



## **Borough of Douglas**

---

**COUNCILLOR MRS CAROL ELIZABETH MALARKEY, J.P.  
MAYOR**

---

Town Hall,

Douglas,

9<sup>th</sup> August, 2013

Dear Sir or Madam,

You are hereby summoned to attend a MEETING OF THE COUNCIL to be held on WEDNESDAY, the 14th day of AUGUST, 2013, at 2.30 o'clock in the afternoon, in the COUNCIL CHAMBER within the TOWN HALL, DOUGLAS for the transaction of the hereinafter mentioned business.

I am,

Yours faithfully

Town Clerk & Chief Executive

# Order of Agenda

I - Election of a person to preside (if the Mayor is absent).

II - Any statutory business.

III - Approval as a correct record of the minutes of the last regular and any intermediate Meetings of the Council.

IV - Questions of which Notice has been given by Members of the Council, pursuant to Standing Order No. 39.

V - Consideration of the minutes of proceedings of the Council in Committee.

VI - Consideration of the minutes of proceedings of Committees of the Council in the following order:

- (i) The Executive Committee;
- (ii) The Pensions Committee;
- (iii) The Standards Committee;
- (iv) The Eastern Civic Amenity Site Joint Committee;
- (v) Any other Joint Committee;

VII - Consideration of the report of each Lead Member in the following order:

- (i) Housing and Property;
- (ii) Regeneration and Community;
- (iii) Environmental Services;

VIII - Consideration of such communications or petitions and memorials as the Mayor or Chief Executive may desire to lay before Council.

IX - Notices of Motion submitted by Members of the Council in order of their receipt by the Chief Executive.

X - Any Miscellaneous Business of which Notice has been given pursuant to Standing Orders.

The above Order of Agenda is in accordance with Standing Order No. 16(1); under Standing Order No. 16(2) it may be varied by the Council to give precedence to any business of a special urgency, but such variation shall not displace business under I and II.

# AGENDA

III – Chief Executive to read minutes of the Council Meeting held on Wednesday, 10<sup>th</sup> July, 2013.

VI(i) - The proceedings of the EXECUTIVE COMMITTEE as follows:

## EXECUTIVE COMMITTEE

EXECUTIVE COMMITTEE – Minutes of Meeting held on Friday, 26<sup>th</sup> July, 2013.

Members Present: Messrs Councillors D.W. Christian (Chair), D.J. Ashford, R.H. McNicholl.

Apologies: the Mayor, Messrs Councillor S.R. Pitts, E.A. Joyce, Chief Executive.

In Attendance: Borough Treasurer, Borough Engineer & Surveyor, Assistant Town Clerk.

### REPORT

#### **PART A –**

#### ***Matters within the scope of the Executive Committee's delegated authority***

##### **A1. Apologies for Absence**

Apologies for absence were submitted on behalf of Her Worship the Mayor, Mr Councillor S.R. Pitts, Mr Councillor E.A. Joyce, and the Chief Executive.

##### **A2. Declarations of Interest**

No declarations of interest were submitted.

##### **A3. Minutes**

The minutes of the meeting held on Friday 28<sup>th</sup> June and the Special meeting held on Monday 15<sup>th</sup> July 2013 were approved and signed.

##### **A4. Matters Arising From Previous Minutes**

No matters arising from the previous minutes were identified.

##### **A5. Minutes and Referrals of the Environmental Services Advisory Committee**

The Committee considered the minutes of the Environmental Services Advisory Committee meeting held on Monday 15<sup>th</sup> July 2013, including the below item specifically referred to the Executive Committee:

Clause B9 - Bin Weighing: the Advisory Committee had resolved that approval be given for the installation of the necessary equipment to facilitate domestic bin weighing, which would provide valuable information for the effective management of staff and plant resources for the collection of household waste and recyclable materials. In order to carry out bin weighing, however, every bin would need a microchip. The Council had an estimated 12,000 domestic bins, of which approximately half had come with microchips already installed by the manufacturer. The estimated cost to purchase the necessary microchips and implement their installation across the stock of existing domestic refuse bins was £40,000. As there was no provision in the 2013 / 2014 budget, funding was being sought in order to allow the project to proceed in the current financial year.

In response to a Member's query regarding the estimated cost, the Borough Engineer & Surveyor advised that a Briefing Note would be circulated to the Committee setting out details of the breakdown of the estimated cost of £40,000.

Resolved, "(i) That particulars of the minutes of the Environmental Services Advisory Committee be noted;

(ii) That approval be given for expenditure in the sum of £40,000, from General Revenue Reserves, for the purchase and installation of the necessary microchips across the stock of existing domestic refuse bins;

(iii) That it be re-affirmed that the existing Council policy of charging for refuse collections through Borough Rates would continue; and

(iv) That the Borough Engineer & Surveyor be requested to circulate a Briefing Note to the Committee detailing a breakdown of the £40,000 estimated cost."

**A6. Minutes and Referrals of the Regeneration and Community Advisory Committee**

The Committee considered the minutes of the Regeneration and Community Advisory Committee meeting held on Tuesday 16<sup>th</sup> July 2013. It was noted that there were no items requiring specific referral to the Executive Committee.

Resolved, "That particulars of the minutes of the Regeneration and Community Advisory Committee be noted."

**A7. Minutes and Referrals of the Housing and Property Advisory Committee**

The Committee considered the minutes of the Housing and Property Advisory Committee meeting held on Wednesday 17<sup>th</sup> July 2013. It was noted that there were no items requiring specific referral to the Executive Committee.

Resolved, "That particulars of the minutes of the Housing and Property Advisory Committee be noted."

**A8. Consultation Document – Draft Policy on Re-Employment of Retired Public Servants**

The Committee considered a written report by the Assistant Town Clerk in relation to a consultation document received from the Civil Service Commission.

Current Government policy was that the employment of staff members ceased on a permanent basis when they retired, however, the proposed policy was designed to clarify the circumstances in which a retired public servant may be re-employed. It was intended not to preclude the re-employment of retired individuals, and there would be provision for flexibility according to circumstances, however, in any such case, it would have to be ensured that all suitable alternatives had been explored.

There were a number of specific exemptions, these being where key skills were required, such as teachers, doctors, nurses, seasonal and casual workers, and where there were skills shortages in posts that were difficult to recruit to.

Discussion took place in relation to the proposed recommendation that the policy, although not strictly applicable to Council employees, be adopted as best practice should it be approved, in order to give consistency with the Government and clarity about the matter. It was noted that, although the Isle of Man Local Government Superannuation Scheme, of which the Council was the administering authority, made provision for flexible retirement by a reduction of hours or moving to a lower graded post (which provision the Council had adopted so it could be used where a real benefit to the Council could be demonstrated), the Borough Treasurer advised that the Council, as administering authority, had adopted a policy of abatement of pensions following re-employment, to ensure that a person did not get paid both a full pension and a full-time salary.

Resolved, "(i) That particulars of the report be noted on the minutes;

(ii) That the Civil Service Commission be informed that the Council supported the principle that retired public service staff should only be considered for re-employment in circumstances where no suitable alternative existed; and

(iii) That the proposed recommendation - that should the proposed policy be implemented by the Government, it also be adopted by the Council as best practice - be not supported."

**A9. Consultation Document – Terrorism and Other Crime (Financial Restrictions) Bill 2013**

The Committee considered a written report by the Assistant Town Clerk in relation to a consultation document issued by the Department of Home Affairs.

It was noted that the purpose of the Bill was to consolidate into one Act the three different statutory instruments that currently applied to the financing of crime, particularly terrorism. The provisions, both in the current statutes and in the proposed Bill, reflected international measures in these fields and it was therefore clearly important that the Isle of Man should align itself with international standards.

During discussion, two suggestions were put forward. Firstly, it was suggested that a date for reviewing the Act should be inserted, in order to ensure that the legislation was still fit for purpose; and, secondly, it was suggested that the duration for any interim freezing orders should be sixty days (as opposed to the proposed thirty days).

Resolved, "(i) That particulars of the report be noted on the minutes; and

(ii) That the Department of Home Affairs be informed that, although the Council supported the Government in modernising and consolidating the legislation to accord to international standards, it would request the following comments be taken into account in relation to the proposed Bill:

- that a date for reviewing the Act be inserted in the proposed Bill, in order to ensure that the legislation was still fit for purpose; and
- that the duration for any interim freezing orders be sixty days, as opposed to the proposed thirty days."

#### **A10. Monthly Financial Review - June 2013**

The Committee considered a written report by the Borough Treasurer setting out details of progress made compared to key performance indicators in relation to the percentage of rates collected; the increase in the number of non-cash / non-cheque payments; and the percentage of sundry debtors collected within three months.

Members noted that, from 1<sup>st</sup> July 2013, court costs for small claims had increased by an average of 66%. The Borough Treasurer reported that a letter of complaint had been sent to the courts, as only two working days' notice was given in which to implement and test the changes to the system, which had required two weeks' work by staff of the ICT Section and in the Borough Treasurer's Department to achieve full working order following testing.

Resolved, "That particulars of the report be noted on the minutes."

#### **A11. Lease of 10 Victoria Street, Douglas**

The Committee considered a written report by the Borough Treasurer in relation to the occupancy of the 10 Victoria Street building.

In advance of moving the Library to Cambrian Place, the service continued to be provided from 10 Victoria Street. The lease on this building was due to end on 31<sup>st</sup> March 2014, however, as the new facility was not expected to be available until at least January 2015, it was recommended that the lease be extended to the end of 2014, with a further review by the Committee in March next year.

The Borough Treasurer reported that the lease had been agreed up until 1<sup>st</sup> January 2016, and the terms stated that there would be no rent review before that date. There was, however, a requirement that six months' written notice be given to the landlord to extend the lease by multiples of three months (with the latest vacation date being 31<sup>st</sup> December 2015).

Resolved, "(i) That particulars of the report be noted on the minutes;

(ii) That authority be given to extending the lease on 10 Victoria Street until 31<sup>st</sup> December 2014; and

(iii) That a review of the lease on 10 Victoria Street be undertaken at the March 2014 meeting of the Committee."

#### **A12. Treasury Management Out-Turn 2012 / 2013**

The Committee considered a joint written report by the Borough Treasurer and the Assistant Chief Officer (Income) setting out details of treasury management, including Prudential Indicators.

This out-turn report was a key aspect of delivering the Treasury Management Strategy, which had been approved in 2011. It summarised treasury management activities undertaken, and also outlined information in relation to Prudential Indicators for 2012 / 2013 in respect of long-term loans; Bond repayments; and short-term investments.

Members were advised that all the Prudential Indicators for 2012 / 2013 were within Plan. It was noted that the indicator for prudence - that net external borrowing would not exceed the capital financing requirement - had been complied with, as had the indicator for treasury management, as the CIPFA Treasury Management Code of Practice and Cross-Sectoral Guidance Notes had already been adopted by the Council in 2011.

Resolved, "(i) That particulars of the report be noted on the minutes and approved; and

(ii) That the achievement of the Prudential Indicators for affordability, prudence, and treasury management also be noted."

#### **A13. Statement of Accounts**

The Committee considered a written report by the Assistant Chief Officer (Finance) seeking approval of the Council's Annual Statement of Accounts.

Under the Audit Act 2006, the Statement of Accounts must be prepared by 31<sup>st</sup> July and approved by the Council (effectively delegated to the Executive Committee) before it could be passed to BDO (Isle of Man) LLC, the Council's external auditors.

Both the format and the content of the Statement of Accounts for the year ending 31<sup>st</sup> March 2013 were broadly similar to the 2011 / 2012 financial year, which were compliant with the Accounts and Audit Regulations 2007 (the SORP). It was noted, however, that the Accounts and Audit Regulations 2013 (which would come into effect next year), gave the responsibility for approval of draft accounts for issue to the Responsible Finance Officer, rather than the Committee.

Members were reminded that the SORP required that authorities should disclose details of any significant events that may have occurred between the balance sheet date and the date on which the accounts were approved by the Committee, and which would have a material bearing upon the financial statements or the conditions in existence as at the balance sheet date. The Extended Chief Officers' Management Team had considered the potential for any such items to exist, although no potential

instances had been identified, and in the interests of good corporate governance, Members were also asked to consider the existence of any potential post balance sheet events.

Members were advised that, once the audit work had been completed, a further report would come to this Committee reporting on any material changes made to the Statement of Accounts arising from the audit process (if required), together with the Committee's Letter of Representation to the auditor for approval. It was noted that the auditors had already sent in a letter, addressed to the Executive Committee, clarifying responsibilities and giving an overview of the scope of the audit.

Resolved, "(i) That particulars of the report be noted on the minutes;

(ii) That approval be given for the Council's Statement of Accounts to be submitted to the external auditor;

(iii) That it be confirmed that no 'post balance sheet events' were in existence that would need to be disclosed within the Statement of Accounts; and

(iv) That authority be given to the Borough Treasurer to sign the letter from BDO (Isle of Man) LLC in the Acknowledgement section."

#### A14. **Revenue Out-Turn 2012 / 2013**

The Committee considered a written report by the Assistant Chief Officer (Finance) setting out the overall revenue out-turn position for the 2012 / 2013 financial year, together with an appraisal of the Balances position as at 31<sup>st</sup> March 2013.

This annual report set out the overall revenue performance against budgets, and the ensuing impact upon the General Revenue Reserve.

In respect of the revenue out-turn position across all Committees, which had already been presented to, and considered by, the Extended Chief Officers' Management Team, it was noted that there was a significant underspend position at the service level, compared to the approved budget. Considerable discussion ensued in relation to the effect of depreciation. The Borough Treasurer assured the Committee that it needed to be included as a true cost of each Service. The Borough Treasurer undertook to discuss showing this as a separate item within Services with officers in his Department. In view of the number of variances in depreciation, the Borough Treasurer confirmed that he would either submit a further report to the Committee or circulate a Briefing Note, following discussion with the Chairman.

It was noted that the revenue out-turn position across all services, together with all other revenue items, provided a significant final contribution into the General Revenue Reserve balance. Ignoring commitments, this left a year-end balance which was considerably higher than the balance envisaged when the original budget had been approved in January 2012 (although it was noted that significant commitments had been rolled forward).

Members were reminded that, during the Special Executive Budget Meeting held in January 2013, some items had been identified as calls on Reserves, and these were now accordingly considered. As the resulting uncommitted balance on the General Revenue Reserve was higher than the balance that had been anticipated at the 2013 / 2014 approved Estimates stage in January 2013, the Committee also considered a number of commitments from the reserve.

During discussion, the Borough Treasurer advised that savings would be made following the agreement by Whitley Council staff not to take a wage increase in 2013 / 2014. The Borough Treasurer had also asked all Budget Managers to carefully consider the electricity estimates next year, following two years that expenditure had been much lower than estimated. Members requested that Budget Managers be instructed to examine all figures carefully, as there was concern that, although savings were referred to in the report, it was possible that these might, in fact, have been as a result of over-budgeting. The Borough Treasurer showed examples that confirmed that savings had been made and consolidated in the current budget. There were also fortuitous savings made by turnover of staff or delayed replacements, which could not have been included in the original budget.

It was noted that a further review of the Balances would need to be conducted as part of the 2014 / 2015 budget process, with the outcome to be reported to Committee, and with recommendations for any fund top-ups that may be required to assist with the funding of identified priority schemes.

Resolved, "(i) That particulars of the report be noted on the minutes;

(ii) That the year-end revenue out-turn position for 2012 / 2013 be noted and approved, including the final contribution into balances of £689,176; and also the year-end General Revenue Reserve balance of £3,390,400 (before future commitments);

(iii) That authority be given for a contribution of £19,550 to be made into the Plant Renewals Fund for 2013 / 2014, to provide towards the eventual replacement of car park barrier equipment;

(iv) That authority be given for a provision of £24,000 to be made for the repair / removal of the Promenade steps;

(v) That approval be given for the favourable variance of £65,285 on Public Lighting to be ring-fenced for painting of public lighting columns over the next four years;

(vi) That approval be given for the favourable variance on the Library service of £65,416 to be ring-fenced for the costs associated with moving to a new library building;

(vii) That approval be given for the favourable variance of £32,011 on the Noble's Park service to be ring-fenced for works on the BMX track berms and Noble's Park signage (but that a report be brought back to Committee on proposed expenditure, prior to any monies being spent);

(viii) That approval be given for the favourable variance on Rover Tickets income of £5,566 to be allocated to the Trams Renewals Fund to provide for future works to the rolling stock;

(ix) That a Briefing Note be circulated showing the variance in Income on the properties included within the code SP255 (Commercial Properties), be circulated to the Committee;

(x) That the Committee be updated on the savings arising from the agreement by Whitley Council staff not to take a wage increase in 2013 / 2014;

(xi) That the Borough Treasurer be requested to clarify the variance in respect of the Market Hall, and to advise the Committee by way of a Briefing Note accordingly; and

(xii) That the Borough Treasurer be requested to either submit a further report, or circulate a Briefing Note to Members of the Committee, following discussion with his officers and the Chairman in relation to the effect of depreciation, and to consider showing depreciation separately within each Service."

#### **A15. 72 Derby Road, Douglas – Dry Rot Nuisance**

The Committee considered a written report by Assistant Property Manager (Assets) seeking approval to proceed with a recommended scope of works in respect of the dry rot infested areas of 72 Derby Road, Douglas.

Members recalled that a Nuisance Order had been served on the owner of the property requiring treatment to dry rot to prevent this spreading into the neighbouring property. The owner, who did not live on the Island, had failed to carry out the remedial works and there had been a suggestion that the works should be carried out by the Council. Prior to a final decision being made, however, the extent of the works had to be determined, with proper costings being drawn up.

Subsequently, a contractor had been appointed to undertake the house clearance works, removing all furniture, furnishings, fixtures and fittings, in order to leave each room in a shell-state to allow for a thorough inspection by a professional consultant. Following this inspection to identify damp issues, fungal decay, and other defects associated with the reported dry rot infestation, the appointed consultant had submitted a report to the Council indicating that there was fungal decay to the under-floor of the second-floor en-suite and bathroom, the first-floor rear bedrooms, W.C. and family bathroom, and ground-floor en-suite, lounge, dining room and kitchen.

The consultant's report advised that secondary works would also be required to remove affected timber and plaster, prior to the walls being treated with a fungicide, and, additionally, suggested that further general repair work should be undertaken to ensure that the property was wind- and water-tight (including roof overhauling and repairing; repointing of ridges; repairs to chimney stacks; renewal of gutters; repainting of brickwork; and repair and redecoration of windows).

As the private individual who owned 72 Derby Road had not complied with the Statutory Nuisance Order issued in February 2011, the Council was therefore seeking to undertake the works, to rid the nuisance. Action would also be taken to recover the costs in full from the owner of the property, and the advice from the Borough Treasurer's Department was that, if the owner did not pay the cost invoiced, then it may be necessary to seek the arrest of the property in order to collect the sum expended.

It was noted that the Environmental Health Officer had advised that the extent of any works proposed to be undertaken to the property should be limited to that required to abate the nuisance to the neighbouring premises (74 Derby Road). It was therefore proposed that the works be limited to the dry rot outbreak in the ground-floor kitchen, dining area, en-suite area, and lounge; the first-floor main bedroom and annex rooms (including washrooms and bedrooms); and the second-floor en-suite and rear bedroom. The following remedial actions and essential works were proposed to form the scope of works for each of the fore-mentioned areas:-

- Stripping out and removal of dry rot infected timber and plaster;
- Removal of wall linings and timber grounds / battens in the infected areas;
- Removal of enclosures / partition walls infected with dry rot (to allow access for further remedial works to the affected areas);
- Removal of sanitary ware and radiators, including associated boiler installation and pipe-work (to allow access to undertake dry rot remedial works);

- Removal of floor joist and reinstatement with tanalised timber (to ensure lateral support was maintained);
- Removal of dry rot infected windows and doors, and boarding up of external openings (to maintain security and prevent water ingress);
- Replacement of affected timber lintels with concrete;
- Irrigation / spraying of the masonry walls with a fungicidal treatment in the above areas;
- Cross-ventilation throughout the building to promote drying; and
- Treatment of the 74 Derby Road-side of the wall with fungicidal treatment to prevent re-infection.

In accordance with the consultant's appointment, they would take the project through to the tender stage, producing the specification of works (based on the scope of works outlined above), and, upon completion of the tender stage, a further report would be submitted to the Committee to seek approval for the appointment of the contractor and for funding.

During discussion, it was suggested that the Council should consider compulsory acquisition of the property. The Borough Engineer advised that such action would be a lengthy process and would also be subject to Tynwald approval. He also reported that legal advice had been received in relation to the recovery of costs, which would be addressed when the further report (following completion of the tender stage) was submitted to the Committee.

Resolved, "(i) That particulars of the report be noted on the minutes;

(ii) That the scope of works (as outlined above) be accepted as the essential works to be undertaken to the dry rot infested areas of 72 Derby Road, namely the ground-floor kitchen, dining area, en-suite area and lounge; first-floor main bedroom and annex rooms (including washrooms and bedrooms); and the second-floor en-suite and rear bedroom;

(iii) That authority be given for the pre-tender estimate (to undertake the work set out in the scope of works) to be funded initially from the Derelict Buildings Fund, with these monies then being recovered from the owner of the property;

(iv) That Steven Morley Chartered Surveyors be confirmed to produce the specification of works (based on the scope of works);

(v) That approval be given for the tendering stage to be commenced, to ensure a report could be submitted to the Committee in September 2013 to seek the appointment of the contractor and funding approval;

(vi) That the Borough Engineer include in the report (to be submitted on completion of the tender stage) details of the legal advice received; and

(vii) That the Borough Engineer & Surveyor be requested to investigate the process that would have to be undertaken if the Council agreed to compulsorily acquire the property, and to circulate his findings by way of a Briefing Note accordingly."

#### **A16. Twinning with Ballymoney – Proposed Visit by Netball Teams**

The Committee considered a written report by the Assistant Town Clerk in relation to a request received by Her Worship the Mayor, from the Ballymoney Twinning Association, for the provision of accommodation.

It was noted that a party of between fifteen and twenty people from Ballymoney would be on the Island to compete in netball matches on Friday 13<sup>th</sup> and Saturday 14<sup>th</sup> September 2013. The party would consist of eight to ten players and three coaches, with the remainder of the group being from the Ballymoney Twinning Committee. The usual arrangements for such visits was that the host organisation provided accommodation, while the visiting organisation paid its own travel expenses.

Resolved, "(i) That particulars of the report be noted on the minutes; and

(ii) That approval be given for expenditure from the Community Events / Twinning Budget of up to a maximum of £1,200 for the provision of accommodation for approximately fifteen people, for two nights' accommodation each, that was, on the nights of Friday 13<sup>th</sup> and Saturday 14<sup>th</sup> September 2013."

#### **A17. Items for Future Report**

The Committee considered a written report by the Chief Executive identifying those issues on which further reports had been requested or which were outstanding, so that Members and officers were aware of them and could monitor progress.

Resolved, "That particulars of the report be noted on the minutes and that it be considered and monitored at each meeting of the Executive Committee."



#### **A18. Douglas Promenades Regeneration Project – Project Management Services Proposal**

The Committee considered a written report by the Borough Engineer & Surveyor seeking approval for the Council to submit a bid in respect of the provision of Project Management Services for the Douglas Promenades Refurbishment Scheme.

Members were advised that the Department of Infrastructure had announced its intention to commence a programme of reconstruction and environmental improvement works on the Douglas Promenades, with the first phase on the Loch Promenade – from Pevenil Square to Regent Street - due to commence in August 2013. It was noted that subsequent phases would include the Loch and Harris Promenades, from Regent Street to Broadway, although there had been no announcement in respect of the Central and Queen’s Promenades. Members recalled, as part of the works to be undertaken in the first phase, that the Council had previously given approval for the relocation of the Jubilee Clock.

Details of the tendering process had only recently been released, with formal tenders to be submitted by no later than Friday 2<sup>nd</sup> August 2013. Successful short-listed candidates would be expected to provide a presentation to The Treasury during the week commencing Monday 5<sup>th</sup> August, with the successful tenderer being required to commence on Monday 12<sup>th</sup> August 2013. It was noted that the proposed project would involve the Council in many areas of its service delivery, including the Tramways, Parks and Open Spaces, Town Centre Management, and Street and Decorative Lighting.

The Council possessed the relevant knowledge, expertise and experience to provide such a service, and had a duty to ensure that the end product of the refurbishment met all stakeholder requirements. In order to allow a robust tender submission to be provided in the timescale imposed, it was proposed that the Council’s external consultants, GVA Ltd of Manchester, be appointed to provide the required support to the Council, especially the ‘back-office’ services which would be necessary to allow the Council to provide the on-Island Project Management expertise for the proposed Promenades refurbishment.

It was recommended that the tender submission should contain sufficient contingency in the bid price to cover all of the Council’s expenses, and also include a reserve which could possibly be ring-fenced for contribution to further regeneration works.

Resolved, “(i) That particulars of the report be noted on the minutes;

(ii) That the submission of a tender for the provision of Project Management Services for the proposed Douglas Promenades Refurbishment Project, in partnership with GVA Ltd (as the Council’s sub-contractors), be supported; and

(iii) That the tender submission contain sufficient contingency in the bid price to cover all of the Council’s expenses and include a reserve, which could possibly be ring-fenced for contribution to further regeneration works.”

#### ***PART B –***

#### ***Matters requiring Council approval***

#### **B19. Constitution Amendments – Responsibilities of Committees**

The Committee considered a written report by the Assistant Town Clerk seeking clarification of the assignment of responsibilities within the Constitution.

Members recalled that in the Constitution document, approved by the Council in March 2012, the Schedule of Assignment of Responsibilities in Part 3 set out what matters were to be within the remit of the Council and its respective Committees. It was acknowledged at the time of approval that the Schedule was in very basic form and would require development.

One of the specific concerns that had become apparent at an early stage was the responsibility for buildings in Noble’s Park. As an example, the Noble’s Park Pavilion comprised a number of different elements and, when maintenance of the building was required, there was a lack of clarity over which Department and which Committee should undertake it. There was also a lack of clarity as to who had overall responsibility for the building.

Members were advised that, during meetings between Chief and Assistant Chief Officers, the placing of all property maintenance under the Housing and Property Advisory Committee had been considered. While this would have an advantage in centralising all maintenance budgets, it had been agreed, however, that the Service should take precedence. The Service Committee and the Head of Service should hold responsibility for items within their Services, so that there were clear lines of accountability (in accordance with the principles of good governance). Therefore, the properties could be listed in the Assignment of Responsibilities under the Committee having overall control of the area in which the building was situated.

The Assistant Town Clerk reported that, while researching the concerns expressed by Advisory Committees in relation to responsibility for some buildings, it had become evident that the scope of this report should be widened to also review the Schedule of Responsibilities in the Constitution. In order to address some other minor issues that had arisen, these were proposed as follows:

- To add a 'Service' column to show, where appropriate, the budget relevant to the responsibility;
- To change the column titled 'Manager' (and previously left blank) to 'Head of Service', and to populate the column accordingly;
- To delete from Executive Committee 'T.T. and Events (Chargeable to Isle of Man Government)', as this related principally to the letting of land in Noble's Park to the Department of Economic Development and was subsequently moved to the Regeneration and Community Advisory Committee;
- To include in the Executive Committee -
  - Use of the Council's reserves, funds and capital receipts;
  - Enforcement of Highway Licences, etc;
  - Enforcement of Byelaws and Legislation;
  - Payments and Payroll;
  - Income and Cashiers;
  - Collection of rates;
  - Civic property;
  - Elections;
  - Information Technology;
  - Central Administration and Secretarial;
  - Executive Committee Administration;
  - Burials Act;
- To delete Building Control from the Regeneration and Community Advisory Committee, and to include -
  - Specific properties, as listed;
  - Contract / Agency services;
  - Hanging Baskets;
  - Loch Promenade Gardens;
  - Floral Decorations;
  - Regeneration and Community Advisory Committee Administration;
- To clarify maintenance responsibilities in the Housing and Property Advisory Committee and to add -
  - Architectural Services;
  - Housing and Property Advisory Committee Administration;
- To delete the Drainage Agency (now moved to Central Government) from the Environmental Services Advisory Committee, and to include -
  - Gully emptying (Agency);
  - Civic Amenity Site – Borough costs;
  - Promenade and Beach in place of 'Beach Cleaning';
  - Garage and Fleet;
  - Stores and Purchasing;
  - Building Regulations;
  - Derelict Buildings;
  - Specific properties, as listed;
  - Contract and Agency Services;
  - Environmental Services Advisory Committee Administration;
  - Expansion of the reference to delegation to Chief Officers, to make it clear that certain functions within the marked headings were delegated, whereas policy matters were not; and also to reflect the delegation of planning issues to the Chief Executive, rather than to the Borough Engineer;

- To move Enforcement of Highway Licence conditions and Byelaws and Legislation to the Executive Committee, to clarify the distinction between the licensing and enforcement functions.

Resolved, “(i) That particulars of the report be noted on the minutes;

(ii) That the revised Schedule of Assignment of Responsibilities, incorporating the above-listed amendments, be approved;

(iii) That the existing schedule in Part 3 of the Council’s Constitution be replaced with immediate effect by the above-mentioned amended Schedule of Assignment of Responsibilities; and

(iv) That consequential changes to the Articles of the Constitution be implemented as part of the process of review of the Constitution, programmed for September 2013.”

The Committee rose at 4.50pm.

The proceedings of the EXECUTIVE COMMITTEE / ENVIRONMENTAL SERVICES ADVISORY COMMITTEE as follows:

# EXECUTIVE COMMITTEE / ENVIRONMENTAL SERVICES ADVISORY COMMITTEE

EXECUTIVE COMMITTEE / ENVIRONMENTAL SERVICES ADVISORY COMMITTEE –  
Minutes of Special Joint Meeting held on Friday, 26<sup>th</sup> July, 2013.

Members Present: Mr Councillor D.W. Christian (Chair), Councillors Mesdames C.A. Corlett, S.D.A. Hackman, Messrs Councillors D.J. Ashford, R.H. McNicholl.

Apologies: the Mayor, Messrs Councillor S.R. Pitts, E.A. Joyce, Chief Executive.

In Attendance: Borough Treasurer, Borough Engineer & Surveyor, Assistant Town Clerk.

## REPORT

### **PART A –**

#### ***Matters within the scope of the Joint Committee's delegated authority***

#### **A1. Provision of Solar Compacting Waste Bins for Town Centre Regeneration Area and Loch Promenade, Douglas**

The Joint Committee considered a written report by the Borough Engineer & Surveyor seeking approval for the provision of an additional twenty-five solar-powered compacting waste bins for deployment in the Douglas regeneration area, and, subsequently, approval to enter into a contract that would commit the Council to an annual lease cost, which would be committed budget growth.

The Council currently had three installed solar-powered compacting refuse bins, supplied by Kyron UK Ltd, marketed under the 'Big Belly' Solar Compacting Bin brand. The units, suitable for street operation, operated as stand-alone compacting bins that compacted waste, giving up to eight times more capacity. In addition to the increased capacity to that of a standard litter bin, they had hinged flaps that prevented bird and vermin access, leading to a significant decrease in strewn litter. The three current bins had generally performed as intended, with the one located in Regent Street showing over an 80% reduction in emptying rates.

It was noted that the bins were equipped with online data collection and transmission, and provided real-time and summarised fill-levels, together with emptying requirements. As the data collection and management was carried out using broadband and internet protocol processes, the bins also had the potential to be developed as public wireless internet access points.

The Borough Engineer & Surveyor advised that the use of 'Big Belly' bins in appropriate areas would allow for the redeployment of staff time on scheduled emptying runs. This would also permit a step-change reduction in bin numbers; reduce emptying frequencies and non-essential vehicle movements; and lead to a reduction in street clutter. It was noted that the installation of a further twenty-five 'Big Belly' bins in the Strand Street to Marina Road area of the shopping regeneration zone, and on the Loch Promenade, was equivalent in monetary terms to a reduction of £22,050 per annum in the current bin-emptying operations.

Members were advised that the bins would be procured by a five-year lease, which covered all maintenance and running costs (apart from physically emptying when required), together with all 'back office' support functions and costs on real-time and report operations. The terms of the lease also covered the costs of obtaining any additional income from possible bin sponsorship, which had found some degree of favour in the United Kingdom and Ireland installations.

The cost of leasing the twenty-five bins was £27,300 per annum, giving a shortfall of £5,250. It was noted, however, that CSG Asset Management Ltd (the leasing company for Kyron Big Belly Bins) had indicated that they would guarantee any shortfall between the minimum estimated savings of £22,050 and the leasing cost of £27,300 for the duration of the contract. The Borough Treasurer advised that the growth to the budget of £27,300 could be offset to an amount of £22,050 by contributions, if necessary, however, the increase in rateborne net expenditure, of £22,050 per annum, would require to be approved as committed budget growth, with the increase in net expenditure of £12,900 during 2013 / 2014 needing to be funded from the General Revenue Reserve.

Members were advised that the resource savings on bin collection could then be focused on supporting additional resources required to maintain the paved regeneration area. It was suggested that this be reported to the meeting of the Douglas Regeneration Committee, which was scheduled to take place on Monday 29<sup>th</sup> July 2013, to demonstrate the Council's commitment to meet the running costs of the regeneration of Douglas. In turn, this would allow pressure to be brought on the Regeneration Committee to reschedule a portion of its resources to pay for the treatment of the Regeneration Area granite with specified permeation products (as advised by the manufacturer).

The Borough Engineer & Surveyor reported that, as a gesture of goodwill to the Council, CSG Asset Management Ltd had offered to provide, free of charge, and supported on the same terms and conditions, one additional 'Big Belly' bin to replace the inadequate bin previously supplied as part of the pilot scheme at the junction of Upper Nelson Street and Prospect Hill.

Resolved, "(i) That particulars of the report be noted on the minutes;

(ii) That authority be given for the Council to enter into a five-year lease agreement with Conister Bank Ltd (on behalf of CSG Asset Management Ltd / Kyron UK Ltd), for the supply of twenty-five additional 'Big Belly' solar-powered compactor bins, at a cost of £27,300 per annum, for the Strand Street to Marina Road portion of the Douglas Regeneration Area, and for the Loch Promenade (as part of the Promenades Regeneration Scheme);

(iii) That the Council enters into the above-mentioned lease agreement with an agreement with CSG Asset Management Ltd to underwrite the shortfall of savings accrued on the cost of providing the current litter bin service in the area, up to a subsidised amount of £5,250 per annum;

(iv) That the increase in rateborne net expenditure, of £22,050 per annum, be approved as committed budget growth;

(v) That approval be given for the increase in net expenditure of £12,900 during 2013 / 2014 to be funded from the General Revenue Reserve;

(vi) That the offer of one free additional bin, to replace the inadequate bin at the junction of Upper Nelson Street and Prospect Hill, be accepted;

(vii) That approval be given for the release of resources from servicing bins in the current area to be redeployed, in order to assist with the required increase in resources in maintaining the Regeneration Area granite paving; and

(viii) That it be agreed that the Douglas Regeneration Committee be informed of the Council's resolutions (as set out above) at the meeting scheduled for Monday 29<sup>th</sup> July 2013, with a strong recommendation that funds be released from that Committee's budget for treating the Regeneration Area granite paving with specialist treatment, as recommended by the manufacturer."

**PART B –**

***Matters requiring Council approval***

There were no matters requiring Council approval.

The Committee rose at 2.30pm.

VI(ii) – The Proceedings of the PENSIONS COMMITTEE as follows:

# PENSIONS COMMITTEE

PENSIONS COMMITTEE – Minutes of Meeting held on Wednesday, 24<sup>th</sup> July, 2013.

Members Present: Messrs Councillors J. Joughin (Vice-Chairman), D.J. Ashford (from 3.16pm to 5.14pm), R.H. McNicholl, Mr A. Thomas (Independent Member) (from 11.00am to 3.16pm).

Apologies: the Mayor, Messrs Councillors D.J. Ashford (for the morning session), C.L.H. Cain, A.V. Quirk.

In Attendance: Mr Mark Freeman – Hymans Robertson (Items A1 to B13), Ms Sara Morgan – BlackRock (Item A3 only), Mr Chris Moore – BlackRock (Item A3 only), Mr Chris Bell – Capital International (Item A8 only), Borough Treasurer, Assistant Chief Officer (Finance) (from 11.00am to 3.45pm), Assistant Democratic Services Officer.

## REPORT

### **PART A –**

#### ***Matters within the scope of the Committee's delegated authority***

##### **A1. Chair of Meeting**

In the absence of the Chairman, it was unanimously agreed that the Vice-Chairman, Mr Councillor J. Joughin, should chair the meeting.

##### **A2. Minutes – 23<sup>rd</sup> May 2013**

The minutes from the meeting held Thursday, 24<sup>th</sup> May, 2013 were approved and signed.

##### **A3. Investment Manager's Presentation by BlackRock**

Mr Chris Moore and Ms Sara Morgan of BlackRock joined the meeting at 11.07am to present the BlackRock report on investment manager performance for quarter two of 2013. The report set out the portfolio summary as of 30<sup>th</sup> June 2013 together with more detailed information on each of the different sectors of equities, property and fixed income. The report also set out proposed mandate changes to improve performance.

The Fund outperformed the benchmark by 0.1% during quarter two; this was a 0.1% underperformance relative to the target. The value of the scheme, which had reduced slightly, had recovered during the current quarter.

Mr Moore reported on market returns for the quarter, Japan and North America equities and property had a positive return with bonds producing a negative return. Equities demonstrated strong returns over a twelve month period; property demonstrated a generally flat year.

Ms Morgan went on to discuss changes in asset allocation; the report detailed a table demonstrating where the Fund was at the end of the quarter and the strategic allocation. Ms Morgan explained that broad asset allocation, as opposed to sub asset allocation, drove performance during the quarter. The expected tapering of quantitative easing in the US was the principal factor that influenced the change in asset allocation.

Ms Morgan reported on the equity portfolio which had marginally outperformed the benchmark during the quarter but over the past twelve months equities had underperformed by 1.5%. The twelve month underperformance was linked to the maintained exposure to the BRIC Nations – Brazil, Russia, India and China. Ms Morgan discussed the key trades for 2013, the emerging ASEAN markets were viewed as key trades, and gold had decreased dramatically. The report detailed what did and did not work during the quarter, Ms Morgan made reference to Mexico which was a high performer compared to other emerging markets despite underperforming developed markets, Ms Morgan referred to the sector weightings for Mexico, BlackRock have a positive strategic view on Mexico due to strong demographics, low levels of indebtedness and contained labour costs. In answer to question, Ms Morgan advised that some exposure to emerging markets is desirable for the longer term, despite the underperformance during the quarter.

Members noted the graph presented on the BGF ASEAN Leaders, the diagram on ASEAN equities, the country allocation pie chart and sector allocation.

Mr Moore went on to discuss UK Equities, property and fixed income. UK equities were in line with the benchmark for the quarter but underperformed by 1.5% over the past twelve months. Properties outperformed during the quarter and the Fund is now fully weighted in property.

Mr Moore discussed a number of proposed mandate changes that BlackRock believe would improve the Funds' performance. BlackRock suggested that in order for them to agree to increase the current outperformance target of 0.65% to 1.0% per annum the following changes to mandate and requirements were required;

- Remove the 35% limit in the regulations on in-house pooled funds
- Move UK Equity portfolio to Simon Young, another manager on the UK team
- Allow for cross currency hedging (currency exposure other than sterling)
- Allow use of derivatives for asset allocation/efficient portfolio management
- Increase maximum UK equity allocation to 40%
- Increase maximum overseas equity weighting to 50%
- Retain existing overall equity limit of 80%
- Allow the inclusion of high yield in the credit allocation.

Members discussed each bullet point in detail with BlackRock but agreed no decision could be made during the meeting and each proposed change would require additional research and discussion with BlackRock.

The Borough Treasurer informed that although the Treasury (through the Department of Infrastructure) had initially supported the idea of increasing the 35% limit they had subsequently indicated that there were ways of dealing with this limit and indicated that they would not agree to a change.

A Member questioned whether a change in UK Equity portfolios to Simon Young needed Committee approval and BlackRock agreed it did not but they sought confirmation that the Committee had no issues with the change.

Resolved, "That particulars of the report and discussion be noted on the minutes."

#### **A4. Hymans Robertson's Quarterly Review of Investment Managers**

The Committee considered a report circulated by Hymans Robertson reviewing the Investment Managers' performance for the second quarter of 2013.

Mr Freeman apologised for having to recirculate an updated version of the report, BlackRock had provided incorrect figures and only advised Hymans Robertson after the distribution of the agenda and meeting papers.

Members expressed their disappointment that the BlackRock report was not circulated prior to the meeting as Members did not have time to read the information before the presentation. BlackRock had previously advised that the timing of the meeting was earlier than the usual quarterly meeting and the date did not allow sufficient time to prepare and distribute the report prior to the meeting. Members did not accept this reason as the report can begin being prepared from the 30<sup>th</sup> June. The Borough Treasurer advised that Members need to reconsider the Committee meeting date for the second quarter of the year. The reason the second quarter meeting is scheduled earlier is due to the need for the draft accounts to be approved however as from next year the accounts will not require approval so the date could be changed to be in line with other quarterly meetings.

The report detailed the historic returns for World Markets, the portfolio summary and performance summary. The Capital International Absolute Return Fund underperformed the target by 1.1% over the quarter but since inception the fund continues to perform strongly outperforming its target by 4.5%.

Mr Freeman gave a brief overview of BlackRock's performance, he suggested that the proposals put forward by BlackRock be researched and reported back to the Committee, Members were advised that a report on investment beliefs and structure proposals for consideration during the meeting could also affect the decisions of the Committee.

Resolved, "That particulars of the report and discussion be noted on the minutes."

#### **A5. Capital Market Services**

The Committee considered a report submitted by Mark Freeman of Hymans Robertson updating on the quarter two capital market service including market returns, the outlook for all asset classes from April to June 2013, the OECD lending indicators, global and emerging market equity performance and UK property.

Resolved, "That the report be noted on the minutes."

#### **A6. Adjournment and Resumption**

The meeting adjourned at 12.58pm and resumed at 1.38pm with the same Members, Officers and Mr Mark Freeman of Hymans Robertson in attendance.

#### **A7. Training Presentation – Alternative Bond Solutions**

The Committee considered a training presentation on alternative bond solutions by Mr Mark Freeman of Hymans Robertson.

Mr Freeman began by explaining that a bond represents a loan. Members noted the coupon represents the interest payment, which is fixed at the time of issue, and the capital borrowed is repaid at maturity but unlike a loan bonds can be traded. The price depends on supply and demand and the yield is the expected total return.

Members were advised of the different types of bonds available in the bond market, a diagram detailed the two types of bonds available, conventional bonds and index linked. Conventional bonds are available in the UK and overseas from Government and Companies. Index linked bonds are only available from Governments.

Mr Freeman advised that a bond is a method of raising finance and bond investors receive a promise of 'interest' on their capital and their capital is returned in the future. Interest received could be fixed or linked to inflation. The interest rate for Corporate Bonds is linked to a company's ability to pay.

The presentation gave an example of a Government bond (conventional gilt) which has minimal default risk, can have various maturity dates and are very liquid assets.

Members noted that corporate bonds have higher yields than gilts; they are at risk of default, less liquid and reached a historically high level during the credit crunch. Corporate bonds are rated on the ability of the issuer to repay at maturity.

Mr Freeman explained the risk inherent in bonds and explained a diagram that advised why pension schemes should invest in bonds and gilts. Members were presented with a table that compared bond and pension liability cash flows. Bond cash flows offer a reasonable match to pension liabilities but typically have a shorter duration.

Mr Freeman went on to explain the Fund's current bond portfolio which has a strategic allocation of 23% to bonds and is 100% actively managed with BlackRock. Mr Freeman advised that the benchmark used is the Merrill Lynch 1-15 Year Broad Index and advised that management fees for active management were at 0.5% per annum.

Mr Freeman demonstrated the development in bond mandates since 1990 moving from gilts to absolute return.

Mr Freeman finished by explaining an alternate bond solution, which is covered further in the investment beliefs report, and a recap on index-tracking management outlining the benefits and downsides.

Resolved, "That particulars of the training presentation be noted on the minutes."

#### **A8. Capital International Investment Review**

Mr Chris Bell of Capital International joined the meeting at 2.12pm to present the second quarter investment review.

The Committee considered a report and presentation by Mr Bell on the investment review for quarter two.

Mr Bell began by providing an insight of key economic and market themes and portfolio strategy thoughts. This was followed by details of the current asset allocation and recent activity. Mr Bell finished by discussing economic and market thoughts.

In answer to question Mr Bell expressed his opinion on investing in Mexico and Africa.

Resolved, "That the report and presentation be noted on the minutes."

Mr Bell was thanked for his attendance and left the meeting.

#### **A9. Pensions Fund Annual Report 2012/2013**

The Committee considered a report submitted by the Assistant Chief Officer (Finance) seeking approval of the Pensions Fund Annual Report for the Pensions Scheme.

Under the Audit Act 2006, the Pension Fund Annual Report must be prepared by the 31<sup>st</sup> July and approved by the Pensions Committee, as delegated by Council, before they can be passed to BDO (Isle of Man) LLC, the scheme's external auditors.

Members noted that the Accounts and Audit regulations 2013 give the responsibility for approval of draft accounts for issue to auditors to the Responsible Financial Officer rather than the Committee, this will come into effect in 2014.

The Borough Treasurer advised that the auditors, which are now titled BDO following a merger with PKF, did highlight some changes which were incorporated into the annual accounts prior to their circulation.



Resolved, "That particulars of the report and discussion be noted on the minutes and

- (i) The Pension Fund Annual Report be approved for submission to the external auditor;
- (ii) Members did not report the existence of any post balance sheet events that may need to be disclosed within the Statement of Accounts."

#### **A10. The Reduction of Minutes and Publishing of Consultants' Reports**

The Committee considered a report submitted by the Borough Treasurer, following a request from a Member, to consider whether the minutes should be briefer and the Consultant's reports for the Committee should be published on the website.

The report was submitted following a request at the February meeting to shorten the minutes of the meeting and to publish the reports provided to the Committee on the Council's website.

Members noted that the Council is responsible for the Administration of the Isle of Man Local Government Superannuation Scheme and therefore it is important that the full Council can see the justification for the actions approved by the Committee.

The Borough Treasurer advised he is reluctant to publish detailed information about investments on the Council's website in case this is interpreted in some way as investment advice to others.

Resolved, "That particulars of the report and discussion be noted on the minutes and;

- (i) The Committee continue to receive detailed minutes to be able to keep the full Council briefed on Pensions matters that have been delegated to the Committee;
- (ii) Consultants reports continue not to be published on the Council's website."

#### **A11. Adjournment and Resumption**

The meeting adjourned at 3.16pm and resumed at 3.45pm.

Mr Andrew Thomas left the meeting and Mr Councillor D.J. Ashford joined the meeting.

Messrs Councillors J. Joughin and R.H. McNicholl remained present at the meeting.

The Borough Treasurer, Assistant Democratic Services Officer and Mr Mark Freeman remained present at the meeting.

#### **A12. Items for Future Report**

The Committee considered a report submitted by the Borough Treasurer setting out items that are to be considered at future meetings and to review any future training requirements. Where there has been a delay in reporting, the reason for this is outlined.

Members requested a date for a visit to the London BlackRock offices; it was felt that with the number of changes to managers a visit was particularly important.

The timing of the second quarter meeting date, currently taking place on the second Wednesday after Council in July, requires consideration and possibly changing.

Resolved, "That particulars of the items for future report be noted on the minutes."

### ***PART B –***

#### ***Matters requiring Council approval***

#### **B13. Investment Beliefs and Structure Proposal**

The Committee considered a report submitted by Mark Freeman of Hymans Robertson on the IOMLGSS investment beliefs and structure proposals.

Members were reminded that at the May meeting of the Committee Mr Freeman suggested some example investment beliefs for consideration. Mr Freeman advised that investment beliefs should shape a scheme's investment strategy and structure by managing risk appropriately with the objective of achieving the Committee's long term targets. A possible change to the current investment structure was also suggested, a further report was requested by Members.

The report began by reminding Members of the relevant Investment Regulations which need to be taken into account when planning the restructuring of assets. The report went on to detail the Scheme objective that all accrued benefits are fully covered by the value of the Scheme's assets and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing.

Members were presented with a table detailing the current and target asset allocations as at 31<sup>st</sup> March 2013. Members noted that BlackRock is currently measured against a central target allocation as well as being required to select good performing stocks and companies within each asset class. The manager also has an objective to add value by varying the split between asset classes within control ranges set by the Committee.

Members noted that the review of split between growth and matching assets, as discussed during the training session in May, did not form part of this report and will be considered alongside the 2013 valuation, which will be discussed at the November meeting. Mr Freeman advised the 77% growth and 23% matching asset split, which was previously agreed as appropriate by the Committee, has been assumed appropriate for the time being and used to base comments on investment structure within the report. However, the recommendations are still valid for a range of different strategies.

Mr Freeman presented Members with a table summarising the six investment beliefs set out in the report that are considered appropriate for the Committee and the Scheme. Members were advised that investment beliefs one and two are fundamental beliefs and the policy outcomes from these should not be delegated to an investment manager.

Investment belief three is to achieve stabilisation of returns and investment belief four is to avoid paying fees which do not add value to the Scheme. Mr Freeman advised that it can be difficult to consistently outperform the index by active management for some asset classes, and therefore suggested index tracking UK equities, conventional gilts and index linked gilts. It was felt that the Scheme is paying for active management of the Fund but receiving returns that could be achieved through index tracking. Changing the management of some assets to index tracking would result in lower management fees as well as a saving in transaction costs for the Fund.

The Borough Treasurer advised Members that approximately three years ago the subdivision allocation was amended as requested to allow BlackRock more flexibility between asset classes, but performance had not improved. BlackRock now proposed further flexibility in their quarterly report to Committee this month.

The Borough Treasurer queried the use of the word 'belief' within the report however Members agreed to continue using the word.

The Borough Treasurer suggested a number of small amendments to the wording within the investment beliefs table, and both Members and Hymans Robertson agreed with the changes.

The report provided a detailed explanation of each proposed investment belief and the desired outcome. Mr Freeman's reasons for supporting the beliefs were also detailed within the report.

Mr Freeman went on to discuss translating the beliefs into an investment strategy. Members were provided with a table structuring the beliefs discussed, the table detailed the type of asset class, the manager style, the proposed split and the control ranges.

Members were advised that the proposed structure would result in 35% of the Scheme's assets being managed on an index-tracking basis; this has the potential to make considerable savings on fees whilst targeting a higher overall performance through the remaining active portion. Members were presented with the current management fees and the management fees that might be achieved under the proposed new structure. Members were also advised that the transaction costs are much lower in index-tracking funds compared with equivalent actively managed funds.

Members were provided with a breakdown and the proposed split, outperformance and weighted outperformance target. Mr Freeman advised that the proposed structure is more efficient than the current structure and the expected outperformance target would increase from the current 0.65% per annum before fees (fees are approximately 0.6% per annum) to an expected target of at least 1.0% above benchmark per annum across the assets detailed in the table. If the expected targets are met this could result in a significant benefit to the Fund.

In answer to a question, Mr Freeman advised there is no penalty for managers not reaching targets, but the alternative would be to change the manager and move the assets elsewhere.

Mr Freeman advised Members to manage the Scheme's actual asset allocation within control ranges and around a central benchmark rather than delegating this function to an investment manager. It was suggested that a process of monitoring the actual asset allocation against the central benchmark be implemented and that surplus contributions be invested to rebalance underweight assets back to the central benchmark position where appropriate. The Borough Treasurer suggested that this may seem counter-intuitive as it could be viewed as rewarding Managers for not meeting benchmarks whilst removing assets from the best performing Manager. Mr Freeman commented that this would mean topping up asset classes that had performed less well, not necessarily poor performing managers, and that this should be viewed as selling assets that have become expensive and buying more of assets that have become cheap. Members were advised that this approach would require annual reviewing and a process to rebalance the mandates back to the benchmark.

The report detailed how the proposed structure would be implemented and the next steps. The first step was to discuss and agree the investment beliefs and the second step was to discuss and agree the revised investment structure, both of which had been carried out during consideration of this report. The next step was to notify BlackRock of the proposed restructuring. The Committee will then expect to receive a report from the Borough Treasurer setting out the financial implications and timetable of events.

The Borough Treasurer advised that Hymans Robertson and he will discuss the Committee's and BlackRock's proposals with BlackRock.

Members were reminded that BlackRock would be unable to undertake mandates on a pooled basis for assets in excess of 35% of the Scheme's total assets. However, in answer to a question, Mr Freeman advised the Fund could still go forward with BlackRock should they be able to commit to the proposed outperformance targets within the expected fee levels and Investment Regulations.

Members were provided with an appendix analysing the current and proposed portfolios.

Members had a brief discussion about the current custodian and the requirement for that custodian to be licensed for investment business on the Island. The Borough Treasurer is actively engaged on this and the outcome will be relayed to the Committee.

Resolved, "That particulars of the report and discussion be noted on the minutes and;

- (i) That the six investment beliefs proposed, as amended, in the following table be adopted by the Council;

Investment belief		What does this mean for the Scheme?	Policy outcome
1	Investment strategy is the Committee's key risk-control lever	Setting the split between asset classes is the key determinant of the level of investment returns and downside risk	The Committee/Council will continue to set the benchmark asset allocation, and this strategy will be consistent with the Scheme's funding objectives without taking too much risk relative to liabilities
2	Taking investment risk will be rewarded	Investing in equities, credit and property etc. will achieve higher returns than gilts over the long term	Whilst the Scheme's objectives are long term (and contributions exceed benefits paid out), the investments will include a proportion of growth assets
3	Diversification improves stability of returns	Investing in a wide range of different types of assets with different return characteristics will reduce the variability of returns over the short term	Invest in growth assets across a broad balanced portfolio of equities, absolute return and property
4	Fees matter	Fees should be minimised unless value is expected from the expense	UK equities and gilts will in the future be managed on an index-tracking basis, whilst global equities, credit and property will be managed actively
5	Liquidity premiums are available in some markets	Holding assets that cannot be sold quickly will produce higher returns	Invest in illiquid assets such as property and corporate bonds as the Scheme's objectives are long term and there is no need to realise assets in the short term
6	Governance capacity is a constraint	Creating a complex structure will require significant resources to monitor and manage	Given time and cost constraints, only invest in assets that are relatively straight forward and the Committee understand, and across a sensible number of managers

- (ii) That the revised investment structure, as detailed within the report, be approved for further evaluation by all parties;
- (iii) That the Borough Treasurer notify BlackRock of the proposed restructuring;
- (iv) That the Borough Treasurer report back to the Committee to agree the financial implications and timetable of events."

Mr Freeman was thanked for his attendance and left the meeting.

The Committee rose at 5.14pm.

VI(iii) – The Proceedings of the STANDARDS COMMITTEE as follows:

# STANDARDS COMMITTEE

STANDARDS COMMITTEE – Minutes of Meeting held on Wednesday, 17<sup>th</sup> April, 2013.

Members Present: Mr Councillor E.A. Joyce (Chairman), Councillor Mrs R. Chatel, Mr Councillor G.J. Faragher, Mr D. Booth (Independent Member).

Apologies: Mr Councillor J.E. Skinner.

In Attendance: Assistant Town Clerk, Democratic Services Officer.

## REPORT

### **PART A –**

#### ***Matters within the scope of the Advisory Committee's delegated authority***

##### **A1. Minutes 23<sup>rd</sup> January, 2013**

The minutes of the meeting held Wednesday, 23<sup>rd</sup> January, 2013 were approved. The Committee noted that Clause A3 had been withdrawn at the Council meeting on 13<sup>th</sup> February, 2013 following the expression of views that the Leader of the Council should not be involved in the decision as to whether a complaint should be investigated.

##### **A2. Matters Arising**

The Committee discussed the procedures for investigations and consideration of complaints. Members agreed that a further report is to be brought forward on an appeals process. It was also agreed that a flow-chart illustration of the procedures should be added to the Standards Committee Handbook to assist Members.

Resolved, "That the discussion be noted on the minutes, the existing procedures previously approved at the meeting on 6<sup>th</sup> November reaffirmed, and approval be given for the addition of a flow-chart illustration to the Standards Committee Handbook."

##### **A3. Guidance relating to Gifts and Hospitality**

The Committee considered a report relating to the acceptance of gifts and hospitality offered to Members and Officers of the Council. There is guidance within Part 5, Section G of the Constitution, together with the Code of Local Government Conduct. Attached to the report was a flow-chart enabling the Member or Officer to work through a series of questions with "Yes" or "No" answers in relation to any offer of gift or hospitality. The Committee agreed that the flowchart offers guidance in an easily assimilated format.

Resolved, "That the report be noted on the minutes, and approval be given for the flowchart to be included in Part 5, section (G) of the Constitution and for it to be circulated to all Members."

##### **A4. Attendance**

Mr Councillor G.J. Faragher left the meeting at 12.25pm.

##### **A5. Forward Plan**

The Committee reviewed the draft forward plan setting out the topics for consideration and review over the next six months. It was agreed that the plan should be amended to show the inclusion of consideration of the traditions and etiquette of the Council and the extent to which any should be revived.

Resolved, "That the report be noted on the minutes and the forward plan amended as discussed."

##### **A6. Schedule of Meetings**

The Committee noted that the next meetings are scheduled for 10.00am, Wednesday 24<sup>th</sup> July, 2013 and Wednesday, 23<sup>rd</sup> October, 2013.

##### **A7. Annual Report 2012/2013**

The Committee considered the draft annual report of the Standards Committee for the Committee's first year of operation. Members agreed a minor amendment in wording.

Resolved, "That the report be noted on the minutes and the annual report be approved as amended."

#### A8. **Guidance for Members on Use of Council Resources**

The Committee reviewed a guidance note on the use of Council resources. The Committee agreed that it was a useful clarification of existing policy as set out in the Constitution in Part 5 (A)(16) and should be circulated to all Members.

Resolved, "That the guidance note be noted on the minutes, appended to the Code of Conduct at Part 5(A) of the Council's Constitution and a copy circulated to all Members."

#### **PART B –**

##### ***Matters requiring Council approval***

#### B9. **Code of Conduct for Members and Officers**

The Committee considered a report on the Local Government Code of Conduct which is issued by the Department of Infrastructure. Douglas has adopted that Code and incorporated it into Part 5(A) of the Constitution.

Resolved, "That the report be noted on the minutes and approval be given for a recommendation to be made to the Department of Infrastructure to review the Code of Local Government Conduct and the definition of Members' interests as contained in the Local Government Act 1986."

#### B10. **Member / Officer Protocol**

The Committee considered a report on the Member / Officer Protocol which was last revised in October 2007 and has operated very effectively since. There have been no substantial issues between Officers and Members since that time which have required consideration under the Protocol. The report recommended two minor amendments to the Protocol so as to more closely align it with the Standards Committee Procedures. There was some discussion about personal manners and professional etiquette, traditional customs and practices, the reason certain ones have continued and others have been changed or dropped.

Resolved, "That the report be noted on the minutes and approval be given for there to be no change to the Member / Officer Protocol except to substitute the following for Clauses 14.1 and 14.2:

*14.1 This protocol gives guidance as to the arrangements to promote effective working relationships between Councillors and Officers having regard to the standards of conduct expected and the different roles of Members and Officers. Individual minor breaches of etiquette are unlikely to have significant implications apart from indicating a less than satisfactory Councillor/Officer relationship which, if allowed to continue could eventually be detrimental to the overall success of the Council. Breaches by Officers should be dealt with under the Council's disciplinary procedures. Breaches by Councillors should be dealt with under the Standards Committee's procedures.*

*14.2 If the Chief Executive considers that there may have been a breach of this protocol by a Council Member, it will be investigated under the Standards Committee's procedures and if it is established that there is a case, referred to the Standards Committee which will consider the matter and take such action as it considers appropriate."*

Further resolved, "That the Assistant Town Clerk be directed to draft a schedule of matters of etiquette, both between Officers and Members and in other areas of Council proceedings, with a view to them being recorded within the Constitution."

#### B11. **Members and Officers involved in Partnerships**

The Committee considered a report reviewing the Protocol for Members and Officers involved in Partnerships contained in Part 5, section (J) of the Constitution. There have been no obvious issues since adoption of the Protocol and it seems to be working effectively. The Council is currently only engaged in a quite limited number of partnerships. That number may well increase with the Council's adoption in February 2013 of a policy to work with 'Third Sector' organisations.

Resolved, "That the report be noted on the minutes and approval be given for the Protocol for Members and Officers involved in Partnerships contained in Part 5, section (J) of the Constitution to be amended by the addition of a paragraph in section 2.2 and by the addition of a section 2.4.

The addition to 2.2 is:-

*Members and Officers should therefore be mindful of the Council's policies, and be able to present them to their fellow members of the organisation, but should be willing to listen to and consider contrary views; if there is a conflict between Council policy and the organisation's wishes, it is feasible that the Council might be persuaded to change its policies.*

The new paragraph 2.4 is:-

*Conflicts of Interest should be minimised if there is proper communication between the Council and the organisation; minutes of meetings of such organisations, together with supporting documentation, should be passed to the Chief Executive, who, if there is a matter identified that should be considered by Council or a Committee, can make the appropriate arrangements.”*

The meeting ended at 1.00pm.

VII(i) – The Proceedings of the HOUSING AND PROPERTY ADVISORY COMMITTEE as follows:

# HOUSING AND PROPERTY ADVISORY COMMITTEE

HOUSING AND PROPERTY ADVISORY COMMITTEE – Minutes of Meeting held on Wednesday, 17<sup>th</sup> July, 2013.

Members Present: Mr Councillor D.J. Ashford (Chairman), the Mayor, Messrs Councillors J. Joughin, J.E. Skinner, Councillor Ms K. Angela, Mr Councillor S.C. Cain.

In Attendance: Assistant Town Clerk, Assistant Chief Officer (Housing and Property), Assistant Chief Officer (Income), Housing Manager, Democratic Services Officer.

## REPORT

### **PART A –**

#### ***Matters within the scope of the Advisory Committee's delegated authority***

##### **A1. Minutes 19<sup>th</sup> June, 2013**

The minutes of the meeting held Wednesday, 19<sup>th</sup> June, 2013 were approved and signed.

##### **A2. Capital Programme Monitoring Report**

The Committee noted the quarterly update on the capital projects 2013/2014.

##### **A3. Matters for Future Consideration**

The Committee considered the report on matters for future consideration

Resolved, "That the report be noted on the minutes."

### **PART B –**

#### ***Matters requiring Executive Committee approval***

There were no matters requiring Executive Committee approval.

### **PART C –**

#### ***Matters requiring Council approval***

##### **C4. Spring Valley Kitchen Refurbishments**

The Committee considered a report on the Spring Valley Kitchen Refurbishments capital housing project. The project is brought forward within the Kitchen Framework agreement which has the capital budget for the sole purpose of kitchen replacements and cannot be transferred to any other capital projects. Cedar Developments Limited is one of the Department of Social Care's two approved Kitchen Framework Contractors. The company has been carrying out kitchen refurbishment work on the Anagh Coar Estate over the past two years. That work is now nearing completion. The Kitchen Framework rates submitted by Cedar Developments Ltd have previously been approved by Committee and have been used to price the work on the Spring Valley Estate. The Kitchen Framework professional fee rates have also been previously approved by the Committee.

The report gave details of the tender submitted by Cedar Developments Limited and the tender-opening exercise.

The Kitchen Framework has been designed to limit the exposure to risk by working on a limited number of properties at any one time. By doing so, this has reduced the risk to the Council in the event that the contractor becomes insolvent. There are two kitchen framework contractors. One is working full-time on the Council's housing stock whilst the second is working on other local authority properties. In the event of the Council's contractor becoming insolvent, the second framework contractor will be available to complete the works.

The total petition amount will be £1,147,402.86 payable over fifteen years. The annual amount payable will be £107,674.91. The total amount payable will be £1,615,123.65 and the total interest will be £67,720.79.

Resolved, "That particulars of the report be noted on the minutes; and

- (i) The tender submitted by Cedar Developments Limited for kitchen refurbishments at Spring Valley Estate be accepted; and

- (ii) The Town Clerk and Chief Executive be authorised to submit a borrowing petition to the Department of Social Care in the amount of £1,146,402 being the full capital cost to complete kitchen refurbishments on the Spring Valley Estate; and
- (iii) That the Department of Social Care be advised that an assessment of the Council's housing reserve fund has been undertaken to establish if sufficient monies were available to fund the proposed scheme via that source; and
- (iv) That Standing Order 151 relating to the requirement of a bond is waived due to the limited exposure to risk associated with this project."

#### **C5. Willaston External Refurbishment and Redevelopment Strategy**

The Committee considered a report submitted by the Assistant Chief Officer (Housing and Property) setting out a strategy for the refurbishment and redevelopment of the Willaston Estate. A plan of the Willaston Estate showing the construction of the Estate from when it was first built, with each construction phase outlined on the plan, and numbered in the order in which they were constructed. Properties with damp problems are distributed throughout the Estate, and the damp properties were also identified on the plan.

The pilot scheme which involved the external refurbishment of six properties worst affected by damp has now been completed. The main emphasis of the pilot scheme was to identify suitable materials and construction techniques for the best possible value whilst at the same time ensuring the specified design was not compromised. It was reported that the pilot scheme has been a success in terms of the construction methodology applied and the materials used. Early readings have indicated damp level reductions and completed properties will continue to be monitored until satisfactory moisture levels are recorded. The scheme closely monitored expenditure to achieve the best possible value, which in some cases involved slight changes to original specified materials due to better value and/or easier availability saving time and money. The design team is currently compiling a report which is due in August 2013 and will highlight any areas where further improvements can be made; such as any alternative construction methods or use of materials and any areas where site management can be improved for the betterment of future works.

The first five years of the ten year redevelopment strategy and the approximate yearly costs were set out as follows.

##### Year 1 – 2013/2014 (£1.4 million)

- Refurbish a further twenty-four units in two sub-phases of twelve. Prioritise damp properties.
- Appoint design team and commence design of a new sheltered complex on the Police Station site.

##### Year 2 – 2014/2015 (£2 million)

- Refurbish a further thirty-six units in three sub-phases of twelve. Prioritise damp properties.
- Complete design and tender process for new sheltered complex.

##### Year 3 – 2015/2016 (£4.8 million)

- Refurbish a further thirty-six units, prioritising damp properties.
- Commence construction of sheltered complex.

##### Year 4 – 2016/2017 (£4.8 million)

- Refurbish a further thirty-six units, prioritising damp properties.
- Continue construction of sheltered complex.

##### Year 5 – 2017/2018 (£4 million)

- Complete sheltered complex.
- Refurbish a further eighty units completing the damp properties list.

The first five years will result in two hundred and fifteen refurbished properties including all properties on the current damp list, plus a new forty-unit sheltered accommodation complex at a total estimated cost of £17 million. The sheltered complex will be initially reserved for suitable Willaston tenants wishing to downsize, thus releasing additional properties for refurbishment. Refurbishment in these first five years will concentrate on properties within the oldest six phases of Willaston Estate, and tenants living in properties suffering from damp in other areas will be encouraged to relocate permanently into completed refurbished properties. This will allow the project team to investigate and consider options for the redevelopment of the remainder of Willaston for completion during years six to ten when a further proposal will be submitted.



These works are included in the Willaston External Refurbishment:-

- Removal and replacement of outer leaf of brickwork inclusive of new damp proof course
- New weep vents to plinth of new outer leaf of masonry
- New 50mm rigid cavity insulation board
- New stainless steel wall ties
- New dashed render finishing coat
- Removal of redundant chimney stacks
- New concrete roof tiles, roofing membrane and roofing battens
- New UPVC soffits, fascias, rainwater goods and soil vent pipes
- New fibreglass composite front and rear doors
- New concrete window cills
- New stainless steel lintels
- Making good to damaged damp plaster and redecoration of the affected area only
- Removal of external oil boilers and replacement with internal boilers (very limited requirement)
- Replacement or re-lining of lead water mains
- Removal and re-instatement of new concrete paths.

These works are not included in the Willaston External Refurbishment programme:-

- Full internal re-decoration
- Roofing rafters and wall plates
- Roof space insulation
- Kitchen floor damp-proof membrane (to be incorporated into kitchen refurbishments project)
- New windows (existing UPVC in satisfactory condition and re-used)
- Fences
- Kitchen refurbishments (to be dealt with under separate future contract)
- Bathroom refurbishments (to be future capital contract)
- Electrical refurbishments (to be future capital project)
- New soft furnishings i.e. carpets and curtains
- New boilers or heating related items
- Plumbing items
- Joinery items
- Flooring
- Light fittings.

The Committee discussed the pilot scheme, the strategy, the planned works and programme timing. Year 1 of the strategy is the current financial year, so in order to progress the strategy the report proposed to immediately progress work on a further twenty-four properties, implementing the pilot scheme design methods, techniques and recommended improvements to externally refurbish those properties. In order to proceed in the current financial year, it was proposed to continue the appointment of the current contractor and design team. The design team fee proposals submitted were scrutinised by the Committee and question was raised as to why they weren't lower, given that the Year 1 work is a continuation of the pilot scheme. The Assistant Chief Officer (Housing and Property) advised that there are fourteen different house types in the Willaston Estate, and only three types were included in the pilot scheme. The fee proposals have been discounted from the normal fee scales. It was also reported that there has been a reduction in the fee proposals since the report was prepared. The Assistant Chief Officer (Housing and Property) read out the updated fees and these are the figures included in the Committee resolution. The Committee were advised that in future years there may be further reductions in the fee proposals. Members enquired what guarantees might be available on the work. The Assistant Chief Officer (Housing and Property) advised that there would be a twelve year latent defects guarantee. In response to further question, he advised that in the unlikely event that a construction firm ceases trading after the work is completed, there will be little value in the guarantee.

In discussion it was suggested that there should be a period of waiting and monitoring of the properties in the pilot scheme to ensure that the work carried out has completely resolved the damp issues in those properties. The Assistant Chief Officer (Housing and Property) advised that the work has been successful and that the properties look brand-new. Photos of completed properties were available for the Committee to view. There was some discussion about tendering the construction works. The Committee were advised that whilst it was intended to negotiate with the pilot scheme contractor for the works in Year 1 of the strategy, open tenders would be sought for future construction contracts.

There was discussion of the programme of works. It was suggested that it might be possible to include (as an extra) fences in the front of properties, but that the overall strategy will not include the fencing the entire gardens. During discussion of the programme timing the Committee were advised that one of the major constraints on the programme is the limited availability of transit accommodation to move tenants into whilst the work is progressing. The Housing Manager confirmed that staff will work closely with tenants to ensure that they are re-housed in suitable accommodation.

Resolved, "That particulars of the report and discussion be noted on the minutes; and

- (i) Approval is given to the Willaston Estate External Refurbishment and redevelopment strategy, subject to the recommendations in the design team's final pilot scheme which is due in August 2013; and
- (ii) Approval is given to the appointment of the original design team and their professional fees for a further twenty-four external refurbishments on the Willaston Estate, which are subject to Treasury approval.
- (iii) The Town Clerk and Chief Executive be authorised to submit a borrowing petition to the Department of Social Care in the amount of £60,320.00 being the amount required to defray the cost of the professional fees; and
- (iv) That the Department of Social Care be advised that an assessment of the Council's housing reserve fund has been undertaken to establish if sufficient monies were available to fund the proposed scheme via that source."

The meeting ended at 11.50am.

VII(ii) – The proceedings of the REGENERATION AND COMMUNITY ADVISORY COMMITTEE as follows:

# REGENERATION AND COMMUNITY ADVISORY COMMITTEE

REGENERATION AND COMMUNITY ADVISORY COMMITTEE – Minutes of meeting held on Tuesday, 16<sup>th</sup> July, 2013.

Members Present: Mr Councillor G.J. Faragher (Vice-Chairman), the Mayor, Councillors Mesdames R. Chatel, D.A.M. Pitts, Mr Councillor W.M. Malarkey.

Apologies: Mr Councillor S.R. Pitts.

In Attendance: Assistant Town Clerk, Assistant Chief Officer (Finance), Assistant Borough Engineer, Assistant Chief Officer (Corporate and Development), Head of Parks, Assistant Democratic Services Officer.

## REPORT

### **PART A –**

#### ***Matters within the scope of the Advisory Committee's delegated authority***

##### **A1. Chair of Meeting**

In the absence of the Chairman, it was unanimously agreed that the Vice-Chairman, Mr Councillor G.J. Faragher, should chair the meeting.

##### **A2. Minutes – 18<sup>th</sup> June 2013**

Minutes of meeting held on Tuesday, 18<sup>th</sup> June, 2013, were approved and signed.

##### **A3. Hanging Baskets**

The Committee considered a report submitted by the Head of Parks, following a request from a Member, to reinstate the Promenade hanging baskets.

Members noted the hanging baskets along Douglas Promenade were identified as a saving and removed from the budget in 2010/11. A Member requested the Promenade hanging baskets be reinstated for the 2014/15 year to coincide with the Island of Culture.

Members suggested that the reinstatement of hanging baskets in future years should be considered.

The Head of Parks confirmed a theme of red flowers will be the main floral focus along the Promenade to symbolise the colour of the Manx flag and of the poppy emblem for the World War I centenary.

During discussions Her Worship the Mayor and Members advised that the Promenade flower displays are looking exceptional and had received many positive comments from residents and visitors and requested the Committee's compliments and appreciation be recorded on the minutes.

Resolved, "That particulars of the report and discussion be noted on the minutes and the sum of £11,964 be included as a revenue growth item for one year, 2014/2015, for the reinstatement of previously located hanging baskets along the Promenade."

##### **A4. Commemoration of 150<sup>th</sup> Anniversary (2014) of birth of Archibald Knox**

The Committee considered a report submitted jointly by the Assistant Chief Executive and Assistant Chief Officer (Corporate and Development), following a request from a Member, to consider commemorating the 150<sup>th</sup> birthday of Archibald Knox.

Members noted that Archibald Knox was born on 9<sup>th</sup> April 1864 and 2014 marks the 150<sup>th</sup> anniversary of his birth. 2014 has also been designated the Island of Culture.

A Member requested the report following a discussion with the Archibald Knox Association and suggested that the Knox Garden be improved and enhanced and a bust of Archibald Knox be commissioned.

The Assistant Chief Officer (Corporate and Development) advised there had been past proposals in respect of work to the Knox Garden which were not pursued. Members were advised that anything of a high quality with Knox's trademark work is likely to require a significant budget. In past years the Council has been in discussion with a business located on Athol Street but nothing had been finalised. The Assistant Chief Officer (Corporate and Development) advised that local businesses in the area are unlikely to contribute financially to the idea.

Members requested Officers to research the cost of an Archibald Knox bust and report back to the next meeting of the Committee. The Vice-Chairman also advised Members to suggest their ideas to the Assistant Chief Executive in time to report back to the September meeting of the Committee.

Resolved, "That particulars of the report and discussion be noted on the minutes and;

- (i) Members of the Committee e-mail the Assistant Chief Executive any possible ideas to commemorate Archibald Knox's 150<sup>th</sup> anniversary of his birth;
- (ii) The Assistant Chief Officer (Corporate and Development) research prices for an Archibald Knox bust contacting the Archibald Knox Society for assistance;
- (iii) A further report on the costs of a bust and ideas put forward by Members of the Committee be reported to the September meeting;
- (iv) The Head of Parks prepare a report on general improvements to the Knox Garden, to be considered at the September meeting of the Committee."

#### **A5. Noble's Park TT 2013 Hospitality Marquee**

The Committee considered a report submitted by the Assistant Chief Executive, following a request from the Department of Economic Development ('the Department'), requesting approval for the TT VIP hospitality unit to remain in the Noble's Park playing fields until after the Festival of Motorcycling (previously known as the MGP).

Members were advised that the hospitality marquee situated at the Noble's Park playing fields was to be used for both the TT and the Festival of Motorcycling. It emerged there were significant savings to be made if the marquee did not have to be dismantled between the two events.

An e-mail was received from the Development Executive of the Motorsports Team requesting permission for the TT VIP hospitality unit to remain located in the Noble's Park playing fields until after the Festival of Motorcycling. The Department advised they will be seeking advice from the Department of Infrastructure in respect of planning and permission with a view to seeking approval for this period as well as taking their advice for future years.

The Department advised that there are no plans to use the marquee for other events, there will be additional security measures introduced and monitored by the Department and the reinstatement costs, if any, will be met by the Department.

A Member expressed concern over the small hire fee offered compared to the potential savings made to dismantle the marquee between the two events.

A Member emphasised that the saving made would not be of benefit to the owner of the marquee but the cost would be met by tax payers and for this reason the fee should be accepted.

Members agreed the long term user agreement with the Department should be revisited and revised.

Resolved, "That particulars of the report and discussion be noted on the minutes and;

- (i) The TT hospitality marquee can continue to be on site in Noble's Park subject to all legal, planning, insurance, health and safety, security, reinstatement, and any other statutory requirements being met by, and being the responsibility of, the Department of Economic Development;
- (ii) The fee proposal for the seven week period between TT and the Festival of Motorcycling, be accepted."

#### **A6. Horse Trams – Possible Extension to 2013 Season**

The Committee considered a report submitted by the Assistant Chief Executive, at the request of the Committee, on the possibility of extending the 2013 horse tram season.

During consideration of the initial report to Committee in October 2012 regarding the operating dates for the operation of the 2013 horse tram season it was requested that a report be brought to the Committee during the 2013 season to explore the merits of extending the 2013 season by a week in September.

Members noted the cost for seasonal staffing for each additional week's operation would be in the region of £6,000, although there would be some income to off-set this.

The horse tram season was reduced by 4 weeks in 2008 as a cost-saving measure and because it was felt the passenger numbers did not justify operating during the shoulder weeks.

The report suggested that instead of extending the 2013 season at this late stage, that consideration be given to commencing the 2014 season a week early to accommodate requests from tour operators detailed in the report.

In answer to question the Assistant Chief Officer (Corporate and Development) confirmed phase 1 of the Promenade redevelopment does not affect the horse trams.

Members agreed not to extend the 2013 horse tram season at this late stage. Members requested additional information from the tour operators and cruise ships, including the expected visits and numbers travelling before making a decision about extending the 2014 horse tram season.

Resolved, "That particulars of the report and discussion be noted on the minutes and;

- (i) The 2013 horse tram season not be extended by an additional week in September;
- (ii) An additional report detailing tour operator and cruise ship expected passenger numbers for 2014, in order to consider extending the 2014 horse tram season, be considered at the October meeting of the Committee."

For: 3 Against: 1

#### **A7. Charitable Collections at Public Events Promoted by the Council**

The Committee considered a report submitted by the Assistant Town Clerk, following a request from the Committee, to consider the policy for charitable collections at public events promoted by the Council.

The report suggested making a clear policy to permit the Mayor's Appeal Fund to collect at all three major annual public events, namely the Fun Day, the Fireworks Display and Christmas Lights Ceremony, to the exclusion of all other charities, to clarify the situation when other charities occasionally seek permission.

During the discussion Members queried the process for allowing buskers in the Town Centre; the Assistant Chief Officer (Corporate and Development) clarified the process and requested Members to notify Douglas Development Partnership of any issues.

Resolved, "That particulars of the report and discussion be noted on the minutes and that as a matter of policy, the only charitable collections permitted at the major public events promoted by the Council be on behalf of the Mayor's (or Mayoress') Appeal Fund."

#### **A8. Items for Future Consideration**

The Committee considered a report by the Assistant Town Clerk detailing items for future consideration by the Committee.

Her Worship the Mayor requested a report on the possible visit of Ballymoney netball teams to the Island for a netball tournament.

Resolved, "That particulars of the matters for future consideration be noted on the minutes."

#### ***PART B –***

##### ***Matters requiring Executive Committee approval***

There were no matters requiring Executive Committee approval.

#### ***PART C –***

##### ***Matters requiring Council approval***

There were no matters requiring Council approval.

The meeting ended at 11.30am.

VII(iii) – The proceedings of the ENVIRONMENTAL SERVICES ADVISORY COMMITTEE as follows:

# ENVIRONMENTAL SERVICES ADVISORY COMMITTEE

ENVIRONMENTAL SERVICES ADVISORY COMMITTEE – Minutes of meeting held on Monday, 15<sup>th</sup> July, 2013.

Members Present: Mr Councillor R.H. McNicholl (Chairman), the Mayor, Councillor Mrs S.D.A. Hackman, Mr Councillor C.L.H. Cain.

Apologies: Mr Councillor A.V. Quirk.

In Attendance: Assistant Town Clerk, Assistant Borough Engineer, Building Control Manager, Senior Accountancy Officer, Democratic Services Officer.

## REPORT

### **PART A –**

#### ***Matters within the scope of the Advisory Committee's delegated authority***

##### **A1. Minutes 17<sup>th</sup> June, 2013**

The minutes of the meeting held Monday, 17<sup>th</sup> June, 2013 were approved and signed.

##### **A2. Nuisance Abatement Notice – 8 Hildesley Road**

The Committee considered a report on the external appearance of 8 Hildesley Road. The property is in an unsightly condition with the front door and window frames needing repainting or replacement. There is overgrown vegetation and weeds in the front and rear gardens. There has been some tidying of the overgrown vegetation in recent months, but these have only been temporary improvements and the weeds persist. The Committee viewed colour photos of the property.

Resolved, "That particulars of the report be noted on the minutes, and approval be given for service of a Notice on the owner of 8 Hildesley Road, if required, under section 24 of the Building Control Act 1991."

##### **A3. Unsightly Properties**

The Advisory Committee considered the lists of unsightly properties being dealt with on behalf of the Council by the Building Control Section and by Environmental Health Officers. There was some discussion as to the requirements for adequate service of notices. The Building Control Manager agreed to bring back further information to the Committee.

Resolved, "That the list and the discussion be noted on the minutes."

##### **A4. Planning Application 13/00687/B – Tesco Store, Lake Road**

The Committee considered planning application 13/00687/B seeking retrospective approval for the erection of a seasonal extension to the existing retail store between 1<sup>st</sup> April and 30<sup>th</sup> September on an annual basis at the Tesco Store, Lake Road Douglas. The proposal is for the erection of a fabric covered shelter (9.0m x 6.0m) selling seasonal goods. This would form an extension to the store and would operate between 1<sup>st</sup> April and 30<sup>th</sup> September on an annual basis. The application is retrospective. The Committee discussed the matter thoroughly.

Resolved, "That particulars of the planning application be noted on the minutes and no objection raised."

##### **A5. Comparison of Current and Proposed Suppliers of Street Nameplates**

The Committee considered a report prepared following a request from the Committee that prices be obtained for the manufacture, supply and delivery of street signs from N Sign of Stockton-on-Tees, England. Initial contact with N Sign had been made by attendance at the 2013 Traffex and Parkex Exhibition in Birmingham. In discussion of the report, the Members queried whether the company had been given the same specification as the local supplier and asked to see the specifications. The prices supplied by N Sign were higher than the local supplier, and delivery charges would be incurred. Members expressed doubts about the quality of the two signs and inquired whether or not the signs would include the crest. Members asked that N sign be asked to supply a sample sign to the same specification as the local supplier to include the Corporation crest.

Resolved, "That the discussion be noted on the minutes and the report deferred pending receipt of further information as regards the questions raised."

**A6. Advertising on Council Vehicles**

The Committee considered a report on advertising on Council vehicles. At the June meeting the Committee considered and rejected seeking commercial advertising on Council vehicles. The further report recommended that advertising for waste minimisation be placed on waste management vehicles. A Member suggested that retailers be approached to see if they could provide a facility for shoppers to deposit 'excess' packaging at source rather than to take it away. This, in the Member's view, could reduce some of the burden of recycling for individuals. The Committee agreed that there could be further investigation of the suggestion.

Resolved, "That the report be noted on the minutes and approval be given for in-house design advertising to be placed on waste management vehicles in relation to current campaigns for waste minimisation."

**A7. Installation of Chewing Gum Bins**

The Committee considered a report on possible procurement of 'gumdrop' bins specifically for the disposal of chewing gum. The bins are supplied in an eye-catching shade of pink and are made from recycled chewing gum. Once the bins are full of chewing gum, they are returned to the manufacturer who will supply a new bin.

Members examined the sample bins which were brought to the meeting. All agreed that they are eye-catching. There was discussion of the fixing methods for the bins, the robustness, whether they will be used, and which locations might be suitable for their use.

Resolved, "That the report and discussion be noted on the minutes and

- (i) approval given for the purchase of twenty-five 'gumdrop' bins together with fixing kits and delivery at a cost of £423 to be funded from SW080 Engineering Miscellaneous Works; and
- (ii) the bins initially to be located near to schools; and
- (iii) that no bins be located in Strand Street."

**A8. Items for Future Consideration**

The Committee considered a report setting out items on which there are reports outstanding.

Resolved, "That the report be noted on the minutes."

**PART B –**

***Matters requiring Executive Committee approval***

**B9. Bin Weighing**

The Committee considered a report on weighing of domestic waste bins. Weighing of domestic bins would provide valuable information for the effective management of staff and plant resources for the collection of household waste and recyclable materials. In order to carry out bin weighing, every bin needs to have a microchip installed. In recent years all new bins have come with microchips already installed by the manufacturer.

It was reported that Douglas has an estimated 12,000 domestic bins, and approximately half of them will need to have microchips installed. Electronic readers of the microchips are already installed in bin wagons so this reader could be utilised to determine which bins have microchips and which ones don't.

There was discussion of the potential problems which may arise in the future. There was also general agreement that once installed and activated, data from the microchips would need to be collected for a minimum of twelve months prior to making any changes based on the data gathered. The installation of microchips would be implemented over a six month period and would be carried out by in-house resources, utilising the working refuse vehicles as transportation. The estimated cost to purchase the necessary microchips and implement their installation across the stock of existing domestic refuse bins is £40,000. The Committee were advised that as there is no provision in the 2013/2014 budget for this, the matter would have to be referred to the Executive Committee for funding.

Resolved, "That

- (i) particulars of the report and discussion be noted on the minutes and approval be given for the installation of the necessary equipment to facilitate domestic bin weighing for the recording and collection of management information; and
- (ii) the report be referred to the Executive Committee for funding so as to allow the project to proceed in the current financial year."

***PART C –***

***Matters requiring Council approval***

**C10. Shaw’s Brow Car Park Resurfacing, Levels 4 and 5 – Tender Report**

The Assistant Borough Engineer reported that only one tender was received that complied with the tender specifications. All applicants on the Select List were interviewed by the Planning Supervisor; and a great deal of research has gone into identifying the most suitable product.

It is hoped to carry out the work in August as that is the quietest month, subject to receipt of petition approval in a timely fashion. It is expected that the work can be done without completely closing the two levels.

Resolved, “That particulars of the report be noted on the minutes; and

- (i) approval is given for the acceptance of the tender received from USL Limited for resurfacing works to Levels 4 and 5 of Shaw’s Brow Car Park using the BASF Connideck proprietary deck system; and
- (ii) the Town Clerk and Chief Executive be authorised to submit a borrowing petition to the Department of Infrastructure for borrowing powers in the sum of £170,000.77 being the amount required to defray the costs of the works;
- (iii) the Department of Infrastructure be advised that an assessment of the Council’s reserve funds has been undertaken to establish if sufficient monies were available to fund the scheme via that source.”

The meeting ended at 4.16pm.