

## Finance Strategic Policy Committee

### Minutes of Meeting Held On 15<sup>th</sup> June 2017

#### 1. Minutes of the meeting held on 16<sup>th</sup> March 2017

Minutes agreed

#### 2. Correspondence

- Items a, c, e and i were noted.
- Item b to be considered under Agenda Items 7 & 8 (Report Nos.15/2017 & 16/2017 respectively)
- Item d to be considered under Agenda Item 6 (Report No. 19/2017)
- Item f, g and j to be considered under Agenda Item 5 (Report No. 08/2017)
- Item h to be considered under Agenda Item 4

#### 3. Report Legislative Framework

Correspondence from Minister Coveney and Rates Legislation Review report were noted. Kathy Quinn highlighted in her report the administrative areas that should be covered in the review of rates legislation.

**Agreed:** It was agreed that in addition to the administrative issues that must be covered by the review, the response issuing to the Minister should highlight a) the current vacancy refund level of 45% in Dublin City Council's administrative area and b) any rates alleviation scheme should allow both an upward and downward revision.

#### 4. Construction Industry Federation (CIF)

Representatives of the CIF attended the meeting to address three particular items detailed in correspondence to them dated 3<sup>rd</sup> April.

The representatives set out in detail their position regarding the impact of the use of pyrite in the construction process, the compliance with workplace related legislation and subcontracting of works and the structure of public sector construction contracts around the issue of settling contract related claims.

In regard to compliance with workplace related legislation and subcontracting works and condition, it was particularly emphasised that enforcement is one of the main issues that needs to be examined and addressed and the CIF have made submissions to the Office of Government Procurement (OGP) and the government on this matter.

In discussions on the structure of public sector construction contracts, CIF welcomes the enactment of the Construction Contracts Act. CIF noted that to ensure a reduction in disputes arising the following points should be noted:

- Design brief must be fully developed before going to tender.
- Full tender price would then be provided at the outset.

- Paid when paid clauses have been removed from contracts.
- Effectiveness of the rapid dispute clause in contracts eliminating long delays.

Issues raised were:

- As public sector contracts currently stand, the implications this has on large public contracts such as the National Children's Hospital is that contractors are tendering with risk factors built into their tender price.
- The inclusion of local employment clauses in contracts such as Grangegorman and the Clerys' site proposals. The inclusion of these agreements in contracts is under discussion.
- The cost of repair/remedial works to Dublin City Council and the many companies have not borne any of these costs notwithstanding the fact that they are still in operation. CIF clarified that their stance would be that the supplier is responsible. SR21 Standards should provide protections into the future.
- The involvement of Northern Irish contractors in the construction industry in the South and non-compliance with pay rates etc. EU regulations permit tenders from outside the State although non-compliant contractors will be pursued.
- Adjudication is the most favourable option for dispute resolution. However dispute avoidance should be the aim for all parties.
- The work of the OGP is very welcomed by the CIF.

#### **5. Ballyfermot Leisure Centre**

T. O'Keeffe, Law Agent, attended the meeting to address the issues raised regarding the legal settlement of this dispute. He provided the background to the resolution of this issue from conciliation to arbitration. Concerns were raised around the exposure that Dublin City Council faced with this contract and it was noted that the introduction of the new Act and contract changes have much improved and overruns and consequent disputes, although still possible, would not be at the level or cost of this particular project in the future.

#### **6. Report on Development Contributions – Highest and Lowest value of contributions**

Report noted.

**Agreed:** A report would be prepared setting out the breakdown of Residential versus Commercial development activity.

#### **7. Rates Liabilities – NAMA Properties – Report 15-2017**

Report noted.

#### **8. Rates Account – Legal Proceedings 2016 – Report 16-2017**

Report noted.

**Agreed:** A report would be prepared on the value of legal costs incurred to pursue non-compliant rate payers including staff costs.

#### **9. A) Annual Financial Statements 2016**

A presentation was made by A. Power, Head of Financial Accounting detailing the following:

- Statement of Comprehensive Income,
- Analysis of Revenue Income and Expenditure,

- Analysis of Capital Income and Expenditure,
- Projects with debit balances where a funding mechanism is in place
- Capital Income by Source
- Capital Expenditure by Service
- Statement of Financial Position,
- Statement of Funds Flow.
- Analysis of Loans
- Analysis of Trade Debtors
- Major Revenue Collections
- Summary of Local Property Tax (LPT) Allocated

On the issue of LPT paid and liability on vacant properties, it was clarified that the owner is liable unless the property is uninhabitable.

**9. B) Debtors Report**  
Report noted

**10. Area Discretionary Funding – Report 02-2017**

**Agreed:** It was agreed that this item would lapse and K. Quinn was thanked for the work involved in the compilation of this report.

**11. Audit Committee – Agreed Minutes**

- September 15<sup>th</sup> 2016 – Minutes noted
- November 17<sup>th</sup> 2016 – Minutes noted
- December 8<sup>th</sup> 2016 – Minutes noted
- March 9<sup>th</sup> 2017 – Minutes noted

**12. Chief Executive's Special Report on Resourcing – for discussion**  
Report noted.

Cllr. McGinley summarised the background to the referral of this item to the Finance Strategic Policy Committee. It is proposed that a Resources Working Group would be established to deal with three issues:

- Consideration of the Chief Executive's report
- Consideration of questions to be raised
- Summarise the questions into a submission

The involvement of the Finance, HR and CEO's Departments would be necessary.

Cllr. Mary Freehill gave an overview of the background to this report and the original Motion tabled by the Labour Party.

**Cllr. McGinley proposed that agreement be sought with the Chief Executive for three meetings as follows:**

- 1) First meeting to be held in the next three weeks
- 2) Second meeting held one month later
- 3) Final one in September

Sectoral members of the Committee from IBEC and Dublin Dockland Business Forum indicated their interest in participating in this working group.

### 13. AOB

#### **Vacancy Refund Report**

It was noted that a report commissioned by Dublin City Council will be available by 22<sup>nd</sup> June 2017 and would necessitate an additional SPC meeting to be held to deal with this report. A provisional date of Thursday 29<sup>th</sup> June at 3.30pm was suggested. The date for this meeting will be confirmed when the final report is cleared.

**Signed:** **Councillor Ruairi McGinley**  
**Chairperson**

**Date:** 15<sup>th</sup> June 2017

#### **Attendance:**

##### Members

Councillor Ruairi McGinley (Chairperson)  
Councillor Paddy Bourke  
Councillor Tom Brabazon  
Councillor Ray McAdam  
Councillor Micheál MacDonncha  
Councillor Paddy McCartan  
Councillor Larry O'Toole  
Councillor Nial Ring  
Eric Fleming, ICTU  
Morgan O'Regan, Docklands Business Forum  
Aebhric McGibney, Dublin Chamber of Commerce  
Aidan Sweeney, IBEC

##### Guest Speakers from Construction Industry Federation

Hubert Fitzpatrick, Director, Housing, Planning and Development  
Martin Lang, Director - Main Contracting  
Brian McKeon, Executive Member  
Mel O'Reilly, Executive Member

##### Officials

Kathy Quinn, Head of Finance  
Antoinette Power, Head of Financial Accounting  
Terence O'Keeffe, Law Agent  
Fiona Murphy, Senior Staff Officer, Finance Secretariat  
Lisa Nolan, Staff Officer (Secretarial), Finance Secretariat

##### Non Member

Councillor Mary Freehill

Apologies

Lord Mayor Brendan Carr  
Councillor Hazel De Nortúin  
Councillor Dermot Lacey  
Councillor Noeleen Reilly  
Dr. Caroline McMullan, DCU  
Joanna Piechota, Irish Polish Society

Press

Lisa Nealon

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