



Borough of Douglas

**MR. COUNCILLOR RICHARD HENRY McNICHOLL, J.P.
MAYOR**

Town Hall,

Douglas,

9th December, 2011

Dear Sir or Madam,

You are hereby summoned to attend a MEETING OF THE COUNCIL to be held on WEDNESDAY, the 14th day of DECEMBER, 2011, 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. 36.
- 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 Policy and Resources Committee;
 - (ii) The Leisure Services Committee;
 - (iii) The Public Health and Housing Committee;
 - (iv) The Public Works Committee;
 - (v) Any other Joint Committee;
 - (vi) Any Select Committee of the Council.
- VII.- Consideration of such communications or petitions and memorials as the Mayor or Town Clerk may desire to lay before Council.
- VIII.- Notices of Motion submitted by Members of the Council in order of their receipt by the Town Clerk.
- IX.- 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. 15(1); under Standing Order No. 15(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.

*Items marked thus in the Minutes of Committees are those in respect of which the Committees have delegated powers, and such matters are therefore reported for information only.

AGENDA

III. – Chief Executive to read minutes of the Council Meeting held on Wednesday, 9th November 2011 and minutes of the Special Private Council Meeting held on Friday, 25th November 2011.

VI(i). - The proceedings of the POLICY AND RESOURCES COMMITTEE as follows:

POLICY AND RESOURCES COMMITTEE

POLICY AND RESOURCES COMMITTEE – Minutes of Meeting held on Friday, 11th November, 2011.

Members present: Mr Councillor D W Christian (Chairman), the Mayor, Mr Councillor S R Pitts, Councillor Mrs S D A Hackman, Mr Councillor D J Ashford, Councillor Mrs C E Malarkey, Councillor Mrs E C Quirk, Councillor Mrs D M Kinrade.

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

REPORT

1. **Apologies for Absence**

Apologies for absence were submitted on behalf of the Chief Executive.

*2. **Declarations of Interest**

No declarations of interest were submitted.

3. **Minutes**

Minutes of meeting held on Friday 28th October 2011 were approved and signed.

*4. **Matters Arising from Previous Minutes**

Community Events sub-Committee

Fireworks Display – Saturday 5th November 2011: Members agreed that the display was a success and very well attended, although the absence of a bonfire meant that the event effectively ended after the fireworks.

Christmas Lights Switch On Ceremony: in relation to a possible relocation for the switch-on, it was noted that other locations had been tried in the past and, although the Town Hall venue for the ceremony worked well, it was becoming staid with the same format each year. For this year it was agreed that the snow machines should be left on for a greater length of time after the opening ceremony to continue to create a more festive atmosphere, whilst ‘Santa’s Grotto’ was still open.

Discussion also took place in relation to the lantern parade, which would be forming up in the newly refurbished Upper Nelson Street and proceeding down Victoria Street. It was agreed that the commencement of the parade should be announced over the loud speakers, to alert spectators that the procession had commenced.

Resolved, “That particulars be noted on the minutes and, in relation to the 2011 Christmas Lights Switch-on Ceremony:

- The snow machines be left on for a greater length of time to create more snow
- The commencement of the lantern parade be announced over the loud speakers.”

*5. **Treasury Management Practices**

The Committee considered a written report by the Assistant Borough Treasurer (Income Services) seeking approval of Treasury Management Practices for the Council.

The Committee, at its meeting on 30th September 2011, had approved a Treasury Management Strategy (including a Treasury Management Policy) for the Council and the proposed Treasury Management Practices would set out what the Council would do in relation to Treasury Management in a greater level of detail. In order to demonstrate that the Council was competent and open in its financial management, it was suggested that the Treasury Management Policy and the Treasury Management Practices be published on the Council’s website.

The Borough Treasurer informed Members that it had been reported that, as of today’s date, the Island’s credit rating had been down-graded from ‘AAA’ to ‘AA+’. He advised that he was unsure what impact this

might have on the Council when the next loans were taken out, as the rates might not be as favourable as previously.

In response to a query relating to the credit rating set for pensions investments, the Borough Treasurer undertook to circulate the relevant information to Members of the Committee.

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

(ii) That the Treasury Management Practices, as appended to the written report, be approved;

(iii) That approval be given to making the Treasury Management Practices and the Treasury Management Policy available on the Council’s website; and

(iv) That the Borough Treasurer be requested to circulate the relevant information relating to pensions to Members of the Committee.”

***6. Capital Programme Budget Monitoring – Six Months to September 2011**

The Committee considered a written report by the Assistant Borough Treasurer (Financial Services) in relation to Capital Programme budget monitoring for the six months to September 2011 and seeking approval of the 2010 / 2011 Capital Programme Revised Estimates.

The Accounts and Audit Regulations 2007 required local authorities to put in place suitable arrangements to ensure the proper conduct of their financial affairs and to monitor the adequacy and effectiveness of those arrangements. Adequate budgetary controls needed to be in place, including a mid-term report on the Council’s performance against the approved Capital Programme estimates.

The Service Committees had already approved in draft the Revised Capital Programme for 2011 / 2012 as part of their wider consideration of the Draft Five-Year Capital Programme and, although there was almost five months of the financial year still remaining, the Revised Estimates now required formal approval by this Committee.

The original estimate for the Capital Programme stood at £14,823,000, and a reduction of £3,681,000 had been made to give a revised position of £11,142,000. This was mainly due to changes in project expenditure profiling across years, and the deferral of a number of items in line with current expectations. The schedule, for the period to 30th September 2011, presented an overall expenditure of £4,157,000, leaving a balance remaining to be spent of £6,985,000. This level of expenditure represented 37.3% of the Draft Revised Estimates and 28% of the Original Capital Programme for the year.

Members were advised that it was not feasible to profile the budget for capital expenditure items across months within the financial year, as the timing of expenditure depended upon a number of factors, such as the tender and petition processes. It was not, therefore, appropriate to consider the budget monitoring in terms of under- or over-spends, unless a project was actually complete, and any remaining unspent amounts on projects that were not completed by the end of the financial year would need to be carried forward into the new financial year.

Members recalled that, at their meeting on 14th October 2011, a new policy of financing capital schemes connected with the Council’s community land assets, from Revenue balances in the first instance, had been agreed. A review of the resulting impact on the Revenue balances had now been performed, and it was clear that this policy could have a detrimental and significant impact upon the level of balances held. For that reason, it was proposed that the financing for the larger Cemetery site works and the Hutchinson Square scheme should revert to loan financing, as originally envisaged.

The Borough Treasurer advised that the Committee would get the opportunity at the Special Budget Meeting on 13th January 2012 to review again the financing of all General Fund capital schemes. He also informed Members that, as part of the external audit of the Statement of Accounts, it had become clear that capital schemes which enhanced the original community asset could result in increases in balance sheet values.

It was noted that Capital Programme monitoring was reported to the Extended Chief Officers’ Management Team and budget managers on a quarterly basis. Project managers also received expenditure updates for their projects.

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

(ii) That the revised Capital Programme, totalling £11,142,300, for the current 2011 / 2102 financial year be approved, subject to the following:

- PH00086 - Hillside Estate central heating: the Borough Engineer & Surveyor advised that this scheme should be completed within the current financial year and undertook to clarify that position
- PH00029 – Bridge Road Flats rewire: reference to this to be deleted from the Capital Programme
- LS00059 – Groves Road pitch remediation: the Borough Engineer & Surveyor advised that there was still one outstanding invoice and undertook to clarify the situation with the Borough Treasurer;

(iii) That the £4,157,000 capital expenditure incurred on capital projects up to the end of September 2011, leaving a remaining balance of £6,985,000 to be spent compared to the Revised Estimates, also be noted; and

(iv) That approval be given to revert the financing source to loan for the following items:

- The Cemetery site works (holistic study), which was due to commence in 2012 / 2013
- The Hutchinson Square scheme, which was due to start in 2013 / 2014.”

***7. Revenue Budget Monitoring – Six Months to September 2011**

The Committee considered a written report by the Assistant Borough Treasurer (Financial Services) in relation to Revenue budget monitoring for the six months to September 2011.

The Accounts and Audit Regulations 2007 required local authorities to put in place suitable arrangements to ensure the proper conduct of their financial affairs and to monitor the adequacy and effectiveness of those arrangements. Adequate budgetary controls needed to be in place, including a mid-term report on the Council's performance against the approved Revenue budgets and a report at this stage was well-timed to feed into the 2012 / 2013 budgetary process.

It was noted that the revenue monitoring schedule (as appended to the written report), for the period to 30th September 2011, highlighted an overall net favourable variance of just over £286,000 when compared to the profiled budget figures, representing 9.8% of the profiled approved budget. The budget performance data contained within the report only represented the first six months of the financial year and there was therefore still scope for the positions to change considerably between now and the 31st March 2012 (in particular, the capital financing charges figures were not calculated until after the year end).

Members were advised that, although the six months expenditure figure had been adjusted to account for the impact of the 1.5% staff pay award yet to be determined and implemented in respect of 2010 / 2011, no such adjustment had been made in respect of the waged manual workers' pay award for 2010 / 2011 as, at this date, the financial impact was yet to be calculated. Although the budgeted wages and salaries figures for the current 2011 / 2012 financial year had assumed a 2% pay award, no award had yet been given, therefore the cost associated with that was not reflected within the net expenditure figures reported. The impact of applying a 2% increase to the figures reported would be in the region of £92,000, of which over £70,000 would be a rate-borne cost.

Notwithstanding the unresolved pay award issues, within the overall favourable variance so far, there were considerable variations across individual services and brief explanations for any significant variations from budget had been provided.

In recent years, lower capital charges had helped to produce a more favourable out-turn position than the in-year budget monitoring position had suggested, however, it was not possible at this stage to make any firm prediction about the likely level of variance from budget at the end of the financial year. It was clear that some genuine savings would be achieved, but further work was required to identify any budget profiling issues and further commitments (including any pay awards), which would have the effect of reducing down the current favourable position. Although there was an overall favourable variance compared to the budget, there remained a few areas where the approved budget level appeared inadequate to meet the current year's service requirements. In these areas, it was quite possible that there could be insufficient budget to meet spending at the end of the financial year, and there might be a case for considering budget growth for the forthcoming 2012 / 2013 financial year in some of these services. These areas included the car parks, building regulations and public conveniences services.

The combined car parks service budgets were showing a £71,000 budgetary shortfall compared with the budget profile. This partly reflected teething problems with the new barrier system and the need to undertake additional maintenance and supervision in the initial months following implementation, however, it was also noted that the increase in tariffs could have had an impact on figures. It was recommended therefore that a report be made to the Public Works Committee, detailing the issues and the extent to which a case (if any) could be made to recover certain costs from the supplier of the barrier system and clarification of how additional costs would be financed.

The Building Control service had experienced a shortfall of Building Regulations fee income, resulting in a budgetary shortfall position of nearly £29,000 for the first six months of the year. Although the position could vary from month to month, it was likely that there would remain some budget shortfall at the end of the financial year.

The public conveniences service was showing a £10,000 budgetary shortfall compared with the profiled budget. This was the first year of operating the public conveniences using the services of Healthmatic and some of the budgetary shortfall was attributed to the sales income not matching budget levels, but it also reflected service payments to Healthmatic (payable quarterly in advance), and it was hoped that this aspect would be within budget at the end of the financial year.

The Housing Repairs position was showing a net expenditure of over £35,000 higher than the profiled budget and this unfavourable position was not unexpected, given the budgetary pressures experienced this

year arising from the reduction in deficiency grant level awarded by the Department of Social Care. This budget would, however, require close scrutiny as the year progressed, as the level of the Council's Housing Repairs Reserve was likely to be under pressure come the end of the financial year.

There also remained some services within the same management or operational areas where there were compensating and linked budget variances. These were not budgetary control issues and a simple virement was all that was required in these cases, in order to ensure that each individual service stayed within budget. Examples were within the various Electrical Services budgets, the Cleansing budgets and the Parks and Gardens budgets.

It was noted, however, that those services with budgetary shortfalls were the exception and that the general trend was towards an overall favourable variance.

It was noted that revenue budget monitoring was reported to the Extended Chief Officers' Management Team on a quarterly basis and to budget managers on a monthly basis. The Assistant Chief Officers were working with their respective budget managers on an on-going basis to identify any actions that needed to be taken in respect of any adverse budget variance that had been accruing during the year to date. Given the large number and high value of potential revenue favourable variances being experienced across all Committees, budget managers would now be asked to identify any real savings which could be offered up as virement financing for those services at risk of exceeding available budget and also to bolster the Council's reserves in the current year, which could be utilised to help reduce the budgetary pressures for next year.

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

(ii) That the Borough Treasurer be requested to circulate a Briefing Note explaining the variance on the profiled budget in respect of the Housing Service Sheltered Accommodation budget (SH110);

(iii) That in future, details of the income figures for usage in respect of public conveniences (SW210) be included in the Members' Bulletin;

(iv) That the Borough Treasurer be requested to clarify the situation in relation to the variance profile in respect of the Burials Act (SP280);

(v) That a further report be brought before the Public Works Committee detailing the reasons for the Car Parks Service adverse budget variance, together with any proposals for financing;

(vi) That officers be requested to continue to investigate the reasons behind potential adverse variances against the budget, with a view to identifying ways to remain within budget before the end of the financial year, or to seek funding virements, as appropriate; and

(vii) That for those Services currently showing favourable variances against the profiled estimate, budget managers be asked to identify any savings that could be used to bolster the Council's Reserves during the current year, and also any on-going savings which could be built into the 2012 / 2013 revenue estimates during the budget process."

*8. **Monthly Financial Review**

The Committee considered a written report by the Borough Treasurer setting out details of progress made compared to key performance indicators in relation to rates collected; the increase in direct debit take-up for the year; the percentage of net rent collected; gross rent arrears; the number of tenants owing over £500; and sundry debtors over three months old.

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

*9. **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 Policy and Resources Committee."

*10. **Agenda Review**

The Committee undertook a full review of its agenda.

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

POLICY AND RESOURCES COMMITTEE

POLICY AND RESOURCES COMMITTEE – Minutes of Meeting held on Friday, 25th November, 2011.

Members present: Mr Councillor D W Christian (Chairman), the Mayor, Councillor Mrs S D A Hackman, Mr Councillor D J Ashford, Councillor Mrs C E Malarkey, Councillor Mrs E C Quirk, Councillor Mrs D M Kinrade.

In Attendance: Chief Executive, Borough Treasurer, Borough Engineer & Surveyor, Head of Human Resources (from 3.50pm to 4.00pm).

REPORT

1. Apologies for Absence

Apologies for absence were submitted on behalf of Mr Councillor S R Pitts.

*2. Declarations of Interest

No declarations of interest were submitted.

3. Minutes

Minutes of meeting held on Friday 11th November 2011 were approved and signed.

*4. Matters Arising from Previous Minutes

No matters arising from the previous minutes were identified.

Adjournment and Resumption

The Committee adjourned at 3.40pm and resumed at 3.50pm, when the following Members were present: Mr Councillor D W Christian (Chairman), the Mayor, Councillor Mrs S D A Hackman, Mr Councillor D J Ashford, Councillor Mrs C E Malarkey, Councillor Mrs E C Quirk, Councillor Mrs D M Kinrade.

*5. Whitley Council Manual Workers' Pay Award

The Head of Human Resources joined the meeting at 3.50pm.

The Committee considered a written report by the Borough Treasurer (on behalf of the Chief Officers' Management Team) in relation to the financial impact of the recently announced Whitley Council manual workers' pay settlement for 2010 / 2011 and 2011 / 2012, and seeking agreement to funding for this.

Members were advised that the Whitley Council for the Isle of Man Public Service (Manual Workers) had now determined the annual pay settlement for both 2010 / 2011 and 2011 / 2012. A one-off, non-pensionable payment of £225 would apply for 2010 / 2011, whilst an 18 pence per hour increase to all grades had been agreed for 2011 / 2012.

The lump-sum payment of £225 equated to an estimated one-off cost of £52,690, of which £44,790 was estimated as being rate-borne. The increase for all grades of 18 pence per hour equated to an estimated on-going cost of £97,250 (approximately an average of 1.75% per manual worker), which could be accommodated from within existing rate-borne and agency-related budget approvals. Due to the complex and intricate nature of these conditions, it was noted that additional calculations would need to be undertaken on a worker-by-worker basis, which would mean that payment could not be immediate, but it was hoped that payments could be made by December 2011.

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

(ii) That it also be noted that the 2011 / 2012 Whitley Council pay settlement was to be met from within the approved budget; and

(iii) That approval be given for the 2010 / 2011 Whitley Council lump-sum settlement (with no consolidated increase in the wage rates) to be funded from existing resources available due to manual worker post vacancies during the year."

The Head of Human Resources was thanked for her attendance and left the meeting at 4.00pm.

*6. Audit Completion Letter – Statement of Accounts for the Year Ended 31st March 2011

The Committee considered a written report by the Assistant Borough Treasurer (Financial Services) in relation to the Audit Completion Letter provided by PKF following the audit of the Council's accounts.

The re-submitted Statement of Accounts for the year ended 31st March 2011 were approved by Committee on 28th October 2011 and subsequently certified by the auditor on 31st October 2011. Since then the auditor had provided an audit completion letter highlighting a number of audit matters that had arisen during the audit, in order that the Committee's governance responsibilities could be fulfilled, and asking that the Committee provide a response to those matters arising in the audit completion letter.

Members were advised that the audit completion letter was to fulfil the auditor's responsibility and to provide further information on the firm's findings, which should help improve the future financial reporting of the Council. The Borough Treasurer reported that there was only one matter of qualification, which officers considered to be of relatively minor significance, however, he expressed disappointment that this audit qualification matter had not been highlighted earlier, which may have allowed time to rectify it.

The table matrix appended to the written report, listing matters arising and setting out agreed actions, would need to be subject to regular review by the Chief Officers' Management Team, in order to provide assurances to both Members and audit that officers were taking all efforts necessary to avoid repetition of these matters during the next audit process.

Discussion then took place on the following:

Land Assets: following the valuation exercise, it was confirmed that there was now an up-to-date list and it was requested that this list be circulated to Members of the Committee for information purposes.

Fixed Assets: in relation specifically to enhancements to social housing assets, concern was expressed about the practicality of separate components of renovations being recommended to be depreciated at different rates.

Contracts: concern was expressed that some contracts for agency and maintenance work were not formalised by way of a contract. The Chief Executive confirmed that there was, however, an exchange of documents, including a schedule of works, which constituted a formal agreement.

Audit Timetable: concern was expressed that the completion of the Statement of Accounts had run very close to the statutory deadline. In order to improve the audit process in future years, the Borough Treasurer suggested that it would be useful to engage with the auditor at an early stage to improve the audit time-tabling and so avoid running so close to the 31st October statutory deadline.

The Borough Treasurer also drew Members' attention to a useful suggestion put forward by the auditor in respect of the reserve holding funds from maintenance of graves held in perpetuity. This was that this reserve could be slowly released over a fifty-year period to support General Fund's maintenance of the Borough Cemetery.

Members also considered a draft response to the auditor, confirming a commitment to matters of corporate governance, including a commitment to pursue the matters raised in the audit completion letter, and with a view to achieving full compliance with SORP (Statement of Recommended Practice) in future years.

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

(ii) That the content of the audit completion letter also be noted and that confirmation be given to the continued commitment to maintaining the principles of good governance throughout the Council's operations; and

(iii) That a response be forwarded to the auditor, which included the following:

- A request for notification in future of qualification or potential qualification points by 1st October
- An agreement by the Committee to an annual funds transfer over a fifty-year period from the Graves Maintenance Fund into the General Reserve, by way of contribution towards the cost of maintaining the graves
- An acceptance by the Committee that the audit commence ahead of consideration of the Accounts by this Committee
- An agreement by the Committee to delay consideration of Capital and Revenue out-turns to July, in order to dedicate resources to the annual accounts."

***7. Christmas Lights Decorations – Two-Chair Procedure**

The Committee considered a written report by the Borough Engineer & Surveyor in relation to a Two-Chair Procedure undertaken to authorise the purchase of additional decorative lighting features for installation in Ridgeway Street, adjacent to the Town Hall, for the Christmas period.

Members were advised that it had become apparent during the course of preparations for the 2011 Christmas Lights Ceremony that the existing decorative features required up-grading and renewing in order to provide the desired effect for this prestigious event. Due to the short timescale to procure, install and commission additional features, a Two-Chair Procedure was carried out by the Chairmen of the Policy and Resources and the Public Works Committees. It was noted that the cost of the twelve features, including installation and commissioning, was estimated to not exceed £4,000 and would be met from the Risk Management and Special Projects fund.

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

(ii) That the Two-Chair Procedure undertaken to authorise the purchase of additional decorative lighting features for installation in Ridgeway Street for the Christmas period, be endorsed."

***8. HMS Vigilant**

The Committee considered a written report by the Chief Executive in relation to an invitation for the Worshipful the Mayor and the Mayoress, together with two other representatives from the Council, to visit and have a tour of HMS Vigilant in Plymouth on 7th December 2011.

It was noted that the Commanding Officer had issued an invitation to key delegates from all of the Submarine's affiliations to attend a 'meet and greet' day prior to the official rededication of HMS Vigilant on 25th February 2012.

Owing to the restricted travel arrangements between the Island and Plymouth, it had been confirmed that accommodation would be made available overnight on the 6th and 7th December 2011. Optional air routes had been investigated, all of which would require an additional train journey, however, the route via Southampton Airport appeared to be the most favourable, with a railway station close to the Airport and a direct link to Plymouth Railway Station. HMS Vigilant had confirmed that transport would then be provided from Plymouth Railway Station to the Submarine's current base (HMS Drake Wardroom).

Owing to the current economic climate, it was agreed that the Mayor and Mayoress should be the Council's only representatives and therefore the invitation for a party of four in total be not taken up.

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

(ii) That HMS Vigilant be thanked for their invitation and advised that the Mayor and Mayoress would be the Council's only representatives for this visit; and

(iii) That expenditure for travel and any expenses associated with the visit to HMS Vigilant be funded from the Twinning and Affiliations Budget."

***9. Noble's Park – Fitness Equipment**

The Committee considered a referral from the Leisure Services Committee meeting held on Thursday 17th November 2011 seeking approval for expenditure in the sum of £20,000 for the purchase of seven pieces of fitness equipment for Noble's Park.

Two tenders had been submitted and the Leisure Services Committee had resolved to accept the lowest, in the sum of £12,216.

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

(i) That approval be given for expenditure in the sum of £20,000 (including contingencies) from the Risk Management and Special Projects Fund for the purchase of fitness equipment for Noble's Park."

***10. Noble's Park – Picnic Tables**

The Committee considered a referral from the Leisure Services Committee meeting held on Thursday 17th November 2011 seeking approval for expenditure in the sum of £2,700 for the purchase of six picnic tables for Noble's Park.

It was noted that these would be located in the former 'tot-lot' area and would be fitted with barbeque protection plates.

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

(ii) That approval be given for expenditure in the sum of £2,700 from the Risk Management and Special Projects Fund for the purchase of six picnic tables for Noble's Park."

***11. 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 Policy and Resources Committee."

***12. Urgent Business - 'Summerland' Site**

The Chairman reported on proposals by the Isle of Man Government to dispose of the former 'Summerland' site. Although it was acknowledged, in the current economic climate, that funding would not be available to Government to develop the site, it was suggested, however, that the Council should formally oppose the proposed sale.

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

(ii) That the Chief Executive be requested to write to the Honourable Minister for the Department of Infrastructure, with a copy to the Chief Minister, opposing the proposed sale of the former 'Summerland' site and stating that it was the Council's view that the land should be retained for continual public use and, especially, for consideration for inclusion in any future transport interchange and vehicle parking proposals."

*13. **Agenda Review**

The Committee undertook a full review of its agenda.

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

The Committee rose at 4.45pm.

VI(ii). – The Proceedings of the LEISURE SERVICES COMMITTEE as follows:

LEISURE SERVICES COMMITTEE

LEISURE SERVICES COMMITTEE – Minutes of Meeting held on Thursday, 17th November, 2011.
Members present: Mr. Councillor S.R. Pitts (Chairman), The Mayor, Mr. Councillor R.I. Kissack, Councillor Mrs. R. Chatel, Councillor Mrs. C.E. Malarkey, Councillor Mrs. E.C. Quirk, Mr. Councillor J.R. Mitchell. (10:33 onwards)

Apologies: Mr. Councillor S.C. Cain

In Attendance: Assistant Chief Executive, Assistant Borough Treasurer (Financial Services), Assistant Borough Engineer, Assistant Democratic Services Officer.

Declarations of Interest: There were no declarations of interest.

REPORT

*1. Minutes – 20th October, 2011

Minutes of meeting held on Thursday, 20th October, 2011, were approved and signed.

2. Attendance

Mr. Councillor J.R. Mitchell joined the meeting at 10:33 during discussion of the following item.

*3. Matters Arising – Repainting of Play Equipment at Noble’s Park

Members requested a rota be produced for Council staff to paint parks play equipment to avoid tendering for the works in future. It was suggested that a member of staff inspect the parks and list any equipment that requires painting on a regular basis.

During discussion a Member requested more signage for Ballaughton Park to advertise the park from the various entrances.

Resolved, “That particulars of the matters arising be noted on the minutes.”

*4. Matters Arising – Motor Home Parking in Noble’s Park

The Mayor had been contacted by representatives of Ramsey motor home park following the authorisation of parking motor homes in Noble’s Park in designated areas. There was some confusion as Ramsey allows a twenty-eight day stay for travellers to the Island; Members agreed the three day per week permit was aimed at local motor home owners to use the site for short stays only and was not aimed at travellers visiting the Island. The Mayor informed that the representatives would like to meet to discuss with the Committee, Members agreed that if the Chairman is approached a meeting should be scheduled.

Resolved, “That particulars of the matters arising be noted on the minutes.”

*5. Multi Purpose Building in Noble’s Park

The Committee considered a report submitted by the Assistant Chief Executive and Assistant Borough Engineer on the implications and timescale for progressing a multi purpose building.

It was noted that during consideration of this item at a special meeting of the Leisure Services Committee Members agreed to research the idea with an aim to bid for funding by 2016/2017. However a monthly meeting of the Committee held on the 20th October 2011, during consideration of the draft capital programme, Members agreed to make a decision on the type of building to include in the park following a full report to Committee. Nonetheless, a figure of £800,000 was included in the draft capital budget for 2012/2013.

It was noted that a figure of £800,000 was an outline figure and time is required to develop options, proposals and full costings, it was recommended that the item be deferred from the 2012/2013 capital programme.

Resolved, “That (i) the Committee note that the development of fully-costed options and a business case for a multi-purpose building in Noble’s Park will take several months to undertake.

(ii) That any bid for capital funding for a multi purpose building in Noble’s Park be deferred until 2013/2014.

(iii) That planning permission in principle be sought.

(iv) If an expression of interest for the use of land at Noble’s Park for a private venture is received by the Council, the proposal be brought to the Leisure Services Committee for decision.”

6. Fitness Equipment in Noble’s Park

The Committee considered a report by the Assistant Borough Engineer on tenders received for fitness equipment in Noble's Park. Two tenders were received, as follows;

The report confirms that the lowest tender is below the pre-tender estimate.

Members agreed the additional costs for including grass matting and signage would not be required. Members requested a site plan of the proposed pathway for Noble's Park be brought to the next meeting of the Committee to assist with the decision of where to locate the fitness equipment within the park.

Resolved, "That (i) particulars of the report be noted on the minutes and the tender of SMP Ltd, in the amount of £12,216 being the lowest and good value for money, be accepted.

(ii) That approval be sought from the Policy and Resources Committee for expenditure of £20,000, including contingencies, from the Risk Management and Special Projects Fund.

(iii) That a decision regarding the location of the equipment within Noble's Park be deferred until the next meeting of the Committee and a site plan of the proposed pathway be brought to this meeting to assist with the decision."

7. Picnic Tables with attached Barbeque Protection Plates for Noble's Park

The Committee considered a report by the Assistant Borough Engineer on the purchase of picnic tables with attached barbeque protection plates for Noble's Park.

The Committee were presented with a cost of £450 per table; Members agreed six tables would be suitable for the Old Tot Lot area.

In answer to question, the Assistant Borough Engineer confirmed the old Tot Lot cabin was due to be demolished and agreed to e-mail Members the demolition date. Members agreed that if there is an external interest in the cabin it can be given away free of charge.

Resolved, "That (i) six picnic tables with attached barbeque protection plates, at a cost of £450 per table, be purchased for the old Tot Lot area in Noble's Park.

(ii) That approval be sought from the Policy and Resources Committee for the expenditure of £2,700 from Reserves."

***8. New Railings to Noble's Park Teenage Play Area**

The Committee considered a report by the Assistant Borough Engineer on the withdrawal of offer by Stephen Christians and Sons Limited for the erection of new bow top railings to the teenage play area in Noble's Park.

It was previously resolved that quotations be sought for the replacing of railings at the teenage play area in Noble's Park. A quotation submitted by Stephen Christian and Sons Limited was accepted. Since submitting the quotation Stephen Christian and Sons Limited have withdrawn their offer due to the miscalculation of the price of the works.

The replacing of railings was originally estimated at under £15,000 therefore quotations were sought, following the submission of three quotations it was apparent that the tendering process would be required as the quoted cost of the works were higher than £15,000.

Resolved, "That the withdrawal of Stephen Christians and Sons Limited be accepted and tenders for the works be sought."

***9. Reinstatement of Mobile Toy Equipment at the Tot Lot in Noble's Park**

The Committee considered a report by the Assistant Chief Executive on the possibility of reinstating the mobile play equipment at the Tot Lot in Noble's Park.

Members discussed advertising for expressions of interest to operate the Tot Lot. A Member questioned if an interested party would have to seek public liability insurance. It was suggested that disclaimers could be displayed in the park.

Resolved, "That (i) an advertisement for expressions of interest to operate the Tot Lot be placed in the local press and organisations that may have an interest be approached to discuss the opportunity.

(ii) That subject to a suitable applicant being sourced to operate the service, that a report be brought back Leisure Services Committee for the purchase of new mobile play equipment for the 2012 season, funding to be sought from the Council's Revenue Balances."

***10. Hanging Baskets**

The Committee considered a report by the Assistant Chief Executive on the possibility of selling hanging baskets as opposed to the current practice of charging a hire fee for providing, erecting and maintaining hanging baskets to town centre businesses.

The report was produced in response to a Member's request on the selling of hanging baskets. It was noted that it had deliberately been the intention not to compete with commercial nurseries in respect of the sales of plants and decorations, and this is continuously monitored by commercial nurseries.

Members made reference to the reduced income for 2011/2012 compared to 2010/2011. The Assistant Chief Executive confirmed this was due to a large organisation not taking up the baskets. Members suggested the Town Centre Manager be asked to promote the hiring of hanging baskets to businesses in the area.

Resolved, "That (i) the Council continues with its policy of enhancing Douglas by creation and placing of hanging baskets in key retail, tourist and business areas.

(ii) That hanging baskets be made available for hire for Douglas businesses in key retail, tourist and business areas to encourage environmental improvement.

(iii) That renewed efforts be made to encourage the hiring of hanging baskets by press release, website, rates newsletter and support from the Town Centre Manager."

***11. Items For Future Consideration**

The Committee considered a report from the Chief Executive and Assistant Town Clerk regarding reports for future consideration by the Committee. Members requested additional reports to be brought back to the Committee.

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

***12. Agenda Review**

The Committee reviewed the Agenda to ensure that all matters had been dealt with and to determine which items should be considered in public and which in private Council.

13. Thanks to the Assistant Borough Treasurer (Financial Services)

In light of the Assistant Borough Treasurer's (Financial Services) resignation, The Chairman stated that the Committee would be sorry to see him go and thanked him for his hard work over the years.

The Committee rose at 11:52pm.

VI(iii). – The Proceedings of the PUBLIC HEALTH AND HOUSING COMMITTEE as follows:

PUBLIC HEALTH AND HOUSING COMMITTEE

PUBLIC HEALTH AND HOUSING COMMITTEE – Minutes of Meeting held on Monday, 21st November, 2011. Members Present: Councillor Mrs C.E. Malarkey (Chairman), the Mayor, Councillor Mrs G.G.S. Corkish, Councillor Mrs S.D.A. Hackman, Mr Councillor D.J. Ashford, Councillor Mrs E.H. Callow (from 10:38am), Mr Councillor T.M. Gelling, Councillor Mrs. D.M. Kinrade (from 10:38am)

Apologies: There were no apologies for absence.

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

There were no Declarations of Interest.

REPORT

*1. Minutes 24th October, 2011

The minutes of the regular meeting held Monday, 24th October, 2011 were approved and signed. The Committee noted that Minute 6 – *Various Sites Replacement Doors* had been withdrawn by the Chairman at Council for further consideration by the Committee.

2. Attendance

Councillors Mesdames E.H. Callow and D.M. Kinrade joined the meeting at 10:38am during consideration of the following item.

*3. Various Sites Replacement Doors

The Committee considered a further report submitted by the Assistant Chief Officer (Housing and Property) on the fee proposal submitted by Safety Management Services Ltd to carry out planning supervision services for Phase 1 of the project to replace door at various sites.

The discussion focused on which estate should be included in Phase 1. The report recommended that Phase 1 should start with the seventy-six properties in the outer ring of Upper Pulrose. The full report and business case for Upper Pulrose, which has Council and Government approval makes provision for replacement of these doors to be done at the same time as the rebuilding work on the inner ring at Upper Pulrose. It was suggested that Anagh Coar be the next estate scheduled for replacement doors after Upper Pulrose. There is a proposal to externally refurbish the properties on the Willaston Estate starting with a pilot scheme in 2012. The refurbishment project will include replacement of front and rear doors.

After discussion of the report, it was moved and seconded that the first recommendation be amended to read that Phase 1 should be Anagh Coar estate, rather than Upper Pulrose.

For: 2 – Against: 4

The motion to amend therefore fell.

It was then moved and seconded that the first recommendation be amended to read that “Subject to Department of Social Care concurrence, that the doors on all the estates be replaced at the same time.”

A vote was taken and the amendment was unanimously approved.

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

- i. That subject to Department of Social Care concurrence, that the doors on all the estates be replaced at the same time; and
- ii. That Safety Management Services Limited be appointed to carry out Planning Supervision services on this project, and that approval is given to their fee proposal of a maximum of £1,500.00, subject to the concurrence of the Department of Social Care.”

*4. Funding of Crematorium Upgrade

The Committee considered a report submitted by the Assistant Borough Treasurer (Income Services) regarding the funding arrangements for the crematorium upgrade. The report was prepared in response to queries about the use of the Cremator Renewals fund. The Crematorium service is provided as an all-Island service with no cost falling on the rates. In recent years the cremation fees have been increased to ensure that the fees completely covers the immediate costs of cremations and generates a surplus which is put into a Cremators Renewal fund. The Council invoices the Isle of Man Government for the loan charges associated with the Crematorium service. Both the Renewal Fund and the loan charge subsidy were agreed

with the Government via the Department of Local Government and the Environment more than twenty years ago.

In 2006 a holistic study was carried out which examined the whole of the Borough Cemetery and the Crematorium. This study examined the infrastructure of the cemetery, including the life expectancy of the cremators. The study took into account the more stringent emissions criteria to be introduced in 2013.

A feasibility study into the various options for implementation of the holistic study was then carried out and completed in 2009. The feasibility study recommended that the existing cemetery and crematorium be upgraded to meet the criteria of the holistic study. To deliver the cremation service it is necessary to have cremating equipment and an appropriate building for that function. It is therefore reasonable to use Cremator Renewals Fund for the renewal work on the whole crematorium; that is both the cremating equipment and the chapel building housing that equipment.

In discussion query was raised about the construction of a new crematorium at the Lawn Cemetery. Officers confirmed that this option had been explored at an early stage, and disregarded as it would be too costly. Members queried the funding for the required work to the Borough Cemetery infrastructure (eg drainage, paths, walks, gates etc). Officers confirmed that these works would not be funded through the Cremator Renewals fund, but would be the subject of a separate capital project.

Resolved, "That particulars of the report be noted on the minutes and approval given for the funding of the Crematorium upgrade by the following means:-

- a) Utilisation of £650,000 from the Cremator Renewals Fund; and
- b) The balance to be made up of a loan, the loan charges of which would be payable by the Department of Infrastructure."

5. Pulrose (Upper) Development Phase 9 – Manx Electricity Authority Substation

The Committee considered a report submitted by the Assistant Chief Officer (Housing and Property) on the arrangements for an electricity substation for the redeveloped Upper Pulrose Estate. A new electricity substation is needed to meet the electrical needs of the redeveloped estate. The report set out a proposal to lease the land for the substation to the Manx Electricity Authority, so that that body could construct and operate the substation.

Resolved, "That particulars of the report be noted on the minutes and approval given for:-

- i. Entering into a ninety-nine year lease with the Manx Electricity Authority for the operation of an electrical substation situated within Phase 9 of the Pulrose redevelopment project; and
- ii. The minute is forwarded to the Policy and Resources Committee for approval; and
- iii. This Committee recommends that the Policy and Resources Committee authorises the Chief Executive to petition the Department of Infrastructure under Section 25 of the Local Government Act for approval to enter into a ninety-nine year lease with the Manx Electricity Authority."

***6. Housing Section – Quarterly Performance Report**

The Committee considered the Housing Performance Report for the period April to September, 2011. The compilation of data on the Housing section and regular presentation of this performance report was one of the recommendations of the Housing Review. The timetable for future reports is that in May there will be a full annual report, in August the first interim report, in November the half-yearly report, and in February a second interim report.

There was discussion on customer satisfaction surveys including a request that the report should include the actual number of responses received, rather than simply percentages. There was a request for the wording in one section to be changed so that the aim is to manage transfer waiting lists rather than to reduce transfer waiting lists. There was a brief discussion about the number of complaints and their resolution. The Assistant Chief Officer (Housing and Property) advised that improvements are continuing to be made to the collection of data and production of the report.

Resolved, "That particulars of the report and discussion be noted on the minutes, and the report to be brought back to Committee for review on a quarterly basis as outlined in report."

***7. Items for Future Consideration**

The Committee noted the report on items for future consideration.

***8. Agenda Review**

The Committee reviewed the Agenda to check that all matters had been dealt with and determined that all items should be considered in public Council.

VI(iv). – The proceedings of the PUBLIC WORKS COMMITTEE as follows:

PUBLIC WORKS COMMITTEE

PUBLIC WORKS COMMITTEE – Minutes of meeting held on Wednesday, 16th November 2011.
Members Present: Mr Councillor D.J. Ashford (Chairman), The Mayor, Councillor Mrs. G.G.S. Corkish, Mr. Councillor R.I. Kissack Mr Councillor G.J. Faragher, Councillor Mrs E.C. Quirk, Mr Councillor T.M. Gelling, Councillor Mrs D.M. Kinrade

Apologies: None

In Attendance: Assistant Borough Engineer, Senior Accountancy Officer, Building Control Manager (for items 1 to 4 only), Democratic Services Officer

There were no Declarations of Interest.

REPORT

*1. Minutes – 19th October, 2011

Minutes of the meeting held on Wednesday, 19th October, 2011 were approved and signed.

*2. Matters Arising – Minute 6 - Car Parking Charges during Christmas Period

There was brief discussion as to the way the free car parking will operate on Thursday nights and on December weekends. The Chairman put forward his personal view that the barriers should simply be raised during the ‘free’ periods rather than making adjustments should be made to the card readers. Members agreed that it was important not to increase stress for the public who wish to use the free Christmas parking in the Council car parks.

Resolved, “That the comments be noted on the minutes.”

*3. Planning Application – 11/01451/B – Woodside, 14 Mona Drive, Douglas

The Committee considered planning application 11/01451/B seeking approval for the conversion of the existing guesthouse into nine apartments at Woodside, 14 Mona Drive, Douglas. Attached to the report was a copy of the Planning Statement submitted by the applicant.

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

*4. Schedule of Dilapidated, Ruinous, Neglected, or Dangerous Properties

The Committee considered the schedule of dilapidated, ruinous, neglected or dangerous properties submitted by the Building Control Manager and voiced concerns about other specific properties. Question was raised as to why a specific property was not on the list. In reply the Building Control Manager explained that the owner of that property has carried out a number of improvements, and whilst it still could be improved further, the property is no longer in such poor condition so as to warrant formal service of a Notice. He further explained that for service of a Notice a property must be seriously bad. Question was raised on a different property which has had scaffolding in place for awhile. The Building Control Manager confirmed that the Council does not have any formal powers to limit the length of time scaffolding is in place. There was further discussion on properties which are empty, or vacant, or abandoned or which are simply in poor condition. A Member requested that a report be brought back to Committee giving an estimate of the economic loss to the Council arising from abandoned or empty properties. It was clarified during discussion that rates are still due even when properties are empty and that properties are only zero-rated when they are uninhabitable. It was agreed that the information requested could be produced to Councillors in the form of a Briefing Note. There was discussion of compulsory purchase powers and whether the Council should have these in order to directly deal with dilapidated properties.

Resolved, “That the report and the discussion be noted on the minutes.

The Building Control Manager was thanked for his attendance and left the meeting at 11:04am.

*5. Public Light in Woodbourne Road Lane

The Committee considered a further report submitted by the Electrical Services Manager on a proposed light on Woodbourne Road Lane. Attached to the report were: a map of the area showing which sections of Woodbourne Road Lane are lit and which are currently unlit; copy photos of the lane to give an indication of its general condition; and a map showing light level readings in the lane at 9:00pm in late October, 2011. The recommendation set out in the report was that a single 5 metre column, fitted with a 23 watt low energy LED lantern controlled by a time clock and electronic dimming unit be installed in Woodbourne Road Lane near to the junction of that lane and the lane running between York Road and the playing fields. The Assistant Borough Engineer advised that research into passive responsive infrared lights which only come on when someone walks past has shown that these are not suitable for use on public street lights. Members discussed the report, the light and the fact that this is the third report into the matter in as many

months. There was some discussion about a free trial involving this light and question as to what had been provided, and why the lighting column had ever been erected. A further report to resolve these confusions was requested.

Resolved, "That particulars of the report and the discussion be noted on the minutes and the officer's recommendation not be accepted, or approved; and that instead approval be given for the lighting column in situ to be removed and no light be fitted in the lane."

***6. Proposed Lighting Scheme for the top Section of Duke's Avenue (also known as the Police Station Access Road), Douglas**

The Committee considered a report submitted by the Electrical Services Manager regarding a proposed lighting scheme for the top section of Duke's Avenue, also known as the Police Station Access Road. Several recent requests for lighting this section of road have been brought to the attention of the Electrical Services Manager. This section has not previously been lit as it was until recently an unadopted road. This is a busy section of road with frequent vehicle traffic by the police and the public. The adjoining paths provide access to Noble's Park and Glencrutchery Road which are well used by walkers and joggers. The proposed lighting scheme is for six, 5 metre lighting columns with post top lanterns to be located on the islands which divide the carriageway from the footpath. Post top lanterns would provide luminance for both the carriageway and the footpath. Two options for implementation of the scheme were set out in the report.

During discussion, one Member reported that he has had five phone calls complaining about the poor state of the footpath and the lack of lighting for it. There was some discussion about the usage of the path; whether the priority should be to light the road or the footpath; and the number of lighting columns included in the proposed scheme. Members opined that one lighting column is sufficient for the area.

Resolved, "That particulars of the report be noted on the minutes and the matter deferred; and that a scheme be developed to only include one lighting column; and a further report with such a scheme and full costings be brought back for further consideration."

***7. Attendance**

Councillor Mrs G.G.S. Corkish left the meeting at 11:35am.

***8. Items for Future Consideration**

The Committee noted the report setting out the items for future consideration.

***9. Agenda Review**

The Committee reviewed the Agenda to ensure that all matters had been dealt with and determined that all items should be considered in public Council.

The Committee rose at 11.43am.

VI(vi). – The proceedings of the PENSIONS COMMITTEE as follows:

PENSIONS COMMITTEE

PENSIONS COMMITTEE – Minutes of meeting held on Wednesday, 23rd November, 2011.

Members Present: Mr. Councillor D.W. Christian (Chairman), Councillor Mrs. G.G.S. Corkish, Mr. Councillor D.J. Ashford, Mr. Councillor R.I. Kissack Mr, Councillor C.L.H. Cain, The Mayor, Mr. Hulme – Independent Member.

Apologies: There were no apologies

In Attendance: Borough Treasurer, Mr. Mark Freeman (Hymans Robertson, Item 10 – 14), Mr. Chris Moore – (BlackRock, Item 8 & 9 only), Mr. David Chatel – (BlackRock, Item 8 & 9 only), Democratic Services Officer

There were no Declarations of Interest.

REPORT

***1. Minutes – 27th July, 2011**

The minutes of the meeting held on Wednesday, 27th July, 2011 were approved and signed.

***2. Minutes – 26th October, 2011**

The minutes of the meeting held on Wednesday, 26th October, 2011 were approved and signed.

3. Matters Arising – Draft Consultation Document on the Change to the Isle of Man Local Government Superannuation Scheme 2012 *Local Government Superannuation Scheme 2011 Draft Timetable.

The Borough Treasurer advised that the Department of Infrastructure has continued to work on draft regulations. The Department's tentative timetable is that the consultation document will be issued shortly with consultations to close in mid-February 2012; the regulations to go to the March sitting of Tynwald; and changes to come into effect on 1st April, 2012. Whilst there may be a need for an additional meeting of the Pensions Committee, this cannot be arranged until the consultation document is issued and the timetable definitely confirmed. Expenditure on consultants and training will not be incurred until the consultation arrangements are finalised.

Resolved, "That the Borough Treasurer's remarks be noted on the minutes."

***4. Items for Future Consideration**

As there was poor weather which delayed the arrival of the consultants due to attend the meeting, the Chairman considered the Agenda in a re-arranged order.

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.

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

***5. Date of Next Meetings**

The Committee considered the proposed schedule of meetings for the next eighteen months.

Wednesday, 22nd February, 2012 at 11:30am (Investments)

Wednesday, 28th March, 2012 at 2:15pm (Administration)

Wednesday, 23rd May, 2012 at 11:30am (Investments)

Wednesday, 25th July, 2012 at 11:30am (Investments) in BlackRock offices London.

Wednesday, 24th October, 2012 at 2:15pm (*if required*) (Administration)

Wednesday, 28th November, 2012 at 11:30am (Investments)

Wednesday, 27th February, 2013 at 11:30am (Investments)

Wednesday, 27th March, 2013 at 2:15pm (*if required*) (Administration)

Resolved, "That approval be given for the proposed schedule of meetings and that it be noted on the minutes."

***6. Plan of Investment Activity 2012**

The Committee considered a report submitted by Hymans Robertson setting out a proposed plan of activities for 2012 together with a timetable for those activities. The Committee agreed that it is important

that there be some training at every meeting, even if in some instances the training will be a refresher rather than completely new matters.

Resolved, "That the report be noted on the minutes and the plan of activities for 2012 be approved."

***7. Adjournment and Resumption**

At 12:20pm there was a brief adjournment whilst Mr. Chris Moore and Mr. David Chatel, representatives from BlackRock, joined the meeting.

***8. Investment Managers' Presentation by Blackrock**

Mr Moore introduced himself to the Committee and said that it was nice to be involved again with the Pension Scheme after an absence of nearly ten years. He and Mr Chatel then presented BlackRock's quarterly report. Mr Moore provided an overview of market conditions during the period and the performance of global equity markets during 2011. In the third quarter, European Markets fell sharply due to the Eurozone crisis, and in late summer the debates in the United States about the debt ceiling unnerved the markets with investors heading for safe havens. Mr Moore then explained the advantages and disadvantages of various types of investments which the Scheme holds and how these had performed in the challenging economic times. Global economic growth had been affected by many different factors including events such as the Japanese earthquake and tsunami.

He summarised the changes in asset allocation during the period and highlighted that the cash weighting had increased during the period to reduce the short term risk of further falls in the markets.

In reviewing performance returns Mr Moore added that the Scheme had underperformed the composite benchmark for the three months under review. The performance return for the last twelve months was also behind benchmark, although returns had recovered during October with a marginal outperformance. The three year annualised returns remained slightly ahead of benchmark.

Mr Moore then provided a brief overview of the UK Equity Portfolio and outlined the reasons for the underperformance in this sector and reviewed the transactions that had taken place to reduce risk. He then summarised the UK Property Portfolio and the activity that had taken place within the BlackRock UK Property Fund.

Mr Moore concluded by advising that he would be looking to change the style of the presentation packs for future meetings to enhance the reporting at the overall Scheme level.

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

***9. Adjournment and Resumption**

The meeting adjourned at 1:25pm. Mr Moore and Mr Chatel were thanked for their attendance and left the meeting.

The meeting resumed at 2:05pm when the same Members and officers were present and Mr. Mark Freeman of Hymans Robertson joined the meeting.

***10. Training Presentation – Absolute Return Funds**

The Committee received a presentation from Mr Mark Freeman of Hymans Robertson on absolute return funds. He began by stating that this can be considered an alternative asset class into which it may be appropriate to invest. Most alternative assets are difficult to understand with complicated fee structures. By comparison, absolute return funds are straightforward and easier to understand. In these sorts of funds, the fund manager has an overriding objective to add value to the fund. In order to do this, the fund manager is given great freedom to decide where to invest as long as the target is met. The target that the fund manager is given is to achieve a positive return in all types of market conditions. Mr Freeman stressed that an absolute return fund is not a guaranteed fund, so it may still lose money just as an ordinary fund can, although the volatility is lower than equities. It is proposed to invest up to 10% of the Fund in an Absolute Return Fund as a way of diversifying risk. As this sort of Fund is heavily reliant on the skill and judgement of the manager, it is important that the Manager has a sustainable investment process and track record and that the Committee is comfortable with the Manager.

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

11. Attendance

Mr Councillor R.I. Kissack left the meeting at 3:00pm.

***12. Review of Absolute Return Fund Managers on the Isle of Man**

Mr Freeman of Hymans Robertson presented the report on the evaluation carried out of the absolute return managers on the Isle of Man. In order to comply with Manx legislation, it is necessary that any fund manager appointed has a registered office on the Isle of Man. Mr Freeman presented the results of his initial evaluations which are promising. The Committee discussed the matter and agreed that it is worthwhile to research the matter further.

Resolved, “That the particulars of the report be noted on the minutes and approval be given for Hymans Robertson to continue the in-depth research into and evaluation of the Absolute Return Fund Managers on the Isle of Man and to report back to Committee.”

***13. Review of Investment Manager’s Performance Third Quarter 2011**

Mr Freeman of Hymans Robertson presented the review of Blackrock’s performance as investment manager for the fund in the third quarter of 2011 and over the previous one year, three year and five year periods. Their performance has been examined across the broad asset classes and compared with the performance of other active managers within the UK. Blackrock has done well with some asset classes and underperformed with other asset classes. Blackrock is team driven rather than individual driven so although changes in personnel have been reported to the Committee, these are not considered critical to performance.

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

***14. Agenda Review**

The Committee undertook a review of the agenda and agreed all items can be considered in public.

The Committee rose at 3:40 p.m.