefore have a corresponding impact on the rates setting process and subsequent statements of accounts.*

**It is recommended** that the Causeway Coast and Glens Shadow Council adopt the draft Minimum Revenue Provision (MRP) policy as tabled.

It was proposed by Councillor Mullan, seconded by Councillor Holmes and **AGREED: to recommend that the Causeway Coast and Glens Shadow Council adopt the draft Minimum Revenue Provision (MRP) policy as tabled.**

## **7. Insurance Services**

The Lead Finance Officer presented the report, previously circulated, as undernoted.

***Causeway Coast and Glens District Council has to establish itself as a separate legal entity in a number of ways.***

***Causeway Coast and Glens District Council in September approved the commencement of a procurement exercise with regards Insurance services either as a single entity or as part of a wider collaborative exercise.***

***In the first instance a sector-wide approach was investigated to procure insurance services for all eleven new District Councils. It was soon accepted that this approach was too cumbersome in the timeframe allowed and therefore a scaled down sub-regional approach was devised. Causeway Coast and Glens District Council has in partnership with Fermanagh and Omagh District Council and Derry and Strabane District Council sought to procure insurance with the latter leading the process on the basis of having in house staff with insurance and procurement expertise. Subsequently a tender for insurance brokerage services has been advertised and these tenders are due to be received in early December. Once evaluated the contract for broker services needs to be awarded so that the preferred broker can then put in place insurance contracts for each of the three councils by 1 April 2015.***

***The size and scope of this tender requires that it be advertised in the European Journal which means that certain minimum time frames and a strict process must be followed. The consequence of this means that the turnaround time for the award of the brokerage contract is very short and when looked at in conjunction with our own policies and standing orders means that it must be approved no later than mid-January. This means that the full Council meeting scheduled for 22<sup>nd</sup> January 2015 is too late to fully comply and a report on the evaluated tenders will not be available in time to be tabled at the December meeting of Council therefore the Insurance item needs to be approved at the***

***Corporate, Policy and Resources committee scheduled for January 2015. Another consequence is that the committee will require full council powers conferred onto it for this item so that the regulations can be fully complied with.***

**It is recommended** that the Causeway Coast and Glens Shadow Council grants full council powers to the Corporate, Policy and Resources Committee in January 2015 for the agenda item dealing with the award of an insurance brokerage contract.

The Officer advised Members that the date for Committee's meeting in January has to be confirmed.

**Committee AGREED: to recommend that the Causeway Coast and Glens Shadow Council grants full council powers to the Corporate, Policy and Resources Committee in January 2015 for the agenda item dealing with the award of an insurance brokerage contract.**

## **8. Consumer Credit Licence**

The Lead Finance Officer presented the report, previously circulated, as undernoted.

***Causeway Coast and Glens District Council has to establish itself as a separate legal entity in a number of ways with several regulatory and regulated bodies such as HMRC, banks, etc. This report details one of these scenarios and how Council intends to approach each.***

***Causeway Coast and Glens District Council will upon consolidation of the four legacy councils inherit a number of scenarios which are regulated by the Financial Conduct Authority (FCA) and as a consequence the Council must possess a consumer credit licence from the FCA.***

***The four legacy councils currently provide schemes such as car loans to essential car users or cycle to work scheme the operations of which fall under the regulatory control of the FCA and therefore require the employer (Causeway Coast and Glens District Council) to be in possession of a valid consumer credit licence. The operation of these schemes will become the responsibility of this Council on 1 April 2015 therefore the application needs to be made in advance to ensure the compliance is in place on time. An initial assessment indicates that Council is required to make application for a Full-permission licence and approval is sought in this regard. The application also requires a named contact to be authorized to act on behalf of the Council in any matters related to the application and subsequent licence. With that in mind since the application is being made now it is suggested that the Lead Finance Officer be specified but that once appointed the Chief Finance Officer will take over that responsibility without requiring the matter to be placed in front of Council again in so short a time.***

**It is recommended** that the Causeway Coast and Glens Shadow Council agree to apply for a Full-Permission Consumer Credit Licence with the Lead Finance Officer being authorized to act on Council's behalf in all FCA related matters. It is further recommended that when appointed the Chief Finance Officer shall take on that responsibility and authorization.



Committee AGREED: to recommend that the Causeway Coast and Glens Shadow Council agree to apply for a Full-Permission Consumer Credit Licence with the Lead Finance Officer being authorized to act on Council's behalf in all FCA related matters. It is further recommended that when appointed the Chief Finance Officer shall take on that responsibility and authorization.

## 9. Requirement for Treasury Management Policy and Strategy

The Lead Finance Officer presented the report, previously circulated, as undernoted.

***Causeway Coast and Glens District Council has to establish a framework of governance under which its services and functions can operate.***

***Regulation 19 of the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 requires the Council, in carrying out its capital finance functions, to have regard to the CIPFA Code of Practice in 'Treasury Management in the Public Services'.***

***The Local Government Finance Act (Northern Ireland) 2011, section 25(1), also requires a Council to have regard to guidance issued by the Department of the Environment on Local Government Investments.***

***The policy, attached as Appendix 2, is in draft format as Council needs to agree the principles under which the Minimum Revenue Provision and this policy will operate and the final policy with appropriate financial information included will be agreed along with the rates estimates.***

***The policy is very much an amalgam of those policies currently in effect with our four legacy councils with some minor amendments relative to dates, committees and officer authorisation. Since the policy will only be effective from 1 April 2015 the recently agreed post of Chief Finance Officer is specified within the policy and also there is reference to the Corporate, Policy and Resources Committee. It is proposed that the policy is approved on the basis that should one or both of these references be irrelevant at 1 April 2015, for example in the new governance arrangement the relevant committee has a different title, then they will be updated accordingly without the need to refer back to Council.***

**It is recommended** that the Causeway Coast and Glens Shadow Council adopt the draft Treasury Management policy and strategy as tabled.

Committee AGREED: to recommend that the Causeway Coast and Glens Shadow Council adopt the draft Treasury Management policy and strategy as tabled.

## 10. Planning Service ICT Provision

The Head of ICT presented the report, previously circulated, as undernoted.

**The purpose of this report is to seek approval for funding for the purchase of Information and Communication Technology (ICT) hardware and software equipment for the Planning Service.**

**Under the Reform of Local Government, the Causeway Coast and Glens Council (the Council) will have responsibility for the Planning Service function from 1<sup>st</sup> April 2015. Work is under way to ensure the smooth transition of this Service to Council. The Department of the Environment (DOE) has indicated that the existing ICT equipment will not be transferred into the new organization and will instead be subsumed back into other Central Government Departments. As part of the transfer costs, the DOE is including funding towards the replacement of ICT equipment. This funding will however fall short of the overall cost. The purchase, installation and testing of the equipment will need to be undertaken prior to 1<sup>st</sup> April 2015.**

**It is anticipated that 38 staff will be transferring from the DOE to the Council. Each member of staff requires access to a personal computer, relevant software on that PC, and a number of other common peripheral devices. They also require computer network access to avail of both Council ICT facilities and legacy DOE systems. For each member of staff transferring, the DOE has made available an allowance of £117 per annum, to partly finance purchase of the ICT equipment. The Council will be required to raise a loan to initially purchase the equipment with repayment over 5 years. The £117 per member of Planning staff transferring will be used to partly off-set the repayment costs. This equates to £4,446 per annum against a gross annual loan repayment of £12,376. The gross estimated cost for the hardware and software is £57,300 as detailed below, with a net cost to the Council of £35,070.**

<b>Item</b>	<b>Cost</b>	<b>Comment</b>
<b>38 PCs</b>	<b>£22,800</b>	<b>The higher than average per unit cost of £600 cost reflects the DOE-recommended specification, and reflects their particular ICT needs (higher specified base unit, larger screen, etc.).</b>
<b>38 MS Office</b>	<b>£7,600</b>	<b>An average cost of £200 per license, anticipating a mixture of Office licenses, depending on need.</b>
<b>38 telephones</b>	<b>£5,700</b>	<b>Unit cost of £150, to facilitate linkages both with Council and DOE</b>
<b>Network hardware</b>	<b>£3,600</b>	<b>Routers and switches required to facilitate links to both Cloonavin and to DOE planning portal, via County Hall.</b>
<b>Network cabling</b>	<b>£5,600</b>	<b>Direct link from Planning Service to Cloonavin.</b>
<b>Additional software acquisition</b>	<b>£10,000</b>	<b>GIS systems, Landweb, Iron Mountain accounts, Planning Intranet, Adobe.</b>
<b>PC/telephony rollout, data &amp; mailboxes transfer, network install</b>	<b>0</b>	<b>Facilitated by legacy Council staff. Estimated to be 5 weeks in total (hardware: 2 weeks; data transfer/install: 2 weeks; network install: 1 week)</b>
<b>Removal of legacy equipment</b>	<b>0</b>	<b>Removal of PCs, phones and A0 printer/scanners facilitated by legacy Council staff/DOE. Estimate 1 week.</b>

<b>Copiers/printers</b>	<b>£2,000</b>	<b>Contract extended by DOE for 2 years for scanners at no cost to Council; Council required to purchase 2 A0 printers.</b>
<b>Gross Cost</b>	<b>£57,300</b>	<b>Total net cost, over 5 years, of £35,070 (£57,300 initial cost less £22,230 DoE funding)</b>
<b>Net Cost to Council</b>	<b>£35,070</b>	

***If approved the ICT equipment will be purchased from existing Government approved suppliers.***

***It is recommended that the Causeway Coast and Glens Council approve the purchase of the ICT software and hardware equipment as detailed in this report.***

It was proposed by Councillor Wilson, seconded by Councillor Fitzpatrick: **to recommend that Council writes to the DoE Minister expressing concern at the shortfall in funding for the purchase of ICT equipment and seeking additional funding.**

In response to a query from Councillor Mullan regarding the costs to other Councils the Chief Executive advised that all 11 Councils were facing the same difficulties.

Councillor Stevenson supported the motion adding the amendment that Council also write to OFDFM regarding the matter.

Councillor Hillis seconded the amendment, adding that the Council had been informed that the transfer would be cost neutral.

Following a query from Councillor McCorkell the Chief Executive advised that to delay the purchase of equipment at this stage would delay Council's decision on the matter to late January with potential service delivery repercussions.

Councillor Wilson amended his original proposal, seconded by Councillor S McKillop: **to recommend that Causeway Coast and Glens Council approves the purchase of the ICT software and hardware equipment as detailed and writes to the DoE Minister expressing concern at the shortfall in funding and seeking additional funding.**

Councillor Stevenson expressed his opposition to this approach.

The Chair put Councillor Wilson's amended proposal to the vote. 11 Members voted for and 4 against.

The Chair declared Councillor Wilson's motion carried.

## **11. Provision of Common Telephony System**

The Head of ICT presented the report, previously circulated, as undernoted.

***Each of the four Legacy Councils currently has its own telephony system in place. On April 1<sup>st</sup> 2015, the Planning Function will transfer to Local Government. For the Causeway Coast and Glens Council (the Council), this will result in 5 different telephony systems operating across the new Council. The purpose of this report is to assess the options available to the Council and make recommendations on the way forward.***

*The Causeway Coast and Glens Council will employ in the region of 700 Staff when the four Legacy Councils converge on 1<sup>st</sup> April 2015. The majority of these staff will require a variety of ICT-based products. A telephone system is of particular importance in their daily interactions, both for internal communication within the new organization, and for dealings with ratepayers and external bodies.*

*A breakdown of the telephony systems currently used by the four Legacy Councils is detailed in the table below.*

<b>Council</b>	<b>Email System</b>	<b>Year of installation</b>
<b>Ballymoney</b>	<b>3CX VOIP</b>	<b>2009</b>
<b>Coleraine</b>	<b>Mitel VOIP</b>	<b>2009</b>
<b>Limavady</b>	<b>Meridian Option 11 PBX</b>	<b>2000</b>
<b>Moyle</b>	<b>Toshiba Strata</b>	<b>2000</b>

*On analysis, two of the Councils, Ballymoney and Coleraine have modern telephony systems in place, each of which potentially could be expanded across the new Council. The other two Councils have systems that are over 12 years old. The telephone system currently used by the Planning Services is fit for purpose but not suitable for upscaling.*

*The collective cost of maintaining the existing core telephony systems is some £32,000 per annum. Indicative costings obtained from suppliers suggests that the adoption of a single platform for the new Council would reduce that cost by some 50%. Modest savings would be anticipated from avoiding local call charges between Council departments. Much more significantly however, a telephony merger would provide the cornerstone for Council to make substantial future savings associated with economies of scale for related telecommunications as detailed in the table below.*

<b>Technology</b>	<b>Description</b>	<b>Savings potential</b>
<b>ISDN lines</b>	<b>Integrated Services Digital Network – network in each Council that allows for data and voice to be transferred. Can be radically pruned in a single telephony system.</b>	<b>+£10,000 per annum</b>
<b>Broadband lines</b>	<b>Facilitates email and WEB access – in conjunction with overall network analysis, rationalization should also lead to pruning.</b>	<b>+£1,000s per annum</b>
<b>Mobile/Smartphones</b>	<b>Various handheld and laptop devices. Central negotiating with suppliers, and developing</b>	<b>+£10,000 per annum</b>

	<i>appropriate contracts with landlines, has enormous potential to make savings</i>	
<i>Fax lines</i>	<i>For facsimile to facsimile communication</i>	<i>Minimal</i>
<i>Credit card lines</i>	<i>For on-line payments – some rationalization possible</i>	<i>Minimal</i>

*It is important that the Council develops a telephony solution to meet the needs of the Service both from an internal and external perspective and that it can evolve as technology and customer care strategies develop over time. Elected Members are asked to consider a number of options.*

*Option 1: Existing telephone systems operating as is.*

*In this Option the Council continues to operate five separate telephony systems. As the Council would not have a common telephony platform, staff would continue to maintain telephone contact through standard landline calls over the BT-based landline service or through mobile telephone units. Calls could only be diverted internally within that particular system. In practice a customer/ratepayer would place a call to the number they would normally call for that Legacy Council area but if they needed to speak to someone in one of the other Legacy Council areas, they would need to ring another number. The receptionist could not divert the call. Equally staff contacting other staff outside the scope of their telephone system network would need to make an external landline /mobile call.*

*Option 2: Replacement of telephony system with unified communication.*

*In this option, the Council acquires an integrated telephony and email system, known in the telecommunications industry as Voice over IP (VOIP). This will facilitate a common telephone directory for the new Council. Furthermore, this option would replace all existing handsets with handsets that are fully integrated with the email system in the Council.*

*Replacement of all legacy telephony kit would be required. There is significant initial expenditure required for financing this option, ranging in price from £117,000 to £360,000, depending on the supplier and the required functionality.*

*However, the Council can expect to make on-going cost savings, such as having free internal calls between legacy sites and reducing on-going costs by greatly reducing or eliminating the need for redundant infrastructure (ISDN lines and SIP trunks) for incoming and outgoing calls.*

*By changing the internal communication across legacy Council sites to reflect the new organisation, it would also be possible to improve customer service. Council could allow Reception staff to utilise one system to view the call status of staff across different Council sites and Departments and, for example, direct*

*calls more efficiently to the correct or alternate contact, viewing who is busy on a call and which line is free.*

### **Option 3. Upscale one of the existing VOIP systems**

*In this option the Council could upgrade one of the 2 existing modern VOIP-enabled telephony systems (Ballymoney or Coleraine). Handsets would only need to be replaced on a more limited basis as the phone handsets already procured for one of the existing VOIP telephony systems would most likely be retained.*

*As in Option 3.2, this scenario would have the potential to deliver the same cost savings and enhanced communications features associated with a common telephone directory. Similarly, more advanced unified communications features such as audio and video conferencing for meetings would be rolled out in an as needed basis.*

*The existing suppliers for Ballymoney and Coleraine Councils have provided an expenditure outlay of between £55,000 and £70,000, based on them working in close partnership with legacy staff in the rollout and implementation phases.*

#### **Summary**

<b>Option</b>	<b>Costs</b>	<b>Risk</b>
<b>Maintain separate telephony systems</b>	<b>£32,000</b>	<b>Continue to finance 5 maintenance services; Vulnerability of 'end of life' kit;  Inefficiency of internal communications;</b>
<b>Fully unified email/voice solution</b>	<b>£117,000 to £360,000</b>	<b>Substantial initial outlay;  No local expertise on system;</b>
<b>Upscale of existing system</b>	<b>£55,000 to £70,000</b>	<b>Some reliance on internal staff;  Some extra costs as when need identified</b>

*Option 1 which involves remaining as is, will result in limited communication across the new Council both internally and externally. This will impact on interaction with customers, ratepayers and stakeholders. The Council is likely to be challenged for not having in place a satisfactory arrangement for this basic but very important form of communication. In addition, maintaining 5 separate telephony systems is not cost effective and there is the risk of systematic failure given the age of some of the existing equipment.*

***Option 2 presents the opportunity to completely redesign the telephony arrangements for the new Council. This would involve a replacement of all equipment including handsets, software and system exchange arrangements. There is a substantial cost associated with this option.***

***Option 3 acknowledges the functionality of two of the Legacy Council's telephony systems and the opportunity to expand one system across the new Council. This option relies on some degree of internal support to manage the expansion. However is a cost effective solution as compared to procuring a completely new telephony system. Options 2 and 3 will require a specification to be developed and procurement procedures to be followed.***

**It is recommended** that the Causeway Coast and Glens Councils approve option 3.

It was proposed by Councillor Fitzpatrick, seconded by Councillor Knight-McQuillan and **AGREED: to recommend that Council approves option 3.**

## **12. Grant Funding Policy**

The Lead Leisure & Development Officer presented the report, previously circulated, as undernoted. The draft policy is attached, Appendix 3.

***Council is committed to distributing available grants fairly, efficiently and effectively. The purpose of this policy is to outline the Council's agreed approach to Grant Funding in relation to resourcing external bodies to assist in the delivery of its strategic priorities.***

***This policy sets out Council's position regarding the distribution of grants from 2015-2017. This is in line with the range of funds, which will be available for application, in the initial period of Council's existence.***

***This policy is written for the Council's officers and councillors and any who enquire about our policy and procedures. It applies to all dealings, whether formal or informal, between potential applicants and officers.***

***This policy clearly defines three broad terms: Donation, Grant and Contract for Services. This policy establishes a framework for the processing of grants, whilst clarifying that donations are the responsibility of the Mayor / Chairperson's fund. Any contract for services must adhere to the Council's procurement process.***

### **Principles**

- ***Grant funding awards are at the sole discretion of Council but will be dependent on the Council's available and agreed level of funding.***
- ***Activities grant funded must be fully consistent with the strategic aims and priorities of the Causeway Coast & Glens Community Plan and the Council's Corporate Plan.***
- ***Due regard will be given to equality considerations.***
- ***All funding applications will be determined on their objective merits. No organisation is entitled to funding because it may have been granted funding in the past (or for any other reason).***

- *A consistent, customer focused process is required in relation to grant aid applications with relevant assessment and evaluation procedures with appropriate appeal and monitoring systems in place.*
- *Council must ensure proper, prudent and effective use of Public Money.*
- *Contracted services must be tendered in adherence to the Council's Procurement Process.*
- *Eligibility for funding becomes unambiguous through the six grant categories set out in Section 5.4. This allows Council to focus on supporting organisations to achieve their best and to meet clearly identified needs, which must all be bound by Council's strategic priorities.*
- *Whilst it is recognised that funding should be targeted at the most deprived communities within the geographical area to be served by the new Causeway Coast & Glens District Council, it is equally important to ensure that small pockets of deprivation, particularly in rural areas are included. There is also an acknowledgement that wider economic and health & well-being benefit must be taken into consideration in determining the level and nature of funding.*

Shadow Council's approval is sought for the draft Grant Funding Policy, for immediate implementation for funded activities beyond 1 April 2015.

Committee AGREED: to recommend that Council approves the draft Grant Funding Policy, for immediate implementation for funded activities beyond 1 April 2015.

### 13. Investment Criteria for Capital Projects

The Lead Officer Leisure & Development presented the report, previously circulated, as undernoted.

#### **Background**

*Work on the Causeway Coast and Glens Sport and Leisure Services and Facilities Strategy has been ongoing since July 2014. The purpose of this area of the work is to measure current supply and demand of Sport, Leisure and fitness facilities in the Causeway Coast and Glens region. This will help to identify areas of undersupply and oversupply, and will help to inform decisions about investment priorities.*

*The initial findings of the work were presented to Shadow Council at a workshop in Garvagh on 30<sup>th</sup> October 2014. The presentation included detailed mapping of the region showing areas of under (and over) supply of Sports Halls, Swimming Pools, Health and Fitness Suites and Synthetic Pitches.*

*The analytical work that has been done is based on the Sports NI Regional Plan requirements, which will result in a National Strategy with area / regional plans for each of the 11 new local authority areas; Causeway Coast and Glens being the first to be completed. An evidenced based approach has been used to determine the wider area needs covering the four legacy constituent authorities – essentially a geospatial study of supply and demand based on the existing facilities and demographics of the new district.*

*The analysis aims to help determine to what extent local needs are being met in each of the constituent areas down to ward level, and in Causeway Coast and Glens as a whole. However, geospatial study of supply and demand cannot*



*provide all of the answers, as other factors such as existing building condition and wider value propositions need to be factored in and this can be done by the application of agreed Investment Criteria.*

*Best practice would usually involve the development of a long-term (up to ten year) facilities investment strategy – because all aspirations are not affordable in the short term and therefore priorities need to be established for the development of a viable, balanced and sustainable estate.*

*By agreeing the draft Investment Criteria, it will be possible to move forward with the Sport and Leisure Services and Facilities Strategy and develop an equitable Facilities Investment Strategy for the Causeway Coast and Glens.*

*Accordingly, the purpose of this report is to now seek Shadow Council's approval for the draft Investment Criteria as presented to the workshop in Garvagh on 30<sup>th</sup> October 2014 so that the Causeway Coast and Glens Sport and Leisure Services and Facilities Strategy can progress to the Options Appraisal stage.*

### **Investment Criteria**

*The following are the draft Investment Criteria as presented to Shadow Council at the Garvagh workshop;*

- *Self-financing – after other receipts and grants, cost of finance required is “covered” by reduction in subsidy (income growth, operating cost reduction and lifecycle cost reduction) - without need for rates increase.*

*This does not mean that facilities have to be able to operate at a profit but rather that, subject to the other criteria below, there is a clear presumption against any development that would increase the current overall subsidy requirement and therefore lead to a rates increase. This means that capital requirements would generally be met by grant aid, sale of any redundant assets and /or borrowing repaid by savings in existing operating costs, increases in operating income and / or current repayments on existing loans that are due to be fully repaid over the next few years.*

- *Supported by an outline business case (OBC).*

*It is good practice that any substantial capital investment is supported by an OBC and this becomes an absolute requirement if there is to be any potential to avail of central government funding or support.*

- *Net contributors to meet overall requirements for wider CC&G needs.*

*This means that proposed facilities must be able to demonstrate that they meet demonstrated need in their own immediate area and that when analysed in the context of the other existing and proposed facilities they do not lead to any materially adverse displacement of other (existing or proposed) facility users or costs.*

- *Quantity - where is the unmet demand that can be met by the investment (existing or proposed facilities)?*

*This criterion is concerned with matching the scale of any proposed facility with the established level of need and its purpose is to ensure that both undersized / crowded and oversized / empty facilities are avoided.*

- **Location** – could investment (in new / improved facilities) “reach” sufficient numbers of beneficiaries, and what would the per capita subsidy be for those beneficiaries?

*This criterion tests if the proposal is in the optimum location to ensure that in its vicinity and within the wider area that the greatest number of people derive the greatest benefit from the overall network of facilities provided.*

- **Quality** – even if an existing facility can meet demand, is it of such poor quality (due to design / specification or condition) that it is (or will become) unfit for purpose (economic life expectancy)?

*This criterion enables the condition of existing facilities and their remaining economic life to be properly taken into account in the medium and long term planning of the Council estate.*

- **Viability** – is the level of revenue subsidy affordable / at higher levels than other facilities, and is potential for usage growth limited (for example by catchment size)?

*This criterion is linked to both the Quantity and Location criteria and tests the overall financial viability of the proposal based on the best estimates of capital cost, operating costs and income over the operational life of the facility.*

- **Accessibility** – will the (existing or proposed) facility be more / less accessible for particular user groups (disabled people etc.) and within reach of adequate catchment?

*Through this criterion Council pays due regard to its obligations to promote equality and good relations under Section 75 of the Northern Ireland Act 1988.*

- **Universal Access** – can the (existing or proposed) facility increase its amenity value by becoming more universally accessible (club, schools, church and community facilities etc.)?

*This criterion is particularly important where there is identified need in an area but among insufficient numbers of people to be able to achieve the critical mass of numbers to make a new facility sustainable in terms of usage and therefore net costs (both income and operating costs). There are significant opportunities for partnership working with clubs, schools, church, community and private facilities that may in many cases be able to meet the identified needs in a more cost effective manner than building and / or operating a Council facility. There should be a presumption in favour of such partnership working unless it is clearly demonstrated that it does not provide the best solution.*

- **Wider value propositions** – to what extent does the (existing or proposed) facility deliver against wider criteria including sustaining the tourist economy, meeting needs of temporary / seasonal residents , delivering benefits to the local economy, and meeting regional needs (specialist facilities with greater “reach”)?

*Certain infrastructure, for example Water Recreation facilities and Stadia, go beyond the normal design presumption of meeting demonstrated need in the local community and actually create demand. For example, a Water Recreation facility can help sustain tourism by providing a “wet weather” facility and attractive facilities such as the Lisburn LeisurePlex, Dundonald IceBowl and North Down Aurora actually become destinations in their own right and attract additional visitors into the area. Similarly, the likes of a stadium can not only*

*meet local needs but also attract high profile sporting events and finals together with the potential for other events such as shows and concerts. It is important that the Investment Criteria retain the flexibility for Council to be able to take due account of these wider value propositions (where they exist) in its investment decisions.*

#### **Next Steps**

*Once the Investment Criteria are agreed, the Options Appraisal section of the Causeway Coast and Glens Sport and Leisure Services and Facilities Strategy can be progressed and the results presented to Council for consideration. This work will be progressed as soon as possible and officers will keep Members updated on progress but it is likely to be early Spring 2015 before the analysis is sufficiently advanced to make a further presentation to Council.*

*It is also of note that application of the Investment Criteria presented herein is not limited to assisting with investment decisions relating to Sport and Leisure facilities but that such criteria can be usefully applied to any type of facility investment decision where objective evidence of facility need can be established.*

It is recommended that Shadow Council approve the draft Investment Criteria as presented herein and that the Causeway Coast and Glens Sport and Leisure Services and Facilities Strategy be progressed to the Options Appraisal stage.

Following discussion on a number of points raised by Members Committee AGREED: **to recommend that Council approves the draft Investment Criteria as presented herein and that the Causeway Coast and Glens Sport and Leisure Services and Facilities Strategy be progressed to the Options Appraisal stage.**

#### **14. Rural Development Programme**

The Lead Officer Leisure & Development presented the report, previously circulated, as undernoted for Members' information.

##### **Background**

*The element of the Rural Development Programme which Council will be administering is Priority Six – Promoting social inclusion, poverty reduction and economic development in rural areas. To enable delivery, a new Local Action Group (LAG) will be formed and aligned to the new Council. The Department for Agriculture & Rural Development (DARD) will issue a contract to the LAG Board for the funding programme and the LAG Board will issue a contract to the Local Authority for the provision of the administrative function.*

##### **Funding**

*At a Northern Ireland level there is £70m available, of which 22% is administration and animation. The funding available for Causeway Coast and Glens Council area is £9.6million.*

##### **Programme Themes**

*There are 6 themes under this priority, 5 of which are to be delivered by the LAG Board. The remaining theme, "Rural Tourism", which has a budget of £10m*

*across NI, will be directly delivered by DARD with Councils likely to be the main beneficiaries.*

#### **Theme 1: Business Creation – Development**

*This theme will provide support for investments in the creation and development of non-agricultural activities:*

- *Bespoke training and marketing, IT activities.*
- *Tourism businesses.*
- *Construction, re-construction or establishment of workshops, factories, plants, premises and facilities.*
- *Craft and handicraft activities.*
- *Architectural and engineering, accounting, book keeping and auditing services, technical services, industrial cleaning, veterinary services.*

#### **Theme 2: A Rural Basic Services Scheme**

*This theme is to support Community schemes:*

- *Developing facilities to provide services for rural communities.*
- *Demonstration or pilot projects to enhance existing service provision.*
- *Recreational, cultural and leisure activities.*

#### **Theme 3: A Rural Broadband Scheme**

- *Creation of new broadband infrastructure and upgrading of existing.*
- *Creation of e-governance solutions, IT applications.*

#### **Theme 4: A Village Renewal Scheme**

- *Development or updating of integrated village plans.*
- *Village investments emanating from the integrated village plan:*
  - *Derelict and vacant site enhancement.*
  - *Environmental improvements.*
  - *Shop frontage improvements.*
  - *Conservation and upgrading of rural culture and heritage.*
  - *Recreational infrastructure.*

#### **Theme 5: An All Island co-operation Scheme**

*This can be for co-operation within NI, Rol, Scotland, UK and with any other EU region.*

#### **Theme 6: A Rural Tourism Scheme**

- *Signposting of tourism sites.*
- *Construction and modernisation of tourism information centres, visitor information and guidance.*

- *Construction of shelters and safety facilities.*
- *Establishing of e-booking systems for tourism facilities.*
- *Conservation of small scale built heritage.*
- *Development & conservation of cultural and natural heritage.*

### **Required Structure**

*There will be a LAG Membership (General Assembly) and a LAG Board.*

*LAG membership is open to all within the LAG area, with no restriction on composition or size.*

*The LAG Board will be established with possibly 12 – 18 members, 51% will be social partners derived from the General Assembly and 49% elected members from the Council.*

*The LAG Board will be a Company Limited by Guarantee.*

*Animation for the establishment of the LAG is currently underway and is being facilitated by the Rural Network for Northern Ireland. Elected members will be nominated through local Council structures.*

*The LAG Board will be responsible for animation, strategic direction and decision making, design and implementation of the strategy, assessing applications for funding and issuing Letters of offer.*

### **Roles & Responsibilities**

- *The contract for the Programme and funds will be from DARD to the LAG Board.*
- *The LAG Board will provide a contract to the Council for provision of the administrative function, including the employment of staff.*
- *The LAG Board will be the body responsible and accountable for the programme and funds.*
- *The Council will be responsible for the administration, management and financial control of the strategy, which includes putting in place and managing the required staffing structure.*
- *The Council will process payments but the actual payments to projects will be made by DARD.*
- *The Local Authority will be subject to an audit process by DARD.*

### **Timeline**

- *Animation for the establishment of the LAGs commenced in October 2014.*
- *LAG General Assembly is to be in place by end of December 2014.*
- *LAG Board is to be set up by end of January 2015.*
- *LAG Board is to be operational by 1<sup>st</sup> April 2015.*

- *Interim Rural Development Strategy is to be in place by May 2015.*
- *1<sup>st</sup> grant call by 1<sup>st</sup> September 2015.*

**Council / Officer's Role in taking the programme forward:**

- *Facilitate / administer appointment of elected members onto LAG Board.*
- *Assist in setting up structures and governance.*
- *Appointment of staff.*
- *Prepare and write interim strategy.*
- *Ensure Interim strategy is in place by May 2015.*
- *Ensure LAG Board is ready for 1<sup>st</sup> grant call in September 2015.*

Members noted the information contained in the report.

**15. Consultations**

Members noted the following consultation documents.

- 15.1 The Commissioner's draft guidance on the NI Local Government Code of Conduct for Councillors (copy of guidance attached) Comments by 30<sup>th</sup> January 2015

Councillor Fitzpatrick stated that the NAC has led on the consultation response to this document.

- 15.2 Draft Response to Accounts Audit Regulations (draft response attached)
- 15.3 Draft Response to Transferred Functions Grant Consultation (draft response attached)
- 15.4 Consultation including draft regulations on the future cost control arrangements for the Local Government Pension Scheme (Northern Ireland).

**\*Councillor McGlinchey left the meeting at 8.25pm.**

**16. Initial Investment Appraisal for the Purchase of Lands for the Enabling, Development and Management of Northern Ireland's First Enterprise Zone**

It was proposed by Councillor Fitzpatrick, seconded by Councillor McCorkell that the item was taken 'in committee'.

**\*Press member left the meeting at 8.30pm.**

The Lead Officer Leisure & Development presented the report, previously circulated.

The Officer advised Members that in September 2014 Shadow Council approved officers to undertake Stage 1 activities in relation to the purchase of lands for the enabling, development and management of Northern Ireland's first Enterprise Zone in order to secure the tenancy of the 5Nines. The purpose of this report is to gain Shadow Council's approval to provisionally secure the site for the enabling, development and enabling of Northern Ireland's first Enterprise Zone.

The Officer gave a presentation to Members on the initial investment appraisal following which it was recommended that Shadow Council consider the placing of a conditional offer (£1.05M) to the University of Ulster for a 150 year lease of the 20 acre site, subject to no other suitable site being procured by 5 NINES within the investment window.

The conditions of the offer are subject to:

- Subject to contract and proper title.
- Designation of the site as an Enterprise Zone.
- 5Nines (or other anchor tenant) entering into a Development Agreement for Lease.

It was proposed by Councillor Holmes, seconded by Councillor McKillop: **that Shadow Council consider the placing of a conditional offer (£1.05M) to the University of Ulster for a 150 year lease of the 20 acre site, subject to no other suitable site being procured by 5 NINES within the investment window. The conditions of the offer are subject to:**

- **Subject to contract and proper title.**
- **Designation of the site as an Enterprise Zone.**
- **5Nines (or other anchor tenant) entering into a Development Agreement for Lease.**

The Chair put the proposal to the vote. 12 Members voted For and 1 Against.

The Chair declared the motion carried.

**The meeting closed at 8.44pm.**

Appendix 1 – Minimum Revenue (MRP) Policy  
Appendix 2 – Treasury Management Policy and Strategy  
Appendix 3 – Grant Funding Policy

**Draft Minimum Revenue Provision (MRP) Policy Statement  
2015-2016**

**Review Date: Jan '15**



## **Minimum Revenue Provision (MRP) Policy Statement 2015-16**

### **Background**

Under regulation 6 of the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011, Councils now have a statutory requirement, to charge to its general fund, an amount of Minimum Revenue Provision (MRP) which it considers to be “prudent”. This replaced the previous requirement whereby the revenue charge was broadly equivalent to the amount of loans and leasing principal paid in any one year.

The regulations also state that authorities are required to prepare an annual statement of their policy on making MRP for approval by Council. This report sets out Council’s policy for 2015/16.

## **What is a Minimum Revenue Provision?**

Capital expenditure is generally expenditure on assets which provide future service potential and have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. Financing of these assets can come from a variety of sources, such as Grants, Capital Receipts and Borrowing. In order to account for the repayment of the councils borrowing, irrespective of when the timing of loan receipts and payments might take place, the council will be making an annual prudent provision for repayment of debt through a charge to the General Fund referred to as Minimum Revenue Provision (MRP).

The Regulation does not define a 'prudent provision'. However, the Department of the Environment (DoE) has issued guidance which makes recommendations to authorities on the interpretation of that term. The guidance came into effect on 1 April 2012.

## **The Annual MRP Statement**

Councils are required to prepare an annual statement of their policy on making MRP for submission to their full Council by the prescribed date of 15 February each year (or by the date the Rates are set). This mirrors other requirements in the Finance Act to report on the Councils Prudential borrowing limit and investment policy. The aim is to give elected members the opportunity to scrutinise the proposed use of the freedoms conferred under the regulations.

This statement indicates how it is proposed to discharge the duty to make prudent MRP in the financial year in question. If it is ever proposed to vary the terms of the original statement during any year, a revised statement will be put to Council at that time.

The DoE guidance includes specific examples of options for making a prudent provision. The aim of this is to ensure that the Provision for the borrowing which financed the acquisition/construction of an asset is made over a period that is reasonably commensurate to the useful life of that asset. Detailed below is a brief summary of each option.

## Option 1 – Asset Life Method

The Asset Life Method is to make prudent provision over the estimated life of the asset for which the borrowing is undertaken. The MRP can be calculated using either an Equal Instalment Method or Annuity Method. The Asset Life Methods, as described below, are generally viewed as being easier to apply. Under both variations, councils may in any year make additional voluntary revenue provision, in which case an appropriate reduction is made in later years' levels of MRP.

### (a) Equal Instalment Method

MRP is the amount given by the following formula:

$$\frac{A - B}{C}$$

Where:

**A** is the amount of the capital expenditure in respect of the asset financed by borrowing or credit arrangements

**B** is the total provision made before the current financial year in respect of that expenditure

**C** is the inclusive number of financial years from the current year to that in which the estimated life of the asset expires.

### (b) Annuity Method

MRP is the principal element for the year of the annuity required to repay over the asset life the amount of capital expenditure financed by borrowing or credit arrangements. The council should use an appropriate interest rate to calculate this amount. Adjustments to the calculation to take account of repayment by other methods during the repayment period (e.g. by the application of capital receipts) should be made as necessary.

## Option 2 – Depreciation Method

This option means making MRP in accordance with the standard rules for depreciation accounting.

## MRP Commencement

Under both options the estimated life of the asset should be determined in the year that MRP commences and not subsequently be revised. If no life can be reasonably attributed to an asset, such as freehold land, the life should be taken to be a maximum of 50 years.

Provision for debt will normally commence in the financial year following the one in which the expenditure is incurred. However, under Option 1 the council may treat the asset life as commencing in the year in which the asset first becomes operational. It may postpone beginning to make MRP until the financial year following the one in which the asset becomes operational. In the case of major projects this could be perhaps two or three years, possibly longer. There would be a similar effect under Option 2 using the normal depreciation rules.

### **Existing Borrowing and Transitional Arrangements**

Under the preceding arrangements, Councils charged to their general fund an amount which was broadly equivalent to the amount of loans and leasing principal paid in any one year. The new guidelines do not provide any examples on how Councils should account for their existing debt under the new Finance Act. The only duty is “to charge to its general fund an amount of MRP which it considers prudent”.

The Councils Financial Statements for 2011/12 included a charge to the general fund in respect of loans and leasing principal for that year. It would be prudent to use this as the starting point regarding the provision for borrowing before the introduction of MRP. This will be referred to as “pre MRP Debt” for MRP purposes.

The legislative requirement to make a prudent provision came into effect from 1 April 2012. In order to properly account for these arrangements whilst dealing with capital financing existing at that date, the Council has put in place transitional arrangements outside of the two examples given by DoE in their guidance. These transitional arrangements provide for a full and prudent provision for existing borrowing requirements as at 31 March 2012 and are detailed in the policy statement below.

## MRP Policy

**Option 1, the Asset Life (Equal Instalment) Method will be used for capital expenditure incurred from 1 April 2012 which is financed by borrowings.** Therefore the Minimum Revenue Provision Policy Statement for 2015/16 is as follows:

In accordance with the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 the Council's policy for the calculation of Minimum Revenue Provision in 2015/16 will be the Asset Life (Equal Instalment) method for borrowings following the introduction of MRP, loan principal on borrowings made before the introduction of MRP, and for finance leases the principal paid in 2015/16.

The adoption of this method will enable the Council to link the revenue charge to the flow of benefits received from the asset. It will also allow the Council to utilise the payments holiday while assets are under construction. This however could lead to a significant increase to MRP the year after a capital project comes into operation. It would therefore be prudent, particularly in respect of larger capital schemes, to make a full or voluntary contribution of MRP for assets under construction to avoid this.

Based on this policy an amount of £x,xxx,xxx has been included in the Councils 2015/16 Estimates in respect of MRP, as follows: -

	2015/16
	£
Forecasted Loans Principal Payment (on pre MRP debt)	xxx,xxx

MRP on Internal Borrowing (financing from own resources)	xxx,xxx
Voluntary extra provision	xxx,xxx
Prior Year Capital Expenditure funded from Borrowing	xxx,xxx
<b>TOTAL</b>	xxx,xxx

The policy will be reviewed on an annual basis.

# Causeway Coast and Glens District Council

## Treasury Management Policy

### Background

Regulation 19 of the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 requires the Council, in carrying out its capital finance functions, to have regard to the CIPFA Code of Practice in 'Treasury Management in the Public Services'.

The Local Government Finance Act (Northern Ireland) 2011, section 25(1), also requires a Council to have regard to guidance issued by the Department of the Environment on Local Government Investments.

This Policy and the associated Treasury Management Practices and Treasury Management Strategy for 2015/16 have been set in the context of the aforementioned Guidance and Regulations.

### Treasury Management Policy

In setting this policy Causeway Coast and Glens District Council is thereby adopting the key principles of CIPFA's Treasury Management in the Public Sector: Code of Practice as described in section 4 of that code.

Accordingly the Council will create and maintain, as the cornerstones for effective treasury management:

1. a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
2. suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The Council defines its treasury management activities as:

- The management of its investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

- This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
- The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management.

The Council will be responsible for the implementation, regular monitoring and approval of its treasury management policies and practices via the *Corporate, Policy & Resources Committee*. The council delegates the responsibility for the execution and administration of treasury management decisions to *the Chief Finance Officer*. The Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after the close of the financial year.



## Treasury Management Practices

CIPFAs Treasury Management Code of Practice recommends that an organisation's treasury management practices (TMPs) include those, from the following list, that are relevant to its treasury management powers and activities: -

TMP1	Risk management
TMP2	Performance measurement
TMP3	Decision-making and analysis
TMP4	Approved instruments, methods and techniques
TMP5	Organisation, clarity and segregation of responsibilities, and dealing arrangements
TMP6	Reporting requirements and management information arrangements
TMP7	Budgeting, accounting and audit arrangements
TMP8	Cash and cash flow management
TMP9	Money laundering
TMP10	Training and qualifications
TMP11	Use of external service providers
TMP12	Corporate governance

### TMP1 Risk Management

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#### General statement

The Chief Finance Officer will:

- design, implement and monitor all arrangements for the identification, management and control of treasury management risk;
- report annually on the adequacy of these arrangements; and
- report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect.

In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the Councils Annual Treasury

Management Strategy.

## **1. Credit and Counterparty Risk Management**

**This Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited. The Council will limit its investment activities to the instruments, methods and techniques listed in its annual Treasury Management Strategy and with the counterparties listed within the same document.**

## **2. Liquidity Risk Management**

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its service objectives.

The Council will only borrow in advance of need where there is a clear business case for doing so and where it is for the purposes of the prudent management of its financial affairs. It will not borrow purely to invest at a profit.

## **3. Interest Rate Risk Management**

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues.

## **4. Exchange rate risk management**

This is not considered to be a material risk for the Council.

## **5. Refinancing Risk Management**

This has not been identified as a risk for the Council as the Council has no plans to enter into any refinancing arrangements. Recent experience has shown that penalties in respect of early redemption of loans outweigh the benefits of re-financing the loans at lower interest rates.

## **6. Legal and Regulatory Risk Management**

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

## **7. Fraud, Error and Corruption, and Contingency management**

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

## **8. Market Risk Management**

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

## **TMP2 Performance Measurement**

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The Council is committed to the pursuit of value for money in its treasury management activities, within the framework set out in its treasury management policy statement.

## **TMP3 Decision-making and analysis**

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The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions.

## **TMP4 Approved instruments, methods and techniques**

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The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in its annual Treasury Management Strategy.

## **TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements**

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The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

## **TMP6 Reporting Requirements and Management Information Arrangements**

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The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities. As a minimum the Council will receive an annual report on the strategy to be pursued in the coming year, a mid-year review, and an annual report on performance and compliance after the close of the financial year.

## **TMP7 Budgeting, Accounting and Audit Arrangements**

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The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. The *Corporate, Policy & Resources Committee* will have responsibility for the scrutiny of treasury management practices.

## **TMP8 Cash and Cash Flow Management**

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Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the council will be under the control of the Chief Finance Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Chief Finance Officer will ensure that these are adequate for liquidity purposes.

## **TMP9 Money Laundering**

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The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained.

## **TMP10 Training and Qualifications**

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The Council recognises the importance of ensuring that staff and elected Members, involved in treasury management are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to provide

training to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

## **TMP11 Use of External Service Providers**

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At present the Council does not use any external provider in respect of Treasury Management services, advice, or guidance. If the Council were to seek to employ such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits, and Council approval will be sought beforehand.

## **TMP12 Corporate Governance**

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The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of CIPFAs Treasury Management Code. This is considered vital to the achievement of proper corporate governance in treasury management, and the Chief Finance Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

## **Appendix 1**

### **KEY PRINCIPLES**

#### **KEY PRINCIPLE 1**

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

## KEY PRINCIPLE 2

Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing funds.

## KEY PRINCIPLE 3

They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives, and that within the context of effective risk management, their treasury management policies and practices should reflect this.

# TREASURY MANAGEMENT STRATEGY 2015/16

## INTRODUCTION

This strategy statement sets out the expected treasury management operations for 2015/16 linked to the Council's Medium Term Financial Plan, Capital Investment Plan, and the Council's Corporate Plan. It is based on CIPFAs Treasury Management Code of Practice and the Prudential Code as well as Guidance from the Department of the Environment. It contains the following key requirements:

- (a) The treasury management strategy.
- (b) The reporting of the prudential indicators.
- (c) The investment strategy.

This strategy provides an approved framework within which the officers undertake the day to day capital and treasury activities.

## TREASURY MANAGEMENT STRATEGY

The strategy for 2015/16 in respect of treasury management covers:

- (a) prospects for interest rates;
- (b) capital borrowing;
- (c) debt re-scheduling;
- (d) annual investment strategy;
- (d) treasury management advisers;
- (f) prudential indicators.

## PROSPECTS FOR INTEREST RATES

Economists now forecast interest rates will remain unchanged from 0.5% for the



foreseeable future, it may be autumn 2015 before any rises can be expected.

## **CAPITAL BORROWING**

The borrowing requirement comprises the expected movement in the Capital Financing Requirement. The Council's net capital borrowing requirement for 2015/16 is presently estimated at £xx.xm but this can vary if the capital programme is amended during the year.

In terms of meeting the external borrowing requirement identified above, one of the most important considerations is the timing, in terms of the potential to save significant interest costs. It is essential therefore that the considerations of timing of borrowing form a key element of the borrowing strategy.

One of the key borrowing objectives is to achieve certainty around interest costs and there is therefore little appetite to undertake variable rate borrowing. It is unlikely that long term interest rates will fall over the medium term and therefore to reduce the risk of rising interest rates, officers will seek to carry out the external borrowing in the financial year to which the expenditure relates.

It is expected that requirements for long term borrowing will be met from the Government Loans Fund.

## **DEBT RESCHEDULING**

Debt restructuring opportunities will be kept under review. Recent experience has shown that penalties in respect of early redemption of loans outweigh the benefits of re-financing the loans at lower interest rates.

## **ANNUAL INVESTMENT STRATEGY**

The primary purpose of the Annual Investment Strategy is to set out the policies for managing investments giving priority to the security and liquidity of the Council's investments. It also contains the policy on the use of credit ratings and credit ratings agencies, procedures for determining and limiting the use of higher risk investments and the use of external advisors.

The Council's investment priorities are (a) the security of capital and (b) liquidity of its investments. The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

A counterparty list of institutions with which the Council will invest shall be maintained by reference to the criteria set out below for the different categories of institution and their credit rating. Under the guidance, investments fall into two separate categories, either specified or non-specified investments.

### **Specified Investments**

Specified investments offer high security and high liquidity and satisfy the conditions set out below:

- The investment is denominated in sterling and any payments or repayments in respect of the investment are payable in sterling only.
- The investment is not a long-term investment (has a maturity of less than one year).
- The investment does not involve the acquisition of share capital or loan capital in any body corporate.
- The investment is made with a body or in an investment scheme which has been awarded a high credit rating by a credit rating agency, or with the UK Government, a district council; or a local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland.

The following categories of investments may be used under the definition of specified investments:

- Short term cash deposits
- Call accounts
- Certificates of Deposit (with maturity dates < 1 year)
- UK Government Gilts
- Treasury Bills

### **Credit Rating Criteria**

The Council uses long-term credit ratings from the three main rating agencies (Fitch, Moodys and Standard & Poors) to assess the risk of investment default. These ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade. Council will therefore only invest surplus

funds with institutions holding an investment grade rating. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- No new investments will be made
- Any existing investments that can be recalled will be

Where a credit rating agency announces that a rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it is likely to fall below the above criteria, then no further investments will be made until the outcome of the review is announced.

Regardless of the credit rating assigned to an institution or whether it is covered by a guarantee, if any doubt over its financial standing exists then that institution will not be used. Council would not intend to invest funds for a period in excess of 12 months. Any decision to invest funds for a period in excess of 12 months would be referred to the relevant Council Committee.

### **Non-Specified Investments**

Non-specified investments are those investments which do not, by definition, meet the requirements of a specified investment as set out above. They present a higher risk and therefore this Council does not intend to make any Non-Specified investments in 2015-16

### **Risk Management of Investment Counterparties**

Credit ratings are only the starting point when considering credit risk. Officers will also consider external reliable evidence, such as information in the financial press, to inform decisions on investments.

### **Liquidity of Investments**

Each investment decision is made with regard to cash flow requirements resulting in a range of maturity periods within the investment portfolio. All investments will be short term having a maturity of not more than one year.

## **Reporting Arrangements**

As set out in TMP6, the Council will receive an annual report on the strategy to be pursued in the coming year, a mid-year review, and an annual report after the close of the financial year.

## **External Advisers**

There are currently no plans to use External Advisers during 2015/16. If this should change then Officers will follow the practice set out under TMP11, i.e. they will ensure the reasons have been submitted to a full evaluation of the costs and benefits, and Council approval will be sought before any appointment is made. The Council recognises that responsibility for the decision to invest with a counterparty rests with the Council as the principal undertaking the transaction.

## **Training**

The Council recognises that investments, as well as wider treasury management issues require a high level of specialist knowledge. The Council will review staff training needs in respect of Treasury Management skills.

In addition training will be provided for elected members to enable them to provide effective scrutiny of the strategy and to have the knowledge to make informed decisions.

# **Causeway Coast & Glens**

Shadow Council

## **GRANT FUNDING POLICY**

Policy Number	CCG/6/14/Dev
Version Number	1
Author	R Baker

Date of Screening of Policy	
EQIA Recommended?	YES/NO
Date Adopted by Council	
Date Policy Revised	

# INDEX

## GRANT FUNDING POLICY

	<u>Page No</u>
1. Introduction	3
2. Policy Statement	3
3. Definitions	5
4. Accountability and Responsibilities	5
5. Implementation Procedures	6
5.1 Underpinning Principles	6
5.2 Aims and Objectives	7
5.3 Availability of Funding	8
5.4 Grant Categories	10
5.5 The Process	11
5.6 Eligibility	12
6. Evaluation and Review of the Policy	13
7. Related Policies and Procedures	13
8. Section 75 Equality and Good Relations	13

9.	Contact Details	14
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Appendices:

I	Potential Funding Sources/Programmes	15
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## 1. INTRODUCTION

The Grant Funding Policy is built on a set of agreed principles and an understanding that:

- Grant funding awards are at the sole discretion of Council but will be dependent on the Council's available and agreed level of funding.
- Activities grant funded must be fully consistent with the strategic aims and priorities of the Causeway Coast & Glens Community Plan and the Council's Corporate Plan.
- Due regard will be given to equality considerations.
- All funding applications will be determined on their objective merits. No organisation is entitled to funding because it may have been granted funding in the past (or for any other reason).
- A consistent, customer focused process is required in relation to grant aid applications with relevant assessment and evaluation procedures with appropriate appeal and monitoring systems in place.
- Council must ensure proper, prudent and effective use of Public Money.
- Contracted services must be tendered in adherence to the Council's Procurement Process.
- Eligibility for funding becomes unambiguous through the six grant categories set out in **Section 5.4**. This allows Council to focus on supporting organisations to achieve their best and to meet clearly identified needs, which must all be bound by Council's strategic priorities.
- Whilst it is recognised that funding should be targeted at the most deprived communities within the geographical area to be served by the new Causeway Coast & Glens District Council, it is equally important to ensure that small pockets of deprivation, particularly in rural areas are included. There is also an acknowledgement that wider economic and health & well-being benefit must be taken into consideration in determining the level and nature of funding.

## 2. POLICY STATEMENT

Council is committed to distributing available grants fairly, efficiently and effectively. The purpose of this policy is to outline the Council's agreed

approach to Grant Funding in relation to resourcing external bodies to assist in the delivery of its strategic priorities.

The prosperity of the Causeway Coast & Glens District is vital to the quality of life and well-being of the district and to ensure the further development of the economic, social and community infrastructure Causeway Coast & Glens Council offers a variety of funding to facilitate activities which develop and promote the district but also assist those who reside there.

This policy sets out Council's position regarding the distribution of grants from 2015-2017. This is in line with the range of funds which will be available for application, in the initial period of Council's existence.

This policy is written for the Council's officers and councillors and any who enquire about our policy and procedures. It applies to all dealings, whether formal or informal, between potential applicants and officers.

This policy clearly defines three broad terms: Donation, Grant and Contract for Services. This policy establishes a framework for the processing of grants, whilst clarifying that donations are the responsibility of the Mayor / Chairperson's fund. Any contract for services must adhere to the Council's procurement process.

Activities funded through grants must be fully consistent with the aims of Causeway Coast & Glens Community Plan and the Council's Corporate Plan.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Presiding Councillor (or Chair or Mayor post 1<sup>st</sup> April 2015)

Causeway Coast and Glens Council

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Chief Executive

Causeway Coast and Glens Council

### 3. DEFINITIONS

Three terms for funding are defined in this policy:

- **Donation.** Something that is given to a charity or deserving cause, without return consideration. This lack of return consideration means that, in common law, an agreement to make a donation is an "imperfect contract void for want of consideration.
- **Grant.** A grant is a financial transfer used to fund an activity that is in broad alignment with the funder's objectives. Grant-in-aid is a payment to finance the costs of a body operating at arm's length.
- **Contract for Services.** Where a level of service is defined and commissioned by the funding body outside the grants regime, this forms a conventional trading relationship established through procurement. Procurement is defined as being the acquisition of goods and services from third party suppliers under legally binding contractual terms where all the conditions necessary to form a legally binding contract have been met. Such acquisitions are for the direct benefit of the contracting authority, necessary for the delivery of the services it provides or for the running of its own business.

### 4. ACCOUNTABILITY AND RESPONSIBILITIES

This section outlines the role of elected members, officers and others as appropriate, in relation to the Policy:

*The Mayor and Elected Council Members are responsible for:*

- *Accountability to the electorate to ensure proper, prudent and effective use of Public Money and Ensure Equality and the promotion of Good Relations are considered in all applications in line with section 75 of the Northern Ireland Act 1998.*

*The Chief Executive is responsible for:*

- *Accountability to the Council to ensure that activities that are grant funded are fully consistent with the strategic aims and priorities of the Causeway Coast & Glens Community Plan and the Council's Corporate Plan.*

*The Directors are responsible for:*

- *Being accountable to the Chief Executive for the application of a consistent, customer focused process with relevant assessment and evaluation procedures with appropriate appeal and monitoring systems in place.*



## 5. IMPLEMENTATION PROCEDURES

### 5.1 Underpinning Principles

Regardless of the means by which grant funding is transferred or conferred upon a third party or arm's length organisation, the following principles, aims and objectives will apply. The policy acknowledges the need for a transparent and fair means of dispersing grant funding, while maintaining due diligence in the management of public monies.

The underpinning principles that have been identified are:

#### ***a. The Basic Funding Requirement is Based on defined need***

The overarching principle is that of meeting local needs which have been identified and prioritised by Council or by others but acknowledged by Council. Any activity that cannot be shown to meet the following basic requirements should not be provided with funding:

- Have a clearly identified need, shaped around the needs of the ratepayer.
- Can deliver outcomes which meet this need.
- Deliver cost effective and high quality service provision, fitting with the purpose and remit of that funding.
- Be delivered by a credible organisation with the capacity to deliver the project as stated.
- Reflect the statutory remit of Causeway Coast & Glens Council, aligning with the Community Plan and the Council's Corporate Plan and relevant service plans of Council.

It is recognised however that in some cases needs will be identified which are not currently within Council's priorities or objectives. Flexibility needs to be provided as there may be justification for a review of corporate policies and strategies to include newly identified needs.

#### ***b. Accessibility***

Information on all funding programmes will be available through the Council's website; occasionally, public advertising will be placed.

- Some assistance will be available in completing application forms.
- Paper and electronic forms will be made available.
- Where required, Council will make information and application forms available in other formats in line with Equality legislation.

### **c. Clarity**

- Paperwork, guidelines and process should all be simple, straightforward transparent and easy to understand by applicants.
- Decisions taken by members should be clear and fall within the guidelines set out within each available funding stream.

### **d. Transparency, Equality and Accountability**

- In terms of decision-making and process, Council must be able to justify any decisions, which have been taken by Members, and any rationale for decisions taken must be used as a basis for clearly showing why organisations are funding at a particular level.
- A right of appeal should be available to all applicants should an application be rejected.

A new funding policy should make it possible for the Council to be transparent about the funding decisions taken and the process used to reach those decisions.

## **5.2 Aims & Objectives**

The overall aim of the funding policy is:

*‘To have a consistent, customer focused process with relevant assessment and evaluation procedures with appropriate appeal and monitoring systems in place.’*

The objectives of this policy are to ensure that all funding and grants allocated will:

- Further the objectives as outlined within the Community Plan and Council’s Corporate Plan.
- Target resources to meet identified needs.
- Maximise leverage (for example in kind contributions or match funding).
- Maximise sustainability (economic, environmental and social).
- Achieve greater accountability and openness.
- Ensure Equality and the promotion of Good Relations are considered in all applications in line with section 75 of the Northern Ireland Act 1998.
- Provide guidance to officers, members and voluntary and community organisations on policy for funding and support of local groups.

Applications received will be measured against these criteria and any specific criteria relating to individual grant streams. Weighting and scoring systems

will be developed to ensure that all applications are treated consistently and fairly.

### **5.3 Availability of Funding**

This policy only relates to funding that adheres to the following definition:

**Grants** - In line with the general note under Section 2, grants may be awarded through a variety of sources from within the Council.

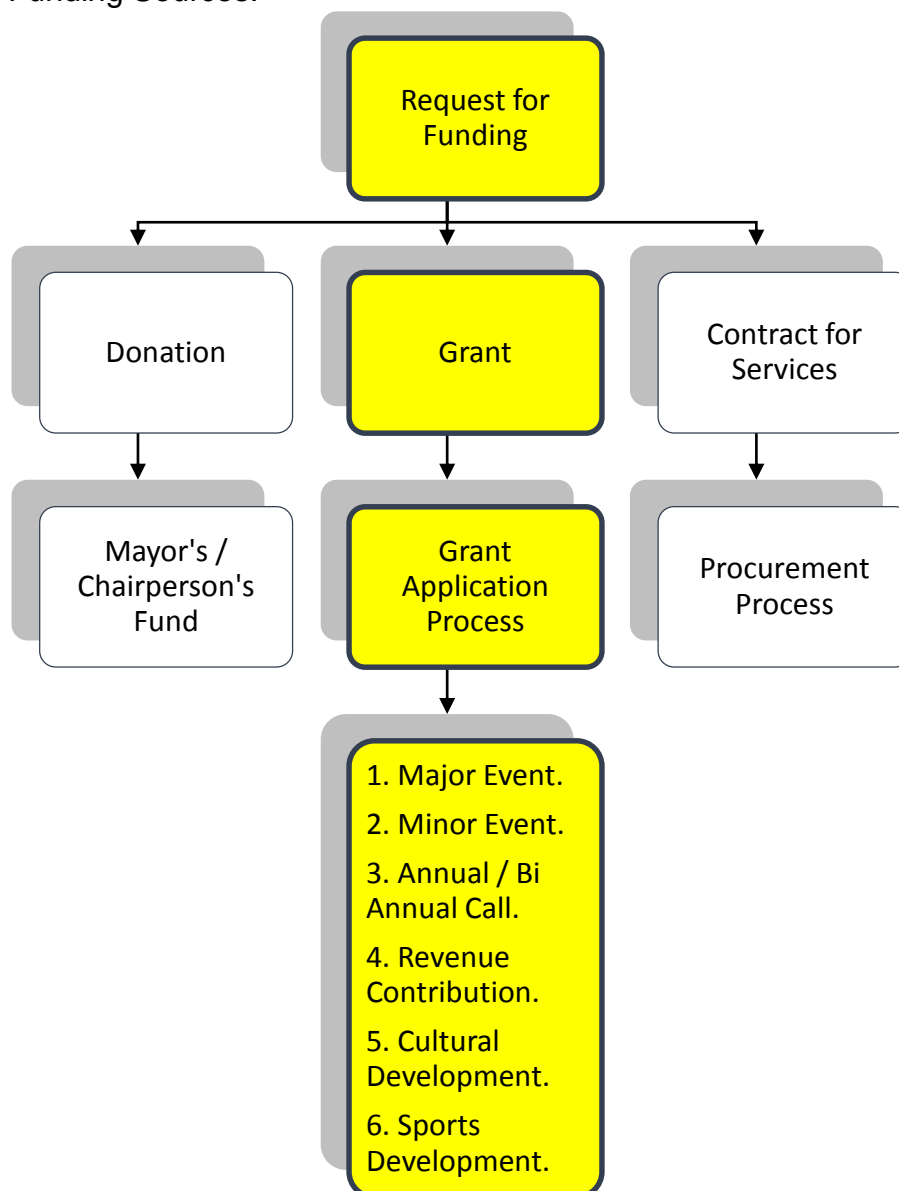
**This policy does not address the eligibility and process for:**

**Donations** - Contributions to general appeals, charities and other one-off requests should be directed to the Mayor's / Chairperson's Fund. These will be awarded at the discretion of the Mayor / Chairperson guided by specific terms and conditions.

**Contract for Services** - Allocations made for the provision of services undertaken on behalf of Council will be made after appropriate procurement. For all such instances, members and officers should refer to the Procurement Policy.



## General Funding Sources:



Following the completion of the annual budget setting process, various calls will be made each year seeking applications for grant funding. This will be done by way of public advertisement and via the Council's website. Other methods / formats may be used.

Details of how to apply, the level of grant aid available (all funding awards will be dependent on the Council's available level of funding) and the assessment criteria used will be reviewed annually (or as may be required) and information will be provided on the Council's website or by contacting the relevant Council Officer.

As of 1 April 2015, the funding available directly from Council for the financial period 15/16, will be generally based upon previous funding provision. Beyond year 1 of

the Council, the amounts available for grant funding will be determined by the annual rates setting process.

Grant categories will include:

- Major Events – working with recognised partners to deliver regional events.
- Minor Events – applications from local providers for smaller events.
- Annual / Bi-annual calls – Small scale support offered to local community, voluntary and socio economic organisations.
- Revenue contributions to major capital or revenue projects within the scope and criteria of a specific scheme application or strategic theme.
- Cultural Development.
- Sports Development.

Other categories may be added as the Council’s funding capability is defined over the period 2015-17.

Furthermore there is merit in considering 3 year funding agreements particularly for community groups and voluntary organisations.

#### 5.4 Grant Categories

GRANT CATEGORY	Nature of the Grant	Specific Grant Programmes
<b>Major Events</b>	Support for regionally-important events, which are promoted and supported by Council, but organised by third party organisations – for example, North West 200 and the Dale Farm Milk Cup.	<ul style="list-style-type: none"> <li>• Major Event Grant Programme.</li> </ul>
<b>Minor Events</b>	Support for locally significant, community-focused events – for example, music and drama championships, town-based festivals, sector specific events.	<ul style="list-style-type: none"> <li>• Community Festivals Grant Programme (DCAL).</li> <li>• Minor Event Grant Programme.</li> </ul>
<b>Community / Socio Economic Development</b>	<ul style="list-style-type: none"> <li>• Submissions from organisations who require matching funding for larger schemes or public sector buy-in – for example European Social Funds.</li> </ul>	<ul style="list-style-type: none"> <li>• Community Development Grant Programme (DSD).</li> <li>• PCSP Grant Programme (DOJ).</li> <li>• Good Relations Grant Programme (OFMDFM).</li> <li>• Socio-economic Grant Programmes.</li> </ul>

	<ul style="list-style-type: none"> <li>• Applications from the community sector for core costs, general support.</li> <li>• Community Festivals.</li> <li>• Applications for one-off projects through programmes such as Good Relations, Community Safety Initiatives, and Economic Development.</li> </ul>	<ul style="list-style-type: none"> <li>• Neighbourhood Renewal (DSD).</li> </ul>
<b>Capital Projects/ Enabling Fund</b>	Applications from community and other organisations which require matching or 'kick-start' funding for specific capital projects agreed for support by Council.	<ul style="list-style-type: none"> <li>• Community Capital Project Grant Programme.</li> </ul>
<b>Cultural Development</b>	Minor events, bursaries, small scale event support for those projects which fall predominantly under the sphere of Arts and Heritage.	<ul style="list-style-type: none"> <li>• Town Twinning Grant Fund.</li> <li>• Arts and Heritage Grant Fund.</li> </ul>
<b>Sports Development</b>	Assistance towards development for teams and individuals who have been selected for representation for the town, district or region. Small scale assistance towards equipment and event support.	<ul style="list-style-type: none"> <li>• Sports Development Grant programme.</li> </ul>

**This list does not include instances where Council seeks service delivery from a third sector or arm's length organisation for which procurement is best-value option.**

## 5.5 The Process

While the criteria, target audience and purpose for each funding source may differ, all grants will be awarded after the following *broad* process has been undertaken:

Step	Actions	Remarks
1	Call for applications	Through media that may include; Council website, local media, email call, public advertising, community engagement or other methods.
2	Closing time and date for applications	This must be adhered to at all times – there are no exceptions for applications received after the closing time.

3	Opening of applications	Should be undertaken by the relevant officer in the presence of at least one other officer.
4	Assessment and initial award	Membership of the assessment panel and the scoring criteria may differ from one funding programme to another. Good practice would suggest that the scoring criteria should be agreed in advance of applications being sought and members of the assessment panel agreed in advance of applications being opened. The outcomes of the assessment process would be presented to the relevant Council committee for consideration and recommendation to full Council for approval.
5	Final award	Agreed by full council meeting.
6	Notification of results	All applicants should be notified of funding decisions at the same time.
7	Appeal procedure	The recommended appeals process is based on that used in current EU programmes: “The purpose of the Review Procedure is to ensure that the decisions taken and procedures followed by Committees for individual applications are applied fairly and consistently.” “The Review will provide an independent process through which an applicant will have the opportunity to demonstrate to the Review Panel that either: <ul style="list-style-type: none"> <li>• The outcome was unreasonable or</li> <li>• That the proper procedures were not followed. “</li> </ul> “Appeals on any other ground will not be considered.”
8	Letter of offer issue and conditions	Templates may vary depending on funding programme. Council may attached conditions to it’s letters of offer to ensure protection of public funds and that objectives are met.
9	Claims, monitoring and evaluation.	Claims, Monitoring and Evaluation is on an outcome based approach. The benefits to be gained from this approach are substantial both in terms of greater value for money in use of grants and in substantially reduced administrative burden for all concerned.

## 5.6 Eligibility

**There will also be specific eligibility criteria applying to individual funding programmes and the list below only includes those elements which are common to all.**

### Eligible costs

- A proportion of core running costs (part payment of salaries, heat and light, insurance, rent or premises costs, office costs, etc.).
- Programme or activity costs which are directly relevant to the application.

- Travel and transport costs - Council area - fundamental to meeting the project objectives.
- Hire or purchase of equipment for meeting project needs
- Venue hire.
- Technical assistance.
- Training or facilitation costs.
- Festivals and events.
- Capital costs.
- Best practice or good relations visits.
- Publicity, marketing and catering (a limit may be placed on the level of funding allowed towards catering/ refreshments)

### Exclusions

Some exclusions will initially apply, unless specifically allowed for within specific funding sources:

- Individuals, unless within a bursary framework, or within the discretion of a Mayor's / Chairperson's Fund.
- Businesses and for-profit organisations where funding would contravene local government, State Aid rules or other legislation.
- Activities which are located outside of the District, unless in partnership with another local authority.
- Projects or activities which are delivered outside of the Council area and DO NOT meet the needs within the area.
- Activities which are discriminatory, political, or are classed as proselytizing in nature (convert or attempt to convert (someone) from one religion, belief, or opinion to another).
- General appeals.
- Those organisations who have substantial, demonstrable, reserves.
- Costs that can be claimed back from elsewhere eg VAT.
- Payments made to individual members of the applicant group or organisation
- Retrospective costs e.g. activities completed or costs incurred before the agreement of funding.
- Programmes or activities which are considered the core activity of national or regional government, Government Departments or arms-length body, such as health or education, unless allowed for by a specific funding source.
- Gifts and prizes.

## **6. EVALUATION AND REVIEW OF THE POLICY**

This policy will be reviewed as Community Planning initiatives emerge.

## **7. RELATED POLICIES AND PROCEDURES**

This policy should be read in conjunction with any material relevant to the call for applications by individual grant streams.

## **8. SECTION 75 EQUALITY AND GOOD RELATIONS**

Causeway Coast and Glens Council is fully committed to meeting its obligations in relation to Equality and Good Relations under Section 75 of the Northern Ireland Act. In this regard this policy will be screened using Section 75 guidelines and will be subject to an Equality Impact Assessment if found necessary as a result of the screening process.

## **9. CONTACT DETAILS**

Any issues or queries relating to this policy should be addressed to:

Elizabeth Beattie.

Policy Officer.