

**Document Pack**  
**Committee and Members' Services Section**  
**3<sup>rd</sup> Floor, Adelaide Exchange**  
**24-26 Adelaide Street**  
**Belfast BT2 8GD**



16<sup>th</sup> February, 2009

**MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE**

Dear Councillor,

The above-named Committee will meet in the Council Chamber, 3rd Floor, Adelaide Exchange on Friday, 20th February, 2009 at 10.00 am for the transaction of the business noted below.

You are requested to attend.

Yours faithfully,

PETER McNANEY

Chief Executive

**AGENDA:**

1. Routine Matters
  - (a) Apologies
  - (b) Minutes
2. Cross-Cutting Issues
  - (a) Conductive Education for Children with Cerebral Palsy (Pages 1 - 2)
  - (b) Belfast Health and Social Care Trust  

To receive a presentation from Mr William Mckee, Belfast Health and Social Care Trust, Update on "New Directions"
3. Modernisation and Improvement
  - (a) Review of Public Administration - Transition Committee (Pages 3 - 32)
4. Corporate Plan and Performance Management
  - (a) Strategic Policy and Resources Committee Work Plan Key Issues (Pages 33 - 36)

- (b) Corporate Frameworks - Policy Framework (To Follow)
- 5. Democratic Services and Governance
  - (a) Requests for Hospitality (Pages 37 - 40)
- 6. Finance
  - (a) Financial Outturn 2008/09 (To Follow)
- 7. Human Resources
  - (a) Standing Order 55 - Employment of Relatives (Pages 41 - 42)
- 8. Asset Management
  - (a) Council Accommodation Update (Pages 43 - 46)
  - (b) Capital Programme 2008-09 (Pages 47 - 62)
- 9. Good Relations and Equality
  - (a) Minutes of Good Relations Partnership (To Follow)
- 10. Consultative Documents
  - (a) Big Lottery Consultation (To Follow)
  - (b) Legislative Framework for Mental Capacity and Mental Health Legislation in Northern Ireland (Pages 63 - 66)
  - (c) Northern Ireland Authority for Utility Regulation Consultation (Pages 67 - 76)



**Belfast City Council**

Report to:	<b>Strategic Policy and Resources Committee</b>
Date:	<b>Friday, 20th February, 2009</b>
Subject:	<b>Conductive Education for Children with Cerebral Palsy</b>
Reporting Officer:	<b>Mr. Liam Steele, Head of Committee and Members' Services (extension 6325)</b>
Contact Officer:	<b>Mrs. Julie Lilley, Members' Liaison Officer (extension 6321)</b>

**Relevant Background Information**

Correspondence has been received from the Mayor of Dungannon and South Tyrone Borough Council, Lord Morrow of Clogher Valley, in respect of support for conductive education for children with cerebral palsy and, in particular, the ongoing funding crisis being experienced by the Buddy Bear Trust School, located in Dungannon, which is the only educational establishment in Northern Ireland currently delivering this type of education.

Lord Morrow has sought commitment from Councils to a number of actions including:

- influencing their Members nominated to Education and Library Boards to raise the profile of conductive education and the need to have adequate funding in place
- the signing of a petition to Government to provide leadership and direction in this area
- representation on a delegation to meet with the Ministers of the Office of First and Deputy First Minister and the Minister of Education to seek appropriate solutions to this problem.

**Key Issues**

Whilst the Council would be sympathetic to the needs of children with a disability and the rights of parents to be able access a range of educational options for their children, this is ultimately a function of Regional Government. Members should be aware that the First and Deputy First Minister are considering currently recommendations made by the Assembly commending conductive education, including financial assistance and support.

Additionally, given the vast number and range of very deserving charitable organisations and worthy causes in Belfast and Northern Ireland as a whole, the Council must exercise discretion as to the support it is able to provide to such organisations and for this reason has a policy on the provision of assistance to non-profit making groups.

### **Recommendations**

It is recommended that the Committee agrees to:

- write to the Mayor of Dungannon and South Tyrone to explain that, for the reasons outlined above, Belfast City Council is unable to commit to the actions requested by him.



## Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Review of Public Administration - Transition Committee
<b>Date:</b>	20 <sup>th</sup> February, 2009
<b>Reporting Officer:</b>	Peter McNaney, Chief Executive
<b>Contact Officer:</b>	Kevin Heaney, Strategic Planning and Policy Officer (ext. 6202)

<b>1.0</b>	<b><u>Relevant Background Information</u></b>
1.1	Members will recall that the Committee agreed, at its meeting on 14 <sup>th</sup> November 2008, that a letter be sent to the Environment Minister, Sammy Wilson, and relevant Central Government officials outlining the proposition that the Strategic Policy and Resources Committee be designated as the Council's RPA Transition Committee, that the Committee comprises of 20 elected Members appointed on the basis of proportionality using D'Hondt and that an additional monthly meeting of the Committee has been designated for the purpose of RPA transition and associated change management issues.
1.2	This decision had been ratified by Council at its meeting on 1 <sup>st</sup> December 2008 and a letter had been issued to the Department of the Environment (DoE) on that basis.
1.3	Subsequently, the Chief Executive has received correspondence from the DoE, dated 2 <sup>nd</sup> February 2009 (copy of which is attached at Appendix 1), confirming the Environment Minister's agreement for the Strategic Policy and Resources (SP&R) Committee to act as the Council's Transition Committee and for the Transition Committee to consist of 20 members.
<b>2.0</b>	<b><u>Key Issues</u></b>
2.1	The primary role of the Transition Committee will be to provide overall political direction and to take the necessary decisions to ensure a coherent and co-ordinated approach is taken by the Council in moving forward in the RPA transition (implementation) process.
2.2	The Review of Public Administration (RPA) process is now entering into the critical stage of implementation whereby primary legislation is being drafted, implementation structures established and active consideration being given to the transitional arrangements to be put in place to support local government reform within Northern Ireland together with ongoing transfer of functions issues.
2.3	Inevitably, the level of RPA related activity will grow in intensity and scope as we move forward with implementation and the programme of work to be taken forward by the Council's Transition Committee will evolve within this process. It will be important that we make a distinction between the business to be discussed by the RPA Transition Committee and the normal business of the SP&R Committee.
2.4	Accordingly, with effect from March 2009 that any items of a transitional nature will be earmarked as transition items and will be minuted under a Transition Committee heading.
2.5	As time goes on, it might be that the amount of business which the Transition Committee will be required to conduct will be such that it will be necessary for a whole meeting to be dedicated to transitional business.
2.6	If the Committee were minded to accept this proposal it would provide the greatest flexibility in ordering the business of the SP&R and Transition Committee over the next 12 months. Clearly there will be a need for some flexibility to be built into this process to ensure that important issues can be addressed in a timely matter as they emerge.

2.7	It order to formally cement the role of the Strategic Policy and Resources Committee as the Council's Transition Committee, it would be the intention that a detailed report would be brought to the first meeting of SP&R on 6 <sup>th</sup> March, as the Council's Transition Committee, setting out the role and responsibilities of the Transition Committee and its legal status; governance and management arrangements; anticipated initial programme of work and associated timeline; engagement mechanisms with the Lisburn/Castlereagh Transition Committee etc.
	<b><u>Legal Status</u></b>
2.8	Whilst the Transition Committee will operate on a voluntary basis initially, its role will evolve over the coming months as it starts to lay the foundations in preparation for the new Council post May 2011. The Department of the Environment intends to make enabling provisions for statutory Transition Committees in the Local Government (Finance) Bill, with a planned operative date of no later than April 2010. This will be explored in further detail at the meeting on 6 <sup>th</sup> March 2009.
	<b><u>Members' Remuneration</u></b>
2.9	In recognition of the additional responsibility involved, members of the Council's Transition Committee will be paid an allowance of <u>£2,700 per annum</u> (pro rata for 2008/2009). This will be grant funded by the Department of the Environment (DoE) and payments will be allocated within the Council on the same basis as the payment of Special Responsibility allowances.
2.10	Enclosed at Appendix 2 is a letter of offer received from the DoE in regards to Departmental Funding for Transition Committees. <u>Approval is sought for the Chief Executive to confirm acceptance of the letter of offer on behalf of the Council's Transition Committee (i.e. Strategic Policy and Resources Committee).</u>
2.11	Given the fact that the SP&R Committee has meet over the last number of months to discuss RPA matters under the auspices of its role as the Council's Transition Committee, a request has been submitted to the DoE seeking agreement that the commencement date of the Council's Transition Committee was January 2009 and that the payment of Members' allowances would be effective from that date. Whilst we are still await formal approval from the DoE, initial discussions with senior Departmental officials has been positive.
	<b><u>Engagement with Lisburn/Castlereagh Transition Committee</u></b>
2.12	Appropriate engagement mechanisms need to be put in place with the Transition Committee for Lisburn and Castlereagh to enable constructive discussions on relevant RPA transitional issues. It is proposed that a letter be sent from the Chair of the SP&R Committee, on behalf of the Council's Transition Committee, to the Castlereagh and Lisburn Transition Committee informing them of the establishment of the Belfast Transition Committee and seeking dialogue around necessary engagement mechanisms.
	<b><u>Assessment of Options for Local Government Service Delivery</u></b>
2.12	Members will note that PriceWaterhouseCoopers (PwC) has been recently appointed by the Department of the Environment to undertake an assessment of options for local government service delivery and to make recommendations as to the development of effective and efficient models for the future delivery of key functions (e.g. planning, urban regeneration, community development, local economic development and public realm aspects of local roads functions) transferring from central government to the 11 new Councils (a copy of the Terms of Reference is attached at Appendix 3).
2.13	This will entail carrying out an economic appraisal embracing a range of models which include delivery of services directly by the 11 councils, on a group basis or on a regional basis. Such an assessment must take account of the new community planning and power of well-being responsibilities of councils and should be underpinned by the core principles of strong Local Government; the role of Local Government in supporting place shaping; the need for single point accountability at the local level; ensuring improved customer centric services; and value for money considerations. Whilst affordability will clearly be an important consideration within this

	process, it must not be the key driver for the recommendations which emerge.
2.14	Without wanting to pre-empt the options to be put forward as part of this work, arguments may emerge in regards to shared services for specific operational areas such as, for example, HR, ICT, Legal Services and others. Clearly the Council will need to consider these on an individual basis and within the context of its own transformation agenda. Consideration will need to be given to the advantages or otherwise for the organisation.
2.15	In regards to any discussions and consideration given to future delivery models around the key transferring functions (e.g. planning, urban regeneration etc), it is important that the aforementioned principles and the place shaping role of the Council are not compromised. Accordingly, it is recommended for Members consideration that the Council take a position that those key transferring functions which contribute to the broader place shaping and community planning agenda of the Council including, for example, planning, urban regeneration, community development, local economic development and public realm aspects of local roads functions, be anchored within and delivered by the Council. It is further proposed that this should be the position on which the Council engages with the PWC work.

### 3.0 Resource Implications

3.1	Whilst Members of the Council's Transition Committee will be paid £2,700 annual allowance (pro-rata), this will be Grant Funded from the Department of Environment and will have no financial implications for the Council.
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### 4.0 Recommendations

Members are asked to:

- a) agree that, as required, SP&R will meet in a formal capacity as the Council's Transition Committee with effect from the 6<sup>th</sup> March 2009;
- b) agree that a detailed report in regards to the role and remit of the Council's Transition Committee be considered at the meeting on 6<sup>th</sup> March;
- c) agree that items of a transitional nature be earmarked as transition items and minuted accordingly;
- d) agree that the Chair of SP&R write to the Transitional Committee for Lisburn and Castlereagh seeking early dialogue in regards to engagement mechanisms;
- e) agree that the Chief Executive can confirm acceptance of the letter of offer; and
- f) consider and agree that the Council take a position that those key transferring functions which contribute to the broader place shaping and community planning agenda of the Council be anchored within and delivered by the Council (refer to section 2.15) .

### Documents Attached

<b>Appendix 1</b>	Confirmation from the Department of the Environment
<b>Appendix 2</b>	Letter of Offer – Departmental Funding for Transition Committees/Management Teams
<b>Appendix 3</b>	Terms of Reference for Assessment of Options for Local Government Service Delivery

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Department of the  
**Environment**  
www.doeni.gov.uk

Mr Peter McNancy  
Chief Executive  
Belfast City Council

**Local Government Policy Division**  
Level 6  
Goodwood House  
44-58 May Street  
Belfast  
BT1 4NN

Telephone: (028) 90256786  
Facsimile: (028) 90256080  
Email: john.price@doeni.gov.uk

Your reference:  
Our reference:

2 February 2009

Dear Peter

#### **TRANSITION COMMITTEES**

I refer to your letter dated 5 December 2008 to Ian Maye in which you sought the Minister's agreement for Belfast City Council's Strategic Policy and Resources Committee to act as the Council's Transition Committee and for the Transition Committee to consist of 20 members.

I am writing to advise you that the Minister has agreed to these requests.

As you will be aware, the funding package available to councils for transition work is outlined in Circular LG 19/08. Transition Committees that consist of more than 16 members will be entitled to claim member allowances and expenses for all members and also claim up to a maximum of £100,000 which is available towards change management /programme management work.

Yours sincerely

**ANGELA FITZPATRICK**

cc Ian Maye  
James Hutchinson  
John Price  
Simon Sloan

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Department of the  
**Environment**  
[www.doeni.gov.uk](http://www.doeni.gov.uk)

Local Government Policy Division  
Goodwood House  
44-58 May Street  
Belfast  
BT1 4NN

Chief Executive  
Belfast City Council  
Chief Executive's Department,  
Adelaide Exchange,  
24-26 Adelaide Street,  
Belfast  
BT2 8GD

Tel: 02890 256046  
Fax: 02890 256080  
Email: [Simon.sloan@doeni.gov.uk](mailto:Simon.sloan@doeni.gov.uk)

Your Ref:  
Our Ref:

Date: 13 February 2009

## **DEPARTMENTAL FUNDING FOR TRANSITION COMMITTEES / TRANSITION MANAGEMENT TEAMS - LETTER OF OFFER**

Dear Chief Executive,

I refer to LG Circular 19/08 Transition Committees/Transition Management Teams – Funding Package. The Department is prepared to offer you funding for transition committee/transition management teams as follows:

- An Annual allowance of £2,700 per annum (pro rata for 2008/2009) for each member of your transition committee. In addition, expenses may be claimed and travelling will be paid in accordance with the rates determined by the Department under the Local Government (Travelling and Subsistence Allowances to Councillors)(No2) Regulations (Northern Ireland) 1973, as amended.
- Up to £100,000 per annum (pro rata for 2008/2009) for the salary and expenses of the Change Management Officer and any support costs directly associated with the Change Management Team (such as secretarial or consultancy support). This Letter of Offer, including Annexes, is a legally binding contract and you should read it carefully before accepting the offer of funding. This offer is subject to the conditions set out below.

### **1. Financial Assistance**

- 1.1.** The funding offer is as detailed above and is payable for costs that are wholly, exclusively and necessarily incurred in conducting the functions of the Transition Committee and the Transition Management Team.
- 1.2.** The functions of the Transition Committee and the Transition Management Team are as described in their respective terms of reference (LG Circular 16/08, Annexes 1 and 2)

- 1.3. Precise funding amounts will be based on invoiced costs and financial assistance is payable on production of validated invoices and authentication process as determined by the Department.
- 1.4. The above offer is the maximum amount payable and will not be increased in the event of an increase in costs.
- 1.5. The Department shall only provide financial assistance based on outputs delivered in accordance with the terms of reference for Transition Committees and Transition Management Teams (LG Circular 16/08, Annexes 1 and 2).
- 1.6. Financial assistance will only be paid provided that progress reports demonstrate that the outcomes stated in the respective terms of reference (LG Circular 16/08, Annexes 1 and 2), have been realised.
- 1.7. This offer of financial assistance is not transferable to any other project or organisation.
- 1.8. Definitions of terminology used in this Letter of Offer are given at Annex 1.

## **2. Claims for Financial Assistance & Payments**

- 2.1. Financial assistance will not be payable until constituent councils have:
  - 2.1.1. agreed a resolution to establish their Transition Committee and agreed on the date for the first meeting of their Transition Committee;
  - 2.1.2. nominated members of their Transition Committee (names, parties and council);
  - 2.1.3. appointed officers to their Transition Management Team (names, council and job title);
  - 2.1.4. agreed on the lead council and nominated a person in that council for purposes of budget, banking and financial matters;

Councils must provide the Department with written confirmation of all the above information.

- 2.2. In advance of payment in respect of costs arising from change management, the Department must receive satisfactory evidence of work undertaken by a Transition Management Team i.e. evidence such as minutes of meetings etc., as outlined in [section 10](#), below.

- 2.3. No substitution arrangements should be made for members of Transition Committees, and therefore no funding will be paid in respect of substitutes.
- 2.4. Payments in respect of the allowances and salaries element of the grant will be paid quarterly in advance. Allowances and expenses should be paid, in the first instance, by individual councils/lead council. Claims should be co-ordinated by the lead council and submitted to the Department for reimbursement.
- 2.5. Claims for payment in respect of other expenditure, supported by copy invoices etc. should be submitted to the Department and will be paid quarterly in arrears.
- 2.6. All payment claims should be made on the official forms issued by the Department. No other forms shall be accepted. Specimen copies of these forms are provided at Annex 3. Claims must be accompanied by supporting original documentation.
- 2.7. The lead council shall provide the Department with further information and clarification in relation to any aspects of the Transition Committee and Transition Management Team as the Department may from time to time request.
- 2.8. Payment of funds will be made directly into the lead council's bank account. (see paragraph 12.1)
- 2.9. There shall be no obligation on the Department to make payment in respect of claims, which are received more than 3 months after the end date of the financing period.
- 2.10. The Department accepts no liability in respect of any loss attributable to any delay in the payment of funding or to any suspension, reduction or cancellation of financial assistance.

### **3. Withholding/Repayment of Financial Assistance**

- 3.1. The Department reserves the right to suspend, defer or withhold or clawback any or all of the payment and/or require the lead council to repay part or all of the financial assistance if:
  - the conditions of this offer are not met; or
  - any information given to the Department on behalf of the lead council in connection with the application or claim for financial assistance is found to be false or misleading or there has been a failure to disclose any material fact which would have had a bearing on the Department's consideration of the application; or
  - there is a substantial or material change in the nature, scale or timing of the project; if the project is used for purposes other than those specified in the application; or

- if the project has in any other way not been implemented in accordance with these conditions of offer.

#### **4. Default**

##### **4.1.** The following events of default will apply:

- The constituent councils are in breach of any of its obligations under this Letter of Offer and have failed to remedy such breach within 28 days of a written request from the Department to remedy the breach.
- The constituent councils fail to repay to the Department any sum due by it whether under these terms and conditions or otherwise.
- The constituent councils are for any reason no longer able to implement the Project.
- If any other event occurs in relation to the constituent councils that it might be reasonable to expect it to materially and adversely affect their ability to comply with the obligations of this contract.

**4.2.** Then in any such event the Department may suspend or terminate the agreement made between the Department and the lead council in this Letter of Offer and its acceptance. Then the Department shall be entitled to seek repayment from the constituent councils. The amount repayable shall be the total payment of Transition funds (other than those received from another source), or such lesser amount as the Department at its discretion may determine.

#### **5. Changes to the Project**

**5.1.** The funding provided by the Department shall only be used for the purposes of the project as defined in the terms of reference for Transition Committees and Transition Management Teams (LG Circular 16/08, Annexes 1 and 2) and approved for financial assistance by the Department under the terms and conditions detailed in the Letter of Offer.

**5.2.** Any proposed or anticipated changes over the lifetime of the project must be notified in writing at an early stage to the Department. Continuation of financial assistance will be subject to the written approval of the Department and formal amendment to this Letter of Offer.

**5.3.** Failure to inform the Department of any changes and obtain its approval in writing may result in the termination of the funding and the Department may require the lead council to repay any monies paid.

**5.4.** Any notification to the Department detailing changes to the project must include:

- The reasons for the change
- Details of the change itself
- An explanation of how the project still meets its objectives
- Reasons why the project still merits funding from the Department

## **6. Financial Management Systems**

- 6.1.** The lead council must demonstrate effective controls and present clear audit trails of all transactions of total expenditure relating to the project.
- 6.2.** The lead council must immediately inform the Department in the event of the identification of any administrative errors in the project funding, acts of fraud and/or any circumstance that has caused or is likely to cause a loss or misuse of funding. The lead council must submit a full and detailed report in writing to the Department.
- 6.3.** The lead council's accounting records must separately record all monies received and expended under this Project.
- 6.4.** The lead council must have documented internal procedures for expenditure and financial control including bank account details, cheque signatories, and expenditure authorisation levels.

## **7. Insurance**

- 7.1.** The lead council shall indemnify and keep indemnified the Department against all actions, proceedings, costs, claims, demands, and liabilities arising out of or resulting from all or any of the activities associated with the Project.
- 7.2.** The lead council shall maintain such insurances as are necessary to cover all possible liabilities and will ensure that adequate insurance is obtained for any asset purchased and maintained in force during its lifetime. The lead council should ensure it has appropriate employee liability insurance if applicable.

## **8. Nominated Contact/Officer**

- 8.1.** A duly authorised and empowered official of the lead council must accept this offer on behalf of the constituent councils in of the Transition Committee. The lead council's nominated representative shall be known as the Nominated Contact/Officer. The lead council must advise the Department if the Nominated Contact/Officer changes. The Department's written acknowledgement will be forwarded to the lead council.
- 8.2.** The Nominated Contact/Officer shall sign all subsequent communications to the Department, including claims for payment.

**8.3.** If before the Project has been satisfactorily completed the Nominated Contact/Officer wishes to resign, retire or otherwise disassociate him/herself from the Project, (s)he shall immediately inform the Department and liaise with the Department in relation to the appointment of a new Nominated Contact/Officer. Until that appointment has been approved by the Department (in writing) and the new Nominated Contact/Officer has acknowledged that (s)he is liable and contractually bound to the Department as if (s)he had been named in the original Letter of Offer, the Nominated Contact/Officer at the time of this offer shall remain liable to the Department whether or not (s)he is still actively associated with the Project.

## **9. Disclosure**

**9.1.** The Department reserves the right to publish details of the project and financial assistance referred to in the Letter of Offer at any time.

## **10. Inspection & Reporting**

**10.1.** The lead council must keep and make available on request records relating to the work of the Transition Committee and Transition Management Team, to report on progress against targets, as defined in the respective terms of reference (LG Circular 16/08, Annexes 1 and 2), and in accordance with any other guidance which may be issued by the Department.

**10.2.** Minutes of the meetings of the Transition Committee and Transition Management Team must be submitted to Local Government Policy Division.

**10.3.** The Department/agents of the Department shall have the right to inspect the Project at any time and to require such further information to be supplied as they think fit and to be provided with such documents or items as they shall require.

## **11. Equality and Neutrality**

**11.1.** No aspect of the activity being funded should be party political in intention, use or presentation; or likely to be perceived as discriminatory on grounds of religion, colour, race, gender or disability. Any activities, such as campaigning, by the constituent councils must be in furtherance of, and ancillary to, its main purposes. The Department shall judge as to whether or not any activity of the constituent councils offends against this clause.

## **12. Bank Account**

**12.1.** All Departmental monies for the Project will be lodged in the lead council's bank account. Details of the bank account should be forwarded to the Department. The lead council shall ensure that all Departmental funding relating to the project is identifiable as such.



**12.2.** Any changes to the bank account details must be notified to the Department in a letter signed by the Project Principal. All such changes must be notified to the Department before implementation.

**13. Acceptance of Offer of Financial Assistance**

**13.1.** Please confirm that both the above Letter of Offer and the terms and conditions contained in it are acceptable (pro-forma attached – Annex 2). The completed letter should be returned to Simon Sloan, Local Government Policy Division, Department of the Environment, 6<sup>th</sup> Floor, Goodwood House, 44-58 May Street, Belfast, BT1 4NN.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Maye', with a stylized flourish at the end.

**Ian Maye**  
**Local Government Policy Division**  
**Department of the Environment**

## DEPARTMENTAL FUNDING FOR TRANSITION COMMITTEES / TRANSITION MANAGEMENT TEAMS

### Definitions of Terminology

Terminology	Meaning
“Letter of Offer”	The letter to which these terms and conditions are attached, setting out the details of the Project for which interim funding is available from the Department.
“establishment of the Transition Committee”	The latest date on which the constituent councils resolve to form a Transition Committee.
“The Department”	The Department of the Environment (in Northern Ireland).
“Constituent councils”	Councils establishing Transition Committees and Transition Management Teams
“Lead council”	One of the constituent councils, as agreed between them, to be responsible for finance, record keeping and reporting functions.
“Funding”	Financial assistance paid to the constituent councils for the purpose of member allowances and functions delivering the outputs identified in the Letter of Offer and in the terms of reference for Transition Committees and Transition Management Teams (LG Circular 16/08, Annexes 1 and 2).
“The Project”	The project as described in the Letter of Offer and terms of reference for Transition Committees and Transition Management Teams (LG Circular 16/08, Annexes 1 and 2).
“Outputs”	The targets defined in the terms of reference for Transition Committees and Transition Management Teams (LG Circular 16/08, Annexes 1 and 2). These form the basis of payments to councils.
“Nominated Contact/Officer”	A representative to be nominated by the lead council for signing this Letter of Offer, subsequent communications with the Department and payment claims.
Local Government Policy Division (LGPD)	A Division of the Department of the Environment. Based in Goodwood House, May Street, Belfast at the time of issue of this Letter of Offer.

**DEPARTMENTAL FUNDING FOR TRANSITION COMMITTEES / TRANSITION  
MANAGEMENT TEAMS**

**Letter of Acceptance**

Dear Mr Maye,

I accept the terms and conditions of the Department of the Environment's Letter of Offer and its Annexes dated \*th February 2009. I confirm that I am duly authorised and empowered to sign this letter of acceptance.

**Project Principal**

<b>Signature 1</b>	_____	<b>Date</b>	_____
<b>Name</b> <sup>Ⓣ</sup>	_____	<b>Position</b> <sup>Ⓣ</sup>	_____
<b>Council</b> <sup>Ⓣ</sup>	_____		_____
<b>Address</b> <sup>Ⓣ</sup>	_____		
<b>County</b> <sup>Ⓣ</sup>	_____	<b>Postcode</b> <sup>Ⓣ</sup>	_____

(<sup>Ⓣ</sup> – Print in block capitals)

TRANSITION COMMITTEE.....

Table 1

MEMBERS' ALLOWANCE FOR PERIOD 1 JANUARY - 31 MARCH 2009

Committee Members*	Amount paid £
<b>Total payments</b>	
<b>Advance payment by Department</b>	
<b>Balance due</b>	

\*Please advise the Department immediately of any change in membership.  
I certify that the information given above is correct.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
 Authorised officer (nominated officer)

EXPENSES CLAIM FOR PERIOD 1 JANUARY - 31 MARCH 2009

Payee	Description	Invoice/ Travel Claim date (copy attached)	Amount Claimed £
<b>1. Travel Expenses</b>			
<b>2. Other Expenses</b>			
<b>Total</b>			

Claims must be supported by copy invoices/travel claims  
I certify that the information given above is correct.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
*Authorised officer*



OFFICIALS' EXPENSES CLAIM FOR PERIOD 1 JANUARY - 31 MARCH 2009

Payee	Description	Invoice/ Travel Claim date (copy attached)	Amount Claimed £
<b>1. Travel Expenses</b>			
<b>2. Other Expenses</b>			
		<b>Total</b>	

Claims must be supported by documentary evidence  
I certify that the information given above is correct.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
*Authorised officer*

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## AN ASSESSMENT OF OPTIONS FOR LOCAL GOVERNMENT SERVICE DELIVERY

### ASSIGNMENT BRIEF

#### INTRODUCTION

1. The Department of the Environment proposes to appoint consultants to take forward an Assessment of Options for Local Government Service Delivery. The purpose of this brief is to outline the requirements of the consultancy assignment to potential tenders.
2. It comprises the following sections:-
  - Background
  - Overview of Implementation Structures
  - Term of Reference
  - Key Requirements
  - Timescales
  - Steering Groups
  - Advisors
  - Evaluation Criteria
  - Costs and Payment

#### BACKGROUND

3. The local government Review of Public Administration (RPA) proposals of the previous Direct Rule administration were reviewed by the Executive and the outcome was announced, on 31<sup>st</sup> March 2008, by the Minister of the Environment. The decisions taken are summarised in Annex 1 of this brief and include the:-
  - rationalisation of the current configuration of 26 council areas to create 11 new council areas;
  - transfer of a range of functions from central to local government; and
  - development of a new council led community planning process with a complementary power of well-being.
4. A copy of the full text of the Minister's announcement is available on the Local Government Policy Division section of the DOE website and can be accessed using the link in Annex 1. However, the Department wishes to draw potential tenderers' attention to the following extracts which are directly relevant to the assignment:-

"We acknowledge that the 11 Council model presents challenges for the promotion of efficient and effective delivery of services and will not provide for 1:1 coterminosity with other major service providers such as health or education. It will require the development of innovative and creative models of service delivery that will promote modern and efficient practice in a way and on a scale hitherto unseen by grouping councils together for the delivery of significant services such as planning, regeneration, building control and environmental health. We propose that those groups should provide the basis for the development of coterminosity with other service providers. That will enable local government to play its part in achieving the Programme for Government strategic priority of delivering modern, high quality and efficient public services"

"Regarding each function that will transfer to local government, options for models of service delivery will be explored and developed, including the delivery by and to groups of councils,

ensuring the efficient and effective delivery of such services. In addition, regional shared service arrangements will be developed to deliver common back-office services such as ICT, accounting, payroll and procurement, across all of the new councils”

5. The Department would also draw potential tenderers’ attention to the views expressed, in the course of the RPA public consultation process, about service delivery and related issues. The relevant documents can be accessed on the research and decisions section of the RPA website ([www.rpani.gov.uk](http://www.rpani.gov.uk)).
6. It should also be noted that the Local Government Boundaries Commissioner is to make recommendations to the Department on the boundaries and names of the 11 new councils along with the number, boundaries and names of the wards into which each council will be divided. The Commissioner published his initial recommendations on 17<sup>th</sup> September 2008. These can be accessed on the Commission website at [www.lgbc-ni.org](http://www.lgbc-ni.org). The Commissioner is to present his final recommendations in June 2009.

### **OVERVIEW OF IMPLEMENTATION STRUCTURES**

7. Structures have been developed to help manage and integrate the implementation stage of the local government reform programme. The top tier of the structure is the Strategic Leadership Board (SLB) which is the key driver of the reform process. This is chaired by the Minister of the Environment (Mr Sammy Wilson MP MLA) with the President of NILGA (Councillor Helen Quigley) as Vice Chair and its membership including elected representatives of each of the five main political parties. The SLB is supported by three Policy Development Panels (PDPs), also comprising elected representatives along with central and local government advisors, which have been charged with developing the policy and implementation proposals necessary to ensure the smooth transition to the new councils in 2011. The broad remits of the PDPs are:-
  - PDP A - Governance and Relationships;
  - PDP B - Service Delivery; and
  - PDP C - Structural Reform issues
8. The PDPs’ proposals are subject to the approval of SLB with recommendations being taken forward by a Regional Transition Co-ordinating Group (RTCG) in conjunction with Transition Committees and Transition Management Committees representing the 11 groupings of existing councils which will form the proposed new local authorities.

### **THIS ASSIGNMENT**

9. It is proposed to appoint consultants to prepare an assessment of the options for local government service delivery. This will focus on the development of effective and efficient models for the future delivery of key services by the 11 new councils. As mentioned earlier, the development of these models is a key commitment in the Minister’s announcement and is of critical importance in helping to shape the strategic framework for the work of the SLB, PDPs and other parts of the implementation structures. Policy development and legislative provision priorities require the assessment to be taken forward in two phases.

### **TERMS OF REFERENCE**

10. The draft terms of reference for the assignment are “To prepare an assessment of the options for local government service delivery. This will entail:

#### **Phase 1**

- Defining the current operational arrangements for delivering the functions transferring from central government (of which planning, urban regeneration, community development and public realm aspects of local roads functions are key), along with those functions currently delivered by local government on a group basis (i.e. environmental health, building control and waste disposal), and quantifying the financial (direct and indirect costs), staff and other resources currently deployed in support of these functions. This should also include an analysis of how these functions are delivered in other jurisdictions.
- Recommending effective and efficient operating models for the future delivery of these functions in 2011. This will entail carrying out an economic appraisal embracing a range of models, which take account of the new community planning and power of well being responsibilities, and include delivery directly by each of the 11 councils, on a group basis or on a regional basis. Each model should be assessed against criteria (embracing key RPA principles and service delivery characteristics including strong local government, democratic accountability, community responsiveness, equality and human rights, subsidiarity, quality of service and affordability) to be agreed with the Project Board and should include an analysis of the costs and financial/non financial benefits..

### Phase 2

- Preparing a full economic appraisal of local government service delivery in its entirety. This will encapsulate the outcome of Phase 1 and include recommending effective and efficient operating models for the provision of corporate support services (such as Human Resources, Finance, ICT, Estate Management, etc) which take account of the effect of the reduction in the number of councils and the additional functions transferred from central government.
- Preparing an outline Implementation Plan to give effect to Phase 1 and 2 recommendations”

11. It is recognised that issues not already identified may arise that are deemed to be essential. These will be carefully assessed to establish if they fall within the remit of the terms of reference or if further arrangements are necessary.

### KEY OUTPUTS AND REQUIREMENTS

12. Key outputs and requirements are to:-

- conduct relevant equality/regulatory/rural impact screening analyses on Phase 1 and 2 proposals and recommendations;
- ensure that the key issue of coterminosity with other service providers (e.g. in the health and education sectors and PSNI) is factored into deliberations;
- take account of emerging findings and recommendations of PDPs A and B and PDP C Working Groups.
- engage with those Departments with policy responsibilities for transferring functions, environmental health, building control and waste disposal and with the Advisory Group (see paragraph 18 below);

- ensure that the investment appraisal standards set out in “HM Treasury Green Book” and/or “Northern Ireland Practical Guide to the Green Book” are applied to both phases; and
- prepare separate Phase 1 and Phase 2 reports.

### **TIMESCALES**

13. It is envisaged that the successful consultant will be appointed in mid January 2009 with a draft report on Phase 1 being provided to Policy Development Panel C by Monday, 16th March 2009. The views of Panel C will be taken into account with a final Phase 1 report being provided by Monday, 20th April 2009.
14. The outcome of the Phase I assessment should be taken into account in developing Phase 2 recommendations. A draft Phase 2 report should be presented to SLB by Monday, 18th May 2009. The views of SLB will be taken into account with a final Phase 2 report being provided by provided by Monday, 15th June 2009.

### **STEERING GROUPS**

15. Policy Development Panel C will form the Project Board for Phase I of the assignment. However, a Steering Group, comprising officers drawn from Policy Development Panel C and its Working Groups, will be responsible for guiding the work of the successful tenderer and ensuring that all Phase 1 products mentioned in the terms of reference have been delivered. The membership of this Steering Group, which is currently being finalised, is:-
  - James Hutchinson – (DOE) Chair
  - Jim Wilkinson (DOE Planning)
  - Henry Johnston (DSD)
  - Barry Jordan (DRD)
  - Philip Rodgers (DETI)
  - TBC (Finance/Estates Group)
  - Eddy Curtis (Human Resources Group)
  - TBC (Capacity Building Group)
  - Tom McCall (Chief Executive of Newry and Mourne District Council)
  - Nora Winder (NILGA)
  - Keith Forster (DRD Economics Branch)
16. Brenda Mooney (DOE Local Government Policy Division) will be the Project Manager for this phase.
17. SLB will form the Project Board for Phase 2 of the assignment. However, the RTCG will be the Steering Group responsible for guiding the work of the successful tenderer and ensuring that all Phase 2 products mentioned in the terms of reference have been delivered. The membership of RTGC is:-
  - Paul Simpson (DOE) Chair
  - Peter McNaney (Belfast City Council) Vice Chair
  - Ian Maye (DOE)
  - James Hutchinson (DOE)
  - Marianne Fleming (DOE Planning Service)
  - Henry Johnston (DSD)

- Barry Jordan (DRD)
- Fiona Hepper (DETI)
- Philip Faithful (Strabane District Council)
- Geraldine McGahey (Larne Borough Council)
- Heather Moorhead (NILGA)
- Nora Winder (NILGA)
- Sheena Mairs (NILGA)
- Adrian Kerr (LGSC)
- Others (to be co-opted as required e.g. DRD Economics Branch)

18. James Hutchinson will be the Project Manager for this phase.

## ADVISORS

19. In analysing current and proposed service delivery arrangements it is important to ensure that the views of local and central government officers, elected representatives and Trade Union representatives are fully taken into account. The list of advisors set out at Annex 2 has, therefore, been established and the successful tenderer will be required to consult with them at an early stage in the assignment.

## EVALUATION CRITERIA

20. Proposals will be evaluated using the following criteria:

### Methodology (80%)

(a) The proposed **methodology** must include a demonstrated understanding of:-

- the elements necessary to complete business cases for high value projects within the Public Sector including local government; 30%
- the concept of Shared Services/ Common Service Delivery within a Public Sector environment; and 20%
- service delivery of key functions (e.g. planning, environmental health, building control, waste disposal) within a Public Sector environment. 20%

(b) The proposed **methodology** must also embody an appropriate project management approach to the delivery of the project. 10%

### Cost (20%)

Price, which has been fixed in the Primary Competition, must be linked to the time to complete commissioned work. 20%

## COSTS AND PAYMENTS

21. Tenderers must supply a total fixed price, alongside the proposed numbers of days for this work and this must exclude VAT. All expenses must be detailed.
22. The daily rate quoted must be taken from the primary stage of the Central Procurement Directorate (CPD) Consultancy Framework Agreement.
23. Please note that the Department is not obliged to accept the lowest bid.

24. It will be the successful consultant's responsibility for ensuring that a valid invoice is submitted on a monthly basis. Payments are made within 10 days of receipt of a valid invoice or such other period as may be agreed between both parties.
25. Once the project has been completed satisfactorily the Department may release any payment due. However, an unsatisfactory output or performance may result in payment being withheld until the situation is rectified. If this entails revision of the output or additional work, no excess payment will be made unless the changes have been agreed with the Department in advance.

## ANNEX 1

**SUMMARY OF THE DECISIONS ON FUTURE SHAPE OF LOCAL GOVERNMENT  
31 MARCH 2008**

Environment Minister Arlene Foster spelt out on 31 March details of the future shape of local government. Summary of the decisions announced:

- **Community Planning:** The new councils will lead and facilitate a statute-based community planning process: they will act in partnership with private, statutory, voluntary and community sector agencies to respond to the needs and aspirations of local communities, and to allow people to have a say in which their area is developed. Legislative proposals will be brought forward to ensure there is a clear statutory requirement placed on other public bodies (including policing, health and education bodies) to participate and support the community planning process and a clear duty placed on councils to engage with local communities in producing a community plan.
- **Power of well being:** The new councils will have a new statutory power of well being to assist them in delivering community planning. This new power will allow them to take any action, not already the responsibility of another agency, linked with the community plan that will improve the well being of the local community or local area.
- **Governance arrangements:** A range of governance models with appropriate checks and balances will be developed, to ensure effective and inclusive local democracy, to protect the rights of minorities, to prevent discrimination, and to promote equality of opportunity. These will include arrangements to allocate Council Chairs, Deputy Chairs, positions on Council committees and to facilitate cross community decision making. The new governance arrangements will be embodied in statute.
- **Council numbers:** The current 26 council areas will be rationalised to create 11 new council areas. This strikes a balance between reducing some of the diversity between the existing areas in terms of population characteristics and rating wealth and promoting the ability of councils and their communities to identify and interact with each other.
- **Number of councillors:** Belfast will retain an upper limit of around 60 councillors and the remaining councils will have an upper limit of around 40 councillors. The determination of the precise number of councillors will be informed by the report from the independent Local Government Boundaries Commissioner on the number of wards within each new district.
- **Councillors' severance scheme:** a councillor's severance scheme will be introduced to recognise the contribution of long serving councillors who opt not to stand for re-election.
- **Dual mandate:** legislative proposals will be brought forward to end the "dual mandate" of councillors who are also MPs and/or MLAs.
- **Coterminosity:** New innovative and creative models of service delivery will be developed to promote modern and efficient practice, by grouping councils together for the delivery of significant services, such as planning, regeneration, building control and environmental health. These will work in tandem with other service providers, such as health or education.
- **Performance management and modernisation challenge fund:** Development in partnership with central government, of performance management systems and of proposals for a modernisation challenge fund that will support innovative and efficient practice.
- **Shared services:** Development of regional shared service arrangements to deliver common back office services such as ICT, accounting services, payroll and procurement across all 11 new councils.

**TRANSFER TO LOCAL GOVERNMENT:**

- **Current expenditure** of functions transferring: £116 million: 25% increase in local government budget.
- **Number of staff** transferring: 1070: almost 12% increase in local government staff.

**Functions transferring:**

- **Planning:** local development plan functions and development control and enforcement.
- **Roads:** public realm aspects of local roads functions:
  - streetscaping;
  - town and city centre environmental improvements;
  - grass cutting and weed spraying;
  - gully emptying;
  - street lighting;
  - off-street parking;
  - pedestrian permits;
  - maintenance of amenity areas;
  - alley-gating (traffic regulation orders facilitating alley-gating to avoid antisocial behaviour);
  - permitting local events to be held on roads; and
  - salting of footways.
- **Urban regeneration and community development:**
  - functions associated with physical development (such as environmental improvement schemes, comprehensive development and urban development grant)
  - area based regeneration (such as neighbourhood renewal)
  - some community development programmes for the voluntary and community sectors.
- **Housing:**
  - registration of houses in multiple occupation
  - housing unfitness responsibilities, including repair and demolition notices
  - energy conservation at local level
  - responsibility for travellers' transit sites.
- **Economic development** (transfer from Invest NI):
  - Start a Business Programme and Enterprise Shows
  - Youth Entrepreneurship (such as Prince's Trust and Shell Livewire)
  - Social Entrepreneurship
  - Investing for Women
  - Neighbourhood Renewal funding relating to enterprises initiatives.
- **Local Tourism:**
  - small scale tourism accommodation development;
  - local tourism marketing;
  - local tourism product development;
  - Visitor Servicing;
  - Providing business support including business start up advice along with training and delivery of customer care schemes; and
  - providing advice to developers on tourism policies and related issues.
- Delivery of the EU Rural Development Programme;
- Authority to Spot List to enable Councils to add a building to the statutory list on a temporary basis, subject to ratification by the DOE;
- Authority to draw up local lists of buildings that are of architectural and/or historic interest;
- Armagh County Museum;
- local water recreational facilities;



- local sports;
- functions of the NI Museum Council;
- local arts;
- local festivals; and
- Donaghadee Harbour.

Arrangements will also be developed whereby local government will have a formal input to the decisions in relation to a number of responsibilities that are remaining with central government.

- **Timetable:** the aim is to implement the agreed structural reform package by 2011.
- **Next steps:**
  - appointment of an independent **Local Government Boundaries Commissioner** to draw up the proposed boundaries for the 11 new local government districts. Introduction of a Local Government (Boundaries) Bill to provide for this appointment.
  - Establishment of **detailed implementation structures**.
  - **Integration of the modernisation work** into the implementation arrangements.
  - Development of a robust **cost/benefit model** for this programme.
  - **Capacity building** programme for elected members and local government officers.

Link to the DOE page from which the press releases, statement to the Assembly and maps of the new councils can be accessed:

[http://www.doeni.gov.uk/index/local\\_government/minister\\_foster\\_announces\\_decisions\\_on\\_local\\_government\\_reform.htm](http://www.doeni.gov.uk/index/local_government/minister_foster_announces_decisions_on_local_government_reform.htm)

Press Release 13 March 2008:

[http://www.doeni.gov.uk/minister\\_fosters\\_press\\_release\\_review\\_outcome\\_-\\_press\\_release.pdf](http://www.doeni.gov.uk/minister_fosters_press_release_review_outcome_-_press_release.pdf)

Link to the Press Release, 31 March 2008:

[http://www.doeni.gov.uk/announcement\\_31\\_march\\_2008.pdf](http://www.doeni.gov.uk/announcement_31_march_2008.pdf)

Link to the map showing the 11 new council areas:

[http://www.doeni.gov.uk/council\\_numbers\\_-\\_map\\_11b.pdf](http://www.doeni.gov.uk/council_numbers_-_map_11b.pdf)

Link to the Minister's statement to the Assembly:

[http://www.doeni.gov.uk/minister\\_s\\_statement\\_to\\_the\\_assembly\\_-\\_31\\_march\\_2008.pdf](http://www.doeni.gov.uk/minister_s_statement_to_the_assembly_-_31_march_2008.pdf)

## CENTRAL/ LOCAL GOVERNMENT ADVISORS ON SERVICE DELIVERY

### Central Government Officers

- *Geoff Beattie* (DSD)
- *Claire Thompson* (DOE Planning)
- *Michaela Glass* (DRD)
- *Phil Rodgers* (DETI)
- *Paul McAllister* (DCAL)
- *Manus Deery* (DOE NIEA)
- *Judith Brown* (OFMDFM)
- *David Barr* (DARD)
- *Stephen Western* (DOE)

### Local Government Officers

- *Liam Flanigan* (Chief Executive of Limavady BC)
- *Rodger Wilson* (Chief Executive of Coleraine BC)
- *John Quinn* (Chief Executive of ARC 21)
- *Barny Heywood* (Chief Environmental Health Officers' Group)
- *Others to be confirmed*

### Elected Representatives

- *Ald Arnold Hatch* (UUP)
- *Cllr Mrs Myreve Chambers* (DUP)
- *Cllr Sean McPeake* (SF)
- *Cllr Mairead O'Dowd* (SF)
- *Cllr Gary Stokes* (SDLP)
- *Cllr Seamus Doyle* (SDLP)
- *Cllr Marion Smith* (UUP)
- *Cllr Alan Lawther* (All)
- *Cllr Anne Wilson* (All)
- *Cllr Clive McFarland* (DUP)

### Trade Union Representatives

- *Names to be confirmed*



**Belfast City Council**

<b>Report to:</b>	<b>Strategic Policy and Resources Committee</b>
<b>Subject:</b>	<b>Strategic Policy and Resources Committee Work Plan and Key Issues</b>
<b>Date:</b>	<b>20 February 2009</b>
<b>Reporting Officer:</b>	Chief Executive, Peter McNaney
<b>Contact Officer:</b>	Chief Executive, Peter McNaney

**Purpose of the Report**

To set out the work programme of the Strategic Policy and Resources Committee over the next two months and outline some of the key issues to be addressed.

**Key Issues**

The Standing Orders of the Council set out the main purposes of the Strategic Policy and Resources Committee and these can be summarised as follows:

1. Co-ordination and creation of policy (Corporate Plan).
2. Creation and control of the Council's programme of prioritised activities (Corporate Plan).
3. Referee and controller of the Council's major resource allocation processes (Revenue Budget and capital programme).
4. Direct service responsibility for corporate functions such as Finance, Audit Governance and Risk, Human Resources, Communication, ISB, Legal Services and asset management, including land and property.
5. Performance Management
6. The rules of engagement (standing orders and financial regulations)
7. Transition Committee for RPA

**Co-ordination and creation of policy**

Essentially, the Committee has responsibility for setting the overall **direction of travel** for the organisation as a whole. This is an acceptance that the Council is greater than an amalgam of services and needs to have a broader strategic framework within which to operate. The essential parts of this framework are the **vision, mission and values** for the organisation. These have already been agreed by the Council as part of the corporate planning process.

As part of the corporate plan, the Council has also agreed a set of **strategic priorities which are** :

- The local economy
- The environment
- Better support for people and communities
- Better Services
- Better leadership
- Better value for money

These strategic priorities will require policy and strategy development which will be cross-cutting in nature as they will impact on more than one service or department in terms of service delivery and resources. A separate report, which is on today's agenda, will recommend a policy framework which will help support the Committee ensure that there is a more robust and consistent approach to developing policy and strategy in the Council.

#### **Creation and control of the Council's programme of prioritised activities**

The objectives and priorities of the Council as agreed in the corporate plan cover a three year period. One of the key roles of the Strategic Policy and Resources Committee is to agree the shorter term priorities for the forthcoming year. These priorities are then incorporated into the service and departments business plans.

The Strategic Policy and Resources Committee will be requested to agree the priority actions for 2009/10 at its second meeting in April.

Members should also note that for the first time the Council has created a corporate thematic priorities budget. The Strategic Policy and Resources Committee will be required to decide on the allocation of this budget for 2009/10 at its second meeting in April.

#### **Resource Allocation**

One of the key roles of the Strategic Policy and Resources Committee is to recommend to Council the level of revenue and capital resources which will be available to spend in a given year and also how these resources should be allocated across departments and committees. The Strategic Policy and Resources Committee then monitors the revenue budget and capital programme spending throughout the year. The committee may also need to recommend remedial action when required to bring spending back on track.

In terms of 2009/10 the Strategic Policy and Resources Committee has already recommended a district rate to the Council and the budget allocations for individual committees. A report on the capital programme 2009/10 will be brought to committee in March 2009.

As part of the budget setting process Members have recognised the limitations of a one year planning cycle in terms of only being able to amend budgets at the margins. The Strategic Policy and Resources Committee has agreed to establish a Budget and Transformation Panel which will examine ways of developing a three year budget cycle. This work will require significant change to the financial management arrangements in the Council and will include:

- The development of a Medium Term Financial Plan.
- The development of a revised Capital Financing Strategy.
- The development of a Transformation Programme to deliver further cash savings.
- The development of a Service Level Agreement with Land and Property Services to ensure collectable rate income is maximised.
- A comprehensive review of budgets across the Council.

A report on the creation of the Budget and Transformation Panel will be brought to committee in March 2009. Members have already agreed that the Panel will require support from an independent source in terms of validation and challenge. Approval is now being sought from Members for officers to go ahead and identify this external source so that a recommendation can be made to committee in March 2009.

Members are reminded that they had previously sought assurances on how the organisation can best employ effective control over staff numbers. A report on this matter will be brought to committee in March 2009.

### **Direct responsibility for corporate functions**

The Strategic Policy and Resources Committee has direct responsibility for as Financial Services, Audit Governance and Risk, Human Resources, Communication, ISB, Legal Services and asset management, including land and property. The central processes associated with these functions act as glue which holds the organisation together. Members are keenly aware that the corporate core must be as efficient as possible and for this reason it was agreed to independently review the centre of the organisation. The first phase of the work is nearing completion and a report making recommendations for changes to structures, potential efficiency savings and an implementation plan will be brought to committee in March for consideration.

Strategies and frameworks have already been agreed for most of the functional areas and the outstanding ones – Communications, ICT and Customer Focus will be brought to committee in March 2009 for consideration.

### **Performance Management**

Whilst the individual service Committees take responsibility for the performance of services reporting directly to them, the Policy and Resources Committee has overall responsibility for the performance of the Council.

In support of this scrutiny role and to enable Members to hold officers to account for delivery, the organisation has developed a suite of performance indicators which have been agreed by Members as part of the corporate planning process. The indicators link directly to the corporate plan and Council priorities. An automated performance management system is also being developed which will provide Members with better access to performance information.

Performance management is one of the less evolved roles of the Strategic Policy and Resources Committee. Given the increasing pressure on the Council to demonstrate value for money it is important that Members are properly equipped to fulfil their performance management responsibilities. For this reason training in this area will be given priority as part of the Member Development Programme. Once this training is complete, the Strategic Policy and Resources Committee will receive quarterly reports on corporate performance.

A more detailed report on performance management in the Council will be brought to the committee in April 2009.

**The rules of engagement**

The full Council has overall responsibility for the Standing Orders and Financial Regulations, but it falls to the Strategic Policy and Resources Committee to enforce the regulations and to act to ensure that the Council conducts its affairs within the statutory and regulatory framework, but also with in its own operating criteria.

Officers are currently developing a revised Constitution for the Council and this will be brought to the Committee in April for consideration.

**Transition Committee for RPA**

This is a new role for the Strategic Policy and Resources Committee and a paper is on today's agenda which outlines the work of the Committee in this area.

**Recommendations**

Members are requested to agree the following:

1. To note the key issues which the Strategic Policy and Resources Committee will be asked to address over the coming months.
2. Officers to start the process of securing the independent member of the Budget and Transformation Panel.
3. To note the improvement work being done to better support the Strategic Policy and Resources Committee fulfil its roles and responsibilities.
4. To consider the following reports:

**March 2009**

- a. Capital programme 2009/10.
- b. The creation of the Budget and Transformation Panel.
- c. Control of staff numbers.
- d. Review of the centre.
- e. Communications, ICT and Customer Focus strategies.

**April**

- a. Corporate Plan – 2009/10 priorities.
- b. Allocation of corporate thematic priorities budget 2009/10.
- c. Performance Management update.
- d. Constitution of the Council.



**Belfast City Council**

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Requests for the use of the City Hall and the provision of hospitality
<b>Date:</b>	Friday, 20 <sup>th</sup> February, 2009
<b>Reporting Officer:</b>	Mr. Liam Steele, Head of Committee and Members' Services (ext. 6325)
<b>Contact Officer:</b>	Mr. Gareth Quinn, Development Officer (ext. 6316)

**Relevant Background Information**

A schedule of applications, together with an indication as to whether they fall within the criteria approved by the Committee, is attached as Appendix 1.

**Key Issues**

To advise the Committee of applications which have been received for the use of accommodation in the City Hall and/or the Provision of Civic Hospitality.

**Resource Implications**

Provision has been made in the Revenue Estimates for hospitality.

**Recommendations**

The Committee is asked to approve the recommendations as set out in the Appendix.

**Key to Abbreviations**

Not applicable

**Documents Attached**

None

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## Appendix 1

**SCHEDULE OF APPLICATIONS FOR THE USE OF THE CITY HALL AND THE  
PROVISION OF HOSPITALITY**

<b>Organisation/ Body</b>	<b>Event/Date – Number of Delegates/Guests</b>	<b>Request</b>	<b>Comments</b>	<b>Recommendation</b>
Belfast City Council  Parks and Leisure Department	City of Belfast International Rose Trials  15 <sup>th</sup> July, 2009 (evening)  Approximately 150 Attending	The provision of Hospitality in the form of a Civic Dinner	The City of Belfast International Rose Trials will be held during Rose Week. The Trials are renowned worldwide for attracting international rose growers in addition to a significant number of visitors.  This request meets the Council's Corporate Strategic Objective of Providing Civic Leadership.	The provision of a Civic Dinner  Approximate cost £5,250  Approximate budget remaining £138,760
Queen's University Belfast	Inclusive Supportive Education Congress Conference 2010  3 <sup>rd</sup> August, 2010 (evening)  Approximately 800 attending	The use of the City Hall and the provision of hospitality in the form of a drinks reception	It is estimated that 800 delegates will be staying in accommodation in Belfast and the conference will take place within the city.	Provision of a drinks reception in the form of wines and soft drinks  Approximate cost £3,200  Approximate budget remaining £135,560
Organising Body of Historical Conference 'Life on the Fringe'	Ireland and Europe between 1800 and 1922, International Conference  3 <sup>rd</sup> April, 2009 (evening)  Approximately 50 attending	The provision of hospitality in the form of a drinks reception	It is estimated that 35 delegates will be staying in accommodation in Belfast and the conference will take place within the city.	Provision of a drinks reception in the form of wines and soft drinks  Approximate cost £200  Approximate budget remaining £135,360

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**Belfast City Council**

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Standing Order 55 – Employment of Relatives
<b>Date:</b>	20 February 2009
<b>Reporting Officer:</b>	Trevor Salmon, Director of Corporate Services, ext 6083
<b>Contact Officer:</b>	Jill Minne, Acting Head of Human Resources, ext 3220

**Relevant Background Information**

To inform the Committee of delegated authority exercised by the Director of Corporate Services to the employment of individuals who are related to existing officers of the Council.

The Director of Corporate Services has authorised the appointment of the following individual/s who is/are related to existing officer/s of the Council in accordance with the authority delegated to him by the Policy and Resources (Personnel) Sub-Committee on 27 June, 2005. The Committee is asked to note the appointment/s authorised by the Director under Standing Order 55.

<b>NAME OF NEW EMPLOYEE</b>	<b>POST APPOINTED TO</b>	<b>RELATIONSHIP TO EXISTING OFFICER</b>	<b>NAME OF EXISTING OFFICER</b>	<b>DEPARTMENT</b>
Robert Marno	Recycling Operative (Scale 3)	Brother	Gary Marno	Parks and Leisure

**Resource Implications**

Financial

Provision for this/these post/s exist within the revenue budgets of the relevant departments.

Human Resources

There are no Human Resource considerations. All appointments have been made on the basis of merit in accordance with the Council's Recruitment Policies.

Asset and Other Implications

There are no other implications.

<b>Recommendations</b>
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Committee is asked to note the appointment/s authorised by the Director of Corporate Services in accordance with Standing Order 55.
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<b>Key to Abbreviations</b>
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<b>Documents Attached</b>
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### Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Council Accommodation Update
<b>Date:</b>	20 February 2009
<b>Reporting Officer:</b>	Gerry Millar, Director of Improvement
<b>Contact Officer:</b>	George Wright, Head of Facilities Management

## 1. BACKGROUND

The City Hall refurbishment will be completed over the summer and detailed plans are now being worked up for decanting Members and staff back into the building and consequent knock on effects on other Council buildings.

## 2. KEY ISSUES

The Council has staff in a number of City Centre offices some of which we own and others which we lease. A number of the buildings are legacies from decisions taken over a long period.

The general approach is to reduce the number of buildings held by the council and the reopening of the City Hall offers an opportunity to move this approach a step further.

There remain a number of uncertainties in that the Council is due to consider a major review of the centre of the organisation, and while the RPA is now moving more rapidly it will probably be the end of 2009, early 2010, before we have a clear idea on staff numbers transferring and any additional assets being made available.

In addition, property is a fairly illiquid form of asset in that it takes time to rent, buy, sell, close down leases etc which means that we have taken an incremental approach to date.

In 2008 we have closed leases on Callendar Street and the Scottish Amicable Building. With the reopening of City Hall the opportunity exists to close a lease on Linenhall Exchange and to vacate one of our own buildings Seymour House thus creating a potential asset for disposal.

Committee have already agreed to the services that will return to City Hall. The vacant space in Adelaide Exchange to be occupied by Business Improvement Service (BIS) who currently are in Linenhall Exchange. In addition, Human Resources which Committee have agreed to merge with BIS can also be moved to Adelaide Exchange as can Internal Audit.

Moving Human Resources from the Cecil Ward Building reduces some of the overcrowding that has been apparent in the CWB for a number of years and creates the opportunity for the Parks and Leisure Department to bring in a number of staff who are based in some Parks buildings under one roof.

CWB will contain thus the Development Department, Parks and Leisure and approximately half of the Health and Environmental Services Department. Building Control and Cleansing remain in Lanyon Place as they have only recently moved.

The main ISB Building will continue for now although it would be an overall accommodation aim to free up this asset as well.

Given the numbers of staff involved per section and the uncertainty surrounding the future shape of the organisation together with RPA unknowns this option is the most prudent approach.

The Members Accommodation Steering Group went through the myriad possibilities and agreed this was the best first step. Members should note that the decanting and refitting associated with this option will not be complete until 2010. Further work now needs to be done with the Accommodation Steering Group to work out a longer term accommodation solution as we get more detail in regard to RPA and begin to define what is best suited to Council for the future.

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**RESOURCE IMPLICATIONS**

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Financial

The decanting and refit costs are included in the Facilities Management budget for 2009/10.

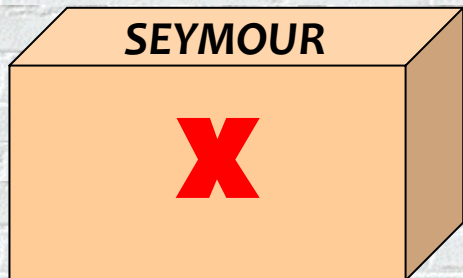
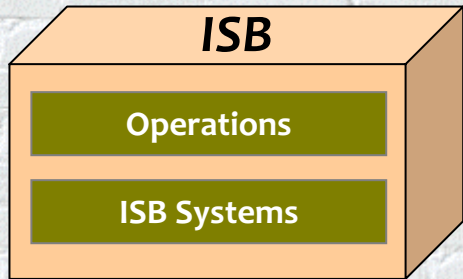
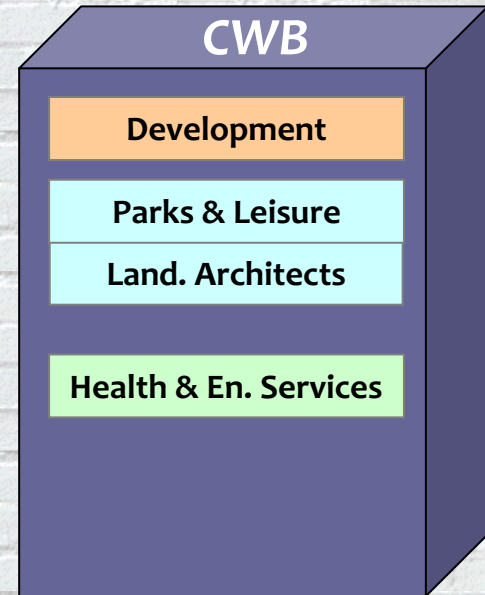
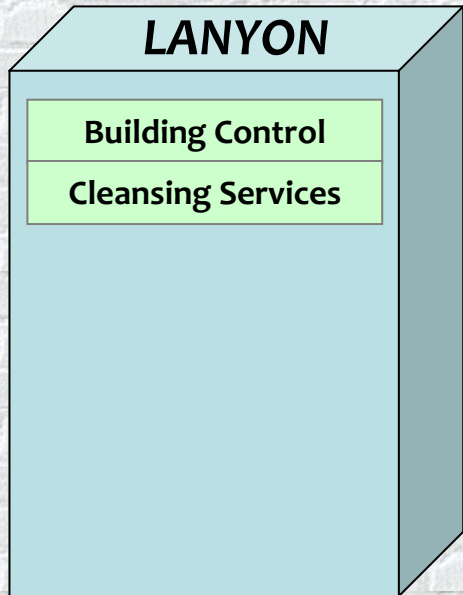
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**RECOMMENDATIONS**

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Members are asked to note the report.

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### Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Capital Programme 2008/09
<b>Date:</b>	20 February 2009
<b>Reporting Officer:</b>	Gerry Millar, Director of Improvement, Ext: 6217
<b>Contact Officer:</b>	Michael Stanley, Project Manager, Ext: 3483

#### 1. RELEVANT BACKGROUND INFORMATION

- 1.1 In June 2008 the 2008/09 Capital Programme of committed schemes was signed off by SP&R Committee.
- 1.2 In November 2008 the SP&R Committee considered and approved a number of additional schemes as committed projects.
- 1.3 The Committee was also critical of the processes surrounding prioritisation and financing of the Capital Programme and asked that these be addressed.

#### 2. KEY ISSUES

- 2.1 A substantial amount of work has been done on processes, prioritisation and in terms of capital financing and it is intended to go through this fully with Committee in March particularly in regard to the 2009/10 and future Capital Programmes.
- 2.2 In the meantime however there are three outstanding decisions required on projects in the 2008/09 programme on which Committee direction is now sought.

##### **Landfill Gas Collection Drainage**

- 2.3 Approval of tender for Landfill Gas Collection and Drainage – Phase 6 at the former Dargan Road Landfill Site is sought.
- 2.4 Approval to a budget of £875,000 and the invitation of tenders was previously granted by the H&ES Committee for this work, which is required to fulfil the Council's statutory duty in connection with the closure of the former landfill site and will increase the quantity of landfill gas collected for generation of electricity to be sold to the NIE grid.
- 2.5 Tenders were subsequently invited and, following evaluation in accordance with Council procurement procedures, the most economically advantageous tender was identified as that submitted by TAL Civil Engineering Contractors in the sum of £947,708.25 which is £72,708.23 (8.3%) above the approved budget.

- 2.6 Approval to proceed to tender was previously granted at the time the budget was set and the scheme of delegation would therefore normally be applied; however, Financial Regulation D9 requires that any increase in capital expenditure in excess of 10% or £50,000 requires the approval of the SP&R Committee.
- 2.7 Subsequent to the approval of the £875,000 budget the estimates for capital expenditure during 2009/10 were increased for anticipated tender price inflation and the amount included in the overall Closure Plan for this work is now £945,000.
- 2.8 It is recommended that the Committee authorise the acceptance of the tender of TAL Civil Engineering Contractors in the sum of £947,708.25 as the work is statutory, the original estimate was prepared in early 2008 and had been revised to £945,000 in November 2008 and the costs for the works is provided for in the Dargan Road closure fund.

### **Ballysillan LC Replacement Synthetic Pitch**

- 2.9 The procurement of the tender for the resurfacing of Ballysillan football pitch was deferred for several months in 2008 due to difficulties in obtaining agreement for necessary access from adjacent lease holders. However, the contract is now ready to go on site.
- 2.10 During the intervening period Council Officers were approached by developers suggesting a residential and retail development at Ballysillan (which already has some retail space) that could be maximised by using the land currently occupied for the football pitch due to be resurfaced.
- 2.11 The developers have been lobbying a number of Politicians and Officers thought it prudent to check the Committee's view on whether or not to proceed with the pitch resurfacing in light of this potential development.
- 2.12 The Ballysillan pitch has been out of operation for a number of years and approval was granted in 2008 to proceed with the resurfacing. The proposed development could go ahead at a lesser scale even if the pitch was reinstated.
- 2.13 Any development is of course speculative at this point and would be subject to community consultation, planning, land disposal negotiations etc.
- 2.14 Committee is asked to note the development option and give a decision on whether to proceed with the pitch resurfacing contract.

### **Replacement Fuel Facility at Duncrue Complex**

- 2.15 At their meeting on 22 February 2008 the Committee deferred consideration of the replacement of the Duncrue Complex fuel storage facilities and associated infrastructure works to enable a report on the possibility of the Capital costs for the scheme being met by a private sector operator under a franchise agreement for the purchase of fuel to be submitted to a future meeting.
- 2.16 Following a public advertisement only one expression of interest in providing and operating a facility was received; however, the submission was incomplete and there was no response to requests for further information.
- 2.17 A detailed appraisal of various options was then undertaken and the recommendation is that the Council proceeds with the provision and operation of the replacement fuel facility on an

"in-house" basis. (Executive Summary is included at Appendix 1)

2.18 Approval to invite tender as necessary and award contracts to the most economically advantageous tenderers based on cost and quality criteria is requested.

2.19 Approval to the application to the relevant Government Depart for sanction to raise a loan for the expenditure on this project is requested.

## **RESOURCE IMPLICATIONS**

### **Financial**

An additional £72,708.23 is required from the Dargan Road closure fund to undertake the gas collection and drainage works.

There are no additional costs for the Ballysillan Pitch refurbishment beyond that agreed in the Capital Programme. The proposed development is at too early a stage to identify any resource implications.

The budget for the Replacement Fuel Storage facility is £630,000 which it is intended to fund by means of a loan.

## **RECOMMENDATIONS**

The Committee is requested:

- (i) To approve the acceptance of the tender of TAL Ltd for the installation of gas collection and drainage works, phase 6, in the sum of £941,708.25 subject to completion of formal contract documents.
- (ii) To provide a decision on whether to go ahead with the Ballysillan pitch refurbishment or to pursue the development option.
- (iii) To approve the invitation of tender for the provision of a replacement fuel facility at the Duncrue Complex.
- (iv) The application to the relevant Government Department for Loan Sanction if required.

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**Executive summary****I****Terms of reference**

1.1 We have been appointed by Belfast City Council (the “Council”) to undertake an economic appraisal of the need for a replacement vehicle refuelling station within the Duncrue Complex, Duncrue Road, Belfast.

**Background**

1.2 The Council currently operates its own vehicle refuelling station within the Duncrue Complex. The existing refuelling station is nearing the end of its operational life and the Council is currently considering how refuelling facilities should be provided in future. As well as the replacement of the existing underground fuel storage tanks and pumps, it is proposed that a new software system be introduced to manage the storage and the dispensing of diesel fuel and lubricants to the Council’s fleet of vehicles. It is a requirement of the replacement refuelling facilities that they should be able to accommodate the refuelling needs of any diesel vehicle.

**Strategic context**

1.3 The strategic context for a new refuelling station includes the Council’s Corporate Plan (2007 – 2008) (the “Plan”). The activities set out in the Plan are focused around three key areas, including *“meeting the needs of local people through the effective delivery of quality, customer focused services.”* The Plan states that the Council will continue to improve the delivery of its services to meet the needs of the people who use them and to provide best value in the delivery of its services.

1.4 The replacement of the ageing fuel pumps, pump canopy, fuel management system and storage tanks at the Duncrue Complex is being undertaken to limit the potential risks of accidents arising from the storage and the distribution of highly flammable material. The work will limit the risk of service delivery being affected through the breakdown of the aging equipment and the resultant inability to refuel the refuse collection vehicles.

1.5 The proposed project supports the Council’s objective of creating a clean and attractive city by ensuring that its fleet of cleansing vehicles can be refuelled to undertake street cleansing and refuse collection duties. The facilities at Duncrue Street also refuel vehicles from other Services and Departments within the Council, including Parks and Facilities Management Vehicles and hence they are crucial to the delivery not only of Cleansing but of other services within the Council.

1.6 The main reason for undertaking the Project is not to achieve cost savings but to limit the potential health and safety risks associated with the handling and the storage of highly flammable material and the environmental risks of leakages from the existing storage tanks. The Council does not require a licence to operate the refuelling station since it dispenses only diesel fuel (but not petrol).

1.7 While the Council exercises control over the availability of fuel through its participation in an Office of Government Commerce (“OGC”) contract, it could exercise further control over the availability of fuel through the operation of an efficient and effective refuelling station.

**Needs**

1.8 The need to provide replacement vehicle refuelling facilities has been assessed through consideration of the following:

- a) Duncrue Fuel Station Options Report (RPS Consulting Engineers – December 2007);
- b) Ground Investigation Factual Report (Ground Check Ltd – 29 April 2008); and
- c) specification of replacement fuel management system (with pumps).

**Executive summary****I**

1.9 The needs assessment includes a review of the following:

- a) fuel procurement arrangements;
- b) number and type of vehicles to be refuelled;
- c) volume of fuel, oils and additives to be dispensed;
- d) volume of fuel, oils and additives to be stored; and
- e) extract from the follow-up audit report dated 19 July 2006.

1.10 RPS Consulting Engineers (the consultant team appointed by the Council to design, to specify and to manage the replacement of the existing underground diesel fuel storage tanks and the completion of the associated works at the Duncrue refuelling station) completed the Duncrue Fuel Station Options Report (the “Report”) in December 2007. The Report considered the options available to the Council and how they related to the Council’s cost, programme and statutory requirements.

1.11 The Report states that the Environment and Heritage Service (“EHS”) consider that it would be preferable to construct surface storage tanks. It also states that the Planning Service has requested that a planning application be made to regularise the redevelopment of the refuelling station.

1.12 The Report recommends that the existing underground diesel storage tanks be replaced with bunded surface storage tanks (i.e. tanks within tanks) and that the existing tanks be decommissioned by filling them with benolite slurry and leaving them in situ (this would reduce the potential volume of hazardous materials that would require to be disposed off site, but would also provide a relatively stable stratum upon which the new tanks could be constructed).

1.13 The results of the Ground Investigation Factual Report completed by Ground Check Ltd on April 2008 are reflected in the construction cost estimates set out in **Section VI**.

1.14 The Council has prepared a detailed specification of the replacement fuel management system (with pumps), including a description of the existing refuelling operations. The detailed specification is reflected in the targets which have been set for the Project (*see Section IV*).

1.15 Under the OGC contract, 20,000 litres of white diesel are delivered to the Duncrue Complex every Thursday. In addition, 5,000 litres of red diesel are delivered every three weeks. Should the regular monitoring of fuel stocks determine that they are unacceptably low, a “top-up” is arranged.

1.16 Cleansing Services estimate that 330 vehicles will require to be refuelled at the replacement refuelling facility. The types of vehicle to be refuelled currently range from mini shovels and vans to refuse collection vehicles and sweepers. The Council anticipates no major changes to its vehicle fleet numbers for the foreseeable future.

**Executive summary****I****White and red diesel dispensed**

1.17 The total volume of white and red diesel fuel dispensed during each of the last three years (together with the Council's projected future annual refuelling requirement) is as follows:

<b>Description:</b>	<b>Diesel (white) (litres)</b>	<b>Diesel (red) (litres)</b>	<b>Total (litres)</b>	<b>Annual increase (%)</b>
<b>Actual:</b>				
2005 – 2006	1,075,763	93,418	1,169,181	n/a
2006 – 2007	1,095,101	94,907	1,190,008	1.8
2007 – 2008	1,106,945	90,249	1,197,194	0.6
<b>Projected:</b>	1,129,084	92,054	1,221,138	2.0

1.18 The average annual increase in the volume of fuel dispensed during each of the last two years is 1.2%.

**Engine and hydraulic oils dispensed**

1.19 The total volume of engine and hydraulic oils dispensed during each of the last three years (at the Council's vehicle workshop), together with the projected future annual requirement (at the new refuelling facilities) is as follows:

<b>Description:</b>	<b>Engine oil (litres)</b>	<b>Hydraulic oil (litres)</b>	<b>Total (litres)</b>	<b>Annual increase (%)</b>
<b>Actual:</b>				
2005 – 2006	7,115	11,812	18,927	n/a
2006 – 2007	6,513	6,201	12,714	(32.8)
2007 – 2008	7,374	5,911	13,285	4.5
<b>Projected:</b>	7,521	6,029	13,550	2.0

1.20 A total capacity to dispense 52 litres of oils each working day is projected.

**Storage capacity**

1.21 The existing and projected future fuel, oils and additive storage capacity is as follows:

<b>Description:</b>	<b>Existing storage capacity (litres)</b>	<b>Projected storage capacity:</b>	
		<b>(litres)</b>	<b>(weeks usage)</b>
Diesel (white)	54,400	54,200	2.5
Diesel (red)	9,000	9,000	5.1
Engine oil	1,250	1,350	9.3
Hydraulic oil	1,350	1,350	11.6
Ad Blue	5,000	5,000	n/a

1.22 The projected storage requirements (in terms of the number of week's usage on hand) appear realistic.

**Executive summary****I**

1.23 The upgrade of the existing fuel management system was recommended in the follow-up audit report dated 19 July 2006 as follows: “*The functionality of the Baltor system should be reviewed. Management should ensure that the system is still “fit for purpose”. Where it is not, consideration should be given to upgrading the system or to developing compensating controls to overcome system weaknesses.*”

**Summary**

1.24 The need to replace the existing vehicle refuelling facilities at the Duncrue Street Complex has been determined by reason of the existing facilities being at the end of their estimated useful lives and also by the recognised deficiencies in the existing fuel management system.

**Objectives****Outcomes**

1.25 The desired outcomes for the Project are:

- a) the reduction of the risk of the failure of the existing vehicle refuelling facilities at the Duncrue Complex (particularly the underground storage tanks and fuel pumps);
- b) the enhancement of the existing vehicle refuelling facilities at the Duncrue Complex, (particularly the fuel management system);
- c) the uninterrupted delivery of all key Council services which are dependent on Council vehicles (such as refuse collection and disposal, street cleansing, the provision of indoor and outdoor leisure and recreational facilities, community services and health and environmental services);
- d) the continued achievement of Council service targets for waste collection, street cleansing and the maintenance of public parks and cemeteries; and
- e) the reduction of the carbon emissions from the Council’s vehicle fleet.

**Outputs**

1.26 The desired outputs are:

- a) greater fuel efficiency;
- b) improved accountability;
- c) lower fuel expenditures;
- d) reduced waste;
- e) environmental concerns addressed; and
- f) good reporting.

**Targets**

1.27 The following targets have been established:

- a) **availability** – fuel and oils to be available, as required, 24 hours per day, 7 days per week;
- b) **storage capacity** – capacity to be provided to store 54,200 litres of white diesel, 9,000 litres of red diesel, 1,350 litres of engine oil, 1,350 litres of hydraulic oil and 5,000 litres of Ad Blue (each to be stored above ground);



**Executive summary****I**

- c) **dispensing equipment** – 7 pumps to be provided, 4 of which to have a capacity to dispense up to 5,000 litres of diesel per day (the pumps to be floor standing, robust and tamper proof, able to accommodate a range of fuels (including white and red diesel), able to deliver a range of fuels at a minimum rate of fuel delivery of 70 litres per minute, fully integrated with the proposed replacement fuel management system and situated at one location);
- d) **infrastructure** – office/hut and CCTV system;
- e) **flexibility** – facilities to be designed to allow the storage and dispensing of bio diesel;
- f) **timescale** – proposed facilities to be fully operational within a four month “on-site” time (new storage tanks and replacement fuel management system to be available when required within this timescale);
- g) **deadline** – proposed facilities to be fully operational by 31 March 2009;
- h) **compatibility** – the fuel management system will be compatible with the Council’s ICT systems and strategy;
- i) **improved fuel consumption** – a 1% (£10,000) saving in annual fuel costs to be achieved by 31 March 2012;
- j) **estimated useful life** – achievement of an estimated useful life of 30 years;
- k) **core functionality** – achievement of the required core functionality requirements under the following headings:
  - i) vehicle fuelling information;
  - ii) system integration;
  - iii) security;
  - iv) reporting;
  - v) pumps;
  - vi) general; and
  - vii) technical.

**Constraints**

1.28 The following constraints have been identified:

- a) **technical resources** – various Council Departments are closely involved in the planning (e.g. the Architect’s Department) and the operation (e.g. the ICT Department) of the proposed replacement refuelling facility;
- b) **operational** – virtually all of the Council’s vehicles which require to be refuelled are based at the Duncrue Complex;
- c) **fleet size** – the Council’s fleet will remain at approximately 330 vehicles throughout the estimated useful life of the Project;
- d) **financial** – the Council has expressed an interest in both revenue and capital expenditure based solutions to its vehicle refuelling facilities requirement;
- e) **legal** – the Council has a statutory responsibility to provide various key services, including cleansing, to its ratepayers;

**Executive summary****I**

- f) **timing** – the existing facilities have reached the end of their estimated useful lives and therefore require to be replaced as soon as possible;
- g) **location** – the site of the existing vehicle refuelling facility at the Duncrue Complex is available for reuse;
- h) **site conditions** – the Duncrue Complex is constructed on fill materials and could therefore be considered to be contaminated land; and
- i) **planning** – there is a need to submit a planning application to regularise the redevelopment.

**Options**

1.29 Based on the objectives and the targets outlined in *Section IV* (and also acknowledging the potential constraints noted in *Section IV*) the following “long list” of options was identified for the provision of replacement vehicle refuelling facilities at the Duncrue Complex:

- a) **Option 1 – “status quo”** – the “do nothing” option against which alternative options can be compared;
- b) **Option 2 – “do minimum – refurbishment”** – extend the estimated useful life of the existing refuelling facilities by refurbishing them and by increasing the on-going maintenance levels (this option will not satisfy the objectives for the Project);
- c) **Option 3 – “do something – replacement (underground storage tanks)”** – replace the existing refuelling facilities, including the existing underground storage tanks (this option will not be cost effective);
- d) **Option 4 – “do something – replacement (surface storage tanks)”** – replace the existing refuelling facilities (including the existing underground storage tanks) with surface tanks. (this option satisfies the objectives for the Project);
- e) **Option 5 – “do something – replacement on an alternative scale”** – replace the existing refuelling facilities with an alternative fuel storage capacity, number of fuel pumps etc (there does not appear to be a case for altering the scale of the facilities);
- f) **Option 6 – “do something – replacement, but without a fuel management system”** – replace the existing refuelling facilities, but without any fuel management system (the absence of a fuel management system is not an option);
- g) **Option 7 – “do something – replacement, but with the refuelling facilities provided and operated by a third party”** – contract the replacement of the existing refuelling facilities and the provision of the on-going vehicle refuelling service to a third party (no third party is interested in providing the refuelling facilities – see paragraphs 1.30 and 1.31 below for further details);
- h) **Option 8 – “do something – replacement at an alternative location within the Duncrue Complex”** – replace the existing vehicle refuelling facilities at an alternative location within the Duncrue Complex (no alternative location is available);
- i) **Option 9 – “do something – replacement at an alternative location outside the Duncrue Complex”** – replace the existing refuelling facilities at an alternative location outside the Duncrue Complex (an alternative location is not appropriate, even if one were available);

**Executive summary****I**

- j) **Option 10 – “do something – replacement, but with the refuelling facilities shared with others”** – replace the existing refuelling facilities and provide a vehicle refuelling service to others (this option is not practical);
- k) **Option 11 – “do something – replacement, with enhanced fuel management systems”** – replace the existing vehicle refuelling facilities and enhance the fuel management system (an enhanced fuel management system is an integral requirement of any “do something” option); and
- l) **Option 12 – “do something – replacement, with all maintenance undertaken “in-house”** – replace the existing refuelling facilities and undertake all maintenance thereof “in-house” (undertaking all maintenance “in-house” is likely to be risky).

1.30 In order to explore the option of the replacement refuelling facilities being provided by a third party, the Council invited Expressions of Interest for the design, the construction and the operation of a vehicle refuelling facility at the Duncrue Complex. The closing date for Expressions of Interest was Friday, 4 April 2008. The Council received one Expression of Interest in providing the required facilities. However, the interested party provided no information regarding the likely cost of providing the service.

1.31 The third party was contacted to determine if they would be interested in submitting outline cost estimates with a view to facilitating the appraisal of the “third party” option. Despite a number of attempts, no response was forthcoming. Accordingly, it was concluded that the provision and the operation of refuelling facilities at the Duncrue Complex by a third party is not an option.

1.32 On the basis of the assessment set out in **Section V** (and summarised above) the following options were short listed for detailed evaluation:

- a) **Status quo** – do nothing; and
- b) **Do something – replacement (surface storage tanks)** – replacement of the existing vehicle refuelling facilities on a “like for like” basis, together with a new fuel management system, with the new fuel storage tanks located above rather than below ground.

**Monetary costs and benefits**

1.33 An appraisal has been undertaken of each of the two short-listed options taking account, where possible, of each of the costs (including the opportunity cost of the resources already owned or in use) and the benefits associated with each option. The appraisal includes “quantifiable values” for the wider economic benefits that may flow from the replacement of the existing refuelling facilities, in terms of the cost savings which are projected as a result of efficiency improvements in the use of fuel.

**Option 1 – “do nothing” – status quo**

1.34 As this option relates to the status quo scenario, the only costs associated with it are on-going maintenance, for which £5,500 per annum has been allowed.

**Executive summary****I****Option 2 – “do something” – replacement (surface storage tanks)**

1.35 The capital costs associated with this option are estimated at £435,000, which is made up as follows:

<b>Description:</b>	<b>Option 2 - surface tanks (£)</b>
<b>Construction cost:</b>	
Preliminaries	35,000
Temporary works	10,500
Fuel station works	42,000
Site works and drainage	49,000
Mechanical and electrical services	82,000
Builder’s works	5,000
Provisional and PC sums	74,000
<b>Sub-total</b>	<b>297,500</b>
<b>Equipment:</b>	
Set-up	2,250
On-board devices	61,250
6 pumps	16,500
<b>Sub total</b>	<b>80,000</b>
Professional fees (15%)	56,625
Rounding	875
<b>Total</b>	<b>435,000</b>

1.36 We have concluded that the site of the existing vehicle refuelling facility has no opportunity cost.

1.37 The annual maintenance costs are projected as follows:

<b>Description:</b>	<b>2009</b>	<b>2010 onwards</b>
	<b>£</b>	<b>£</b>
Operating costs	295	295
Post implementation/non maintenance support	1,695	-
Hardware maintenance	0	2,950
<b>Total</b>	<b>1,990</b>	<b>3,245</b>

1.38 A fuel cost saving of 1% (£10,000) per annum is targeted.

1.39 The replacement facilities have been evaluated over their estimated useful life (i.e. 30 years). There is therefore no residual value.

**Risks**

1.40 A risk register has been drafted. The risks associated with each option are considered below.

**Option 1**

1.41 The main risk associated with Option 1 is that the Council experiences critical failure of one of the key elements of the existing vehicle refuelling facilities, resulting in closure and serious implications for the Council’s vehicle fleet, in terms of its ability to continue to operate, at least in the short term.

**Executive summary****I****Option 2**

1.42 The main risks associated with Option 2 are as follows:

- a) temporary difficulties regarding the dispensing of fuel at the Duncrue site during the course of the construction of the replacement refuelling facilities;
- b) the facilities are constructed on a scale that is in excess of that actually required;
- c) further work has to be undertaken to enable the replacement facilities to meet new legislative requirements regarding the operation of vehicle refuelling facilities; and
- d) the facilities become technically obsolete before the end of their planned useful life.

1.43 The risks may be managed as follows:

- a) robust planning and management of the running of the temporary facilities to be provided during the course of the construction of the replacement vehicle refuelling facilities;
- b) robust on-going assessment of the type and the extent of the Council's future vehicle requirements, including the impact thereon of the RPA;
- c) regular monitoring of relevant legislation on an on-going basis; and
- d) robust tendering procedures, to include an assessment as to the likelihood of premature obsolescence of the equipment being tendered.

1.44 We adjusted the estimated capital costs for optimism bias and the result is as follows:

<b>Description:</b>	<b>Option 1</b>	<b>Option 2</b>
	<b>£'000</b>	<b>£'000</b>
Project cost (Section VI)	0	435
Optimism bias @ 9.24%	0	40
<b>Adjusted project cost</b>	<b>0</b>	<b>475</b>

**Non-monetary costs and benefits**

1.45 The short list of options has been evaluated on a qualitative basis using a weighting and scoring approach. The results are as follows:

<b>Objective</b>	<b>Weight</b>	<b>Option 1 Do nothing Status quo</b>	<b>Option 2 Do something Surface tanks</b>
Reduced risk of failure	20	0	9
Reduced carbon emissions	20	0	5
Improved accountability	20	0	10
Reduced waste	20	0	5
Improved reporting	20	0	10
	<b>100</b>		
<b>Weighted score</b>		<b>0</b>	<b>780</b>
<b>Rank</b>		<b>2</b>	<b>1</b>

**Executive summary****I**

1.46 While Option 2 should significantly reduce the risk of the failure of the refuelling facility, it should also facilitate significant improvements in reporting and hence accountability.

**Net Present Cost**

1.47 The Net Present Costs are summarised as follows:

<b>Description:</b>	<b>NPV/ (NPC) £'000</b>	<b>Rank</b>
Option 1 – “Do nothing” – status quo	(61)	1
Option 2 – “Do something” – surface tanks	(403)	2

1.48 The Net Present Cost of Option 2 reflects the associated capital costs (£475,000).

1.49 We have examined by how much the Council’s annual expenditure on fuel would have to fall to reduce the Net Present Cost of Option 2 to zero. The outcome is that annual fuel costs would have to fall by 4.6% (in addition to the target annual fuel cost saving of 1% (£10,000)).

**Financing**

1.50 The proposed sources of funding for the Project are noted as follows:

<b>Source of funding:</b>	<b>Option 1 £'000</b>	<b>Option 2 £'000</b>
Belfast City Council	0	475
<b>Total</b>	<b>0</b>	<b>475</b>

1.51 We understand that the Council will meet the full cost of constructing the replacement refuelling facilities.

1.52 Project management, benefits realisation, procurement, public relations, monitoring and evaluation are each considered in *Section X*.

**Preferred option**

1.53 The outcomes of the quantitative and qualitative analyses are summarised as follows:

<b>Option</b>	<b>Quantitative analysis</b>		<b>Qualitative analysis</b>		<b>Overall ranking</b>
	<b>NPC £'000</b>	<b>Ranking</b>	<b>Weighted score</b>	<b>Ranking</b>	
Option 1 - “Do nothing” – status quo	(61)	1	0	2	2
Option 2 - “Do something” – surface tanks	(403)	2	780	1	1

1.54 The overall outcome is that Option 2 is the preferred option, reflecting the significant benefits associated with it, as a result of an investment totalling £475,000.

**Executive summary****I****Conclusions and recommendations**

1.55 On the basis of this appraisal, Option 2, “do something” – replacement (surface storage tanks), is the preferred option. It is recommended that the Council:

- a) submits a planning application to regularise the redevelopment;
- b) updates and reviews the draft risk register throughout the course of the Project;
- c) prepares and updates a project timetable on a regular basis;
- d) draws up a public relations strategy for the Project;
- e) implements a meeting structure involving the Consultant Team and other members of the professional team;
- f) establishes a series of key performance indicators (“KPIs”) against which progress can be monitored;
- g) obtains written monthly progress reports from the Consultant Team; and
- h) monitors the performance of the replacement facilities on an on-going basis.

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### Belfast City Council

<b>Report to:</b>	Strategic Policy & Resources Committee
<b>Subject:</b>	<b>CONSULTATION – Legislative Framework For Mental Capacity And Mental Health Legislation In Northern Ireland</b>
<b>Date:</b>	Friday 20 <sup>th</sup> February 2009
<b>Reporting Officer:</b>	Gerry Millar, Director of Improvement, ext 6217
<b>Contact Officer:</b>	Patricia Flynn, Strategic Planning and Policy Officer, ext 6204

#### Relevant Background Information

##### Purpose

To bring to the attention of Members, a consultation by the by the Department of Health Social Services and Public Safety (the Department) on its proposals to amend the existing mental health legislation and to introduce a new mental capacity bill in line with recommendations made in the Bamford Review of Mental Health. A draft high level response is also attached for consideration.

##### Background

Members have previously received consultation reports in relation to the Bamford Review – an independent review of the law, policy and service provision affecting people with a mental health problem or a learning disability. Last summer the Northern Ireland Executive issued its response to the review, "*Delivering the Bamford Vision*", which outlined the government's long term vision and proposals for improving services for people with a mental health problem or a learning disability, and which also included a commitment to legislative reform. This consultation document now sets out the Department's proposals for the legislative reform, and in particular, proposals to amend the existing Mental Health (Northern Ireland) Order 1986 (the 1986 Order) and to introduce new mental capacity legislation.

#### Key Issues - Summary of the Consultation

The consultation provides an opportunity to provide comments in advance of formal draft legislation. The document sets out:

- (i) the underlying principles upon which the legislation will be based;
- (ii) the key elements of the proposed mental capacity legislation; and,
- (iii) the key elements of and proposed amendments to the existing mental health legislation.

#### Legislative Timeframe

In response to feedback to *Delivering the Bamford Vision*, which indicated that respondents were unhappy with the proposed sequential approach to developing the legislation and the target date of 2014; the Department is now proposing a new harmonised "twin track" approach whereby a new Mental Capacity Bill and either a modernised 1986 Order or a new Bill, if more appropriate, would be enacted in the same time-frame. The Department is hoping to consult on the detailed content of the Bills, accompanied by explanatory notes and a regulatory impact assessment including an analysis of the implementation costs, in late 2009. Subject to Assembly approval (2010) and additional resources being made available from 2011 onwards, it is anticipated that both Bills will be enacted into law by April 2011, with commencement thereafter.

#### Guiding Principles

The Department has accepted the broad principles developed by the Bamford Review and is proposing that they be embedded in both the mental capacity and mental health legislation. The central thrust of the principles is to safeguard the dignity and human rights of mental health service users. In summary the principles are:

- **Autonomy** – the right of the individual to decide and act on his or her own decisions (primary principle)
- **Justice** – applying the law fairly and equally;

- **Benefit** – promoting the health, welfare and safety of the person, whilst having regard to the safety of others; and
- **Least harm** – acting in a way that minimises the likelihood of harm to the person.

### **Mental Capacity Bill**

Whilst the Mental Capacity Bill will promote the concept of autonomy, in circumstances where an individual does not have the mental capacity to make decisions for themselves, this legislation will provide legal protections for them and those acting on their behalf. The Bill will contain a definition of impaired decision-making, how this is to be assessed and by whom. It will also provide detail on what “substitute decision-makers” will need to take account of when acting on behalf of an individual with impaired capacity. The proposed legislation will apply to those aged 16 and over and make provision for an assessment of capacity in relation to a specific decision only. (It must not be assumed that because a person lacks capacity to make one decision that they also lack capacity to make other decisions)

The proposed Bill will also include provision for:

- *Advance decision-making* – enables people with capacity to make a valid advance decision concerning their future treatment, including refusal, with appropriate safeguards in place.
- *A lasting power of attorney* – empowers people to make a decision on who will make decisions in respect of their financial affairs and welfare (including healthcare) if in the future they should lose capacity (replacing and extending the existing enduring power of attorney which deals only with financial affairs).
- *A High Court appointed deputy* – who can be given the authority to make financial decisions on behalf of someone who lacks capacity and who has not applied a lasting power of attorney. Decisions concerning healthcare will be referred to the High Court.
- *A new Office of Public Guardian* – to ensure that both court appointed deputies and those appointed as lasting powers of attorney act in the best interest of the incapacitated person.
- *Statutory recognition of the views of carers* – to be taken into account when decisions are made.
- *Legal protection* to a person who is providing care or treatment for someone who lacks capacity, subject to reasonable safeguards and standards of care.
- Create a *new offence of ill-treatment or neglect* of those who lack capacity.
- *Enhanced advocacy services* for those who have no one to speak on their behalf.
- An ethical framework for research involving people who lack mental capacity. Where unauthorised research has been undertaken, this will be a criminal offence.

The Department also intends to take account of the European Court of Human Rights judgement (HL v United Kingdom 2004, the Bournemouth case) to ensure that additional safeguards are in place regarding the deprivation of liberty of an individual who lacks the capacity to consent to care where it is in their own best interests, and will include details of when and how deprivation of liberty may be authorised. This will be necessary to ensure compliance with Article 5 of the European Convention of Human Rights.

### **Mental Health Legislation**

The Department proposes to modernise the Mental Health (NI) Order 1986 in order to:

- embed the Bamford principles into mental health legislation;
- ensure that the law is fit for purpose so that people with a mental disorder receive effective assessment, treatment and care in accordance with modern clinical and social care practice;
- harmonise with mental capacity legislation to form a coherent framework; and
- put additional protections in place for people who have a mental disorder requiring assessment and/or treatment.

A new definition of mental disorder will be developed to better reflect developments in mental health and to align Northern Ireland legislation with the rest of the UK (which will also facilitate the transfer of service users between jurisdictions). It will no longer exclude those suffering solely from a personality disorder.

### *Intervention*

Whilst the legislation aims to protect the rights of individuals with mental health problems, it recognises that there may be occasions when appropriate intervention may be required, for example when there is increased

risk to the individual and occasionally to society. In such circumstances, it is proposed that there will be two kinds of intervention:

- short-term stay in hospital for an **authorised assessment** for up to 28 days. This extends the previous 14 days to enable a full assessment to be made and will put Northern Ireland in line with other UK jurisdictions. Those being assessed will have a right of access to the Mental Health Review Tribunal after 14 days to have the intervention for assessment reviewed; and
- **medical treatment** in a hospital or in the community. This authority could last up to 6 months initially and be extended for a further 6 months and for 12 months at a time thereafter.

There will be set criteria authorising intervention and safeguards to protect individual service users. The proposed criteria for an authorised assessment are that there is a likelihood that:

- (i) the person has a mental disorder;
- (ii) there is significant risk to health, safety or welfare of the person or to the safety others; and
- (iii) because of the mental disorder the person has significantly impaired decision-making ability in relation to treatment.

The proposed criteria for intervention for medical treatment either in hospital or in the community are that:

- (i) the person has a mental disorder;
- (ii) medical treatment is available to the service user which could treat the condition or help prevent it deteriorating;
- (iii) if medical treatment was not provided, there would be a significant risk to the health, safety or welfare of the person or to the safety of others;
- (iv) because of the mental disorder, the person has significantly impaired decision-making ability in relation to treatment; and
- (v) intervention is necessary.

The intervention response must be proportionate to the risk posed and, where possible, interventions should be agreed with the individual. The offence of ill-treatment or neglect, already included in the current 1986 Order, will be reviewed and aligned with a similar offence which will be contained within the Mental Capacity Bill. Additional safeguards, in addition to the protections contained within the Mental Capacity Act and in present mental health legislation, will also be put in place to protect the rights of mental health service users.

### Consultation Questions

The Department is seeking feedback on:

- the guiding Principles and whether they should be embedded the proposed legislation;
- whether the proposed Powers and Protections are appropriate and compressive;
- whether there is a need to undertake a full Equality Impact Assessment; and,
- general comments on the proposals.

The full consultation document can be accessed at: <http://www.dhsspsni.gov.uk/legislative-framework-for-mental-capacity.pdf> The closing date for responses is 31<sup>st</sup> March 2009.

### Resource Implications

n/a

### Recommendations

The Strategic Policy & Resources Committee is asked to note the content of the report and to approve the attached response to the consultation document and to approve its submission to the Department.

### Key to Abbreviations

N/a

### Documents Attached

APPENDIX 1: Draft Response Letter

## **APPENDIX A – PROPOSED COUNCIL RESPONSE TO THE CONSULTATION**

### **DEPARTMENT OF HEALTH SOCIAL SERVICES & PUBLIC SAFETY CONSULTATION: “Legislative Framework for Mental Capacity and Mental Health Legislation in Northern Ireland”**

#### **BELFAST CITY COUNCIL RESPONSE**

Belfast City Council welcomes the opportunity to comment on the above DHSSPS consultation which sets out the principles and key proposals for legislative reform in relation to mental capacity and mental health.

The Council has previously responded to consultations resulting from the Bamford Review and is committed to working in partnership to improve the quality of life and well-being of all people living in Belfast. We are therefore supportive of initiatives, and in this case legislative reform, that will contribute to improved mental health and well-being and which will help promote equality of opportunity for all people and particularly those most at risk.

As a city with high levels of deprivation, Belfast also experiences higher than average levels of mental ill health and learning disability (the Equal Lives report stated that there is a link between poverty, levels of deprivation and learning disability). Our Elected Members have expressed interest in the provision of services for people with mental health problems or a learning disability and are keen to ensure that these services are responsive and fit for purpose.

It is crucial that the guiding legislation, which in effect will become the overarching policy position, provides a solid basis on which to build a caring, equitable and appropriate approach to mental health within Northern Ireland. We are therefore supportive of the principles based approach as outlined in the consultation document, and agree that the proposed principles provide a fair, safe and balanced approach with which to underpin mental health and mental capacity legislation.

As an organisation, however, we do not have the specialist knowledge or professional expertise to comment in detail on the impact which the proposed legislation would have on service users and their carers or whether the proposed powers and protections are appropriate and adequate. We would therefore stress the importance of consulting and listening to those individuals or organisations that have first hand experience of this issue. In particular we stress the need to engage with individuals or organisations that can represent young people and articulate their needs and experiences.

The Council is keen to work in partnership with Government, communities and other sectors to improve wellbeing and quality of life. We therefore welcome future opportunities to provide our views and where appropriate to work with the DHSSPS in this area.

Thank you for your interest in Belfast City Council’s position on this subject



### Belfast City Council

<b>Report to:</b>	Strategic Policy & Resources Committee
<b>Subject:</b>	<b>Northern Ireland Authority for Utility Regulation – Consultation on its Social Action Plan 2009-2014</b>
<b>Date:</b>	Friday 20 <sup>th</sup> February 2009
<b>Reporting Officer:</b>	Gerry Millar, Director of Improvement, ext 6217
<b>Contact Officer:</b>	Patricia Flynn, Strategic Planning and Policy Officer, ext 6204

#### Relevant Background Information

##### Purpose

To bring to the attention of Members, a consultation by the Northern Ireland Authority for Utility Regulation (the Utility Regulator) on its proposed Social Action Plan 2009 - 2014 and to present for approval a draft response to this consultation.

##### Background

The Utility Regulator is responsible for the regulation of gas, electricity and, more recently, water. It has a statutory duty to protect utility customers and must have due regard for vulnerable customers. It had previously produced a Social Action Plan in 2003 to help it to fulfil this obligation, but when it became responsible for water in 2007 the Utility Regulator felt that this unique cross-cutting remit provided a new opportunity to bring forward a co-ordinated strategy for the protection of vulnerable utility customers. The Utility Regulator now wishes to consult on its new draft Social Action Plan. The consultation document sets out its proposed future work and explains how it has interpreted its duty to protect utility customers and how it defined 'vulnerable customers'. However, as the Assembly has not yet made a decision on the introduction of water charges, the document focuses in the first instance on gas and electricity.

#### Summary of the Consultation

##### ***Defining the Problem***

The legislation states that the Utility Regulator must have due regard for vulnerable customers, in particular those who are disabled or chronically sick, of pensionable age, on low income, or who live in rural areas. However, the Utility Regulator is not limited to these groups and proposes to define a vulnerable utility customer as a household with one or more of the following characteristics:

- **Poor Health** – household includes a chronically sick individual.
- **Disability** – household includes an individual with a disability.
- **Ethnic Background** – household does not include an adult with a sufficient grasp of English.
- **Financial Insecurity** – household on a low income.

In addition, the utility Regulator identified two intensifiers i.e. factors which do not in themselves make utility customers vulnerable but when combined with the above characteristics, multiply vulnerability. These are:

- **Age** (elderly or under 16) and **Rurality**

##### ***Protecting Vulnerable Customers – Special Services***

Standard gas and electricity licences contain special provisions for pensioners, chronically sick or disabled customers; the utility regulator is responsible for monitoring and ensuring compliance. NI Water and NIE offer special priority reconnection and alternative supply services in the event of disruptions for people with specific medical needs, but there is currently no emergency critical care policies offered by the gas suppliers. The Utility Regulator has requested feedback on what extent and for what type of condition emergency gas provision may be necessary. In terms of special needs, the Utility Regulator has also highlighted the need for information to be provided in other languages (NIE is the only utility supplier that currently provides this service) and plans to investigate an appropriate way forward in this regard.

***Protecting Vulnerable Customers – Financial Vulnerability***

Fuel and Water Poverty

Northern Ireland does not compare favourably with the rest of the UK in terms of fuel poverty rates (and water poverty rates if / when water charging takes effect). The most recent estimates of fuel poverty in Northern Ireland are from 2006, when the rate was reported as 34% compared to 12%, 23% and 21% in England, Scotland and Wales respectively. There is a commonly held view that the rate is now likely to be in excess of 40%, given the increase in energy prices experienced since 2006. Research carried out by the Independent Water Review Panel indicated that potential water poverty rates in Northern Ireland (upon the introduction of these charges) would be in the region of 14-15%, or with the implementation of the proposed affordability tariff, around 10%. This compares to a water poverty rate of 7.9% in England and Wales (in 2004/05).

In the consultation document the Utility Regulator suggests that fuel poverty has three root causes:

- (i) low income
- (ii) poor energy efficiency
- (iii) high energy prices.

As the Utility Regulator has no power to affect the people's incomes, it states that this issue will not feature in its future action plan. However, it has committed to testing the feasibility of introducing social tariffs (as recommended by the NI Fuel Poverty Taskforce) and will issue a consultation on this in early 2009.

Payment Methods, Debt and Debt Recovery

The Utility Regulator states that in order to help avoid debt, it is important that customers are offered a wide variety of payment methods. According to the document the main utility providers (NIE, Phoenix & Firmus) offer a range of payment options including: direct debit; cash payments at post offices, banks or paypoint outlets, and / or pre-payment meters. In terms of recovering debt, each utility company operates different policies. The Utility Regulator therefore plans to investigate the potential for encouraging all of the energy companies to operate to an agreed best practice standard. Customers who get into debt are encouraged to contact their supplier to discuss options including the option of a pre-payment meter. As the help lines offered by the energy companies are *perceived* to be premium rate numbers, it is also suggested that local or free phone numbers might improve uptake of advice and assistance.

Pre-Payment Meters

In terms of avoiding debt, energy suppliers feel that the pre-payment (or pay as you use) option is ideal as there is currently no premium for pre-payment and it can help customers with budgeting and also encourage energy efficiency. However, according to research by the Utility Regulator and the Consumer Council, many utility customers thought that pre-payment meters were charged at a higher rate and/or were only available to customers who had got into debt. Northern Ireland pre-payment customers, unlike other parts of GB, do not currently pay a more expensive tariff. This decision was taken voluntarily by the utility providers, but in the event of further competition, new entrants would be free to offer payment structures of their choice. In GB pre-payment customers were the last group to benefit from competition because the meters tended to be installed to recover debt and/or were expensive to service. However, it is suggested that that this may not be an issue here due to the investment in newer technology and the level of take-up of key-pad meters.

Nevertheless, the greatest discounts are available to those who pay by direct debit, a practice which is considered unfair as it penalises those who might not have a bank account and those living in rented accommodation as landlords tend to install pre-payment meters. Many consumers felt that the maximum discount should be available to everyone who settles in full and on time regardless of payment method.

The Utility Regulator has discussed with the energy companies the benefits of "smart" metering, which has the potential to help all customers by giving better information on usage and related costs, and will undertake a cost benefit analysis to determine a smart metering implementation policy.

Self-Disconnection

Self-disconnection happens when a pre-payment meter customer runs out of money (and emergency credit) and is cut-off from their electricity or gas supply. This will never become an issue in relation to water as self-disconnection will not be possible. Utility suppliers have a licence obligation not to disconnect vulnerable customers during the winter months, but this policy only applies to credit customers. As suppliers cannot identify in real-time when a household has self-disconnected, in theory, vulnerable customers using a pre-

payment option could be disconnected. Research by the Consumer Council in 2006 indicated that most households that self-disconnect do so for reasons other than financial hardship such as temporary absence or forgetting to top-up. However, the research also identified a small but significant number of customers who are vulnerable to self-disconnection because of their financial circumstances. It is likely that the number affected by this problem has and will grow, given the credit crunch and increase in energy prices since the research was conducted.

### ***The Social Action Plan and Forward Work Plan***

The Social Action Plan (SAP) has two main strands - the first focuses on the provision of special services for utility customers who may need additional assistance e.g pensioners, chronically sick or disabled customers; whilst the second focuses on financial vulnerability. The SAP will be reviewed in 2012-13. This will include a review of each utility supplier's compliance with licence conditions and codes of practice and the voluntary initiatives undertaken to help vulnerable customers.

The SAP includes a forward work plan, summarised at appendix 1, under the following themes:

- Reducing Financial Vulnerability
- Providing Special Services
- Improving Energy Efficiency and Water Efficiency
- Working with others
- Raising Awareness

One of the proposed key areas of work is in relation to market redesign and 'growing the gas network'. The gas industry in NI has grown steadily from a zero base ten years ago, but around 70% of NI homes still use heating oil as the primary source of fuel. The Utility Regulator believes there would be significant benefits to households switching to gas (unlike the oil industry the gas industry is regulated; it has lower carbon emissions and less fuel delivery vehicles; and new connections generate greater economies of scale). The Utility Regulator is therefore working with DETI on options to accelerate gas roll-out.

The Utility Regulator met with a range of stakeholders when developing its SAP. Some suggestions did not make it into the work plan because they were outside the scope of the Utility Regulator's statutory remit. These included suggestions relating to regulating the home heating oil industry; promoting micro-generation heat; bulk buying/ brokering and establishing a utilities trust fund. Other issues raised by stakeholders at these meetings are being considered, either by the Utility Regulator or the NI Energy Task Force such as tackling fuel poverty in a holistic and co-ordinated manner, and identifying better mechanism for effectively identifying those most in need/ at risk, which is being examined by a subgroup of the Fuel Poverty Taskforce.

### ***Equality***

The Utility Regulator has carried out initial equality screening and has determined that, as the plan is targeted at specific groups to improve equality of opportunity, only positive impacts were found and therefore it would not be subject to an Equality Impact Assessment. However, respondents are asked to comment on this and this decision may be reassessed depending on the feedback received.

The full consultation document can be accessed at <http://ofreg.nics.gov.uk/05%20January%202009.htm> The deadline for response is 21<sup>st</sup> March 2009.

### **Resource Implications**

N/a

### **Recommendations**

The Strategic Policy & Resources Committee is asked to note the content of the report and to approve the attached response to the consultation document and to approve its submission to the Utility Regulator.

### **Abbreviations**

SAP – Social Action Plan; EEL – Energy Efficiency Levy

### **Documents Attached**

APPENDIX 1: Summary of action – Social Action Plan and Forward Work Plan  
APPENDIX 2: Draft Belfast City Council Response

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## THE UTILITY REGULATORY - SOCIAL ACTION PLAN AND FORWARD WORK PLAN

### SUMMARY OF ACTIONS

<b>1. Reducing Financial Vulnerability</b>	
Market redesign	<ul style="list-style-type: none"> <li>• Continue to monitor the Single Electricity Market (SEM)</li> <li>• Growing the gas network – work on Common Arrangements for Gas (CAG)</li> </ul>
Corporate refinancing	<ul style="list-style-type: none"> <li>• Review the benefits and current operation of the mutualisation model and implement roll-out of the mutualisation model to other utility assets in N. Ireland if appropriate</li> </ul>
Encouraging competition	<ul style="list-style-type: none"> <li>• Continue to encourage competition in the retail electricity and gas markets</li> <li>• Consider options to accelerate the growth of the gas industry in NI</li> </ul>
Price controls	<ul style="list-style-type: none"> <li>• Continue to ensure only efficient utility prices are charged to consumers through applying effective price controls.</li> </ul>
Metering (energy suppliers only)	<ul style="list-style-type: none"> <li>• Review gas pre-payment meter limits and issue for public consultation in 2009</li> <li>• Complete cost- benefit work on smart meters and implement if appropriate</li> </ul>
Social tariffs	<ul style="list-style-type: none"> <li>• Develop a social tariffs scoping document for electricity Scoping document issue for consultation and present framework to be brought to Government in early 2009</li> <li>• Subject to Government decision, implement policy, as appropriate</li> </ul>
Helping customers in debt	<ul style="list-style-type: none"> <li>• Work with suppliers to consider introducing harmonized policies on debt management</li> <li>• Implement changes, if appropriate, and monitor compliance with policy</li> </ul>
<b>2. Providing Special Services</b>	
<ul style="list-style-type: none"> <li>• Monitor and ensure compliance with special provisions in the licences and codes of practice (gas and electricity)</li> <li>• Ensure NI Water develops and complies with suitable codes of practice as and when appropriate</li> <li>• Consider requirement for provision of information in alternative languages</li> </ul>	
<b>3. Improving Energy Efficiency and Water Efficiency</b>	
<ul style="list-style-type: none"> <li>• Issue a decision paper on the future of the Energy Efficiency Levy EEL in early 2009.</li> <li>• Monitor compliance of NI Water's duty to promote water efficiency.</li> <li>• Review and monitor progress against NI Water's leakage targets (could include financial penalties).</li> </ul>	
<b>4. Working with others</b>	
<ul style="list-style-type: none"> <li>• Continue to participate in the Inter-Departmental Group on Fuel Poverty and the NI Fuel Poverty Advisory Group.</li> <li>• Continue to work closely with DETI on energy matters including its Strategic Energy Framework (SEF).</li> <li>• Consider the implications of the NI Fuel Poverty Advisory Taskforce report (delivered its report to the Minister in July 2008 and awaiting consideration by the Executive).</li> </ul>	
<b>5. Raising Awareness</b>	
<ul style="list-style-type: none"> <li>• Establish a panel of experts from academia, industry and government to provide advice on fuel and water poverty</li> <li>• Undertaking further research to help inform our social action agenda.</li> </ul>	

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## DRAFT BELFAST CITY COUNCIL RESPONSE

THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION - CONSULTATION: "SOCAIL ACTION PLAN 2009 - 2014"
<b>BELFAST CITY COUNCIL RESPONSE</b>
<p>Belfast City Council welcomes the opportunity to comment on the consultation issued by Northern Ireland Authority for Utility Regulation regarding its proposed Social Action Plan and forward work plan.</p> <p>The Council is committed to working in partnership to improve the quality of life and well-being of all people living in Belfast. Our key strategic themes include "Better care for people and communities" and "Better care for the environment". The focus in the consultation document on fuel poverty and fuel and energy efficiency clearly reflect the priorities of the Council and we commend your efforts in this area.</p>
<b>CONSULTATION QUESTIONS:</b>
<p><b>Q1. Respondents are asked to comment on the impact of this paper with regard to equality of opportunity and Good Relations</b></p> <p>Whilst Belfast City Council accepts that the Social Action Plan will have positive impacts for vulnerable customers, it is important that the proposed definition does not exclude or disadvantage particular S.75 groups. Although poverty is a universal issue; research shows that certain groups may be at more risk, such as older people and single parent families. The Utility Regulator should therefore be mindful of the potential effect and impact, particularly with regards financial vulnerability, that the proposed SAP may have on specific groups.</p>
<p><b>Q.2 Respondents are asked their views as to whether we have considered all the characteristics that may contribute to or intensify vulnerability</b></p> <p>A major feature of the current economic decline is the level of both public and private debt. Whilst the Utility Regulator is obligated to have due regard to specific categories of vulnerable customers it is not clear that this encompasses people experiencing severe difficulties through substantial or prolonged personal debt. The consultation confirms that the Regulator is not limited in relation to the groups of vulnerable customers so it may still be appropriate for this category to be profiled for inclusion.</p> <p>Although dwelling age would not normally make utility customers vulnerable it could be identified as an "intensifier". Pre 1919 dwellings are almost exclusively of solid wall construction. They tend to have higher thermal conductivity than modern cavity wall or timber frame dwellings and are more difficult and costly to insulate.</p>
<p><b>Q3. Respondents are asked to what extent they believe critical care provision could be improved. In particular respondents are asked to what extent similar emergency provisions in the event of a disruption to supply are required for gas (please detail specific improvements and in particular details of medical conditions or life saving medical equipment that require a constant supply of gas).</b></p> <p>Special licence provisions prohibit the disconnection of supply to elderly, disabled or chronically ill customers in the winter months. These categories seem somewhat limiting considering the potential ill health effects on children and infants in particular. Any disconnection of supply could have serious health implications. Belfast City Council suggests that consideration should be given to ensuring that the licence provisions reflect and be consistent with Northern Ireland Water Special Provisions regarding a policy of no domestic disconnections.</p> <p>The lack of clarity or information regarding critical care services reliant on gas supplies highlights a serious knowledge gap. The Utility Regulator should investigate options for researching this issue and should not be reliant on responses to this consultation.</p>
<p><b>Q4. Respondents are asked to comment on whether they believe all customers have sufficient access to different payment methods offered by the utility suppliers. Respondents should list the barriers they perceive as preventing some vulnerable customers from accessing all payment methods</b></p> <p>The results of the NIE "For your Benefit" programme pilot clearly demonstrates the extent to which vulnerable people are failing to maximise their income. Therefore, in seeking to protect financially vulnerable customers the Regulator should encourage suppliers to work with others to maximise the uptake of benefits. For example, access to benefits (A2B), <a href="http://www.a2b.org.uk">www.a2b.org.uk</a>, is a not-for-profit organisation working</p>

to improve benefit uptake for older people. It uses a free and anonymous on-line benefit calculator to check an individual's entitlement.

The Northern Ireland Energy Efficiency Level (EEL) should be extended to allow organisations, other than licensed electricity suppliers, to compete for levy funding. (Belfast City Council has already included this point in its response to the EEL's Strategic and Operational Review 2008).

The introduction of social tariffs should be a government priority in addressing fuel poverty. The DSD Proposed Consultation document should therefore be available as early as possible to give the minister the opportunity to take this forward and, if possible, to implement the policy before next winter. Belfast City Council would however caution against the "rising block" element due to the acknowledged potential adverse affects on vulnerable individuals.

Many older people do not have bank accounts and are more comfortable saving up and paying cash for goods and commodities. Belfast City Council is currently piloting a Fuel Stamps savings scheme for domestic fuel oil targeted primarily at older people. Essentially oil users can purchase £5 stamps from specified outlets and then build up credit which can be used as payment or part payment for oil. These schemes have proved very popular in other district council areas and, whilst not necessarily directly transferable to the purchase of gas, electricity or water, this approach could be developed to fit with these utilities. Older people should be provided with an option that clearly resonates with their more traditional approach to paying bills.

**Q5. Respondents are asked to consider what measures, if any, need to be taken to ensure that pre-payment customers benefit equally from the introduction of retail competition in Northern Ireland**

Within the current economic climate it is probable that more people will wish to utilise the prepayment option. Although it may have initially been seen primarily for debt recovery it would be inappropriate to view it exclusively in that light today. Whilst new entrants to the gas and electricity sectors are free to introduce their own payment structures the Regulator still has a role to protect the interests of the consumer and to have regard to specific categories of customer including the elderly and people on low incomes. It is not clear within the document, whether the Regulator could, if required, compel utility companies to ensure prepayment customers are not charged a premium. Assurances would also be sought that customers, particularly prepayment customers, would be able to move freely to different payment methods.

**Q6. Respondents are asked to comment on the merits of a harmonized approach in relation to helping vulnerable customers to avoid debt & to manage their way out of debt**

Belfast City Council would agree that the Utility Regulator should actively investigate the potential for encouraging utility companies to harmonise their approach to debt recovery. Other areas in terms of harmonisation that merit further consideration include:

- Prepaid envelopes / Freepost - NIE provide freepost envelopes for their customers to pay their bills. Phoenix Gas does not.
- Help Lines using 0845 numbers - 0845 numbers are perceived as being the same as local rate numbers. However, whilst they are not premium rate numbers they are considerably more expensive than local rate numbers. They are very expensive to phone from mobile phones (are not included in free minutes) and are also very expensive to phone from call boxes.

**Q7. The Utility Regulator acknowledges the concerns of stakeholders around self-disconnections. Respondents are asked to comment on what should be done to prevent vulnerable customers self-disconnecting for reasons of financial hardship**

Self disconnection due to financial circumstances could have very serious consequences, particularly for vulnerable individuals. The special provisions required for licences for gas suppliers include retention of a list of vulnerable individuals. However, Belfast City Council suggests that this list should be extended to include vulnerable customers generally so that those on low income or who are in serious debt are not omitted. This is particularly important when prices are rising dramatically or over a prolonged period, as consumers may have budgeted for a certain amount of usage from a certain level of prepayment, and then may find they do not have extra cash to pay for increased fuel costs which may led to self disconnection.

Further detailed consideration and research into potential viable options for enabling utility companies to become aware of the self disconnection, or possibility for self disconnection, for vulnerable customers with special needs is required.

It is also essential that consumers are not vulnerable to self disconnection when they have problems trying to get complaints resolved with the utility company.

**Q8. Respondents are asked to comment on what measures should be undertaken to raise awareness, and which organisation(s) should take the lead on these measures.**

The joint research undertaken by the Consumer Council and the Utility Regulator provides a useful insight into the issues facing utility customers and of their general perceptions and awareness of the steps and services available to help with both fuel efficiency and fuel poverty. The Utility Regulator recognises that there is scope to improve awareness and the uptake of services; and this is to be commended. However, as highlighted in the Consumer Council report, it is important that whatever channels are used, that the information reaches those who are potentially vulnerable and arguably more in need of these services, such as people who live in rented accommodation or in low income households and who, according to the research are less likely to be aware of what is available.

It appears that the central issue with respect to gas and electricity relates to fuel poverty. The Department for Social Development (DSD) is responsible for facilitating efforts to address fuel poverty and in particular to raise awareness and promote the availability of services and schemes to help vulnerable people. Whilst suppliers should also have a role, it is more difficult to see how they can be encouraged to target vulnerable people without a statutory obligation or financial stimulus. Although local councils do not have a specific statutory duty or obligation to address fuel poverty; many are already seeking to assist people through, for example, the Fuel Stamps schemes. Local councils are well placed to assume a lead role with regard to promotion and awareness raising, particularly given their established engagement mechanisms with local communities and the developing responsibilities with regard to community planning and the proposed additional power of well being.

It is stated that “improving energy efficiency has been the primary focus of the fuel poverty strategy” and that “the Utility Regulator encourages the utility providers to educate and inform their customers about energy efficiency”. In order to do this effectively, customers must receive regular information regarding their usage and cost. Quarterly meter readings and quarterly bills for all customers (whether prepayment, direct debit, etc) would help customers be better informed and encourage them to be more energy efficient. It would also show them much sooner if they are overpaying or are falling into arrears and just how much their gas/ electricity is costing.

The Council’s Consumer Advice Centre provides free specialist advice to consumers and traders in Belfast on a range of consumer issues. Increasingly, the Consumer Advice Centre has received a number of enquiries regarding utility companies, particularly in relation to payment methods. One major issue that causes particular problems for Phoenix Gas consumers, who try to be financially aware and manage their budgets by paying by direct debit so their bills are spread over the year, is that Phoenix Gas does not read the meter for another 12 months or in some cases even longer. This means that they do not monitor if the Direct Debit payment is too much or too little; which can subsequently have a significant impact on consumers and particularly vulnerable customers. For example:

- (i) Pensioners - one of whom was disabled found they had arrears of £547. Their direct debit payments had been £38 - £41 per month, but Phoenix Gas wanted to increase this to £103 per month. Their actual usage was about £56 per month.
- (ii) Single parent new baby - had been paying by direct debit but because the meter had not been read for 17 months, she built up arrears of £447. She had been paying £31 per month which was subsequently increased to £39 per month. However, her actual usage was £54. Phoenix Gas now wants her to pay £80 per month to clear her arrears.
- (iii) Pensioner - Phoenix Gas kept changing the amount of direct debit she paid monthly including reducing the monthly amount. She now has arrears of £1000.
- (iv) Pensioner - paid by direct debit, Phoenix Gas did not read the meter but kept increasing the direct debit amount from £40 up to £90 and then to £124. Eventually after reading his meter his direct debit was reduced to £20 per month.
- (v) Consumer has a gas fire but doesn’t use much gas. The direct debit payments increased from £5.99 per month to £11 and are now £13 per month. He has paid over £90 in payments but has only used about £30 worth of gas. However, Phoenix Gas won’t reduce the amount of payments.

Phoenix Gas may offer quarterly meter reading as a special arrangement. In contrast, NIE tries to read meters on a quarterly basis and send out quarterly bills to all customers. This practice helps ensure that consumers are more aware of their energy usage and the likely costs and are thereby more able to budget accordingly. The Regulator must ensure that utility companies who offer direct debit payment methods have proper and timely systems in place to accurately measure and estimate usage and cost.

Utility companies must also ensure that they take payments as arranged. The Consumer Advice Centre has found that some utility customers have ended up in arrears or else incurred bank charges because the company had not taken the direct payment as planned or on the agreed date. The Consumer Advice Centre has also found that problems can arise when a consumer is moving house and has overpaid, either on a meter or by direct debit, and subsequently encounters difficulties when trying to get a refund.

**Q.9 Respondents are asked to comment on whether there are any other key issues that should be considered**

During the current recession, in particular, there is an imperative on government and regulators to consider options for reducing financial vulnerability. Assisting those on low income to maximise their benefit entitlement is important, however, improved energy efficiency will have the dual impact of addressing fuel poverty whilst reducing carbon emissions. Broadening access to the EEL should provide more opportunities for the introduction of energy efficiency measures.

*Pre-payment Meter Considerations*

Whilst the utility companies suggest that pre-payment meters help customers budget because as they can see how much they are spending, in practice it is often harder for consumers to see what they are actually getting for their money as the billing system is not open and transparent nor easily understood. Based on the experience of many visitors to the Consumer Advice Centre, there is a lot of confusion over what consumers actually got for the amount of money they have spent. It also appears very easy for the company to alter what customers are getting for the money they actually pay. In one case where the price had gone down the customer thought they were still being charged at the old rate. In other cases, consumers found they were getting fewer units one week for their money than they had the week before although the price was not supposed to have changed. In such circumstances it is only the very observant consumer who might notice when something is actually wrong.

In addition, whilst prepayment may help with budgeting; this is not the same as being energy aware / energy efficient. In addition, prepayment meters do not help customers budget when it gets very cold and they need extra heat but they do not have the money to pay for their higher usage.

*The Home Heating Oil Market and LPG Market*

There are still many customers in Northern Ireland using these types of energy but there is no regulation of these industries. Whilst it is recognised that is not part of the Regulator's statutory remit, consideration of how this might be encouraged voluntarily or achieved in practice should still nevertheless be considered.

**Q10. Respondents are asked to comment on this future work plan**

The work plan addresses the principal areas for action; however, the current financial crisis has created an urgency that may not have initially informed the development of the plan. The aspiration to reduce financial vulnerability will be seriously compromised by collapsing markets, increasing unemployment and unplanned personal debt. This should place an imperative on the Regulator and partner organisations to accelerate delivery of this element of the plan in particular by, if necessary, reprioritising other elements.