



## **Borough of Douglas**

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

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Town Hall,  
Douglas,  
9<sup>th</sup> March, 2012

Dear Sir or Madam,

You are hereby summoned to attend a MEETING OF THE COUNCIL to be held on WEDNESDAY, the 14<sup>th</sup> day of MARCH, 2012, 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, 8<sup>th</sup> February 2012.

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

## POLICY AND RESOURCES COMMITTEE

POLICY AND RESOURCES COMMITTEE – Minutes of Meeting held at 12.30pm on Friday, 10<sup>th</sup> February, 2012.

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, Assistant Town Clerk (from 12.30pm to 1.20pm).

### 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 27<sup>th</sup> January 2012 were approved and signed.

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

No matters arising were identified.

\*5. **Consultation Documents – Local Government Pension Scheme**

The Committee considered a written report by the Borough Treasurer in relation to a consultation document received from the Department of Infrastructure in respect of updated regulations proposed to the Local Government Pension Scheme.

The Borough Treasurer advised that the consultation document set out considerable detail in relation to proposed changes to the regulations. An advance copy of the draft regulations had been considered by the Pensions Committee at its meeting on 26<sup>th</sup> October 2011, however, as the consultation document was not issued until December 2011, it had not been possible for a report to be presented to the November 2011 meeting of the Pensions Committee. It was noted, therefore, that the proposed responses were on the basis of the Council being both the Administering Authority and an Employing Authority.

Discussions had taken place with KPMG on the taxation issues and their recommendations to the Council had been incorporated into the proposed response. Technical points had also been raised in discussions with the Department of Infrastructure, who were prepared to amend most of the items being requested.

One issue that had not been incorporated was the deletion of the regulations relating to the provisions of pensions for Council Members. It was explained that Councillors did not receive taxable emoluments and therefore the provisions could not apply.

The draft response that was considered by the Pensions Committee, and subsequently discussed with both KPMG and the Department of Infrastructure, had been used for the basis of the responses now proposed, and it was recommended that the responses set out in Appendix A to the written report be submitted to the Department accordingly.

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

(ii) That the updated regulations proposed in respect of the Local Government Pension Scheme be supported; and

(iii) That the draft responses (set out in Appendix A of the written report), requesting changes to the regulations detailed in the consultation document, be approved for submission to the Department of Infrastructure.”

**\*6. Parks Department – Purchase of Equipment**

The Committee considered a written report by the Assistant Head of Parks (Services) seeking funding for the purchase of a cab for a New Holland Boomer 2030 Compact tractor.

Members were advised that the compact tractor was operating within the Douglas Golf Course without a cab, and therefore both the operator and the operating system were open to the elements during inclement weather. The cab was also a necessity to avoid the exposure of the operator to any chemical drift during tractor-mounted spraying work.

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

(ii) That approval be given for funding from the Vehicle Renewals Fund, for the purchase of a cab for the New Holland Boomer 2030 Compact Tractor.”

**\*7. Local Elections – Appointment of Returning Officer**

The Committee considered a written report by the Assistant Town Clerk seeking an early decision on the appointment of a Returning Officer for the elections in each of the six Wards of the Borough, to be held on Thursday 26<sup>th</sup> April 2012.

Members were advised that the Local Elections Act 1986 stated that, in Douglas’ case, the Mayor, or a Councillor appointed by the Mayor to act in his place, should be the Returning Officer, and that if the Mayor or Councillor so assigned was absent or otherwise incapable, the Local Authority shall appoint some other person to act as Returning Officer.

It was noted that the Returning Officer’s statutory duties included fixing the last day for nominations, so it was important to have the appointment made early in order to enable the production of a timetable. It was envisaged that such a timetable would be agreed by the Returning Officer with the Department of Infrastructure, in order to co-ordinate with other local authorities and to enable publicity on an Island-wide basis (funded by the Department of Infrastructure).

As all Councillors, including the Mayor would be going out of office at the same time, there would be a need to appoint some other person and it was therefore recommended that the Chief Executive be appointed.

Resolved, “That particulars of the report be noted on the minutes and that the Chief Executive be appointed to act as Returning Officer for the forthcoming local election of Councillors.”

**\*8. 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.”

**\*9. Agenda Review**

The Committee undertook a full review of its agenda.

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

The Committee rose at 1.45pm

## POLICY AND RESOURCES COMMITTEE

POLICY AND RESOURCES COMMITTEE – Minutes of Meeting held on Friday, 24<sup>th</sup> February, 2012.

Members present: Mr Councillor D W Christian (Chairman), Mr Councillor S R Pitts (from 2.25pm), 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, Assistant Chief Officer (Housing & Property).

### REPORT

#### 1. Apologies for Absence

Apologies for absence were submitted on behalf of the Worshipful the Mayor, Councillor Mrs S D A Hackman, and the Borough Engineer & Surveyor.

#### \*2. Declarations of Interest

Mr Councillor D J Ashford declared an interest in item 5 (Highway Licensing).

#### 3. Minutes

Minutes of meeting held on Friday 10<sup>th</sup> February 2012 were approved and signed.

#### 4. Attendance

Mr Councillor S R Pitts joined the meeting at 2.25pm.

#### \*5. Highway Licensing – Pavement Cafés (Proposed Fee Structure / Provisions of the Highways Act 1986)

Under the provisions of the Local Government Act 1985, Mr Councillor D J Ashford declared an interest in this item and retired whilst it was considered.

The Committee considered a written report by the Assistant Chief Officer (Corporate & Development) in relation to pavement café licensing.

At its meeting held on 6<sup>th</sup> January 2012, the Committee had resolved not to support an increase in the fee for pavement cafés licences, which had been proposed to cover the advertising cost associated with dealing with each application in isolation, but instead had sought a further report on the matter.

Members had also sought clarity on whether, under the provisions of Section 78 of the Highways Act 1986, licences were transferable to new owners / occupiers of the same property, and whether all applications must be advertised in the press. It was now confirmed that licences were transferable between occupiers of the same premises, and that the Act did specifically require applications to be advertised in a newspaper circulating in the Isle of Man.

The Committee was reminded that presently the fee charged for dealing with Highway Licence applications for pavement cafés was £240. The proposed increase (contained in the report to Committee on 6<sup>th</sup> January 2012) which was calculated on staff time and advertisement costs, would have brought the total to £466. Members had not approved this increase, and had instead requested that a means be sought to limit the fee for pavement cafés to the current levy, by combining applications into a single advertisement wherever possible.

A similar approach to that used by the Council to consider applications for charitable collections had been suggested, whereby all applications were requested by a specific annual deadline (with any subsequent applications dealt with individually). It was therefore proposed that a deadline of February each year be set to consider all applications and renewals of licences for that year. These applications could be advertised in a single advertisement and then be considered by the Committee in a single batch (or considered under delegated authority by the Chief Executive, in cases where there were no objections, and where applications complied with the policy previously agreed by the Council).

Although it was not possible to calculate the exact cost of dealing with applications in this way, it was possible to estimate costs based on previous experience. Section 78 of the Highways Act did not make provision for applications to be considered in batches, however, as there were likely to be occasions when new applications arose that missed the annual deadline, it was proposed that such applications be considered independently under a separate fee regime. It was recommended that the fees be set as follows:

- First-time application (included in a batch) £190;
- Renewal (included in a batch) £110;
- Applications dealt with singly £240.

Although the Council would, to an extent, be subsidising single applications, it would be fulfilling its objectives of encouraging economic growth and improving the streetscene in the Town Centre.

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

(ii) That the information contained in the report, in relation to the provisions of the Highways Act 1986, also be noted;

(iii) That approval be given for an annual deadline to be set in February each year for Highway Licence applications (in the case of 2012, the deadline to be March); and

(iv) That approval be given for the following fee structure for Highway Licences in respect of pavement cafés:

(a) £190 for applications received by the annual deadline;

(b) £110 for renewal applications received by the annual deadline; and

(c) £240 for applications and renewals received at other times.”

#### 6. **Adjournment and Resumption**

The Committee adjourned at 3.20pm and resumed at 3.40pm, when the following Members were present: Mr Councillor D W Christian (Chairman), Mr Councillor S R Pitts, Mr Councillor D J Ashford, Councillor Mrs C E Malarkey, Councillor Mrs E C Quirk, and Councillor Mrs D M Kinrade.

#### \*7. **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.”

#### \*8. **Noble’s Park – Replacement of Railings in Teenage Play Area**

The Committee considered a referral from the Leisure Services Committee meeting held on Thursday 16<sup>th</sup> February 2012 seeking additional funding for the erection of new bow-top railings at the teenage play area in Noble’s Park.

Members recalled that the Committee had already approved funding in the sum of £12,394 for the replacement of these railings, however, following that approval, the successful company had advised that it had under-estimated the cost of the works and had withdrawn the submission. Subsequently, further tenders had been sought, with three being received, the lowest of which was in the sum of £18,995. The Leisure Services Committee had resolved to accept this lowest tender, requiring additional funding of £6,601.

It was noted that the Leisure Services Committee had been circulated with photographs of the current railings, highlighting the poor condition they were in. Members of that Committee felt that not to renew the railings could be a risk to the Council, as the current railings were in very poor condition.

Discussion also took place with regard to the colour of the new railings. Although it had previously been agreed that they should be painted green, it was now proposed that the railings be painted in multi-colours, as they were at the present time.

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

(ii) That approval be given for additional funding from the Risk Management and Special Projects Fund in the sum of £6,601, for the urgent replacement of the railings in the teenage play area in Noble’s Park; and

(iii) That it be agreed that the new railings be painted in multi-colours.”

*On a vote being taken in relation to resolution (iii), Members voted 5 For; 1 Against. Councillor Mrs D M Kinrade requested her vote against to be recorded on the minutes.*

#### \*9. **Community Events sub-Committee**

The Committee considered the minutes of the Community Events sub-Committee meeting held on Monday 6<sup>th</sup> February 2012 and noted the following:

Previous Minutes: minutes of meeting held on Monday 12<sup>th</sup> December 2011 had been approved and signed accordingly.

Sponsorship Proposals for 2012 Council Events: following the publication of an advertisement inviting businesses to submit proposals for the sponsorship of three Council events – the ‘Party in the Park’, the fireworks display, and the Christmas lights switch-on ceremony – two proposals had been received. Following consideration, the sub-Committee had agreed to accept Celton Manx’s proposal to sponsor both the fireworks display and the Christmas lights switch-on ceremony. They also agreed to accept 3FM’s media package proposal for all three events at a cost of £7,148. It was noted that 3FM would contribute £3,574, leaving a cost to the Council of £3,574 for media support – this divided equally, amounted to a cost of £1,191 per event.

2012 Council Events: a number of proposed events and their respective dates had been considered and approved as follows:

Monday 4<sup>th</sup> June: Lighting of the Church Tower Beacon

Sunday 10<sup>th</sup> June: Council's Civic Sunday Service

Saturday 7<sup>th</sup> July: Judging of School Competition

Saturday 7<sup>th</sup> July: Party in the Park Event

Saturday 3<sup>rd</sup> November: Fireworks Display

Sunday 11<sup>th</sup> November: Armistice Day / Council's Remembrance Sunday Service

Thursday 22<sup>nd</sup> November: Christmas Lights Switch-on Ceremony

Thursday 22<sup>nd</sup> November: Judging of 'Best Dressed' Business Competition.

2012 School Competition: it had been agreed to organise a competition aimed at Douglas primary school pupils on the theme of the Isle of Man countryside. It was hoped that the Society for the Preservation of the Manx Countryside and Environment would assist with the provision of prizes. It had been further agreed that entries should be displayed in the Community Room in the Noble's Park Pavilion, with the competition being judged by Members of the Community Events sub-Committee at the 'Party in the Park' event on Saturday 7<sup>th</sup> July 2012.

'Party in the Park' Event: it had been noted that the £10,000 budget for the event had been deleted during the budget process. Although it was hoped to secure sponsorship for the event, to date none had been received. Members had discussed ideas to enhance the event, to distinguish it from the usual Fun Day, one suggestion being the creation of a picnic area, including a stage area from which local artists could perform. It had been agreed that the usual Fun Day attractions be invited to attend the event; that a picnic area (decorated in red, white and blue) be created; that expressions of interest to provide catering be sought; and that the attendance of clowns at the event be researched.

Fireworks Display: it was agreed that a fireworks display and bonfire should take place on Saturday 3<sup>rd</sup> November 2012, with cash prizes being awarded in a 'Best Guy' competition.

Christmas Lights Switch-on Ceremony: it was agreed to hold the ceremony on Thursday 22<sup>nd</sup> November 2012, with the Douglas Town Band being invited to the November meeting of the sub-Committee to discuss the event.

Discussion took place in relation to the Christmas trees purchased by the Council and, in particular, the condition of the Christmas tree which had been located outside the Town Hall in 2011, which had dropped its needles following strong winds. It was suggested that Council officers should select the Christmas trees in future, rather than just accepting delivery, in order to obtain those of the best quality and most suitable for the area in which they would be situated. In response to a Member's query about how many trees were purchased each year and the cost, the Borough Treasurer undertook to investigate and advise Members accordingly.

'Best Dressed' Business Competition: it was agreed that the competition take place again for this year, organised by the Town Centre Manager, with judging taking place prior to the Christmas lights switch-on ceremony.

Lighting of a Church Tower Beacon to commemorate Her Majesty The Queen's Diamond Jubilee: it was agreed that this event would take place at St Ninian's Church on Monday 4<sup>th</sup> June 2012, with the Worshipful the Mayor and the Archdeacon of the Isle of Man being invited to light the beacon.

Next Meeting: it was agreed to hold the next meeting as and when a further meeting was required.

Resolved, "(i) That the Community Events sub-Committee minutes be noted and approved;

(ii) That approval be given for a contribution of £3,574 to be made into Reserves, from the 2011 / 2012 Receptions and Entertainment budget, with this being earmarked for increased publicity in 2012 / 2013 for Council events; and

(iii) That in future, Council officers select the Christmas trees purchased from the Department of the Environment, Food and Agriculture, in order to obtain those most suitable and of the best quality."

**\*10. Saddle Road – Scheme to Light Footpath**

The Committee considered a referral from the Public Works Committee meeting held on 15<sup>th</sup> February 2012 seeking funding to progress a scheme to light the footpath on Saddle Road.

It was noted that discussions with the Department of Infrastructure had revealed that trunking had been put in place when the footpath was laid out and that a scheme had now been prepared, with installation work to be carried out by the Council's Electrical Services Section. As there was no provision in the Electrical

Services Section budget for this scheme and in order for it to proceed, funding in the sum of £8,000 would be required.

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

(ii) That approval be given for funding in the sum of £8,000, from the Risk Management and Special Projects Fund, to progress the scheme for the lighting of the Saddle Road footpath on health and safety grounds.”

**\*11. Pulrose Redevelopment – Police Station**

The Committee considered a referral from the Public Health and Housing Committee meeting held on 20<sup>th</sup> February 2012 in relation to the lease agreement for the new Pulrose Police Station and the temporary use of the former Police Station.

It was noted that the new Police Station would be ready for occupation from April 2012 and written details of the proposed lease agreement had been received from the Department of Home Affairs. These were on the basis that the new Pulrose Police Station would be leased to that Department for ninety-nine years at a nominal rent of £1.00 per annum (with no sub-letting being permitted).

The former Police Station would be transferred from the Department of Home Affairs to the Council’s ownership for the nominal sum of 25 pence. It was intended that it would be used for housing purposes, however, available funding would not be confirmed until mid-2013 at the earliest. In the meantime, the Department of Social Care had sought permission to use the building for a fixed-term two-year period (until January 2014) for the purpose of providing a children’s day support project. It was noted that this was scheduled to proceed, despite the recent closure announcement of Children’s Services by the Isle of Man Government.

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

(ii) That, as required under Section 25 of the Local Government Act 1985, the Chief Executive be authorised to obtain the necessary approvals from the Department of Infrastructure for the following:

(a) Approval to enter into a ninety-nine year lease with the Department of Home Affairs for the new Pulrose Police Station, at a nominal rent of £1.00 per annum (with no sub-letting);

(b) Approval for the freehold transfer of the former Pulrose Police Station from the Department of Home Affairs to the Council, for the nominal sum of 25 pence; and

(c) Approval to allow the Department of Home Affairs to use the former Pulrose Police Station for the purpose of providing a children’s day support project, for a fixed-term two-year period until January 2014, subject to the Department entering into a lease agreement whereby the Council did not incur any costs for this building for the duration of the lease.”

**COMMERCIAL PROPERTIES**

**\*12. Noble’s Park Café – Assignment of Lease**

The Committee considered a joint written report by the Assistant Chief Executive and the Democratic Services Officer in relation to a request received from the tenant of the Noble’s Park Café seeking permission to assign the lease.

Members were advised that the current tenants, Mrs Lynda Maney and Mr Matthew Maney, had complied with the terms of the lease, which included a right of assignment. Although the tenants were obliged not to assign the lease without the prior written consent of the landlord, neither could consent be unreasonably withheld. Members recalled that it had been raised, at a meeting of the Leisure Services Committee, as to whether the café had been opening for the full hours stipulated in the lease. This had been clarified by officers with the tenants in July 2011, who had mistakenly thought the time stipulated for closing in the lease was 4.00pm, rather than 4.30pm, and this had been rectified.

The current tenants, while under no obligation to give a reason for their request, had indicated that they wished to change the focus of their business. Each of the proposed assignees had been asked to provide references, with trade and bank references for both individuals being satisfactory.

It was noted that the lease would be for a term ending 11<sup>th</sup> May 2016.

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

(ii) That approval be given for the lease of the Noble’s Park Café to be assigned to the proposed assignees, but that it be made clear to them that the hours of opening, as detailed in the lease, were the minimum hours of operation and that the situation would be monitored to ensure compliance.”



**\*13. 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."

**\*14. Agenda Review**

The Committee undertook a full review of its agenda.

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

The Committee rose at 4.15pm.

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

# LEISURE SERVICES COMMITTEE

LEISURE SERVICES COMMITTEE – Minutes of Meeting held on Thursday, 16<sup>th</sup> February, 2012.  
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 S. Cain, Mr. Councillor J.R. Mitchell.

Apologies: There were no apologies submitted.

In Attendance: Assistant Town Clerk, Assistant Chief Executive, Assistant Chief Officer (Finance), Senior Engineering Manager, Assistant Democratic Services Officer.

Declarations of Interest: There were no declarations of interest.

## REPORT

### \*1. Minutes – 19<sup>th</sup> January 2012

Minutes of meeting held on Thursday, 19<sup>th</sup> January, 2012, were approved and signed.

### \*2. Matters Arising – Minute 2 - Noble's Park Skate Park

A Member requested the cost of vandalism at Noble's Park Skate Park since the installation of the equipment. It was noted that a briefing note informing Members of the cost of vandalism in 2011/12 was circulated. Members requested the additional information be provided to all Members of the Committee.

Resolved, "That particulars of the matters arising be noted on the minutes and the cost of vandalism at Noble's Park skate park since the installation of the skate park equipment be circulated to all Members of the Committee."

### \*3. Matters Arising – Minute 9 – Isle of Man Motor Caravan Club

A Member asked for clarification on the planning permission for the location of large vehicles such as motor homes and caravans at Noble's Park and the relation between this area and the Noble's Park campsite. It was confirmed that planning permission has been sought for the hard standing area behind the Grandstand for the parking of heavy goods vehicles, these vehicles will not be permitted to park at the campsite.

During discussions Members queried the suggested location of the Snoozebox Hotel currently requesting planning permission for Noble's Park. It was noted that Snoozebox organisers have requested permission for the units to be situated in the Pavilion field.

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

### \*4. Allotments Sub-Committee

The Committee had been circulated with the minutes of the meeting of the Allotments Sub-Committee held on Thursday, 19<sup>th</sup> January, 2012, and noted the following:-

Uncultivated Allotment Plots: A letter had been circulated to allotment holders regarding uncultivated plots. Members agreed not to renew the leases of uncultivated plots and allottees that have maintained their plots have had the opportunity to renew their agreement for 2012/2013. During discussion Members agree to release a press article requesting top soil for the allotments Phase 2, similar to the advert seeking sub soil, which has since been actioned.

Provision of a Tap and Impact on Water Supply The Assistant Head of Parks (Technical) provided Members with the cost to include a tap at the allotments site. Members requested additional information.

Provision of a Bin at the Allotments It was noted that a request was received from allottees to include a waste area on site, it was suggested that the area could develop into a dumping and fly tipping area, and it was agreed not to include a waste area at the site.

Fencing Allotment Plots It was agreed that a 1.2 metre fence could be erected on an allotment plot.

Resolved, "That the Allotments Sub-Committee minutes of Thursday, 19<sup>th</sup> January, 2012, be noted and approved."

### \*5. Library Sub-Committee

The Committee had been circulated with the minutes of the meeting of the Library Sub-Committee held on Wednesday, 8<sup>th</sup> February, 2012, and noted the following:-

Late Night Opening Trails at Henry Bloom Noble Library The late night opening trials had been successful, it was agreed that the late night opening on a Thursday and earlier closing on a Saturday be a permanent

arrangement. It was agreed that opening hours and staffing would be revisited prior to the relocation of the Library at Cambrian Place.

Downloadable eBooks and Audiobook Service It was noted that the eBook and audiobook service had proved popular with 1,563 downloads since the launch in May 2011. Members were presented with analysis of the downloadable service.

Wi-Fi Provision in the Henry Bloom Noble Library It was agreed that free Wi-Fi would be available in the library. This would incur no extra cost to the Council because the infrastructure is already in place for Council purposes.

Resolved, "That the Library Sub-Committee minutes of Wednesday, 8<sup>th</sup> February, 2012, be noted and approved."

**\*6. Fitness Equipment on Douglas Promenade**

The Committee considered a report submitted by the Civil Engineering Assistant on the provision and location of fitness equipment on Douglas Promenade.

Members were presented with a number of locations that fitness equipment could be installed on Douglas Promenade. Members discussed the various locations and agreed the area adjacent to the Promenade playground and the Queen's Promenade band stand would both be suitable locations.

Members noted a clerical error in the report regarding the Alderman Kaye memorial garden which was incorrectly named the Hall Kaye garden.

It was noted that there was no budget available for this scheme and it was unlikely that funding from the Policy and Resources Committee would be obtained for the project.

Resolved, "That the procurement of fitness equipment, to be installed in the area adjacent to the Promenade playground and the Queen's Promenade Band Stand, be included in the budget for 2013/2014."

For: 6 Against: 1

Mr. Councillor J.R. Mitchell requested his name be recorded as voting against the resolution.

**\*7. Bow Top Railings at Noble's Park**

The Committee considered a report by the Civil Engineering Assistant on the removal of existing railings and erection of new bow top railings at the Noble's Park teenage play area.

Members were reminded that Council policy is that all future bids referred to the Policy and Resources Committee for funds out of the Risk Management and Special Projects Fund would require a statement setting out the reason the project was urgent and an assessment of risk to the Council should the project not proceed before the following February. There was some confusion as to whether or not funding for the bow top railings would have to follow this procedure. Members were under the impression the funds had already been approved for the works prior to implementation of this procedure. A short adjournment was taken in order to clarify the situation.

**\*8. Adjournment and Resumption**

The Committee adjourned at 11:10 and resumed at 11:17 with the same Members and Officers present at the meeting.

**9. Bow Top Railings at Noble's Park Continued**

The Assistant Chief Officer (Finance) confirmed that a figure of £12,394, representing the cost of the lowest quotation received for the works, had been approved for the replacement of railings at Noble's Park teenage play area. Subsequent to the approval from the Policy and Resources Committee for the quoted works the successful company had under-estimated the cost of the works and withdrew the submission.

The Committee requested tenders be sought for the works. Three tenders were received.

Members agreed to accept the lowest tender. It was confirmed that an additional £6,601 would be required from the Risk Management and Special Projects Fund for the works.

To comply with the Council's procedure to obtain expenditure from the Risk Management and Special Projects Fund, Members agreed that the project was urgent on health and safety grounds. Photographs of the current railings were circulated to Members highlighting a number of rusty railings surrounding the park that required renewing as soon as practicable. Members requested that the photographs be circulated to the Policy and Resources Committee in order to demonstrate the urgency to replace the railings. Members felt that not renewing the railings would be a risk to the Council as the current railings were likely to cause an accident.

In answer to question the Senior Engineer Manager confirmed the bow top railings were zaun fencing but when installed the top edge will have a waved effect rather than the standard straight top. The Chairman confirmed gates were included in the price and a large gate, to allow vehicle entrance for maintenance purposes, will also be installed.

Resolved, "That (i) particulars of the report be noted on the minutes and the tender submitted by Stephen Christians and Sons Limited, being the lowest and good value for money, be accepted.

(ii) That approval be sought from the Policy and Resources Committee for further expenditure of £6,601 from the Risk Management and Special Projects Fund on the basis that the railings require replacement urgently due to health and safety concerns. If the Council does not progress the works before February 2013 then there is a risk that someone could be injured in the meantime."

**\*10. Woodburn Square and Hilary Park Square Tree Lighting Display**

The Committee considered a report submitted by the Electrical Services Manager, following a request from a Member, on the inclusion of a tree lighting display in Woodburn Square and Hilary Park Square.

The Electrical Services Manager sourced two products suitable for installation; Members were presented with two photographs displaying the two different types of lights available. The cost per tree for option one is £5,750 and option two is £6,000. It was noted that neither square has an electrical supply or distribution system and the installation of the service, including Manx Electricity Authority supply, pillar and trenching is estimated at £3,000 per square.

A number of Members felt the cost to light the trees was expensive.

Motion moved, that a tree lighting display be installed at Woodburn Square and Hilary Park Square.

For:2 Against: 5

Mr. Councillor R.I. Kissack, Councillor Mesdames C.E. Malarkey, R. Chatel, Messrs. Councillors J.R. Mitchell and S. Cain requested their names be recorded as voting against the motion.

Motion Fell.

Resolved, "That (i) particulars of the report be noted on the minutes and a tree lighting display not be installed at Woodburn Square and Hilary Park Square."

**\*11. Hilary Park – Potential Refurbishment**

The Committee considered a report by the Assistant Chief Executive, following a request from a Member, to potentially refurbish Hilary Park enhancing particularly the war memorial area.

It was noted that there is currently no budget for any major works to the park. Photographs of the park were circulated to Members and it was agreed that the park was in a good condition.

Resolved, "That Hilary Park not be refurbished but a growth bid for general maintenance be included in the 2013/2014 budget."

**\*12. Noble's Park Campsite Rules**

The Committee considered an update from the Assistant Chief Executive with regards to the rules for the Noble's Park campsite.

It was noted that an annual fee, as previously agreed, would be charged to use the campsite. To avoid the campsite being occupied during motorsports events it was suggested that motor homes wishing to use the facilities must request approval from the Council. If approval is granted details of the motor home will be uploaded to a system and the enforcement team will have the information available to determine which vehicles have permission to be on the land.

Resolved, "That particulars of the discussion be noted on the minutes and the Chairman and Assistant Chief Executive be authorised to liaise and complete the campsite rules."

**\*13. Condition of Tramsheds Building**

This item was deferred pending additional information.

**\*14. Items For Future Report**

The Committee considered a report from the Chief Executive and Assistant Town Clerk regarding reports for future consideration by the Committee.

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

**\*15. 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.

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, 20<sup>th</sup> February, 2012. 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, Mr Councillor T.M. Gelling, Councillor Mrs. D.M. Kinrade

Apologies: There were no apologies for absence.

In Attendance: Assistant Chief Officer (Housing and Property), Senior Accountancy Officer, Assistant Democratic Services Officer

There were no declarations of interest.

## REPORT

### \*1. Minutes 23<sup>rd</sup> January 2012

The minutes of the regular meeting held Monday, 23<sup>rd</sup> January, 2012, were approved and signed.

### \*2. Crematorium and Chapel Refurbishment

The Committee considered a report submitted by the Borough Engineer and Surveyor and Assistant Chief Executive on the capital project for the Crematorium and Chapel upgrade.

It was noted that the project will involve the installation of mercury abatement equipment to the cremators together with improvements to ventilation and dust extraction, a new boiler installation, a new heating system, a full rewire, fire precaution upgrading, damp proofing where necessary, an extension to the rear of the chapel to provide new staff facilities, a new waiting and overspill area for mourners, new public toilets, a new secondary entrance, a new Vestry, a new Book of Remembrance room and a full internal and external redecoration.

The total estimated capital cost to complete this project at Capital Design Stage 3 had been calculated at £1,738,000.00. The figure included in the Business Case was £1,169,023.00 which was interpolated from the Feasibility Study carried out in 2009. The estimated cost at Capital Design Stage 3 was therefore £568,977.00 over that figure included in the Business Case.

The Chairman informed that since the circulation of the report detailing the above figures a meeting with funeral directors had taken place and a separate entry and exit door with a covered exit passing the wreath garden will now be included within the works. Members discussed disabled access, it was confirmed the step leading to the Book of Remembrance will be levelled and the current issue restricting disabled access at the front rows of the Crematorium will be researched. It was noted that the estimated cost of these additional items has increased the total Stage 3 cost to £1,878,000.00.

Members were presented with a number of factors that have increased the price of the project. A Member queried why the mercury abatement cost had increased by £80,000 since 2009, which is almost double the price, and why risk, contingency and inflation was not built in to the original figures determined. In answer to question, the Assistant Chief Officer (Housing and Property) confirmed that only one company had been asked to provide an estimate for the mercury abatement equipment as the project is only at Stage 3 and additional quotes will be sought at Tender Stage 5.

Members felt a number of the factors detailed within the report should have been considered at feasibility stage and therefore not increased the total estimated capital cost, namely, the renewal of the floor, significant drainage works and a new music/PA system. The Assistant Chief Officer (Housing and Property) confirmed that the repairing of the floor and not the renewal was previously considered at stage 1 of the process, significant drainage works are now required and the music/PA system will require upgrading. Members requested a report be brought back to Committee detailing the additional costs that have increased the total capital cost of the scheme.

Members raised concern over the additional costs for the temporary Book of Remembrance building within the grounds, a temporary committal office for the Bereavement Services Manager and her staff and the need to provide temporary welfare facilities for staff and the general public during the works. It was suggested that the Book of Remembrance could be temporarily relocated to the lawn cemetery or the Town Hall and Bereavement Staff could be relocated during the works. Members were reminded that the Bereavement Services Manager is required on site to fulfil a number of duties. It was agreed that temporary welfare facilities would not be required if staff were relocated during the works.

Members requested a report detailing the cost of each of the temporary buildings and alternative options for each. A Member requested justification on the need for an outside tap to be relocated during the works considering there are a number of other outside taps available.

The Chairman informed Members that at a recent meeting funeral directors agreed to assist with the dignified movement of the deceased from the Lawn Chapel to the Crematorium once all mourners have departed, the cost of which will be determined between the family and the individual funeral director.

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

- i approval be given to the Capital Procedures Stage 3 report which is subject to Department of Infrastructure approval; and
- ii committal services be temporarily held at the Lawn Chapel for the duration of the refurbishment and construction work at the Glencrutchery Road Chapel and Crematorium; and
- iii the Committee notes that the cremation services which are currently scheduled at forty five minute intervals will need to increase up to a maximum of ninety minute intervals for the duration of the project period which will be subject to operational review. This is to allow the deceased to be moved from the Lawn Chapel to the Crematorium in a dignified manner leaving all mourners enough time to leave the Lawn Chapel grounds; and
- iv a report be brought back to the Committee explaining the increase in costs from £1,169,023.00 to £1,878,00.00 for the project."

**\*3. Kitchen Framework Agreement – Anagh Coar Estate Phase 3**

The Committee considered a report submitted by the Planned Maintenance Officer on the kitchen framework agreement for Anagh Coar Estate Phase 3.

A negotiated tender was received from Cedar Developments Limited. It was noted that Cedar Developments Limited is the Department of Social Care approved kitchen framework contractor and has been carrying out the kitchen refurbishment work on the Anagh Coar estate.

A Member referred to Cedar Developments Limited scope of works twelve day activity sheet, this document details the process that is expected to be followed during the installation of all kitchens at Anagh Coar estate. The Member informed that a number of tenants had been in contact to complain about the works and confirmed that the process detailed within the twelve day activity sheet was not followed.

Members agreed that complaints regarding the works should be in writing to the Council, to date a number of verbal complaints had been received. Members requested confirmation that the customer satisfaction surveys are being received by tenants following the completion of the works and requested responses from the survey be circulated to all Members of the Committee.

It was noted that when a kitchen is complete the Clerk of Works, a Government employee, carries out an inspection.

Members suggested an Officer should visit tenants upon the completion of the kitchen framework to obtain feedback.

During discussions a Member queried the entitlement of the Mayor to speak in Committee meetings. The Chairman referred to Standing Orders which did not exclude the Mayor from speaking as an ex-officio of the Committee.

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

- i the tender received from Cedar Developments Limited be accepted,  
For: 5 - Against: 2  
Councillor Mrs. E.H. Callow and Mr. Councillor T.M. Gelling requested their names be recorded as voting against the resolution.
- ii the Committee authorises the Chief Executive to petition the Department of Social Care for funding in the sum of £699,502.34 being the total capital cost of Phase 3 kitchen replacements work on the Anagh Coar estate. In making this authorisation the Committee noted that the estimated total amount payable will be £984,643.50 which includes estimated annual payments over fifteen years of £65,642.90. The estimated total interest will therefore be £285,141.16,  
For: 5 – Against: 2  
Councillor Mrs. E.H. Callow and Mr. Councillor T.M. Gelling requested their names be recorded as voting against the resolution.

- iii the Department of Social Care be advised that an assessment of the Council's Housing Reserve Funds has been undertaken to establish if sufficient monies were available to fund the proposed scheme via that source,  
For: 5 – Against: 2  
Councillor Mrs. E.H. Callow and Mr. Councillor T.M. Gelling requested their names be recorded as voting against the resolution.
- iv customer satisfaction surveys are issued as standard to tenants for all kitchen replacements undertaken and complete under the framework agreement.”

**\*4. Willaston External Refurbishment Pilot Scheme**

The Committee considered a report submitted by the Planned Maintenance Officer on the Willaston External Refurbishment Pilot Scheme.

It was noted that it is unclear how the Willaston Estate should be externally refurbished. As the identification of a suitable refurbishment option requires a significant focus on material selection and cost, an experimental pilot refurbishment scheme is considered to be essential.

To identify the most suitable contractor and achieve early contractor involvement, a two stage qualitative and price tender process was applied as directed by Government.

It was noted that in order to establish a list of contractors to be considered for two stage competitive tendering, advertisements were placed in the local press requesting expressions of interest from contractors.

From the responses received and their accompanying information supplied, the Design Team short listed the following contractors considered to be adequately qualified and resourced to submit a tender for this project:-

- Auldyn Construction Limited
- BCS Limited
- Dandara Limited
- McArd Contractors Limited
- Norman Cowin Limited
- NK Construction Limited

It was noted that “Stage A” of this two stage tender process was based upon qualitative and price structure which allows tender submissions to be assessed not just on price but also on the contractors feedback and input into procurement and available resources.

Once the scoring of the prices and qualitative element had been determined by the Design Team, Auldyn Construction Limited was found to best meet the essential criteria and was subsequently invited to attend an interview. Following this interview it was recommended that Auldyn Construction Limited be employed as a Design Team member and Principal Contractor on this pilot scheme.

It was noted that three contractors had supplied a lower price than Auldyn Construction Limited but their qualitative assessment did not score as highly. The Design Team felt that the lower priced tenders did not fully acknowledge the concept behind the pilot scheme.

Officers confirmed the pilot scheme will include three blocks of two houses in Willaston, Members were provided with the address of each house.

A Member expressed concern that the expressions of interest for the pilot scheme had been advertised twice despite contractors with the ability to complete the works submitting an interest as a result of the first advert; the Member also had concerns in relation to the scoring matrix. There was considerable discussion and Members agreed re-advertising does not comply with Standing Orders and therefore they would vote against the recommendation unless a reasonable explanation regarding the re-advertising of the scheme was received. The Assistant Chief Officer (Housing and Property) informed Members that both advertisements were carried out within Standing Orders and by not accepting the recommendations the project is likely to be delayed.

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

- i The recommendations within the report not be approved, and it be noted that the Committee supports the pilot scheme as a matter of urgency but have reservations that the scheme was re-advertised and are therefore not willing to accept the tender until a reasonable explanation has been received; and

- ii the Chief Executive be requested to correspond with the Department of Social Care as a matter of urgency.”

#### 5. **Pulrose Redevelopment – Police Station**

The Committee considered a report by the Assistant Chief Officer (Housing and Property) requesting approval of the lease agreement for the new Pulrose Police Station and the temporary use of the old Police Station.

Previously it was agreed that a new community Police Station would be provided in the new Pulrose Phase 8 development in exchange for the old Police Station adjacent to the Pulrose playground. The new Police Station will be ready for occupation from April 2012 and written details of the proposed lease agreement have now been received from the Department of Home Affairs.

It was noted that the old Police Station will be transferred to the Council’s ownership for a nominal sum of 25 pence. It is intended that the old Police Station building will be used for housing purposes however available funding will not be confirmed until mid 2013 at the earliest.

The Department of Social Care are looking for a property to operate a children’s day support project and have written to the Council to request permission to use the old Police Station until January 2014. In answer to question, the Assistant Chief Officer (Housing and Property) confirmed that this project was scheduled to go ahead despite the recent closure announcements from the Government.

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

- i approval be given to the lease agreement for the new Pulrose Police Station for ninety-nine years at a nominal rent of £1.00 per annum with no sub-letting permitted; and
- ii approval be given to the freehold transfer of the old Pulrose Police Station from the Department of Home Affairs to the Council for the nominal sum of 25 pence; and
- iii approval be given to the use of the old Pulrose Police Station by the Department of Social Care for a fixed term (two year period) for the purpose of providing a children’s day support project, subject to entering into a lease agreement whereby the Council does not incur any costs for this building for the duration of the lease; and
- iv recommendations 1 to 3 be referred to the Policy and Resources Committee for approval and the Policy and Resources Committee be requested to authorise the Chief Executive to obtain the necessary approvals from the Department of Infrastructure to enter into the above agreements at recommendations 1, 2 and 3, as required under Section 25 of the Local Government Act 1985.”

#### \*6. **Isle of Man Housing Conference 2012**

The Committee considered a report by the Assistant Chief Officer (Housing and Property) inviting Members to attend the 2012 Isle of Man housing conference.

It was noted that the annual housing conference will be held at the Mount Murray Hotel on Friday, 23<sup>rd</sup> March, 2012. The report recommended that the Chairman and Vice-Chairman attend the conference with Officers.

Resolved, “That the Chairman, Vice-Chairman and two Members of the Committee attend the conference, with Officers, and the £16.50 lunch contribution be provided by Members.”

#### \*7. **Items for Future Consideration**

The Committee considered the report on items for future consideration and raised additional matters.

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

#### \*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, 15<sup>th</sup> February, 2012.  
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 Town Clerk, Senior Technical Officer, Building Control Manager, Senior Engineering Manager, Democratic Services Officer

There were no declarations of interest.

## REPORT

### \*1. Minutes – 18<sup>th</sup> January, 2012

Minutes of the meeting held on Wednesday, 18<sup>th</sup> January were approved and signed

### \*2. Nuisance Abatement Notice – 27 Derby Road, Douglas

The Committee considered a report on number 27 Derby Road, Douglas. The masonry guttering and wall to the front elevation needs to be repaired, re-rendered and repainted. The Building Control Section is seeking authorisation to serve a Notice as informal approaches to the owner have not yet resulted in a rectification of the problems. Photos of the property were circulated to the Committee during consideration of the report.

Resolved, “That the particulars of the report be noted on the minutes and approval given for the service of a Notice under Section 24 of the Building Control Act 1991 to require the guttering and wall to the front elevation of the property to be repaired, re-rendered and repainted.”

### \*3. 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 raised some additional queries.

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

### \*4. Schedule of Properties in Poor Condition

The Committee considered a schedule of properties in poor condition, where the condition is not serious enough to warrant taking legal action. Members discussed the limits to the powers available to the Council to punish owners and landlords who do not maintain their properties.

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

### 5. Scheme to Light Saddle Road Footpath

The Committee considered a report submitted by the Electrical Services Manager setting out a proposed scheme to light a footpath on Saddle Road. In 2011 the Committee considered options for lighting the footpath and agreed at that time to replace the lanterns on the existing roadside public lighting columns so as to provide illumination for the footpath. Unfortunately the footpath is still poorly lit.

When the Committee previously considered the matter, it was assumed that civil engineering work would be required to install cabling for lighting the footpath. Further investigations and discussions with the Department of Infrastructure have revealed that trunking was put in place when the footpath was laid out.

A lighting scheme has been prepared to current British Standard BS EN 13201-2:2003 to provide lighting to Category S4. The scheme includes provision of eight columns spaced approximately thirty metres apart, each to be fitted with a high energy efficient 23 watt LED unit. The installation work is to be carried out by staff from the Electrical Services section. The cost of implementing the proposed scheme is £8,000 for materials and provision of the electricity supply from the Manx Electricity Authority. There is no provision in the Electrical Services budget for this scheme, so in order for it to proceed, the approval of the Policy and Resources Committee is needed for funding from the Risk Management and Special Projects Fund.

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

- i. approval be given for the implementation of scheme for the lighting of the Saddle Road Footpath; and
- ii. a referral is made to the Policy and Resources Committee seeking approval for funding from the Risk Management and Special Projects Fund in the amount of £8,000 in order to progress the scheme immediately.”

**\*6. Disposal of Trailer-Mounted Hoist**

The Committee considered a report submitted by the Transport and Plant Manager seeking approval for disposal of a trailer mounted hoist which is deemed to be surplus to requirements. The hoist is used by the Electrical Services Section and other sections have advised the fleet manager that they do not need this piece of equipment. Members suggested that other sections have not been sufficiently consulted and agreed to defer a decision on the report for a month.

Resolved, "That the report and discussion be noted on the minutes and the matter deferred in order for additional information to be obtained and the matter brought back to the Committee at the next meeting."

**\*7. Items for Future Consideration**

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

**\*8. 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 11.25am.

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

# PENSIONS COMMITTEE

PENSIONS COMMITTEE – Minutes of meeting held on Wednesday, 22<sup>nd</sup> February, 2012. Members Present: Mr. Councillor R.I. Kissack (Vice-Chairman), the Mayor, Councillor Mrs. G.G.S. Corkish, Mr. Councillor D.J. Ashford

Apologies: Mr. Councillor D.W. Christian

In Attendance: Borough Treasurer, Mr. Mark Freeman (Hymans Robertson), Mr. Ray Nairn – (BlackRock, Item 10 only), Mr. Colin Graham – (BlackRock, Item 10 only), Democratic Services Officer

There were no declarations of interest.

## REPORT

### \*1. Chair of the Meeting

In the absence of the Chairman it was unanimously agreed that the Vice-Chairman should take the Chair.

### \*2. Minutes – 23<sup>rd</sup> November, 2011

The minutes of the meeting held on Wednesday, 23<sup>rd</sup> November, 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 consultation period on the regulations closed on Friday, 17<sup>th</sup> February, 2012. He further advised that briefings had been arranged for members of the Scheme on Monday 20<sup>th</sup> February, and Wednesday, 22<sup>nd</sup> February, 2012 and a briefing had been arranged for employers on Tuesday, 21<sup>st</sup> February. There had been a reasonable attendance for each of the briefings, although there were some problems as it was half-term week and many people were away. Additional meetings will be organised when representatives from CAPITA are next on the Island.

The regulations will be considered by Tynwald at the March sitting which is the 20<sup>th</sup>- 22<sup>nd</sup> of the month. The manager of the Legislation and Policy section of the Local Government Unit has invited the Borough Treasurer to attend the sitting. Assuming the regulations are approved by Tynwald, the changes will come into effect on 1<sup>st</sup> April, 2012. There was a brief discussion on the changes and the Borough Treasurer advised that the representative from CAPITA will be on the Island at the end of March and will then attend the Committee.

Resolved, “That the Borough Treasurer’s remarks be noted on the minutes.”

### \*4. Absolute Return Fund Manager

The Committee had before them a written report from the Borough Treasurer setting out the research and evaluation process which had been undertaken in order to enable the Committee to appoint a fund manager for an absolute return mandate. The written report set out in detail the process including the questions which had been put to each of the prospective managers together with their responses and evaluations of those responses.

Mr Mark Freeman of Hymans Robertson then highlighted some background information on Capital International Group and alerted the Committee to areas of investment strategy on which it may be advisable to seek clarification. He pointed out to the Committee that a benefit to a segregated structure would be that it would be possible to have more input into the investment strategy, for example if they were uncomfortable with including hedge funds in the strategy.

### \*5. Presentation by Capital International Group

Mr David Long, Chief Investment Officer, Mr Chris Bell, Senior Investment Manager and Mr Stephen Kelly of Capital International Group joined the meeting at 12:10pm to deliver a presentation to the Committee on Discretionary Investment Management offered by the Group.

Mr Chris Bell spoke first, emphasizing the core values of innovation, integrity and excellence. The company, established in 1996, is a member of the London Stock Exchange, licensed by the Isle of Man Financial Supervision Commission and is one hundred percent owned and operated in the Isle of Man. He then gave an overview of the company group, its structure, capabilities, the key investment personnel and the internal mechanisms for governance of the investment team.

Mr Bell emphasised that the Strategic Investment Mandate is at the heart of the Group’s investment philosophy. The mandate then determines the tactical asset allocation, which in turn drives the selection of

investment instruments, keeping in mind the need for risk management, allowing for an appraisal of performance to determine whether or not the aims of the mandate have been met. Asset allocation is the key performance driver.

Mr David Long then continued the presentation setting out various absolute return strategies. Capital International Group's definition is that it is a strategy managed against a target absolute return and a target volatility. He emphasized that there is a risk involved in any strategy. He stated that performance is achieved not by luck or risk-taking, but by statistical analysis and the management of risk with a rigorous investment process.

He then outlined the process that Capital International use to identify risk tolerance and determine an optimal strategic portfolio configuration. He highlighted that the strategy proposed for the Pension Scheme would be to target a return of 5 – 7% per annum over the medium term. Questions were raised as to the inclusion of arbitrage hedge and market hedge classes in the proposed portfolio. In response, the Committee was advised that these asset classes could be reduced or excluded from the portfolio as required. Members also queried the inclusion of commercial property as an investment, and it was explained that this asset class has a low correlation with bonds and equities and so acts as a diversifier in a portfolio. These investments would be through listed property companies and directly invested pooled funds which enable a diversified exposure to different types of properties and locations.

Mr Stephen Kelly gave the next segment of the presentation setting out their approach to stock selection, fund selection and yield curve positioning for the bond allocation.

Mr David Long concluded the presentation by reiterating the reasons for choosing Capital International.

Mr Long, Mr Bell and Mr Kelly were thanked for their attendance and left the meeting at 1.10pm.

**\*6. Adjournment and Resumption**

The meeting adjourned at 1:25pm and resumed at 2:05pm when the same Members and officers were present.

**\*7. Review of Investment Strategy**

The Committee considered a review of investment strategy submitted by Hymans Robertson. The report summarised the changes which have taken place to investment strategy and structure over the past twelve months. A full actuarial valuation of the pension fund will take place next year. The Committee agreed that it should also undertake a full review of asset allocation and the benchmark in conjunction with the valuation. The report also summarised the effect on the benchmark of the appointment of an absolute return manager. There have been initial discussions with BlackRock about the appointment of an absolute return manager and possible changes to the benchmark. The monies to be invested with the absolute return fund manager will be taken equally from bonds and equities and the proportion of the pension fund invested in these reduced accordingly.

**The amended benchmark table including the new absolute return mandate**

Asset Class	Manager	Benchmark %	Range %
UK Equities	BlackRock	24	19 – 29
Global (ex UK) (all countries) Equities	BlackRock	31	26 – 36
Total Equities		55	45 – 65
Absolute Return	New Manager	10	–
Aggregate Bonds	BlackRock	23	13 – 33
Property	BlackRock	12	4 – 17
Cash	BlackRock	0	0 – 10
Total		100	

There was some discussion of the mechanism by which the funds might be transferred between Managers. It was agreed that the Borough Treasurer would undertake the necessary discussions and advise the Committee accordingly.

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

- i. the benchmark for equities and for bonds to be reduced by 5% each and for an allocation of 10% of the pension fund to the absolute return fund manager as shown in the table; and
- ii. for the Borough Treasurer to be authorised to undertake tripartite discussions to enable a smooth, speedy transfer of monies between the funds; and
- iii. that a full review of the benchmark be undertaken in late 2013 in conjunction with the full actuarial valuation to take place that year."

**\*8. Investment Consultants, Quarterly Report and the Capital Markets Service**

Mr. Colin Graham and Mr. Ray Nairn of BlackRock joined the meeting at 2:20pm.

Mr Freeman of Hymans Robertson presented a report on the capital markets service and the quarterly monitoring report which gave a broad overview of the market returns for the last quarter of 2011, the whole of 2011 and the first few weeks of the first quarter of 2012.

Overall investment returns for the first quarter of 2011 were 4.9% versus the benchmark of 5.5%. Over the last twelve months the Fund was 2.2% behind the benchmark with an absolute return of -1.5%. Under performance can be attributed to both asset allocation and stock selection decisions. Stock selection in international equities and property were detrimental although stock selection in UK equities had improved.

Market returns and a number of indicator charts were considered. Overall, these charts were indicating a less negative view on equity markets than currently generally perceived by the market with possible opportunities in emerging markets. Gilts continue to be very expensive, although there may be some opportunities in corporate bonds in the current environment.

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

**\*9. Investment Managers' Presentation by BlackRock**

Mr Graham of BlackRock gave the investment managers' presentation on performance in 2011. The year started well and ended well, but there were many challenges in between. Expectations about growth dropped, and a number of concerns appeared in August.

Mr Graham explained the primary reasons for underperformance during 2011:

Being underweight Gilts / Treasuries / Bonds / Gold

Underperformance of the UK Equity Sub-Portfolio

UK equities were driven by macro-economic factors such as the sovereign debt crisis in Europe and the US sovereign downgrade.

He summarised the changes in asset allocation during the period.

Mr Graham explained the BlackRock's view on five possible economic scenarios for 2012.

He highlighted that there is greater political uncertainty in 2012 arising from the presidential and/or parliamentary elections throughout the world scheduled for the coming year.

Throughout the presentation there was discussion on the points raised.

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

Mr Graham and Mr Nairn were thanked for their attendance and left the meeting at 3:40pm.

**10. Items for Future Consideration**

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."

**\*11. Date of Next Meetings**

The Committee noted the schedule of meetings.

Wednesday, 28<sup>th</sup> March, 2012 at 2:15pm (Administration)

Wednesday, 23<sup>rd</sup> May, 2012 at 11:30am (Investments)

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

**\*12. Agenda Review**

The Committee undertook a review of the agenda and agreed which items to be considered in public and which in private.

The Committee rose at 3.47 p.m.

IX – Miscellaneous business of which Notice has been given, pursuant to Standing Orders.

## MISCELLANEOUS

1. The Council to appoint a Selection Committee under the provisions of Standing Order No. 80, consisting of one Member from each Ward, for the purpose of selecting, nominating and recommending to the Council at a special private meeting to be called as soon as possible after 1<sup>st</sup> May and before the statutory annual meeting, the names of Members of the Council to serve on the Standing and Special Committees other than the Policy and Resources Committee for the ensuing municipal year.

*All Members are eligible for nomination.*

*If more than one nomination is made and seconded in respect of any Ward, a ballot will take place.*

*The Selection Committee would normally meet between 26<sup>th</sup> April and 2<sup>nd</sup> May. However, changes may be made to the Council's Standing Orders before 26<sup>th</sup> April dispensing with the requirement for the Committee to meet, in which case the meeting will not be convened.*