

Strategic Policy and Resources Committee

Friday, 19th October, 2007

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor D. Dodds (Chairman);
the High Sheriff (Councillor Kirkpatrick); and
Councillors D. Browne, M. Browne, W. Browne, Convery,
Crozier, Hanna, Hartley, Lavery, Long, Maginness,
A. Maskey, P. Maskey, McCann, Newton, Rodway,
Smyth and Stoker.

In attendance: Mr. P. McNaney, Chief Executive;
Mr. G. Millar, Director of Improvement;
Mr. C. Quigley, Director of Legal Services;
Mr. T. Salmon, Director of Corporate Services;
Mr. L. Steele, Head of Committee and Members'
Services; and
Mr. J. Hanna, Senior Committee Administrator.

Apology

An apology for inability to attend was reported from Councillor Adamson.

Minutes

The minutes of the meeting of 21st September were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 1st October.

Modernisation and Improvement

Review of Public Administration

The Committee considered the undernoted report which provided an update in respect of the Review of Public Administration:

“1.0 Relevant background information

- 1.1 Members will recall that the NI Executive had agreed and announced on 6th July that there would be a review undertaken of the local government aspects of the Review of Public Administration (RPA) within the context of devolved government and wider decisions on the RPA implementation programme.**

- 1.2 The review consists of three distinct but interlinking strands. It will focus on the creation of a shared vision for local government in Northern Ireland and will reconsider both the number of Councils and the functions transferring to local authority control.
- 1.3 The review will be led by a sub-committee of the NI Executive with provision for reporting progress and emerging findings to the Executive. Chaired by the Environment Minister, Arlene Foster MLA, the membership of the sub-committee consists of the Minister for Finance and Personnel, Minister for Social Development, Minister for Regional Development and the Minister of Health, Social Services and Public Safety.

2.0 Key Issues

2.1 Members will accept that we are rapidly approaching a critical stage in the RPA process and in defining the future shape and role of local government within Northern Ireland. Key decisions will be taken over the coming weeks with regard to the vision for local government and the exact nature of the functions (and the resources that support them) which will be transferred from central government to local government. It is essential that there is a common understanding within both central government and the NI Executive of the need for a cluster of functions to be devolved to local government to enable Councils to fulfil their crucial role as a place shaper, enabler and co-ordinator of the delivery of joined-up local public services.

2.2 Local government must be engaged within these discussions and take every opportunity to inform and influence the ongoing deliberations and decisions of the NI Executive to ensure that the best interests of the citizen and the sector are protected and enhanced.

2.3 Emerging findings of the review of the local government aspects of the RPA

2.3.1 There are a number of key milestones which Members must be made aware of with regard to the NI Executive's review of the local government aspects of the RPA:

- the findings of the RPA review will be submitted to the NI Executive sub-committee on 18th October;
- the findings report will be released on 19th October for consultation up until the 16th November, 2007;

- a joint PricewaterhouseCoopers and Department of Environment (DoE) stakeholder event will be held on 25th October, Glenavon Hotel, Cookstown to present the findings on the development of a shared vision for local government and to provide an opportunity to comment/feedback on the recommendations emerging from the wider RPA review;
- DoE to arrange 4 regional consultation events (Enniskillen, Lisburn, Coleraine and Armagh) during the week of 12th till 16th November to provide an opportunity for stakeholders to comment on the RPA review findings report;
- stakeholder feedback report submitted to the NI Executive's RPA review sub-committee in the last week of November, 2007;
- final RPA review report submitted to NI Executive's RPA review sub-committee on 4th December, 2007 for endorsement; and
- final RPA review report submitted to the NI Assembly at its first meeting in January, 2008.

2.3.2 Subsequent to the release of the RPA review findings report on 19th October, the Council would intend to develop and submit a corporate response to the proposals put forward. Therefore, in order to facilitate this process it is recommended that a special meeting of the Council's Strategic Policy and Resources Committee, to which all Members of Council would be invited, be scheduled for 9th November, 2007.

2.3.3 Furthermore, it is recommended that briefings on the emerging findings of the RPA review be offered to all Party Groups to enable elected Members to consider in detail the emerging proposals and to contribute towards the development of a draft Council response which the Strategic Policy and Resources Committee will consider at the proposed special meeting on 9th November.

2.4 Influencing and Engagement

2.4.1 It is important that every opportunity is taken to inform and influence the forthcoming decisions of the NI Executive. Local government must develop an agreed and cohesive voice and evidence-based agenda for local government reform and ensure that the views of local government are communicated directly to the decision makers and influential people conducting the RPA review.

- 2.4.2 Local government must ensure that it takes an active role in engaging with and lobbying Party Groupings, Ministers, special advisors and civil servants with a view to influence the emerging recommendations and decisions of the NI Executive and its RPA review sub-committee. It is important that the Council uses both its influence and connections with Ministers and senior civil servant officials to advocate the need for strong, effective and responsive local government and to encourage them to understand and act upon the concerns of the sector.
- 2.4.3 It is equally important that an effective communication and lobbying campaign is initiated on behalf of the sector to ensure that all strands of local government are mobilised and convey a consensual view on the need for strong, connected and responsive local government.
- 2.4.4 Accordingly, the Committee is asked to consider the appropriateness of nominating Party Group media spokespeople who would assist in taking forward relevant RPA communication activities on behalf of the Council.
- 2.5 **Making the argument for the need for strong effective local government:**
- Business Case for the transfer of functions from central to local government**
- 2.5.1 As Members will be aware, Mr Colin Stutt has been commissioned by contributors from the entirety of local government including the Local Economic Development Forum and individual Councils, to develop an evidenced based business case for the transfer of functions from central to local government.
- 2.5.2 Members will note that an Executive Summary of Colin Stutt's draft research paper is available on request.
- 2.5.3 The report provides an analysis of the emerging local government reform policies merging within other parts of the UK and the Republic of Ireland and puts forward strong arguments in favour of creating strong, effective and responsive local government in Northern Ireland. It provides a detailed analysis of the range of functions which should transfer to local government and examines the rationale for their delivery at a local level. The report examines the role of local government in creating sustainable communities and

identifies the key components which Councils need to deliver this agenda. It argues that reform and development in terms of governance, performance management and shared services will be the underpinning and enabling factors in facilitating strong, effective local government in Northern Ireland.

- 2.5.4 The research undertaken by Mr. Stutt will inform the development of the Council's draft response to the RPA review findings.

2.6 Modernisation of Local Government

- 2.6.1 An update recently provided by the Northern Ireland Local Government Association (NILGA) on both the latest RPA Strategic Leadership Board meeting held on the 5th October and the initial meetings of the two Modernisation Sub-Groups is available for Members information.

3.0 Resource Implications

Financial and Human Resources

There are no financial or Human Resource implications contained within this report.

4.0 Recommendations

The Committee is asked to:

- (a) agree to a series of Party Group briefings on the emerging findings of the RPA review;
- (b) agree to hold on 9th November a special meeting of the Committee, to which all Members of the Council would be invited, to consider the Council's draft response to the RPA review findings report; and
- (c) consider the appropriateness of nominating Party Group media spokespeople who would assist in taking forward relevant RPA related communication activities on behalf of the Council."

The Chief Executive reported that Arlene Foster, Minister with responsibility for the Department of the Environment, had issued the emerging findings of the Review of the Local Government aspects of the Review of Public Administration, a copy of which was circulated for the information of the Members. The Chief Executive highlighted the

main functions which were to be transferred, the associated costs, the number of staff affected and the timetable for consultation. He emphasised the need for the Council to develop a robust response to the emerging findings report and to collaborate with the Northern Ireland Local Government Association in order to ensure that the interests of Councils generally and Belfast in particular were protected and adequately represented in the process.

The Chief Executive reminded the Committee that, at its meeting on 21st September, it had agreed that a letter be forwarded to the Minister requesting that she meet with representatives of the Committee to discuss the Review of Public Administration. He advised the Members that the Minister had agreed to receive an All-Party deputation and that this meeting, which would take place at 3.00 p.m. on 15th November, would provide the Council with another opportunity to influence the Review.

After discussion, the Committee adopted the recommendations and agreed that the All-Party deputation consist of the Chairman and the Deputy Chairman (or their nominees), together with one representative from each of the other Party Groupings.

Northern Ireland Assembly Liaison

The Committee noted the contents of a report providing an update in respect of work which was being undertaken by the Northern Ireland Assembly.

Performance Management

Improvement Agenda: Corporate Value Creation Map – Presentation by Mr. Bernard Marr

In accordance with its decision of 21st September, the Committee was informed that Mr. Bernard Marr was in attendance in order to provide a brief overview of the Value Creation Map process and he was admitted to the meeting and welcomed by the Chairman (Councillor D. Dodds).

Mr. Marr outlined how the Value Creation Map had been developed across the Council and how it should be used to inform further planning and the allocation of resources. He reviewed the overall map for the Council, outlined how this should be cascaded down through each of the Departments and Services and feed into Section Business Plans. He then highlighted the next steps which were required to be undertaken in the process, including the collection of more data and management information, the completion of surveys, a planning workshop to revisit and refine the Value Creation Map and the alignment of reporting and performance reviews.

The Chairman thanked Mr. Marr for his presentation and he retired from the meeting.

Corporate Plan Portfolio 2007/2008

The Committee noted the contents of a report providing an update on the programme of work which had been developed to support the delivery of the Council's Corporate Plan and the achievement of the key elements within the Value Creation Map.

Strategy 2008 – Key Meeting Dates

The Committee was reminded that, at the Members' Away Day which had been held on 22nd and 23rd August, the process of developing the Council's strategy for 2008 and beyond had commenced.

The Director of Improvement reported that, in order that Members would have the necessary time to devote to setting priorities, it was proposed that a number of dates be set aside from November through to March to facilitate discussions. These initially would be amongst Party Groups and then between Members and Chief Officers. The sessions would be facilitated by Mr. Jon Huish, Improvement and Development Agency Peer Member, who would provide continuity and linkage between Member-only and Member-officer sessions. It was recommended that the following timetable be approved:

1. Present context information, refine objectives and priorities

November

Jon Huish/Party Groups	12th November – 30th November
Strategic Policy and Resources Committee: Consultation Feed-back/stakeholder input/ Agree efficiency programme 2008/2009	16th November
Core Improvement Board	22nd November
Chief Officers Management Team/Members of Strategic Policy and Resources Committee /Jon Huish	29th/30th November (overnight)

December

Strategic Policy and Resources Committee: City Investment Fund Finance/stakeholder input	14th December
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2. **Agree objectives and priorities and high level year 1 actions, discuss organisational capacity including Human Resources Strategy**

February

Core Improvement Board	7th February
Chief Officers Management Team/Members of Strategic Policy and Resources Committee	21st/22nd February (overnight)

3. **Agree Corporate Strategy contingent upon consultation**

March

Core Improvement Board	13th March
Strategic Policy and Resources Committee meeting	21st March

The Committee approved the proposed strategy development sessions and agreed that the current arrangements with Mr. J. Huish be extended in order to facilitate this work.

Best Value Performance Indicators 2006/2007

The Committee noted the contents of a report providing details in relation to the Council's Best Value Performance Indicators for the period 2006/2007 and approved their submission to the Department of the Environment, Local Government Branch.

Democratic Services and Governance

**Boundary Commission for Northern Ireland –
Parliamentary Constituencies for Northern Ireland**

The Committee was reminded that on 18th May, 2006 the Boundary Commission for Northern Ireland had recommended, as part of a periodic review, revisions to the Parliamentary Constituencies in Northern Ireland. Correspondence had now been received from the Secretary to the Commission which indicated that, having considered all the representations made in relation to the recommendations, the Commission had now concluded the review and decided to proceed with the introduction of the changes proposed.

The Committee noted the receipt of the correspondence.

National Association of Councillors – Annual Conference and Annual General Meeting

The Committee was advised that the National Association of Councillors was holding its Annual Conference and Annual General Meeting in Belfast from Friday, 16th until Sunday, 18th November. The theme of this year's Conference was "Power to the People – Working with Local Communities". The Conference would consider the opportunities to take governance closer to local people, giving them greater influence over their own lives and strengthening local democracy. It would examine also the range of initiatives which had been designed to empower local communities to achieve better quality services and greater public satisfaction.

The Head of Committee and Members' Services stated that the Council had been represented on the National Association of Councillors for a considerable period of years and had been represented at the Annual General Meeting and Conference in previous years. Those Members who had attended had found it to be a valuable opportunity to increase their awareness of Members' issues and to discuss with other Councillors from across England, Scotland and Wales issues of mutual interest and concern.

The Committee agreed to authorise the attendance at the Annual Conference and Annual General Meeting of the Chairman, the Deputy Chairman, the Council's representatives on the National Association of Councillors, Northern Ireland Region, the Head of Committee and Members' Services (or their nominees) and a representative of each of the Party Groupings on the Council not represented by the aforementioned Members and approved the payment of the conference fees and the appropriate travelling allowances in connection therewith.

Finance

Matching Ambitions to Finances – High Level Guidelines

The Committee considered the undernoted report in relation to the setting of the District Rate for 2008/2009:

“Purpose

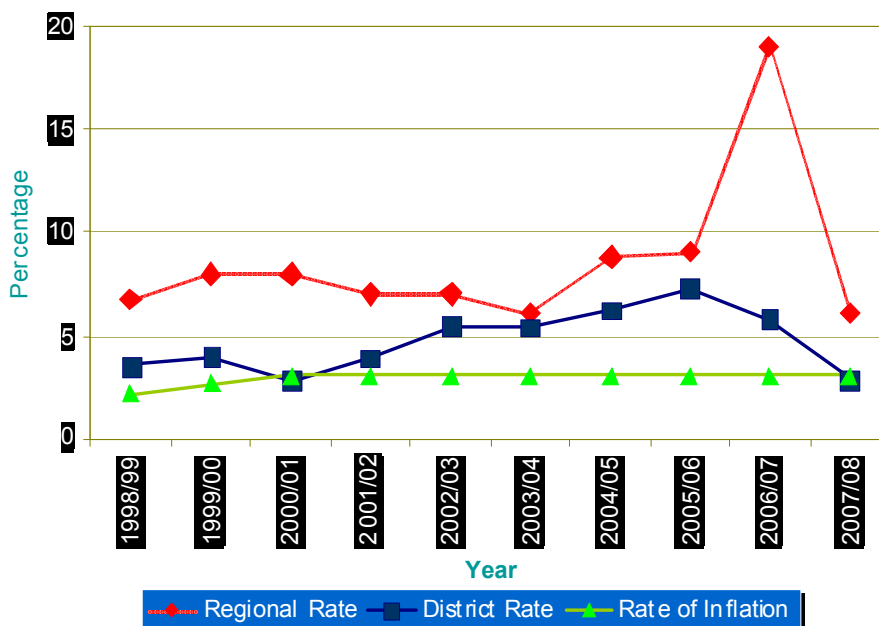
The purpose of this report is to update Members on discussions between the Council Improvement Board (CIB) and senior officers in relation to the setting of the district rate for 2008/09 in the context of delivering ambitions.

Relevant Background Information

The graph below compares the district rate to inflation and the regional rate over the past 10 years. The graph also shows the impact of the Council's two main financial strategies over the past ten years on the district rate. From 2001/02 Members agreed to the financing of the Council's Waste Plan by incrementally increasing

the district rate over the period 2001/02 to 2005/06. This meant that ratepayers were not faced with a significant rate increase last year when the landfill site at Dargan Road was closed for tipping. In 2006/07, the Council introduced an efficiency programme of £1.0m savings per annum over the period 2006/07 – 2008/09. These savings have gone directly to the ratepayer and this enabled a district rate to be set at inflation for 2007/08.

Percentage Movement in District Rate



Key Issues

Members and senior management met in Newcastle in August to start a process of identifying and agreeing objectives and priorities for the Council and the city. At the away days Members made it clear that they wanted the Council to be brave, ambitious and leave a legacy for the city. This was again stressed by Members at the CIB meeting on 11 October 2007.

The Director of Corporate Services, at the CIB meeting, outlined a number of options (which are not mutually exclusive) that Members could consider using to finance the delivery of their priorities. These options include:

- Setting the district rate at inflation plus 1% and ring fence the 1% (approximately £1.0m) to the City Investment Strategy and cross cutting strategic priorities. This is a similar approach to that used to finance the Waste Plan.

- Continuing with the Council's efficiency programme for the next three years with a target saving of £1.0m for each year. Members would have to decide whether these savings would continue to be used to subsidise the district rate, be ring fenced to the City Investment Strategy and cross cutting strategic priorities or a combination of both. A report on the efficiency programme will be presented to the Strategic Policy and Resources Committee in November 2007.
- Asset rationalisation. Members could consider making better use of under utilised or surplus assets such as land to partly fund the City Investment Strategy and introduce a more systematic and challenging approach to capital expenditure. The Director of Improvement will provide the Strategic Policy and Resources Committee with a detailed report on this matter at a later date.
- The possible use of some Council reserves to pump prime initiatives in a prudent manner.

Members of CIB agreed that serious consideration needs to be given to the matching of their priorities with resources and requested the Director of Corporate Services to provide further briefings to the party groups over the next month. They also stressed that whatever financial strategy is agreed by the Strategic Policy and Resources Committee ratepayers would need to be better informed of how their money will be spent and how it will benefit the city. It was recommended that the Head of Corporate Communications develops a communication strategy to ensure this happens.

Recommendations

Members are asked to note the report and agree to the Director of Corporate Services providing further briefings to the party groups over the next month on financial options. Members are also requested to consider in detail the revenue estimates at the Strategic Policy and Resources Committee meetings in January 2008."

The Committee adopted the recommendations.

Loans Transactions

The Committee was advised that Loans Transactions for the quarter ended 30th September, 2007 were as follows:

Loans Raised

Mortgages	-
Government Loans Fund	-
Lending Funds	-
Temporary Loans	-
Total Loans Raised	<u>-</u>

Loans Repaid

Mortgages	-
Government Loans Fund	127,826
Lending Funds	-
Temporary Loans	-
Total Loans Repaid	<u>127,826</u>

Total amount of Loans outstanding at 30 September 2007	48,598,796
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Less Investments and Cash in Bank	<u>30,164,526</u>
Net Debt	<u>£18,434,270</u>

Made up of:-

Belfast City Council	%	
Transferred Services	<u>100.00%</u>	<u>£18,434,270</u>
	<u>100.00%</u>	<u>£18,434,270</u>

Noted.

City Investment Fund

The Chief Executive submitted for the Committee's consideration the undernoted report in relation to the City Investment Fund:

"Relevant Background Information"

The Strategic Policy and Resources Committee have instigated the creation of a City Investment Fund. The purpose of such a fund is to allow the Council to take a leading role in creating a sense of place that will spur additional private finance and investment so that enthusiasm and optimism about the future of Belfast is enhanced and sustained.

Consultants Sector Projects have produced a first paper on how such a fund might operate and a copy of the draft report is available on request.

The Committee has previously considered a paper on the creation of a Cultural Legacy Fund, it is recommended that the Council considers the creation of a cultural infrastructure pillar of the Investment Fund.

Key Issues

There are a number of broad areas to be addressed:

- (i) **Creation of an Investment Strategy for the fund – At a time of opportunity for the City and local government, the Council needs to be clear about its priorities for the future direction for the City; develop a vision that will encourage others to buy into shared ambitions and in more practical terms focus activity on a number of key projects that can deliver on the vision.**

The Council through its various Committees has of course been active over the last number of years in developing a City-wide agenda in a number of areas, eg Open Space Strategy, Brighter Belfast and the Good Relations Plan. The State of the City process initiated by the Development Committee has led to the production by Professor Michael Parkinson of an evidence based benchmark on the City's competitiveness and the development of a City Masterplan and To Do list.

As part of its ongoing work on the Corporate Plan the Committee has already identified a number of big issues affecting quality of life which are being worked up in greater detail for further consideration. The public and member surveys are also now complete adding further detail to this debate. In addition there are or will be strategic opportunities in that some projects are more immediately or easily deliverable. All of this needs to be shaped into a city investment strategy that encourages delivery on the vision.

If the Council wishes to take a leading role in 'Place Shaping' Belfast for the future it needs to demonstrate that it is prepared to take action by the application of substantial resources. Such a commitment will enable the Council to engage at a political level with the new

Executive, other stakeholders and the private sector to seek sign up by these stakeholders in terms of the commitment of substantial resources to key projects which will make a real contribution to improving the quality of life of everyone in the City.

The Strategic Policy and Resources Committee and Council have a key role in working up a clear position with which to go forward if we wish to leave our mark on 21st century Belfast as did the Victorian and Edwardian city leaders in previous eras.

As the corporate planning process is further developed gaps in our evidence base will be identified, additional work will be commissioned and possible priorities and specific targets for application of the Fund and the Capital Programme will be identified for political discussion and agreement. This work will be supported by the evidence base referred to above and the report commissioned through the Development Committee by the OECD which will further refine and amplify the argument for the future development of the City in a regional context.

The corporate planning process will also audit and identify work being undertaken by other key stakeholders in the City, both private and public, and seek to incorporate these into a single coherent picture for the whole City.

Within this context the Council will be able to develop its overall investment strategy for the City with specific agreed priorities for action in the short, medium and longer term. These priorities could include single Council projects, joint projects undertaken with other stakeholders and funders and projects undertaken by others which could come to fruition with Council assistance.

- (ii) Resourcing the fund – Resources are always finite and must operate against a range of competing demands. The ethos of the City Investment Fund is to create future wealth, build a legacy and help the Council to set the Belfast agenda for other sectors and agencies. It needs to be recognised that an agenda for the future needs to be flexible and have the ability to adapt to changing circumstances. It also has to be recognised that the creation of a fund will entail difficult debates and negotiations around issues such as:**

- rates increases now for future development;
- the rationalisation of existing assets for future benefit;
- one Council corporate approaches to grant possibilities;
- clear, open and prudent use of reserves;
- partnership with other sectors;
- expected return on investment;
- redefining; reducing and/or stopping current capital programme projects.

In relation to size, decisions would have to be made as to the impact that was envisaged for an investment fund. It is likely that such a strategy would have a range of small, medium and large scale projects with a geographical spread. Some of these projects would almost certainly be funded only by Council so ensuring quick delivery, while others would involve partnership arrangements which may take longer to achieve. The Council already has experience of large scale project development and can therefore gauge the cost of significant project development. Some cities maintain a rolling investment fund which they 'top up' yearly so they can do long term planning, others create such mechanisms as 'one-off'. Clearly though the size has to relate to doing something with impact, while at the same time not setting the bar so high that it is impossible to envisage how such a sum could be achieved. Finding the resources will require analysis in light of debate on the issues outlined above and further reports in relation to the legal, financial and other aspects of creating such a fund will be brought to the Committee over the coming months.

- (iii) **Aligning the fund with the Council's Capital Programme**
– If the Council wishes to maximise the effect that its spending can make on the development of the City, it also has to give consideration on how its mainstream capital programme can support and help to deliver the priorities for investment identified by the Fund. The Council presently has a capital programme of £75 million (approx) over the next five years (£15 million per year). In considering the main projects that will

become part of the City Investment Fund we must consider how the mainstream Capital Programme can support delivery of the objectives the Council has for the City. Depending on the overall value of the fund, the Council can then send out a strong message that it is investing circa £100 million in the City over the next five years.

The Council also needs to refine its approach to capital spending and develop its processes so that the revenue consequences of capital spend are clearly spelt out in the business case/economic appraisal that supports projects and build its financial capacity for the future.

- (iv) **Aligning the Fund with the City Branding exercise and the RPA – The Council is presently resourcing the City Branding exercise which is being taken forward by the Belfast Visitor and Convention Bureau. The purpose of the exercise is the development of one single brand for the City that all City stakeholders can sign on to and use to promote the City. A lot of consultation work has now been completed and a number of key messages are beginning to emerge. One of these is that Belfast is now starting to operate as ‘One City’ which is ‘Open for Business’.**

When the Brand has been developed, the Council will be able to send out a clear message that it will lead the way in investing in the City by the creation of a City Investment Fund.

In addition, announcements will shortly be made by the Northern Ireland Executive on the outcome of the Review of Public Administration. This is likely to mean that substantial ‘place shaping’ functions such as community planning, land use planning, urban regeneration, neighbourhood renewal and responsibility for public realm will be returned to the Council. The Council needs to demonstrate it is *‘ready, willing and able’* to embrace the return of these functions and would demonstrate real leadership by announcing it will use the City Investment Fund and its capital programme to support a number of key regeneration projects in the City.

- (v) **The Governance of the fund – The legal vehicle for taking the fund forward needs to be thought through within the confines of the Council’s current powers and duties. We also need to be clear how any fund works, e.g:**

- is it just a super grant fund;
- is it a replacement for the Capital Programme;
- is it a partnership joint venture exercise;
- is it a mixture of all of the above?

Furthermore, if we are to encourage other sectors to contribute and sign up to delivering key projects we need to be clear on how decisions are made, how joint responsibility is fostered and how clear accountability for delivery is agreed.

From the above it is clear that a number of pieces of work need to be taken forward over the coming months, by both officers and Members. The Sector Project report sets out a number of questions that such work needs to answer in going forward.

(vi) The Cultural Legacy Fund – The City Investment Fund concept was at the heart of the proposal to create a Cultural Legacy Fund. Attached at Appendix 2 is the original paper setting out the reasons for such a fund. These ideas mirror closely the reasons behind an overarching investment fund for the City. They include:

1. the importance of cultural infrastructure in successful cities;
2. the role of Belfast City Council in promoting the City;
3. the cultural infrastructure needs of Belfast;
4. the impact the Council could achieve by the creation of a cultural fund.

It is relatively easy to see how these same elements would be incorporated into a larger investment strategy for the City as cultural infrastructure is a key element of most successful cities.

The proposal endorsed by the Arts and Heritage Sub-Committee and then by the Development Committee also received general all party support. Key was the idea that at this moment in Belfast a number of significant projects are ready to be developed but that a

lack of total funding could mean that they are never realised and lost to the City forever. The Council could intervene in a strategic way to ensure that a strong cultural infrastructure was developed in the City which would give the foundation for future success. The paper identified the Lyric and the proposed City Centre Arts Centre as starting points. Both projects were received positively when making submissions to the Sub-Committee.

The Cultural Legacy Fund was first proposed in December 2006 and the situation in relation to these projects has now become critical. While both the Lyric and OMAC have confirmed support from central government they are required to raise considerable funds as well. While both have been successful in doing so they still face a deficit and both have reached critical stages whereby the inability to close the gap will mean the projects may not be able to proceed and the money pledged by central government and the Arts Council may be reallocated elsewhere.

Given the critical deadlines faced by these projects the Council could decide to start its city investment strategy by designating both of them strategic investment projects and awarding funds to the Lyric and the City Centre Arts Project, thereby ensuring their development and a sustainable cultural infrastructure for the City. If this was to happen, both the organisations would be requested to submit business plans so decisions on funding arrangements could be agreed. Other cultural projects will emerge in due course from an overarching city investment plan. A public art programme for example has already been shown across other cities to be a significant factor in success, especially in relation to tourism, and such a programme could be incorporated. Discussions with the Director of Corporate Services have almost indicated that an amount of £3 million could be ringfenced to the cultural legacy part of the investment strategy from existing resources.

Resource Implications

The Council will have to determine the amount of funding it wishes to dedicate to the creation of the fund and agree the funding strategy mix from the rate, disposal of assets and grant aid.

Recommendations

The Committee is asked to note the above report and agree that in the context of the development of the Council's new Corporate Plan –

1. The Council will engage with key stakeholders and determine an Investment Strategy for the City, which will determine a number of key projects which will be assisted by the Council.
2. The Committee will receive at its January meeting further reports on the resourcing and governance of the Investment Fund.
3. The Committee is further requested to consider whether it wishes to move forward immediately with the cultural infrastructure pillar of the Investment Fund and
 - (i) dedicate up to £3 million to that part of the Fund over the next five years;
 - (ii) agree to the designation of the Lyric Theatre and the City Centre Arts Centre (OMAC) as strategic funding priorities, in light of the Cultural Legacy Fund work already completed by the Council and the funding deadlines in place for these two projects;
 - (iii) agree in principle that funding be provided to the Lyric and OMAC projects subject to detailed negotiations with the projects and final approval by the Council on the amount and scheduling of payments from the Fund.”

After a lengthy discussion, during which several Members expressed the view that, while the Lyric Theatre and the City Centre Arts Centre were projects which were worthy of funding, there was a need to consider these projects in the overall context of a City Investment Fund. The Committee accepted the general approach outlined in regard to the overall City Investment Fund and agreed, in principle, that funding be provided to the Lyric Theatre and the City Centre Arts Centre projects, subject to detailed negotiations and final approval by the Council on the amount of funding and the scheduling of payments, to full recognition being given to the Council in respect of its contribution, the Lyric Theatre being requested to consider Council representation on its Board and a commitment from the Lyric Theatre to undertake an outreach programme in the wider Belfast community.

Capital Programme

The Committee considered the following report in relation to the implementation of a Gateway Review Process in respect of all Capital projects:

“Background

The Council’s Capital Programme is made up of over 100 diverse projects financed by a range of funding including loans, revenue and grant.

The range of projects runs from key strategic City projects to smaller ward based schemes to upgrade of existing facilities which may or may not relate to overall aims and priorities.

As part of the Council’s review of its major processes and procedures to ensure that future planning and strategic processes are fit for purpose, a Gateway Review process has been developed for application to the Capital Programme. Party Groups have received briefings on this issue prior to the summer.

As previously reported to Members, the OGC Gateway Process is a set of best practice guidelines to provide for systematic review of the progress of projects, which are considered essential to the successful delivery of an organisation’s objectives, from inception through planning, procurement, implementation and evaluation phases to help ensure good and effective management, control and delivery of projects.

The effectiveness of a Gateway Process has recently been endorsed in the 2007 Treasury report on ‘*Transferring Government Procurement*’ and the ‘*Modernising Construction Procurement in Northern Ireland*’ report by the Northern Ireland Audit Office; and is also supported by the report ‘*Capital Prioritisation*’ prepared by Sector Group (Jim Brookes) for the Strategic Policy and Resources Committee.

While parts of the Gateway process have been applied to schemes the fundamental Gate 0 which seeks justification for a project in the first place has not yet been applied given the sensitive political nature of capital schemes.

In an increasingly difficult financial environment early Gateway reviews must include assessment of the business need for a project, options/ economic appraisal and further scrutiny before award of a contract to ensure a project is essential and help avoid cost and time overruns due to poor initial briefs and lack of variation control.

Key Issues

Following Party briefings in the Summer it is proposed to apply the Gateway process to all projects starting with those at the earlier stages to ensure that the project is fully justified, that project objectives are identified, that the proposed procurement approach is likely to achieve value for money, that there is increased probability of delivery within realistic cost, time and quality parameters and that the delivered project meets the objectives.

For the Gateway Review Process to operate effectively, projects should be part of a policy framework or agreed strategy which supports the initial justification at Gate 0, which is effectively the initial preparation of the draft Capital Programme at the end of each year.

As stated above numerous projects in the past have been included in the capital programme with little, or no, evidence of justification or inadequately thought out proposals:

- Currently there are 3 leisure centres in the future capital programme, with the recently constructed Falls LC and the underway Grove, all without any leisure strategy in place; the Strangford Avenue changing rooms project was initiated as a proposal for installing showers but expanded into a £700k scheme;
- Proposed staffing facilities at the City Cemetery are included at £640k; other options could be considered, such as utilising local leisure facilities or a modular portacabin-type facility (although this might be considered inappropriate for the location);
- The Open Space Strategy is included at >£30m; however, the strategy should form the basis for proposing individual projects rather than be included as a whole.

Other projects which are initially significantly grant aided are advanced without being considered for the capital programme, although an asset is created and there may be considerable future resource implications – eg McCrory Park play facility. Appendix II provides a list of all projects in the current programme.

These examples give an indication of projects moving forward without robust challenge which will be a necessary but difficult task for Members. Members have a key role to play in the preparation of the Capital Programme and in deciding which projects should be included. The Gateway Process will provide an incentive not just to 'do things right' but 'to do right things'; and while the aforementioned projects may well be the 'right things', there is often no real evidence to support this perception. In some cases Members may, with more objective supporting information, have to overturn decisions previously made by Committees which were perhaps taken in isolation and not from a corporate perspective.

Any applications for government funding require a supporting economic appraisal and the DoE has recently indicated that future applications for loan sanction will need to be similarly supported so the Council will be forced to be more systematic.

While the Gateway Process might extend the early stages of projects, and may well result in some projects being rejected, the ensuing better defined objectives for justified projects would provide greater clarity for the preparation of the design brief at later stages and consequently more efficient application of the Council's finite financial resources and better value for money within overarching, corporate, financial and asset management strategies; and bring about a move away from Departmental, operationally focussed projects towards a City Investment Programme of strategic projects aligned to corporate objectives based on the Corporate Plan.

Members will remain able to suggest proposals which would have a direct benefit for their wards or electoral areas; however, it is vital that decisions, sometimes difficult, are made which reinforce the strategic nature of a City Investment Programme. The Gateway reviews will act as a mechanism to provide objective, comparative appraisal of all projects.

An overview of the key steps to applying the Gateway Process approach to ensure an agreed Capital Programme for 2008 is attached in Appendix 1.

Decisions

The Members of the Strategic P&R Committee are requested to approve the proposals for the implementation of the Gateway Process to all projects proposed for inclusion on the Capital Programme.

Key to Abbreviations

OGC – Office of Government Commerce

APPENDIX 1: APPROACH

STEP 1 – Assess current projects and identify appropriate gate

Every project has a defined life cycle which begins with the project inception and progresses through the brief development and procurement stages onto implementation, handover and evaluation.

The attached Appendix 2 outlines the various stages in the typical project life cycle and highlights the key points at which a gateway review will be undertaken. There are 6 Gateway Reviews (0-5) in total with Gateway 0 being repeated at various stages throughout the life cycle. Reviews are carried out to assess whether or not the project can progress through the Gate and on to the next stage.

All projects within the Capital Programme have now been assessed in terms of workstage and approaching Gate. A schedule of projects included in or proposed for the capital programme is attached as Appendix 3.

STEP 2 – Ensure a business case exists for each project

A Business Case must exist for each project which defines the scope of the proposed project and sets out a compelling justification on the basis of need and how it aligns with corporate objectives and priorities. The business case will be used as a basis for the Gate 0 review and will help determine whether or not the project should be recommended for inclusion in the Capital Programme for 08/09 or for rejection. A Business Case Template has been defined and will be supplied to all departmental project sponsors, outlining the relevant information to be supplied.

STEP 3 – Carry out Reviews for all projects at Gate 0

All projects will be subject to the rigor of the Gateway Process and will enter the process at a Gate relevant to its particular workstage. All projects which have not progressed beyond stage E will be subject to a Gate 0 review.

The aims of Gateway 0 are to

- Ensure that the project brief is adequately defined;
- Ensure that project finance and programme are realistic;

- **Review the outcomes and objectives for the project and confirm that they make the necessary contribution to the overall strategy of the Council;**
- **Measure the project against a predefined set of criteria (corporate objectives) that will assist in prioritisation;**
- **Ensure that the project is supported by the key stakeholders;**
- **Confirm the project's potential to succeed has been examined in the context of wider Government policy and procurement activities, current organisational change and delivery programmes, any interdependencies with other programmes and other organisations;**
- **Agree the arrangements for leading, managing and monitoring the project.**

The key output from this gateway review will be to determine which projects should be recommended to progress beyond gate 0 to the Business Justification stage (including Economic Appraisal) thus forming part of the draft Capital Programme for 08/09.

All Economic Appraisals will be procured and managed through the Capital Investment Working Group (reporting through the Director of Improvement to the Strategic P&R Committee) to ensure consistency of approach and to facilitate co-ordination and reporting at this stage.

Step 4 – Carry out all other reviews for advanced projects

Undertake appropriate reviews, relative to their workstage, for the remaining projects which have advanced past stage E and are well into their procurement or implementation, to ensure best practice from the process is applied.

Step 5 – Produce Capital Programme and seek approvals

Following completion of the Gate 0 reviews a balanced, draft Capital Programme will be produced and submitted to Chief Officers and Members for consideration. It is anticipated that the final draft Capital Programme will be presented to the Strategic P&R Committee in February 08 with a view to be ratification by the March 08 Council.

Step 6 – Monitoring

The individual projects and the overall capital programme will be monitored and periodic reports will be presented to Members for information. Any significant variations will be presented to Members in accordance with Financial Regulations.

Assessment Criteria

A key part of the gateway reviews is ensuring there is an agreed set of criteria against which projects will be assessed. Gate 0 examines whether or not this project should be embarked upon at all and the proposed criteria for assessment is as follows:

Strategic Fit

This looks at how the scope of the proposed project fits aligns with the corporate objectives and priorities; and the compelling justification on the basis of need and how it aligns with corporate objectives and priorities; why it is needed now; key benefits to be realised; key risks; critical success factors and how they will be measured; and whether or not stakeholders/partners have made a commitment to the project.

Options appraisal

The economic appraisal, undertaken in accordance with HM Treasury's Green Book, should document the wide range of options considered to achieve the project objectives, within the broad scope identified in response to the organisation's existing and future business needs. It should present the option with the optimum balance of cost, benefit and risk.

Commercial aspects: the financial case

Where there is an external procurement the potential contractual arrangement should be examined - including the proposed sourcing option, with rationale for its selection; key features of proposed commercial aspect (e.g. contract terms, contract length, payment mechanisms and performance incentives); the procurement approach/strategy with supporting rationale.

Resources

Grant aid or other external funding relevant to the overall cost – whole life cost (capital and revenue) should be identified along with HR implications. Costs in use can be 50-200 times the initial capital costs.

Relevant assessment criteria will also include evidence to answer the following queries:

Is the project in line with agreed Unit, Section and Departmental Plans and with Corporate Plan and Objectives?
Is project proposal included in business plan?
Has business plan included the comprehensive financial impact of the project proposal proceeding?
Have future revenue costs been adequately considered?
Is the project affordable within the Capital Programme?
Is there a clear identification of need?
Are the outline objectives and deliverables of the project clearly identified (realistic, clear and unambiguous)?
Is the outline business case adequate, realistic and robust (is the proposed project likely to meet the identified needs, be affordable, achievable, sustainable likely to achieve value for money)?
What will constitute success?
What factors will affect the success of the project?
Have key stakeholders been consulted?
Are key stakeholders supportive?
Has the wider (external) context been adequately considered?
Have legal, estates and statutory issues been addressed?
Have major risks been considered?
Are the risks identified and able to be managed?
Is the project budget realistic?
Have whole life costs been assessed?
Has adequate optimism bias (contingency) been included?
Are the revenue implications affordable?
Have external funding options been investigated?
Is the programme for delivery reasonable and realistic? Have all necessary lead times been considered?
Are all parties committed?
Should the project proceed to the next stage?
What are the relevant priorities of all the project bids?"

The Committee approved the proposal subject to a Gateway Review Process to all projects proposed for inclusion in the Capital Programme.

Elite Facilities Programme

The Committee was advised that, as part of the preparations for, and the legacy of, the London 2012 Olympic and Paralympic Games, Sport Northern Ireland was co-ordinating a bidding process for sports facilities which could attract up to 75% funding. The Parks and Leisure Committee, at its meeting on 11th October, had been advised of its success in Stage One of the process and, accordingly, had agreed to proceed to Stage Two of the Elite Facilities Programme bidding competition for the

development of a Velodrome and the Upgrade of the Mary Peters Track, approved the required expenditure in order to prepare the bid and had recommended that the Strategic Policy and Resources Committee include the necessary 25% match funding within the draft Capital Programme, subject to the project being scrutinised under the Gateway Review Process.

The Committee agreed to the proposal being included within the draft capital programme and subjected to the Gateway Review Process.

Human Resources

Organisation Structure

The Chief Executive submitted for the Committee's consideration the undernoted report in relation to the organisation structure:

“Purpose

The purpose of this report is to initiate a debate with Committee in relation to whether the current organisation structure is fit for purpose in the context of the overall strategic direction which has been agreed by the Council.

Relevant Background Information

Members will be aware that the Policy and Resources Committee agreed on 20 October 2006 that as part of the Interim Restructure report a Working Group should be established to consider the organisation's structure in the context of RPA and the achievement of agreed objectives.

The Working Group met briefly to discuss the issues but further work was postponed due to the Assembly elections. More recently the Strategic Policy and Resources Committee agreed to address the issue of structure as part of its work plan. This report will discuss the reasons why the Committee now needs to address the issue of organisation structure.

Key Issues

The two key strategic issues for the Council which have significant implications for the organisation structure are RPA and strategic direction. In terms of RPA, an announcement is due in December in relation to the number of Councils, the transfer of functions and a vision for local government. At the same time the Minister is keen to continue the local government modernisation programme. The Council needs to ensure that the organisation is structurally able to meet the challenge of RPA.

Members have agreed that the strategic direction of the organisation is to improve the quality of life for people of Belfast by providing strong place shaping civic leadership and meeting the needs of local people through the effective delivery of customer-centric services. This means that the Council needs to move from one which is solely structured to deliver services on a functional basis to one where the emphasis is on cross departmental working to deal with cross-cutting issues like anti-social behavior and be flexible enough to meet the specific needs of defined local areas. Over the next few months Members will be agreeing the Council's strategic objectives and priorities for the next three years and it is important to consider the organisation's capacity in the context of structure to deliver these. Some of emerging structural implications of the changing strategic direction of the Council are discussed below.

Traditionally the organisation has supported the political decision-making through the committee system and this has served the organisation well in the past. The changing role of the Council, however, has implications for Members as they are increasingly expected to make decisions which have consequences at local, city and regional levels. This means that the organisation needs to urgently broaden its support to the political process in terms of Party Group Leaders, Party Groups, Committee Chairs and individual Members. The review of such support would need to be conducted in the context of the future role of Member Services.

The work of the Audit Commission (Comprehensive Performance Assessment – use of resources) and other bodies such as the IDeA, Local Government Association, and SOLACE has shown that one of the key drivers of improvement in local authorities in England and Wales has been the reconfiguration of the corporate core of many local authorities. This has been recognised by the Council as it has changed the role of the Strategic Policy and Resources Committee to cover all the core drivers of improvement which are:

- Financial Management;
- Human Resource Management;
- Asset Management;
- Performance Management;
- Information Management;
- Risk Management;
- Political decision-making;
- Effective communication;
- Partnership working;
- Policy Formulation & Strategic Planning;
- Partnerships;
- Consultation & Engagement.

The Committee has started down the road of improving how these core drivers are delivered through its improvement agenda but will need to further address corporate co-ordination. A key issue however which still has to be addressed is how best the organisation can be structured to deliver these drivers. Currently, this is achieved through the work of four Council departments – Chief Executive's, Legal, Corporate and Core Improvement (interim arrangement). The scale of improvement will be limited until this issue is addressed.

The corporate core of the organisation also needs to be addressed in the context of the Council's efficiency agenda. The senior management for the four directorates mentioned above includes 3 Directors and 9 Heads of Service. They are supported by 12 business support units of various sizes. A review of the corporate core would provide an opportunity to rationalise the senior management tier of the corporate core and the way business support is provided and address the issue of supernumerary posts.

Members should also be aware that the Director of Corporate Services will be in a position to retire on or after 2008/09. This is a pivotal post in terms of the corporate core of the organisation and it is essential that its future role is considered as a matter of urgency.

A review of the organisation structure is a major undertaking with significant resource consequences and may limit our capacity to deliver other improvements if it is not managed properly. A phased approach will most likely be necessary as change on this scale will have major ramifications both in the centre and in regard to delivery departments and the issue of creating a more strategic portfolio for the directors of the organisation. It is therefore recommended that a further report on the potential scope and approach to carrying out a structural review is presented to the Strategic Policy and Resources Committee in December.

Recommendations

It is recommended that a report on the potential scope and approach to carrying out a structural review is presented to the Strategic Policy and Resources Committee in December.”

The Committee adopted the recommendation.

Absence Management

The Committee was advised that absenteeism for the period from July till September, 2007 had shown an average of 3.76 working days loss per employee, which represented an increase of 0.49 days per employee on the previous quarter. This meant that the Council was slightly off target to meet its 2 day target reduction for 2007/2008. It was pointed out that 73.25% of staff had had no absence during quarter 2, with 7.82% of the overall absence in the Council during that period being attributable to long-term sickness.

Noted.

Asset Management

CUSP Plot 4 – Gasworks Estate

The Director of Improvement submitted the undernoted report in relation to the CUSP Plot 4 site at the Gasworks Estate:

“Relevant Background Information

CUSP Ltd currently hold a 125 year lease from Council for Plot 4 permitting uses for a car park, and/or offices and/or media centre. The site is currently used in its entirety for a surface car park servicing other CUSP developments on the Gasworks.

The Development Committee in October 2006 approved a variation to the lease to permit development of a hotel on Plot 4 subject to an appropriate financial settlement.

The proposed development is for a 169 bedroom hotel with dry leisure and bar/restaurant facilities.

Protracted negotiations have been ongoing for a year with the CUSP offer of £35k in year one rising to £60k in year three being rejected by Council Officers.

A further complicating factor in the negotiation is the issue of the current car park use of the site which services other CUSP developments.

CUSP have a view that the Council should provide a further site for parking to allow Plot 4 to be developed. The Council totally rejects this position.

In March 2007 the Development Committee expressed its frustration in getting the hotel delivered and further authorised the lease of 20 car park spaces to CUSP and instructed Officers to complete the negotiations and agree a deal.

Key Issues

Following recent discussion a further offer has been received from CUSP as follows:

Financial Offer

- In terms of the annual ground rent CUSP will pay £90k per annum from year 3 uplifted in year 4 by the retail priced index amount. Reflecting the financial projections from the hotel they propose to pay £45k in year 1 and £65k in year 2.

The £90k per annum in year 3 is consistent with Council Officer advice and comparative cost information for other development plots on the Gasworks and at £533 per room is equivalent to similar City centre hotel deals. The discounted rates for Year 1 and Year 2 can be considered reasonable in terms of getting the hotel up and running and the fact that CUSP are the only party the Council can deal with on this site. An additional consideration is that if an office development had gone ahead as originally planned we would only be paid as occupation occurred. Further negotiation on this part of the offer may only bring minimal additional return against the risk of the hotel option not happening as quickly as the Council would like or in fact not at all.

The broader economic benefits of the hotel have already been accepted by Council in terms of:

- adding to the tourism offer
- the City branding opportunity of an additional global hotel chain
- the addition of hotel rates to the City's tax base
- the local job opportunities
- the increase in business activity over and above office hours on the Gasworks
- completion of a poor existing gap site to enhance the overall environmental standard of the Gasworks.

It is accordingly proposed that Committee accept the above financial offer as reasonable.

Car Parking Spaces

CUSP and Mariot have welcomed the Council offer of an additional 20 spaces which they believe is essential for the viability and bankability of the hotel which has only 5 built in spaces. CUSP have asked that the Council lease the spaces at £1,000 per annum uplifted annually by RPI for a 20 year period.

The £20k per annum is a welcome additional return to the Council for the spaces which also assists getting the hotel on site. Officers would however question the 20 year period.

Committee is recommended to consider a five year lease for the additional car parking spaces but to afford the opportunity to seek a further period of occupation thereafter. Recommendation is intended to give assurance to the hotel development but also provide flexibility on the future development on the remainder of the Gasworks site. There will be other car parking developments adjacent to the Gasworks happening over this period which may provide alternative solutions in five years time.

Replacement Parking for Plot 4

CUSP remain of the opinion that BCC has an obligation to provide a replacement site for Plot 4. However they also value our long standing and productive relationship and wish to work with the Council in future. Accordingly they are prepared to forego legal action against the Council which had been mentioned subject to the acceptance of their offer and our agreement to suspend development of unit 9 and 10 on Plot 3 which they intend to use for the Plot 4 car parking in the interim.

The Council position is that there is no legal obligation to provide any replacement site for Plot 4. However the current car parking on Plot 4 services offices on Plots 1,2 and 3 for which the Council is receiving rent. The proposed suspension of the development of unit 9 and 10 on Plot 3 puts a greater onus on the developer who foregoes a 90% return on development as opposed to the Council's 10%. Consequently the developer will be motivated to reduce car parking requirements for Plots 1, 2 and 3 over the next few years as leases come up for renewal.

Although not an ideal scenario given the history of the development of the Gasworks, the fact that the site has exceeded all financial and job targets it is worthwhile accepting this compromise on car parking to practically finalise development on the southern side of the site with the Mariot Hotel.

Resource Implications

These have been detailed in the report.

Recommendation

The Committee is recommended to adopt the financial offer as detailed, the proposed agreement on the additional 20 car parking spaces and the replacement parking solution suggested, all of which will be subject to legal agreement.

Key to abbreviations

RPI – Retail Price Index”

After a lengthy discussion, the Committee agreed to accept the financial offer in relation to the annual ground rent, adopted the recommendation in relation to a five-year lease for the additional car parking spaces, subject to the inclusion of an option for the company to renew the lease on a year-to-year basis until such time as the Council required the lands for development purposes and authorised the Director of Improvement to continue negotiations in relation to replacement car parking for plot 4.

Balmoral Industrial Estate: Lands Tribunal Decision

The Committee considered the undernoted report:

“Relevant Background Information

Belfast City Council own and manage ground leases at Balmoral Industrial Estate. The majority of the sites within the Estate are let by the Council on long leases to various tenants, who have subsequently developed them with a mix of industrial, warehouse and retail uses. Most of the leases provide for rent reviews at 5 yearly intervals, with the reviewed rent reflecting the open market rental value of the site only. (excluding the buildings).

The Estates Management Unit is responsible for negotiating the rents with the agents/ surveyors acting on behalf of the tenants, and such negotiations are frequently protracted. In the absence of agreement between parties as to the amount of the revised rent there is provision in the leases for referral to the Lands Tribunal for determination,

A development within the estate known as ‘Boucher Retail Park’ comprises a site of 10 acres, which has been developed by the Council’s tenant to provide a number of retail units leased to various major retailers. The site is held under two leases from the Council, and the major portion of the site (8 acres) was due for rent review in May 2002 and the smaller portion (2 acres) was due for review in January 2003.

Despite protracted negotiations with the agent acting on behalf of the tenant, agreement was not reached on the revised rent. The matter was then referred to the Lands Tribunal for determination, and there have been various hearings at the Lands Tribunal since this date.

This particular site is fairly unique within the estate as it has a form of Class 1 planning permission, which permits the sale of goods such as clothing, fashion goods etc, whereas the majority of uses in the remainder of the estate includes warehousing, bulky goods retail, car sales etc. The extra value attributable to the site arising from this planning designation was one of the key issues in the Lands Tribunal case.

Key Issues

- The Lands Tribunal has recently made its award, resulting in a total rent of £360,000 per annum. The previous rent payable was £145,000 per annum. This equates to a sum due to the Council for back pay in rent over the 5 years (from the date of review) of £1,075,000.
- The best and final offer by the tenant for the site, prior referral to Lands Tribunal, was significantly less than the rental figure determined by the Lands Tribunal.
- The Lands Tribunal decision will provide a benchmark for other reviews and will have a knock on effect on all the rents across the estate. It also sets the basis for settling the next rent review on the subject site, which is now due.
- There has been a substantial amount of time and effort devoted to this case over the past couple of years by the Estates Management Unit, with input from the Legal Services Department, and the decision represents a very favourable outcome for the Council. In addition, the Council's Expert Witness (Gordon Mawhinney FRICS) and Senior Counsel (Stephen Shaw QC) are to be commended for their considerable efforts on behalf of the Council.

Resource Implications

Financial: As a result of the Lands Tribunal decision the Council are now due a sum of £1,075,000 for backdated rent. This figure will be subject to a deduction to cover the expert witness and legal fees. It should be noted that this decision can be appealed.

Asset and other Implications: Balmoral Industrial Estate is an important Council asset, and as a result of effective estate management it provides a very significant income return to the Council. As a result of both a rising market and tenacious negotiations on the part of the Estates Management Unit, the rental income to the Council from Balmoral Industrial Estate has increased from £1.39M in 2001 to an estimated £2.75M in 2007/8, i.e. a 98% increase over a 6 year period.

The result of this Lands Tribunal decision will be a significant driver in realising further rental growth across the estate for the benefit of the Council.

Recommendations

Committee are asked to note the very favourable outcome of the Lands Tribunal decision which has resulted in a significant sum due to the Council as a result of backdated rent, and potential future increases in the rental income sustained rental increases both at this site and throughout the estate as a whole.

It is recommended that the sum of £1,075,000 (less costs) representing the backdated rental amount (due for the period up to January 2008) is used to help seed the City Investment Fund and the money should be ring fenced accordingly.”

The Committee adopted the recommendation.

Arc21 Site Selection Process for Residual Waste Treatment

The Committee was advised that arc21 was taking forward currently the implementation of the residual waste treatment phase of the Waste Plan, which was to secure facilities that would enable compliance with the targets for diversion of biodegradable waste from landfill. Failure to meet landfill targets from 2009/2010 would involve potential liability for substantial financial penalties.

An important part of the current work was the identification of potential sites for such facilities and each of the arc21 Councils had been requested to confirm the availability of suitable sites to be assessed through a structured process to identify preferred sites for both Mechanical Biological Treatment and Energy from Waste facilities. Sites offered by the private sector and Central Government would be included also in the selection process.

The Council had decided previously that the development of the land on the south-east corner of the North Foreshore be based on the potential requirements of arc21. Accordingly, the Health and Environmental Services Committee, at its meeting on 3rd October, had agreed to recommend to the Strategic Policy and Resources Committee that approval be granted for the remaining area of the forty acre south-east

corner of the North Foreshore Site to be made available to arc21 for potential use as a Mechanical Biological Treatment Facility or an Energy from Waste Facility and that the Director of Improvement and the Director of Legal Services be authorised to agree terms and a suitable Legal Agreement with arc21 to allow the site to be used for either of these facilities if selected as a preferred site.

The Committee adopted the recommendation.

Good Relations and Equality

Minutes of Meeting of Good Relations Steering Panel

The Committee approved the minutes of the meeting of the Good Relation Steering Panel of 5th October and adopted the recommendations of the Panel in relation to the continuation of the Bonfire Management Programme and proposals to mark Anti-Racist Workplace Week.

Draft Policy on Dual-Language Signage for Belfast City Council

The Committee considered the undernoted report which had been submitted by the Director of Legal Services in relation to a draft policy on dual-language signage for the Council:

“Purpose of the Report

This is an interim report, the purpose of which is to seek direction from the Members with regard to certain issues concerning the development of a policy on dual language signage for the Council, and to seek agreement on a proposed approach for taking the project forward.

Relevant Background Information

At the meeting of the Parks and Leisure Committee on Thursday 9th August 2007, the Committee was asked to grant approval for the erection of seven dual-language signs at two council facilities, four at the City Cemetery and three at Falls Park. This request was reported as having been made to the Council from the Friends of Falls Park Group and the local community. At the meeting the Committee agreed to *‘defer consideration of this and similar requests to enable a Council Policy in relation to the erection of dual-language signage to be submitted for consideration’*.

Further to this, the Council at its meeting on 3 September 2007, when considering the minutes of the above Committee, agreed that *‘a Council policy in relation to the erection of dual-language signage be submitted within a three-month period’*.

On 21 September 2007 the Director of Legal Services asked the Strategic Policy and Resources Committee to consider *'whether it is more appropriate that the Strategic Policy and Resources Committee, rather than the Parks and Leisure Committee, is the forum which considers this issue and makes a recommendation to Council'* given that the Strategic Policy and Resources Committee has a general responsibility under Standing Orders to address those issues which involve (or potentially involve) more than one Committee. The Committee agreed that the development of such a policy be undertaken by the Good Relations Unit under the direction of the Director of Legal Services.

Background Legal Context

At the Council Meeting in January 2003 it was agreed that the Director of Legal Services should submit to the Policy and Resources Committee a report on 'the implications for the Council of European directives and other measures' following on from the adoption of a report which had been submitted by the Chief Executive in respect of the European Charter for Regional Minority Languages.

The Director submitted this report to the Policy and Resources Committee in February 2003 outlining that the legal status of the Charter was that it did have direct legal effect within the Member States of the European Union including of course the United Kingdom - it is an international agreement or treaty arising by virtue of the United Kingdom's membership of the Council of Europe. The Charter has force of international law, rather than national law. The UK Government signed the Charter on 2 March 2000, recognising Irish, Scots Gaidhlig, Welsh, Ulster Scots and Scots as languages to which the general principles of non-discrimination apply as contained in Part II.

The UK Government ratified the Charter and specified Irish, Scots Gaidhlig and Welsh as languages to which some of the more detailed provisions of Part III apply on 27 March 2001. Part III of the Charter specifically refers to certain obligations imposed on what are described as 'administrative authorities and public services', which have the duty to, for example, take steps to ensure that users of regional or minority languages should be able to submit oral or written applications and receive a reply in those languages. Although the expression 'administrative authority' is not defined in the Charter, the UK Government has taken legal advice which has confirmed that this term would include local authorities. The Charter has therefore established a legal obligation on district councils regarding the right to undertake business using a minority language.

Background Policy Context

There are three relevant policy strands currently in place in the Council which relate to the issue of dual-language signage to a greater or lesser extent, namely;-

(1) **The Street Naming Policy;**

The Council adopted a policy on dual-language street-naming following the enactment of Article 11 of the Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1995. The Council policy makes provision for street name signs to be displayed in both English and a second language (not specifically Irish) and outlines the framework for making an application to the Council for dual-language street name signs.

(2) **The Equality Scheme;**

The Council developed, published and implemented its Equality Scheme in 2001 in line with the requirements outlined by Section 75 of the Northern Ireland Act 1998 which requires the Council, in carrying out all its functions, to have due regard to the need to promote equality of opportunity;-

- between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- between men and women generally;
- between persons with a disability and persons without;
- between persons with dependants and persons without.

In addition, without prejudice to its obligations above, the Act requires the Council, in carrying out its functions, to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

(3) The Language Policy;

The Council's language policy was approved by the Policy and Resources Committee in September 2006. The policy was developed in line with the Council's agreement in January 2003 to adopt the recommendations made by the Assistant Chief Executive in a report outlining the Council's duties in respect of the European Charter for Minority or Regional Languages (as detailed above).

It is noteworthy that the Council's Language Policy makes specific reference to 'Signage in Council Properties', detailing that;-

'A "Welcome" sign may be provided, at a reception area or other appropriate place, in a number of languages, including Irish, Ulster-Scots and other languages e.g. Filipino / Polish to reflect Belfast's growing diversity and multi-cultural composition'.

This new policy reflected a decision previously taken by the Council in relation to dual-language signage at the new Falls Leisure Centre which was widely discussed at a number of Client Services Committee meetings in 2004 – 2005. On 1 February 2005 the decision of the Client Services Committee of 25 January 2005 was re-affirmed, outlining;-

- '(i) that signage within the Falls Leisure Centre be provided in the English language only and incorporate pictogram and tactile formats; and*
- (ii) that a multi-lingual Welcome sign be erected within the reception area of the Falls Leisure Centre and, upon refurbishment of other Council Community Centres and Leisure Centres, the languages on the signage to be displayed therein be determined by the Equality Officer, in consultation with the ethnic minorities in the City.'*

Given that the Council already has a policy in relation to language, it follows that the development of any new policy with regard to dual-language signage will require a change / updating of the current Council policy.

Broader / Regional Policy Context

Members will be aware that DCAL have developed a Gaeltacht Quarter in the city – defined as the corridor which connects Belfast City Centre to Andersonstown.

‘The aim of the Quarter is to secure wealth creation by maximising the economic opportunities provided by a growing cluster of Irish Language and cultural based enterprises and activities which additionally have significant tourist potential’ (Taken from the DCAL website information for the Gaeltacht Quarter).

The Council has supported the development of the Quarter and the Chair and Deputy Chair of the Development Committee are members of the Gaeltacht Quarter Steering Group.

The request recently received by the Parks and Leisure Committee for dual language signage - seven dual-language signs at two council facilities, four at the City Cemetery and three at Falls Park - has been received from representatives of the community / Friends Groups emanating from the Gaeltacht Quarter of the city.

Key Issues

Policy Options for Consideration

There are a number of options for the Council at this point in terms of how to address the development of a policy in this area. It is noteworthy that for each of the options outlined below, the Council will require:-

- A (new / revised) policy on dual-language signage;
- A framework in place which clearly defines how a request should be dealt with which also defines how the Council proposes to assess that the demand for the dual-language signage exists.

Given the political sensitivities associated with the development of a policy on dual-language signage, there are a number of options outlined below, followed by the potential implications of each option:-

OPTION 1 – To treat the request received as a ‘Gaeltacht Issue’ and to undertake the development of a policy to facilitate requests such as this for the Gaeltacht Quarter in the city.

This approach to requests for dual-language signage, if confined to the Gaeltacht Quarter, would support the Council's endorsement of the Gaeltacht Quarter and also be in line with the central government initiative for this part of the city. However this approach would mean that the policy would only be applicable to a limited geographical area in the city.

OPTION 2 – To treat it as a policy issue for signage at Council facilities falling under the remit of the Council's Parks and Leisure Committee.

This approach could be applied on the basis that the policy is more likely to apply to larger open space type facilities. In effect, the policy would be confined to this type of facility and would not extend to any other facilities operated by the Council – by way of information, a list of Council facilities located within the Gaeltacht Quarter is attached at Appendix I.

OPTION 3 – To treat it as a general policy issue on dual-language signage for the Council and to undertake the development of a policy to manage all requests for dual-language signs (i.e. English and any lesser spoken language) covering all the Council's facilities / functions.

This approach has much broader implications for the Council in terms of policy development, consultation, staff resources and all of the associated costs.

General Issues for consideration

For each of the options outlined above it will be necessary to consider the issue of any potential divisiveness where dual-language signs are erected in.

Once a policy is developed, the Council will need to further develop a framework for determining what criteria should be used for assessing the demand for dual-language signage at any particular facility.

Recommendations.

Members are asked to:-

- (1) Consider the issues and options outlined above;
- (2) Provide direction as to which option officers should pursue in relation to the formulation of a dual-language policy for the Council.”

After a lengthy discussion, it was

Moved by Councillor D. Browne,
Seconded by Councillor Crozier,

That the Committee agrees to adopt Option 3 as outlined.

Amendment

Moved by Councillor P. Maskey,
Seconded by Councillor M. Browne,

That the Committee accepts that both Options 1 and 3 are not mutually exclusive and accordingly agrees that both options be adopted and taken forward simultaneously.

On a vote by show of hands nine Members voted for the amendment and ten against and it was accordingly declared lost.

The Committee accordingly agreed that the original proposal moved by Councillor D. Browne and seconded by Councillor Crozier that Option 3 be adopted.

In response to Member's question the Chief Executive explained that, since the Committee had agreed to adopt policy Option 3, the statutory obligations placed on the Council to undertake consultation exercises in relation to this type of policy development would mean that the formulation of a policy would take a longer period of time to progress. Accordingly, it would not be possible to adhere to the timeframe set out in the Council's decision of 3rd September agreeing that a policy in relation to the erection of dual-language signage be submitted within a three-month period.

He explained that Standing Order 27 stated that a motion to alter or rescind a decision of the Council shall not be competent within six months from the date of such a resolution unless the change was recommended by the Committee concerned. Therefore, if the Council, at its meeting on 1st November, was minded to ratify the Committee's decision then that would become the Council's position and it would be required to fulfil its statutory requirements in developing the policy. However, he assured the Members that, if this were to be the case, the issue would proceed as a matter of priority, with regular reports on its progress being submitted to the Committee.

Noted.

Miscellaneous

Sustainable Development Action Plan

The Committee noted a report which provided details on the annual progress achieved in relation to the implementation of the Sustainable Development Action Plan 2006-2009.