

Strategic Policy and Resources Committee

Friday, 20th November, 2009

Meeting of Strategic Policy and Resources Committee

Members present: Councillor Hartley (Chairman);
the Deputy Lord Mayor (Councillor Lavery); and
Councillors Adamson, Attwood, Austin, D. Browne,
M. Browne, W. Browne, Campbell, Convery, Crozier,
D. Dodds, N. Kelly, C. Maskey, McCann, Newton,
Rodgers, Rodway and Stoker.

In attendance: Mr. P. McNaney, Chief Executive;
Mr. G. Millar, Director of Improvement;
Mr. C. Quigley, Director of Legal Services;
Mrs. J. Thompson, Director of Finance and Resources;
Mr. L. Steele, Head of Committee and
Members' Services; and
Mr. N. Malcolm, Committee Administrator.

Minutes

The minutes of the meetings of 9th and 23rd October were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 2nd November, subject to the rejection of the minute of 23rd October under the heading "Plaques in the City Hall"; the Council agreed that the various plaques which had previously been located on the East Staircase of the City Hall be replaced on a temporary basis and that the Memorabilia Working Group give consideration to their location on a permanent basis.

Councillor Hartley

The Committee congratulated its Chairman, Councillor Hartley, on being named at the Aisling Awards the previous night as "Person of the Year".

Transition Committee Business

Review of Public Administration Update

The Committee considered the undernoted report:

"1.0 Relevant Background Information

- 1.1 The Review of Public Administration (RPA) is now entering into a critical stage in the process whereby key decisions need to be taken over the next month so as to ensure that the reform programme remains on track and meets the already tight legislative timetable which is in place.**

2.0 Key Issues

2.1 *Critical Path*

2.1.1 Members will be aware that there still remains some concerns with regard to how the RPA programme will progress given the uncertainties which exist around the Local Government Boundaries Order (which will determine the boundaries for the 11 new councils) and the progress of the Local Government Reorganisation Bill (which will bring into effect to the reorganisation of local government), both of which need to be cleared by the NI Assembly before the Christmas recess on 9th December, 2009.

2.1.2 If no political agreement around these critical issues is secured, then the already tight legislative timetable would be unachievable and the local reform programme (e.g. rationalisation from 26 to 11 councils) would be deferred. This would result in elections to the existing 26 Councils in May 2010 as the Secretary of State would not be minded to further extend the current term of councils. This position was echoed by the Environment Minister during his recent visit to the Council on 6th November.

2.1.3 Within this context there is an associated risk that the NI Executive may implement a plan B which could involve taking forward some elements of modernisation. It is important to note that the majority of legislation brought forward to date (including the Miscellaneous Provisions Bill and Finance Bill) are not RPA dependant (i.e. linked to the reorganisation of councils) but rather, are pertaining to the modernisation of local government. The transfer of functions proposals, however, may be reorganisation dependant and could be deferred as a result.

2.1.4 Notwithstanding political agreement on the local government boundaries and Reorganisation Bill, the timetable, as we currently understand it, is as follows:

- A final decision will be made by Christmas on the Local Government Boundary Order which will set out the boundaries for the new Councils.**
- Decision on funding for RPA reform programme needs to be made in early 2010 and negotiations with DFP are ongoing**
- Statutory Transition Committees come into effect by February 2010**

- **Members severance scheme agreed - February/March 2010**
- **Staff severance scheme agreed - February/March 2010**
- **Appointment of Senior posts (designate) for new Councils by March-May 2010**
- **Agreed staff transfer scheme by June 2010**
- **Initial indicators of the level of funding to be made available through the Comprehensive Spending Review for those functions to transfer to local government – October 2010**
- **Elections to new Councils – May 2011**

2.2 *Engagement with Lisburn and Castlereagh*

- 2.2.1** Discussions are ongoing between representatives from the Lisburn/Castlereagh Transition Committee and the Belfast Transition Committee with two constructive meetings held to date, including a meeting on the 27th October, 2009.
- 2.2.2** The purpose of these meetings is to identify and discuss those transition related issues which need to be addressed and to explore how such issues could be taken forward through formal engagement between both Transition Committees with a shared view to ensuring service continuity for the citizen.
- 2.2.3** At the meeting on 27th October, 2009 an initial programme of scoping work was agreed which would inform future discussions between both Transition Committees. Relevant reports will be submitted to the Committee for consideration as the discussions with Lisburn and Castlereagh Transition Committee move forward.
- 2.2.4** In considering the Local Government Miscellaneous Provisions Bill (which will bring into effect the Statutory Transition Committees), the Committee for the Environment agreed that there must be direct political representation from Castlereagh and Lisburn Councils on the incoming Belfast 'Statutory' Transition Committee which is to come into effect in early 2010.
- 2.2.5** Officials from the Department of the Environment have been tasked with working up the mechanism and model through which this representation would be secured and the Minister will be issuing instructions in this regard. A separate report on this issue is to be considered later in the Agenda.

2.3 *Engagement with Transferring Function Departments*

2.3.1 Members will note that each of the key Transferring Function Departments has nominated senior officials to engage with the Council in taking forward detailed consideration and discussions in regard to the transfer and assimilation of functions. Council officers are currently engaging with these officials to map out the key issues which need to be addressed in moving forward and it would be the intention that a detailed report will be submitted for the consideration of the Committee in early 2010.

2.3.2 At a regional level the Chief Executive chairs a Transfer of Functions Working Group which has been established under the auspices of the Regional Transition Co-ordination Group, to examine and provide clarity on the detail of the agreed suite of functions transferring to local government. As this detail emerges, further reports will be submitted for the consideration of the Committee.

2.4 *Community Planning*

2.4.1 Members will be aware that one of the key proposals of the RPA is the introduction of community planning. Community planning is the process whereby councils, statutory bodies, agency bodies and sectors work together to develop and implement a shared vision of promoting the well-being of their area and pave the way for the most efficient use of scarce resources.

2.4.2 In 2011 the Executive will introduce legislation making community planning a statutory responsibility. The legislation will place a duty on local councils to lead the process and on other public bodies to participate and promote community planning. Through the priorities which Members have already set for the Council, the organisation has been putting in place many of the foundations upon which an effective community planning process can be built. In particular partnerships have been developed around key issues that will impact upon well-being such as community safety, good relations and health improvement.

2.4.3 Moreover the Council is working to improve the ways in which it engages with local people to inform the way plans are developed and to create robust local information systems that have the potential to provide the kind of evidence that will help prioritise local issues and address local needs. Discussions that Members have had about the

potential to support regeneration and development across the city on a North, South, East and West basis must also be built upon to progress meaningful areas-based planning in a way that is connected to the resources that are available and the most deliverable opportunities that exist. However, community planning will present a number of challenges for this and other Council's including:

- the development of effective partnership and governance arrangements at all levels;
- ensuring effective representation across the various stakeholders and sectors;
- creating effective plans that are linked to available resources and for which there is clear accountability;
- ensuring the maximum appropriate and effective level of involvement of communities;
- ensuring that implementation makes a real impact on the ground and that the process does not become an end in itself.

2.4.4 Emerging guidance from the Strategic Leadership Board that is overseeing the progress of the RPA at a regional level is that a foundation programme to address the range of issues associated with community planning will be rolled out to support its introduction in 2011. This programme will aim to support transition committees to prepare for the introduction of the community planning duty and identify the key issues that should be addressed in guidance which will be developed to support its implementation. It is anticipated that the Council in developing its own thinking around community planning will have the opportunity to avail of this programme.

2.4.5 In order to explore these issues with Members in more depth we propose that we will engage with party groups to seek their views on the issues involved with a view to taking a more detailed report back to the Committee to agree a project plan for taking forward the issue of community planning and agreeing key principles which will allow us to communicate in a more effective fashion with the numerous stakeholders who are already seeking the Council's view.

2.5 Local Government Reform Joint Forum (HR)

2.5.1 Clearly there a number of very important HR related matters which need to be progressed as a matter of urgency (e.g. agreed process for filling posts in new organisations; staff transfers schemes; staff severance) with greater clarity required in regard to how and when such critical issues are to be addressed.

2.5.2 Members will be aware that a new HR Local Government Reform Joint Forum (LGRJF) has been established (comprising of representatives from the Employers and Trade Union Sides) to take forward detailed consideration and negotiation on HR matters and to develop detailed guidance on how councils and Transition Committees should address such issues in the lead up to the RPA. Both Cllr Tom Hartley and the Head of Human Resources are represented on this Forum nominated by the Joint National Council (JNC) and Northern Ireland Joint Council (NIJC) respectively. Members will be kept fully informed of the discussions and emerging guidance prepared by the Joint Forum.

3.0 Resource Implications

There are no financial or human resources implications contained within this report.

4.0 Recommendation

Members are asked to:

- (a) note the contents of this report; and
- (b) consider and agree the proposal to hold a series of party group briefings top seek members views on Community Planning (refer to 2.4.5).”

After discussion, the Committee noted the contents of the report and authorised the holding of Party Group briefings in relation to the development of an agreed approach to Community Planning.

**Review of Public Administration –
PricewaterhouseCoopers Economic Appraisal**

The Committee considered the undernoted report:

“1.0 Relevant Background Information

1.1 Members will be aware that the Department of Environment commissioned PricewaterhouseCoopers (PwC) to assess possible options for future local government service delivery within Northern Ireland (as a Phase I) and to undertake a ‘full Economic Appraisal of Local Government Service Delivery in its Entirety’ (as a Phase II).

- 1.2 PwC has just recently released its Phase II for initial consideration of relevant stakeholders (including councils), with comments requested in advance of the next Strategic Leadership Board meeting scheduled for 9th December 2009, at which the PwC report will be considered.
- 1.3 A copy of the Executive Summary of the draft PwC Phase II report has been circulated. A copy of the full detailed report has been placed in the Members' Library for reference and can be accessed at the following link: http://www.doeni.gov.uk/index/local_government/local_government_service_delivery-2.htm
- 1.4 Over the past number of weeks PwC has been undertaking a series of Party Group briefings, at a regional level, on the emerging proposals contained within their report and providing an opportunity for elected Members to comment.

2.0 Key Issues

- 2.1 Whilst the PwC report considers 5 options in relation to a combination of both the level of transformation undertaken by councils as part of the RPA transition process as well as potential future service delivery models, Option 5 'Transformation with Regional Collaboration' emerges as the preferred option within the report. The key characteristics of Option 5 include:

- the establishment of a Targeting Operating Model (i.e. structure) for the new councils
- the establishment of a Business Support Organisation (i.e. Shared Service) which will deliver a range of functions including, for example, ICT, Procurement (by 2011); Legal Services, Finance, Property Services (by 2015)
- the BSO will be established as a Joint Committee (comprising of Elected Members from across the 11 Councils) and be operated by an executive officer team
- the BSO will house a number of the central government functions proposed to transfer to local government which, as the report suggest, cannot be disaggregated e.g. DSD Large Capital Projects; Parking enforcement; Planning specialists

- the creation of a single Waste Disposal Authority (WDA)
- the creation of a new Local Government Association (LGA)
- will cost £118m to implement
- will realise a reduction in Net Present Cost of £438m over a 25year period

2.2 In reviewing the draft PwC Phase II report, the following key areas of concern are highlighted for Members consideration:

- the unspecified and unsupported nature of the cost and saving estimates and assumptions presented within the report upon which the recommendations are based
- limited consideration given to the level of capacity required to bring affect to the transformation proposals alongside the complex transition /convergence process which councils will need to undertake
- detailed consideration needs to be given to the potential impact upon the Council of the proposed establishment of the Business Support Organisation (BSO) and, in particular, the future of ISB
- clarity required as to the governance arrangements and legal status of the BSO – will it be statutory
- the absence of a robust business case for the establishment of the BSO
- limited consideration given to alternative models of securing collaboration between councils (e.g. lead council, centres of excellence) within the recommendations of the PwC report
- no certainty around securing the necessary funding to deliver the proposals set out within the PwC and the associated implications for councils (e.g. impact on the rate)

Further detail on each of these issues is set in the proposed draft Council response attached as an Appendix, which will be amended to take account of Members' discussions.

2.3 Given the shear complexity of the PwC report and in order to enable a more informed discussion to take place among elected Members, it is proposed that a presentation on the PwC Phase II report will be given to the Committee on 20th November setting out the key proposals contained within the report and the associated concerns and organisational consequences for the Council.

Emerging views of the Local Government Sector

- 2.4 The Society of Local Authority Chief Executives (from a professional and managerial perspective) has prepared an initial draft response to the PwC Phase II report which Council officers have inputted into and supported in its development. The draft Council response attached concurs with and reinforces the key issues and concerns set out within the SOLACE response.
- 2.5 Given the degree of concern within the local government sector with regard to the assumptions and baseline financial information which underpins the PwC report, the Association of Local Government Finance Officers (ALGFO) has set out a detailed appraisal of the transition and transformation costs and savings set out in the PwC report.
- 2.6 Clearly there remains a significant amount of detailed financial information outstanding which prevents any due diligent assessment to be undertaken of the real transition costs and savings, transformation costs and savings and funding arrangements attached to each of the options explored within the PwC report, or to enable any decision to be taken on the preferred way forward.
- 2.7 The Northern Ireland Local Government Association (NILGA) is currently in the process of developing a response to the PwC report and has arranged a discussions session for 27th November, 12.00pm-1.30pm in ECOS Centre in Ballymena. Correspondence has been received from NILGA inviting representatives of the Councils Transition Committee (i.e. Strategic Policy and Resources Committee) to attend this event. It is therefore recommended that consideration be given to approving the attendance of the Chairman, Deputy Chairman and Party Group Leaders (or their nominees) on the Council's Transition Committee to the event on 27th November.

Proposed Establishment of Business Services Organisation

- 2.8 The proposals contained within the PwC report with regard to the establishment of the Business Services Organisation represents a potential significant change to the way in which the Council currently manages a range of services e.g. ICT, procurement, legal services etc. Whilst PwC report purports that the BSO would only house back-office (non-strategic) transactional related services and that the transfer of services to the BSO would be on a voluntary basis, the Council needs to consider what are the potential risks and opportunities which such a model may provide and take a corporate position on how it intends to move forward.

- 2.9 The proposed model also represents a high risk course of action, transferring key support services to a new, untried organisation with no fallback position. Experience of other local government reorganisations shows that support services, especially HR, Finance and ICT, play a key role in securing a smooth transition to new organisations. It may pose significant problems for the transition process if the focus of these services is on establishing a new Business Services Organisation rather than on the core task of establishing the new councils. We believe that it is unrealistic and undesirable to consider implementing a Business Support Organisation by May 2011.
- 2.10 In the draft response, it is proposed that the Council notes that it is unconvinced of the business case as currently set out within the PwC report with regard to the establishment of the proposed BSO and that there is a significant amount of detail outstanding in regard to the projected costs and savings (efficiencies) to be realised. It is proposed further that the Council advocate the need for other collaborative service delivery models to be explored including, for example, a lead council approach for particular functions.
- 2.11 The reality is that the Council already has a critical mass in terms of key services such as ICT procurement/legal etc, and that in itself raises the possibility that a business case could be made for Belfast to be the BSO agent for the delivery of such services. It is important to note that the SOLACE draft response to the PwC report also advocates the need to explore more innovative models of collaboration between councils including, for example, lead councils, centres of excellence etc.

3.0 Resource Implications

There are no financial or human resource implications contained within this report.

4.0 Recommendations

Members are asked to:

- a) note that a presentation will be given to the Committee at its meeting on 20th November setting out the detail of the PwC Phase II report and articulating the key issues set out within the Council's draft response (attached as an Appendix) for Members consideration;

- b) approve that the draft response, taking into account the discussions at the Committee meeting on 20th November, be submitted to the DoE and Strategic Leadership Board in advance of 9th December; and
- c) approve the attendance of the Chairman, Deputy Chairman and Party Group Leaders (or their nominees) on the Council's Transition Committee to the NILGA event on 27th November.

Appendix

An Assessment of the Options for Local Government Service Delivery Phase II Draft Report (Economic Appraisal)

Belfast City Council Initial Comments

1. Overview

- 1.1 Belfast City Council welcomes the opportunity to comment on the PriceWaterhouseCoopers draft Phase II report 'Economic Appraisal of options for local government service delivery' commissioned by the Department of the Environment.
- 1.2 This economic appraisal is fit for purpose as a high level strategic document intended to provide advice on the overall direction of travel. However, as contained within the report, detailed design is needed before the costs of transition and transformation can be clearly established and savings properly assessed. Therefore, this high level analysis should not be used to determine the level of upfront investment required nor should the potential savings be set as a target at this stage.
- 1.3 In reviewing the PwC report and the proposals contained therein, the Council would make the following observations.

2. Vision for Local Government

The Council would be fully supportive of the aspirations for local government as set out in the PriceWaterhouseCoopers report including the role of Councils in:

- Providing strong local government with service performance and costs of delivery in line with national best practice;

- Adding value for citizens with increased citizen confidence and increased participation in local democracy;
- Attracting developing and retaining high quality and dedicated staff with increased satisfaction levels and reduced staff turnover;
- Providing service excellence with increased citizen satisfaction with services and value for money; and
- Providing value for money with minimum rate increases and decreased costs.

2.2 The Council notes that the analysis set out within the PriceWaterhouseCoopers draft report recommends new councils which are citizen focused, organised to deliver services in line with best practice and seeking to deliver value for money through their internal processes and collaboration with each other. This is a compelling vision and one which the Council would fully endorse.

3. Deliverability

- 3.1 It is important to recognise that the transition to 11 new councils with new services transferring from central government will be a challenging task for local government and will represent the most far reaching change faced by local government in Northern Ireland in more than thirty years. It is important that this change is founded upon the support of key stakeholders in local government – local citizens, elected representatives, staff and managers.
- 3.2 Trying to undertake transition and transformation simultaneously, in addition to any consideration given to the establishment of a Business Services Organisation shared service model (as suggested as option 5) is high risk and will be difficult to deliver given the time remaining and the level of resources and capacity that would be required.
- 3.3 There is not adequate consideration given to the significant lead in time required to bring effect to the proposals put forward (particularly in relation to option 5); or any understanding of the necessary infrastructure required to maintain service continuity whilst going through a change process such as the RPA.

- 3.4 The Council has previously stressed the importance of ensuring the continuity of service delivery in the transition to the new councils and during the local government reform process. Services cannot start and stop once the new councils are well established or once transformation takes place. Services are being delivered now and must continue to be delivered well throughout the transition period. We do not believe that the PriceWaterhouseCoopers report reflects adequately the extent and complexity of the change that will be necessary in the transition to new councils and the maintenance of services during that period.
- 3.5 The potential disruption to service delivery in the initial transition period when there is likely to be a loss of significant numbers of experienced councillors and managers and when nearly 1,000 staff will be transferred to newly created employers needs to be planned for and managed carefully.
- 3.6 While there is a lot of merit in stressing the importance of transformation as we move into RPA to generate efficiencies and improve customer service, to believe that local government could cope with this in the two years or less now available, may be unrealistic.
- 3.7 To take this on with an imperative of completion prior to introduction of the transferring functions in 2011 would be a mammoth task and it is difficult to see how Belfast City Council (notwithstanding the merging councils) would cope with this without losing a lot of ground in a number of the areas of improvement we have already embarked upon.

4. Baseline Costs and Assessment of Costs and Savings

- 4.1 We recognise that this report is intended as a high level strategic analysis. Clearly it is important that much more work is needed to verify all elements of the financial appraisal.
- 4.2 For example, work is needed to ensure that the assumptions used to determine baseline costs are robust and transparent, as these baseline costs have been used to calculate the transformation costs and benefits to be realised under the various options considered within the PwC economic appraisal. In addition, costs relating to transferred services and capital expenditure have been included in the baseline from which the potential savings are then estimated. However, it is highly unlikely that the RPA process will be able to achieve savings on such expenditure in the short to medium term in all Councils and particularly in the case of Belfast. Indeed, it is highly likely that capital costs (and indeed other costs) may increase due to a need for equality across new boundaries.

- 4.3 The report attempts to quantify the potential efficiency savings (or otherwise) for each of the proposed service delivery options. The Council would have major concerns about the unspecified and unsupported nature of the costs and savings estimates presented within the report which are based on high level benchmarks and would seek further clarification and detailed work on the assumptions behind this analysis.
- 4.4 The Council notes that both transformation costs and savings are simply presented as percentage figures of gross revenue expenditure and these percentages have been arrived at on the basis of unspecified English Council experience. There is no recognition of the different context and scale of operation of English councils and the associated difficulty in making any comparison. Local government within NI will continue to deliver a limited suite of functions and be responsible for a minority share of the public purse in comparison to their English council counterparts and, therefore, it would not be viable to assume a direct read across.
- 4.5 Furthermore, the Council would suggest that without a clear understanding of what systems and structures will result from the changes proposed by PwC, it is impossible to undertake any prudent assessment of potential costs and savings to be realised. The PwC report itself acknowledges this very point when referring to Programme Delivery Costs at para 5.14 (page 78):
- ‘The key challenge in developing this section of the Economic Appraisal has been in relation to estimating the costs of future service delivery for newly formed organisations when the detailed design of those organisations (a process which we are also costing for) is not complete, and in many cases not even started. In order to meet this challenge, we have had to make a series of prudent assumptions in conjunction with the relevant impacted stakeholders’.*
- 4.6 It would be wrong to enter into a major re-organisation and remodelling of public services without a robust appraisal of potential costs and savings. Funding arrangements and savings targets must be arrived at on the basis of a more comprehensive analysis taking into account the circumstances for each local council and all concerned need to be satisfied that the high level assumptions about costs and savings are robust within the context of Northern Ireland’s new councils.
- 4.7 It is the Council’s view that it will take much more than a series of prudent assumptions to satisfy both elected members and the general public that the proposed cost of implementing option 5 is a) reliable and b) justifiable.

5. Cost vs. Outcomes

- 5.1 The report seems to be focused on process as opposed to securing strong local government and improved service delivery. The report does not reflect a real understanding of the role of local government especially with respect to its accountability to the citizen through electoral mandated politicians, the difference of place (localism) and the need to create public value.
- 5.2 If gaining efficiencies is the key driver, there are alternative proven methods which would be more conducive to a focus on outcomes for the community e.g. securing target driven efficiencies through the introduction of Local Area Agreements or Multi-Area Agreements which also support service improvement.
- 5.3 The Council would suggest that consideration should be given to the recent publication of the Government's 'Operational Efficiency Programme' which seeks to secure greater efficiencies and provide value for money public services through setting efficiency related targets across a range of areas and ensuring that such targets are adhered with.
- 5.4 Incidentally, there will be difficulties in regard to capturing any RPA related efficiencies on a sectoral basis given the current financial constraints of local government. This will clearly need to be considered further alongside the wider thinking around the future financial and performance management regimes to be put in place for local government.

6. Need to build on the success of Local Government

- 6.1 There is clearly an absence of any consideration or analysis of the current structures in place or of the performance of existing councils within Northern Ireland. There is no analysis of the lessons learnt in terms of what has worked and what hasn't, which should be surely the starting point for such an exercise. There is no recognition of how councils have improved over recent years and delivered greater efficiencies and improved services with no additional resources.
- 6.2 Whilst the RPA reform process will result in the establishment of 11 new councils, it is important to recognise that we are not working from a blank canvass. All efforts should be made to identify and build upon the successes already achieved by particular councils /council clusters and build upon these as we move forward. Such an assessment would also highlight potential areas whereby greater collaboration by councils could be pursued.

Belfast Experience

6.3 It is important to recognise that enhancing efficiency whilst improving service delivery is not a new challenge for local authorities. Belfast City Council has worked strenuously over the past 4 years to take forward its own comprehensive improvement (transformational) programme which has sought to put in place the foundations of a successful 'fit for purpose' organisation and to prepare itself for the outworking of the RPA process. For example:

- Revised governance arrangements to improve decision making processes, through the introduction of a streamlined committee structure and the establishment of a Strategic Policy and Resources Committee which has responsibility for overseeing strategy, policy, improvement and resources within the organisation. We introduced an enhanced scheme of delegation for Chief Officers which reduced the amount of necessary council business. The Strategic Policy and Resources Committee has seamlessly become the Council's RPA Transition Committee
- Developed and implemented the necessary infrastructure (e.g. key strategic frameworks such as Performance, Finance, HR, Communications, Customer Focus, ICT) which enables us to holistically consider any changes (including RPA), examine potential organisational consequences and identify what actions are required
- Aligned the corporate planning, financial planning and performance management processes within the organisation
- Moved away from a purely functional service delivery model to an approach whereby we now deliver on a functional, area and thematic basis simultaneously
- Introduced a new innovative performance management framework which supports continued service improvement and puts performance at heart of planning and demonstrates clear links between corporate strategy and delivery of council services. This has been cascaded through individual performance improvement plans

6.4 As a consequence, Belfast City Council has continued to improve service delivery whilst securing efficiencies in excess of £7m from the baseline budget over the past 3 years. This is particularly pertinent given the fact that Belfast City Council would be more akin, in terms of both scale and structure, to the new local government arrangements which are to emerge from the RPA. It is therefore difficult to ascertain why no consideration has been given to the Belfast situation or an analysis undertaken of the potential lessons to be learnt.

7. Target Operating Model (TOM)

7.1 The Council would have concerns with regard to the proposed Target Operating Model and would suggest that it is very much process driven, focusing on efficiency rather than the outcome based approach which councils pursue. Limited recognition of the political dynamics within which local government operate.

7.2 There is no recognition of the current drive by some councils to adopt a more cross-cutting, integrated and thematic based approach to delivering services and meeting the needs of citizens.

7.3 Local government adapt to the organic nature of communities and the difference of place (urban vs. rural, major city vs. town), and aim to reprioritise and refocus efforts to deliver local priorities. Councils need to have the necessary flexibility and autonomy to address local needs and, therefore, a 'one-size fits all' approach would be disconnected and undeliverable. This is the essence of Community Planning which the report refers to but then fails to reflect in its recommendations.

7.4 It could be argued that the TOM looks to build a solution to a problem that has not been articulated or proven and attempts to achieve transformation in advance of transition.

8. Business Support Organisation (BSO)

8.1 Whilst the Council would recognise the potential benefits to be gained through greater collaboration in the delivery of back office services where aggregation provides for potential efficiencies (e.g. through economies of scale), it would not support the proposed development of a Business Services Organisation as set out within the PwC report as the necessary business case is not clearly defined within the report and more robust analysis and detailed design is needed before establishing such an organisation.

- 8.2 The Council would suggest that there are more innovative and effective solutions than the creation of a new quango with statutory powers which local government is obliged to fund, the services of which local government may be obliged to receive and to which 1000 or more staff are proposed to transfer. In addition, introducing such an organisation at a time of such major change and reform may put all organisations at significant risk of a breakdown in services, controls and governance arrangements. A delay to this particular aspect would also allow the robust analysis referred to above to be completed.
- 8.3 The Council would also seek evidence of the success or otherwise of already established shared services models within Northern Ireland and would note a recent statement¹ made by Sir Peter Gershon, leading expert on the Efficiency Review for the UK Government...

....'agencies should benchmark what they are currently doing, and improve themselves, before deciding whether it makes sense to enter into a shared service agreement.

But while they do so, they may find out that externally sourcing some of their processes could be a good fit, irrespective of whether there are other agencies to share those services with. In other cases, they may discover that collaborating with each other (which ranges from buying together, to sharing processes and assets, to centralising them) is the way to go.

The economic downturn will call for grater sharing and consolidation, but it is important to dispel the myth that shared services are the solution to most problems and recognize that – sometimes - they make problems even more complicated'

- 8.4 The Council would recommend that a more appropriate model would be an enabling organisation created by the councils themselves which would adopt the most appropriate model of collaboration for particular services, be that lead council, centres of excellence, or commercial providers. Whilst some of these options are alluded to within the main body of the PwC report, they did not find expression in the final recommendations.

¹ Sir Peter Gershon; Efficiency Review for the Australian Government's Use of Information and Communication Technology, October 27th, 2008

- 8.5 Any collaborative approach to be considered must be subject to a robust 'value for money' test and a detailed assessment of the real benefits for the council(s) concerned. If however, it can be demonstrated that an existing or alternative approach within a local council can provide optimum value for money and a better level of service, then it should be utilised rather than the BSO.
- 8.6 If a decision is taken to progress with the proposed establishment of a central Business Support Organisation, the Council would advocate that the transfer of functions to the BSO must be voluntary and if a Council can demonstrate VFM in other arrangements it will be allowed to continue those arrangements. Any move towards a back office shared service type model should only be undertaken on a very carefully selected and controlled basis. The Council would advocate that it would be the role of councils to negotiate the design arrangements of the BSO, if brought forward. The Council would suggest that the design principles could include such elements as:
- Strong effective governance model, fully accountable to councils
 - The collaborative services provided must be developed in partnership with councils and agreed by them.
 - The transfer of services should be voluntary and subject to a VFM test.
 - The decision for what is included in the BSO must be taken by councils and not by the BSO itself.
 - The accessibility to and responsiveness of services to the citizen needs to be paramount.
- 8.7 If there is a statutory compulsion for councils to use the services of the proposed Business Services Organisation, it will be difficult to ensure best value and innovation as there will be limitations on any recourse for poor performance
- 8.8 The rationale for grouping other functions (such as Training, Major Capital Projects, Parking Enforcement, Planning Specialists and Emergency Management) within the proposed Business Services Organisation seems to rest on the perceived difficulty of disaggregating small staff numbers to 11 Councils. There is no business reason why these services should be brigaded together with back office services. Such services could readily be provided on the basis of a lead council or shared services between a number of councils rather than be provided by a separate organisation.

9. Single Waste Disposal Authority

9.1 Belfast City Council would welcome the consideration being given to the potential establishment of a Single Waste Disposal Authority for Northern Ireland and would highlight that this has been a stated policy position endorsed by the Council. Further clarification is sought however with regard to the governance and operating arrangements for the proposed Single Waste Authority.

9.2 The Council notes that the PwC report recommends that consideration be given to an option which includes waste collection and disposal in the remit of the Waste Disposal Authority. The Council would recommend that any consideration given to the potential inclusion of waste collection within a Single Waste Authority needs to be based on a robust business case and a detailed examination of all potential consequences. Such an approach runs the risk of disconnecting the delivery of the service from the accountability for performance to the citizen and political process. Councils should be afforded the opportunity to collaborate for waste collection purposes but on a voluntary basis and where there is a proven added value.

10. Local Government Association

10.1 Belfast City Council is fully supportive of the need for a Local Government Association and recognises its central role as a representative body and 'voice' for the sector. The Council would endorse the view that the role and priorities of the LGA needs to be reviewed within the context of the new 11 stronger council environment and would suggest that it should be the responsibility of the new member councils to agree. The Council would furthermore support the proposal set out within the PwC that a new Local Government Association should be a voluntary organisation of the member councils.

11. Delivery Options

11.1 Limited consideration is given to the effectiveness of service delivery from a customer perspective. There is no reference within the report to key determinants of service delivery such as segmentation of customer requirements and therefore service delivery options.

11.2 There is an emphasis on confusing customer services and information technology which is unhelpful. Technologies can help to facilitate customer identification and profiling, they cannot and should not drive it. Delivering effective customer services is multi-faceted and is influenced by cultural, process, policy and technological drivers.

- 11.3 There are assumptions contained within the report that some services cannot be delivered within councils whilst the thrust of the collaborative design workshops facilitated by PwC had suggested that all services could and should be delivered in house. That said there is a citizen expectation and in some case a legal obligation to provide service at a sub-regional level. This raises the question of structures and co-terminosity which can be debated separately.
- 11.4 From a BCC Building Control practitioner's perspective, there are many examples of where it is essential that council have inter-working arrangements in order to be truly effective. This does not call for the need to delivery service outside the councils, which may disadvantaged the council in terms of control and exploring local initiatives and working.
- 11.5 In the analysis of the delivery options the report does not make it clear what the role of DoE should be. Should there be a scrutiny role for example?
- 11.6 With regards to Option 1, the Council understands that whilst this is in fact not an option (given the RPA announcement), it has been included to serve as a comparative figure against the other options.
- 11.7 The Council does not agree that Option 2 describes reorganisation without transformation - community planning alone will require transformation as will the integration of new functions and the building of new integrated cultures.
- 11.8 With regards to Option 4, the Council would query why this option could not have included just the creation of a single waste authority without the need to group it with the BSO. Is there no costing for one without the other? With regards to Option 5, the Council does not necessarily agree that 'regional collaboration' equates to a BSO.
- 11.9 With regards to option 5 the Council would have major reservations in regards to its deliverability in terms of the capacity required to implement the level of transformation proposed alongside the already complex process of transition which councils will need to undertaken. The Council would not support the establishment of a Business Support Organisation as it is framed within the report and would wish to see the business case for collaboration in the delivery of services explore a wider range of options including lead councils, centres of excellence etc. (I have referred to this above under the BSO section – you will wish to consider)

12. Funding

- 12.1 Clearly securing the necessary level of resources to take forward local government transition and/or transformation remains an issue which needs to be addressed. The Council notes the proposals set out within the report for a work package to be taken forward to produce a financial strategy which will detail the costs and funding of transition and transformation, savings targets and how they will be dealt with. The Council would, however, stress the importance and urgency of this work and that this high level analysis should only be seen as the start of this process.
- 12.2 The PwC report identifies an option of transformation costs being funded by central government loan funding with repayment coming as a result of transformation savings. This appears to be a useful suggestion, although it does not find expression in the report recommendations. If arrangements such as these are not put in place and local authorities are expected to fund the greatest part of transition and transformation funding, that is likely to place significant burdens on ratepayers at a time when there will be additional burdens from rate convergence, waste costs and water charges. This impact needs to be examined, quantified and planned for. Therefore, the Council would support the recommendation that plans are produced for the convergence of district rates which takes account of impact of water charges and that transitional arrangements are needed for taxpayers who will see rate increases as a result of convergence.
- 12.3 The Council notes that the PwC report recommends funding for transferring services via grant aid prior to the redistribution (shift) from regional rate to district rate. Again, the Council would have concerns with regard to the robustness of the cost estimates for the transferring functions and would note that there does not appear to be a standard costs model used to capture this information. Therefore, the Council would recommend that a more detailed due diligence review is required to identify and validate the full costs attached to the transfer of functions thus enabling more robust budget projections to be put forward and ensuring greater transparency in costs of service delivery and grant for transferring services.

12.4 The report recommends that local authorities seek agreement with HM Treasury on the refinancing of legacy debt. This represents good practice in treasury management and is something the Council would wish to support given its potential benefit to be gained by councils.

12.5 The Council notes that the PwC report recommends that there should be limits placed on the use of cash reserves, incurring additional debt and capital investment over certain levels in the period up to creation of new councils in May 2011. The Council would seek further clarification on the level and type of restrictions to be introduced and the proposed governance arrangements and process to bring these into effect.

13. Conclusion

13.1 It would be hard to challenge the general principles set out within the report including applying a design based approach to establishing the Ideal Local Authority, the need for greater collaboration between councils and the potential to drive out efficiencies through economies of scale and transformation activities. The Council would be concerned, however, of the potential risk of non-delivery given the scale of the challenge and the level of capacity and resources which exists within the sector to deliver such a significant change process in the timescale detailed and ensuring continuity of service delivery throughout.

13.2 Whilst the Council recognises that the PwC report is intended as a high level strategic analysis, clearly there remains a significant amount of detailed work needed to verify all elements and provide a robust assessment of both transition and transformation costs and savings.

13.3 Notwithstanding, the Council would strongly advocate the need for urgent action to be taken across a number of fronts to ensure that the necessary momentum, capacity and resources required to bring effect to the reform of local government is secured. Local government need to be directly involved in the process.

13.4 The Council would suggest that as a first step in considering the potential introduction of a shared service arrangement (i.e. BSO), it is important that a robust assessment is undertaken to quantify both the back office service levels within local government and the associated costs of their current provision arrangements, and this information should be used

as the basis for determining what improvements can be realised through their own internal improvement efforts, such as process simplification and a reduction in manual interventions. This will help create a stronger foundation on which to assess the additional benefits that can be obtained from moving to a shared service in the future.”

During discussion, a number of Members expressed concern that there might not be provided to Local Government sufficient long-term funding to allow those functions identified in the Review of Public Administration as suitable for transfer to the new Councils in 2011 to be undertaken to a satisfactory level.

The Chief Executive agreed with the Members' concern and recommended that the draft response set out in the report be forwarded to the Department of the Environment with an indication that the Council reserves the right to comment further as its consideration of the issues developed. To that end he suggested that it might be useful if a further briefing were to be arranged for the Committee to allow more detailed discussions to take place.

The Committee adopted the recommendation and agreed to the holding of a briefing in this regard. In addition, the Committee approved the attendance of the Chairman, the Deputy Chairman and the Party Group Leaders on the Transition Committee (or their nominees), together with appropriate officers, at the Northern Ireland Local Government Association event to be held on 27th November.

Filling of Casual Vacancies on District Councils

The Committee considered the undernoted report:

“Purpose of Report

To submit for the consideration of the Committee a report regarding the consultation paper which has been issued by the Northern Ireland Office entitled ‘Filling Casual Vacancies on District Councils’.

Summary of the Consultation Document

The consultation paper seeks to examine proposals for reforming the process used currently in Northern Ireland for the filling of casual vacancies arising on District Councils in light of the implementation of the Review of Public Administration in 2011 and the reduction in the number of Councils from 26 to 11. In addition, the paper also looks at the impact of the possible introduction of a Severance Scheme for Members in advance of the next Local Government elections and how co-options should be dealt with in this context.

Key Issues

Introduction

Casual vacancies arising in District Councils in Northern Ireland can be filled by means of co-option. In most circumstances, District Councils have generally acted within the spirit of the legislation and co-opted a replacement from the same Political Party as the vacating Member, thereby maintaining the Party balance on the Council. However, there have been recent occasions when failure to agree on co-option has led to by-elections, which have resulted in costs accruing to the ratepayer. Because proportional representation is the method used to count votes polled in Local Government in Northern Ireland, by-elections are likely to be won by a candidate from the strongest Party within an Electoral Area and not necessarily by the Party which had won the seat in the original electoral contest.

These two issues – cost and maintaining political balance as determined by the electorate – will be even more important following the Review of Public Administration and the Northern Ireland Office has put forward a number of alternatives and options for change.

Other Methods for Filling Vacancies Identified in the Consultation Paper

Amend Requirement for Unanimous Agreement to Co-option

Although strictly speaking not an alternative to co-option, this method would involve relaxing the requirement for unanimous agreement to be achieved before a co-option can take place. Instead, a percentage threshold for agreement could be introduced to ensure that a relatively small number of dissenting Members could not prevent a co-option. However, it must be borne in mind that even with this change to the current procedures there would remain scope for a dominant Party to manipulate this rule to its advantage.

Party Nomination

In February 2009, changes were made to the method of filling vacancies arising in the Northern Ireland Assembly. The new method provides for the Nominating Officer of the Political Party to which the vacating Member belonged at the time of the original election to nominate a replacement to fill the vacant seat. Independent Members may provide the Chief Electoral Officer with a list of up to six substitutes who will be asked, in ranked order, to fill the seat in the event that it is a position held by an Independent Member which becomes vacant. Similar changes are also being progressed for the filling of vacant Northern Ireland seats in the European Parliament.

The Countback Method

In certain other jurisdictions the 'countback' method of filling vacancies is used. This generally involves the re-examining of the ballots cast at the previous election, but under the assumption that the vacating Member was eliminated, in order to identify who the electorate's next preferred candidate would have been. Alternatively, the vacating Member's individual ballot papers can be re-examined, with the next preferred candidate invited to fill the vacant seat. This method is used currently in some Australian states and in the Maltese Parliament. Such a system would not be guaranteed to yield a reliable result since presumptions of voters intentions must be made which may not be accurate.

Options for Reform

A key objective for the filling of vacancies arising in District Councils is to ensure that the balance of representation secured at the time of the election is maintained. This allows Councils to continue to reflect the values and aspirations of the communities they serve. By-elections can potentially distort this balance and the aim is to minimise these as far as possible. The options below set out potential alternatives to by-elections:

- A. retain the current co-option method
- B. amend the current co-option method to introduce a percentage threshold of agreement from Members of a District Council before a co-option can take place
- C. replace the current co-option method with a Party Nomination system
- D. adopt the 'Countback' Method selecting the next preferred candidate.

It would appear that the most fair and equitable option of those listed above is Option C, the Party Nomination system. However, to ensure that electoral primacy is maintained it will be important to have clarity and rules as to how Party nominations are managed where a vacating Member has changed Political affiliation during the term of the Council. It would seem that the most obvious solution, should this situation arise, would be to ask the Nominating Officer of the Political Party to which the vacating Member belonged at the time he or she was elected to nominate a replacement, particularly since it is evident that voters in Northern Ireland tend to be swayed more by the Parties to which candidates belong rather than the individual views of the candidates themselves.

In order to ensure that Party nominations are managed and controlled effectively within each Council, it would be appropriate that nominations be sought from a Party representative within the affected Local Authority.

Short-term Legislative Reform

Severance Scheme for Members

The Department of the Environment undertook recently a consultation on proposed severance arrangements for Councillors. The Department indicated strongly that the introduction of a Severance Scheme for Members should be accompanied by a reform of the system for filling vacancies on District Councils partly because of the potential to have large numbers of Councillors choosing to retire on or before the reduction in the number of District Councils and the possibility of numerous resulting by-elections. The Northern Ireland Office is strongly of the opinion that, should a Severance Scheme be introduced in advance of the May 2011 Local Government Elections, special provision would be required to deal with vacancies arising from Members availing of the scheme.

Alternatives to By-Elections

The consultation paper presents two options in relation to how to deal with vacancies should a Severance Scheme for Members be introduced in the short term. These are:

1. allow the current co-option rules to apply but carry vacancies until the next election if any co-option fails; or
2. carry all vacancies until the next election.

Option 1 would avoid the need for costly by-elections and all the associated administration which needs to be put in place. In Belfast the existing co-option policy has worked well and has been accepted by all the Political Parties as the most efficient and democratic way to deal with vacancies arising.

Option 2 could result in some Councils having to operate for a period prior to 2011 with a severely reduced number of Members. However, the consultation paper suggests that a solution could be to introduce a provision to ensure that membership of a Council does not drop below two thirds in the period prior to the elections in 2011.

Given the level of support which has been shown by Parties in respect of the Council's co-option policy, of the two options suggested in the consultation paper, Option 1 would appear to offer the best process for the period up until May 2011. However, the timing of the introduction of the Severance Scheme will impact upon this. If the Severance Scheme were to be introduced so that it is available for a specified period of time, then a situation could arise where one Party on a Council could gain agreement to co-options for any of its Members who wished to resign and at a later stage object to co-options proposed by another Political Party, which would mean that the vacancies could not be filled and the second Party would have to operate with a reduced number of representatives. Clearly this would be anti-democratic and, while it may not be likely to happen – certainly in Belfast City Council, where the voluntary co-option policy has been operated successfully and fairly by all the Parties for many years – nevertheless it would appear to represent an anomaly which would be best avoided. This could be achieved by introducing the Severance Scheme in such a way that applications would have to be received by a particular date so that all vacancies arising would occur on the same day. The Council would then have to decide whether it wished to approve all or none of the casual vacancies arising from the Severance Scheme.

On the other hand, on the basis that the Party Nomination system can be recognised and acknowledged as being the most appropriate option for dealing with casual vacancies within a Council following the Review of Public Administration, and as no justifiable reason is provided as to why this system could not be applied in the interim period, I would take the view that this should be the process adopted as the Council's preferred option for the period up until May 2011.

Recommendation

It is recommended that the Committee agrees to the comments outlined in this report being submitted to the Northern Ireland Office as the Council's formal response on the filling of casual vacancies on District Councils.

Decision Tracking

Officer responsible: Liam Steele, Head of Committee and Members' Services

Date action to be completed by: Following approval at Council on 1st December, the Council's response will be submitted to the Northern Ireland Office."

The Committee adopted the recommendation.

Review of Public Administration - Transition Committee

The Committee considered the undernoted report:

“Relevant Background Information

Transition Committees have been established and are operating on a voluntary basis.

The previous Environment Minister, Sammy Wilson, gave approval for the Council's Strategic Policy and Resources Committee to be designated as Belfast's Review of Public Administration Transition Committee.

There has been engagement by officers and Members from Belfast with the Castlereagh/Lisburn Transition Committee to discuss issues of mutual concern in relation to the run up to the implementation of the Review of Public Administration.

Key Issues

The draft Local Government (Miscellaneous Provisions) Bill makes provision for the setting up of Statutory Transition Committees. Emerging from this Bill, the new Environment Minister, Edwin Poots, will have the power to make directions in regard to the establishment and membership of the Statutory Transition Committees.

While the Council has already submitted a response to the Bill, there are a number of points which it would be important to make at this stage of the process.

- 1) In considering the Local Government Miscellaneous Provisions Bill, the Committee for the Environment agreed that there must be direct political representation from Castlereagh and Lisburn Councils on the incoming Belfast 'Statutory' Transition Committee. Department of the Environment officials have been tasked with working up the mechanism and model through which this representation will be secured and the Minister will be issuing instructions in this regard.
- 2) Since the proposed areas to be transferred do not consist of complete Electoral Areas and in some cases include only portions of existing Wards, there is no clear means to identify the political make-up of these areas. It is important that Councillors from Castlereagh and Lisburn appointed to the Belfast Transition Committee should represent, as far as possible, the political makeup of the areas to be transferred. Such representation would have to be determined by the two Councils concerned.

- 3) All Members of the Transition Committee will enjoy full voting rights.
- 4) There should be no dual membership of Transition Committees.
- 5) To date, the Council's Strategic Policy and Resources Committee has acted as the Belfast Transition Committee but the legislative requirements for the appointment of the Statutory Transition Committee are likely to require that the Committee will have to be reconstituted on a one-off basis and for a period to run until the Local Government Elections currently scheduled to be held in May, 2011.

**Options for Representation on the
Belfast Statutory Transition Committee**

The Boundaries Commission recommendations (which have yet to be confirmed) would result in an anticipated change in electorate which would see Belfast increase from approximately 158,000 (currently) to 190,400 (post RPA). This represents an increase in the Council's electorate of approximately 17%.

Early indications from Department of the Environment officials are that Belfast would be permitted to retain its current number of representatives on the Transition Committee (that is, twenty Members) and that the representation from Castlereagh and Lisburn Councils would be additional to this. It has been suggested that the additional representation from Castlereagh and Lisburn Councils would be either two or three Members. This would result in a Belfast Transitional Committee comprising either 24 or 26 Members.

The additional Membership from the other two Council areas could reasonably be based on the percentage electorate to be transferred to Belfast.

The electorate within the proposed additional areas to be transferred are:-

14,000 (approx.) from Castlereagh

18,400 (approx) from Lisburn

Representation from Castlereagh and Lisburn Councils on the new Belfast Council would, as has already been mentioned, comprise approximately 17% of the total electorate of the proposed new Council area. The breakdown of this representation in terms of the electorate would be approximately for Belfast 158,000 (82.99%), for Castlereagh 14,000 (7.35%) and for Lisburn 18,400 (9.66%).

Accordingly, based on the electorate to be transferred, the number of representatives from Castlereagh should be 1.76 (rounded up to 2) and from Lisburn should be 2.32 (rounded down to 2). This would result in a Belfast Transition Committee of 24 Members. However, the Department of the Environment officials have indicated that it is likely that 3 Members may be appointed from each of the other Councils, which would mean that 26 Members would sit on Belfast Transition Committee, resulting in a significant minority of Members from outside Belfast. The justification which there might be for this level of representation is not clear, but the final decision will rest with the Minister.

The political balance of the Committee will of necessity be affected by the inclusion of representatives from the other two Councils.

All options would require a review of the membership and governance arrangements for the Transition Committee. Issues such as a protocol for Council ratification of decisions, delegation of decision making, and election of Chairman and Deputy Chairman will require to be addressed.

Resource Implications

None.

Recommendation

It is recommended that the comments set out in this report be forwarded to the Minister for the Environment requesting that he consider the points raised when issuing direction on the appointment of the Statutory Transition Committee for Belfast.

Decision Tracking

**Liam Steele, Head of Committee and Members' Services
2nd December, 2009"**

During discussion in the matter, several Members emphasised that it would be crucial that the Councillors to be appointed to the Belfast Transition Committee by Lisburn City and Castlereagh Borough Councils represented those areas within the two Councils which would be transferring to Belfast in 2011.

Following further discussion, the Committee agreed that the comments contained within the report be forwarded to the Minister for the Environment and the Environment Committee requesting that they both give consideration to the points raised when finalising arrangements for the appointment of the Statutory Transition Committee for Belfast.

Democratic Services and Governance

**Requests for the Use of the City Hall
and the Provision of Hospitality**

The Committee was informed that the undernoted requests for the use of the City Hall and the provision of hospitality had been received:

Organisation/ Body	Event/Date – Number of Delegates/Guests	Request	Comments	Recommendation
Northern Ireland Tourist Board	Northern Ireland Business Tourism Expo Gala Dinner 15th January, 2010 Approximately 120 attending	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception.	Delegates will be staying in accommodation in Belfast and the conference will take place within the city. This event would contribute to the Council's Key Theme of 'City Leadership – Strong, Fair, Together' and 'Better opportunities for success across the city'.	The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks. Approximate cost £480
Business and Professional Women UK Ltd	Annual National Conference Dinner 24th April, 2010 Approximately 75 attending	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception.	Delegates will be staying in accommodation in Belfast and the conference will take place within the city. This event would contribute to the Council's Key Theme of 'City Leadership – Strong, Fair, Together'.	The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks. Approximate cost £300
Belfast District of the Methodist Church in Ireland	Methodist Conference Reception 10th June, 2010 Approximately 250 attending	The provision of hospitality in the form of a finger buffet reception.	Delegates will be staying in accommodation in Belfast and the conference will take place within the city. This event would contribute to the Council's Key Theme of 'City Leadership – Strong, Fair, Together'.	The provision of a finger buffet reception. Approximate cost £2,500

Organisation/ Body	Event/Date – Number of Delegates/Guests	Request	Comments	Recommendation
University of Ulster – School of Criminology, Politics and Social Policy	6th Irish Criminology Conference Dinner 21st June, 2010 Approximately 150 attending	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception.	Delegates will be staying in accommodation in Belfast and the conference will take place within the city. This event would contribute to the Council's Key Theme of 'City Leadership – Strong, Fair, Together'.	The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks. Approximate cost £600
Queen's University Belfast	Society for Social Medicine Conference Dinner 7th September, 2010 Approximately 180 attending	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception.	Delegates will be staying in accommodation in Belfast and the conference will take place within the city. This event would contribute to the Council's Key Theme of 'City Leadership – Strong, Fair, Together'.	The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks. Approximate cost £720
University of Ulster – School of Computing	Computing in Cardiology Conference Dinner 26th September, 2010 Approximately 400 attending	The use of the City Hall and the provision of hospitality in the form of a drinks reception.	Delegates will be staying in accommodation in Belfast and the conference will take place within the city. This event would contribute to the Council's Key Theme of 'City Leadership – Strong, Fair, Together'.	The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks. Approximate cost £1,600
The Ulster Obstetrical and Gynaecological Society	Joint Ulster / Canadian Conference Dinner 30 th September, 2010 Approximately 100 attending	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception.	Delegates will be staying in accommodation in Belfast. This event would contribute to the Council's Key Theme of 'City Leadership – Strong, Fair, Together'.	The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks. Approximate cost £400

Organisation/ Body	Event/Date – Number of Delegates/Guests	Request	Comments	Recommendation
<p>The Royal Institute of Chartered Surveyors and the Environment and Planning Law Association</p>	<p>Planning and Development Forum – Planning Functions Post RPA 3rd March, 2010 Approximately 150 attending</p>	<p>The use of the City Hall</p>	<p>The Review of Public Administration (RPA) represents a fundamental change programme in itself and the transfer of planning functions under RPA is being taken forward as an integral part of the reform programme.</p> <p>As part of RPA the bulk of planning functions will no longer rest with the Planning Service. Instead these powers will be devolved to District Councils which, through their elected representatives, will be responsible and accountable for planning decisions.</p> <p>This event aims to discuss in detail the planning functions which will be devolved and to consider the implications of such for Belfast City Council. Furthermore, due to the importance of this matter, invitations will be extended to all Members of Council</p> <p>The purpose of this event is integral to the future functions of the Council and would contribute to the Council's Key Themes of 'City Leadership – Strong, Fair, Together' and 'Better Services – listening and delivering'.</p>	<p>The use of the City Hall</p>

Organisation/ Body	Event/Date – Number of Delegates/Guests	Request	Comments	Recommendation
Belfast Area Domestic Violence Partnership	Launch of the Belfast Area Domestic Violence Partnership 26th January, 2010 Approximately 70 Attending	The use of the City Hall and the provision of hospitality in the form of tea/coffee and biscuits.	This event will mark the launch of the Belfast Area Domestic Violence Partnership which will aim to: <ul style="list-style-type: none"> • Provide integrated and effective services to support victims and their children, • Share best practice, experience and knowledge and • Raising awareness of the impact of domestic violence in the community. This event would contribute to the Council's Key Theme of 'City Leadership – Strong, Fair, Together' and 'Better Support for People and Communities'.	The use of the City Hall and the provision of hospitality in the form of tea/coffee and biscuits . Approximate cost £140
Office of the First Minister and Deputy First Minister Central Anti-Poverty Unit	Launch of national programme for the 2010 year of combating poverty and social exclusion 24th March, 2010 Approximately 200 attending	The use of the City Hall	This event aims to showcase the work taking place at both a local and regional level to tackle social exclusion and seeks to raise awareness of the initiatives currently in place to tackle poverty and social exclusion. This event would contribute to the Council's Key Themes of 'City Leadership – Strong, Fair, Together' and 'Better Support for People and Communities'.	The use of the City Hall

Organisation/ Body	Event/Date – Number of Delegates/Guests	Request	Comments	Recommendation
The Chartered Institute of Management Accountants	The President's Dinner and Awards Ceremony 16th April, 2010 Approximately 120 attending	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception.	The Institute aims to promote excellence in Management Accounting and to make a significant contribution to the success of both the private and public sector in Belfast and beyond. This event seeks to recognise the contribution made by individual teachers, training organisations and other organisations in the public and private sectors to the skills and professional standing of Management Accountants. This event would contribute to the Council's Key Theme of 'City Leadership – Strong, Fair, Together' and 'Better opportunities for success across the city'.	The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks. Approximate cost 480
Belfast County Guides	County Awards Ceremony 27th April, 2010 Approximately 150 attending	The use of City Hall and the provision of hospitality in the form of a pre-event drinks reception	Girl Guiding is an international, multi-cultural, inter-denominational organisation for young girls and women which promotes good leadership and citizenship amongst its members. A number of prestigious awards will be presented including the Queen's Guide, Baden Powell for Guides and Long Service for Leaders. This event would contribute to the Council's Key Theme of 'City Leadership – Strong, Fair, Together' and 'Better support for people and communities'.	The use of the City Hall and the provision of hospitality in the form of soft drinks. Approximate cost £300

The Committee adopted the recommendations.

Request for the Use of the City Hall to Hold the Westminster Counts

The Head of Committee and Members' Services informed the Committee that the Belfast Area Electoral Officer had submitted a request for the use of accommodation in the City Hall in respect of the Westminster Counts for two of the four Belfast Constituencies, namely Belfast South and Belfast West. He pointed out that the Chief Electoral Officer had stated that the Westminster Counts would take place through the night following the close of poll and that, while no definite announcement had been made, it was widely anticipated that the General Election would be held in the Spring of 2010.

The Head of Committee and Members' Services reminded the Committee that in 2001 it had decided not to permit the Westminster Counts to be held in the building on the grounds that, if the Local Government Elections were to be scheduled on the same date, it would be doubtful whether the building would be able to cope with the large numbers of people who would be expected to attend. However, in 2005 the Westminster Counts for the four Belfast Constituencies had been held in the City Hall.

The Head of Committee and Members' Services pointed out that, following the reopening of the City Hall and the expressed desire of the Council to make the building more open to the public and to encourage its use by voluntary and community-based organisations, permission had been granted for more than forty organisations to use the City Hall during April and May next year, which were the likely months during which the Westminster Elections would be held. He explained, given that the Council might receive as little as three weeks notice of a General Election date, that it would not reflect well on the Council if it had to advise groups - many of whom were holding functions in the City Hall for charitable purposes - at short notice that their bookings could no longer be honoured. He reminded the Committee that the situation was different for Local Government Counts as these dates were known well in advance and the City Hall therefore was not made available for booking by outside bodies.

The Committee accepted that the emphasis placed on the usage of the City Hall had changed considerably and that its efforts to make the building available to a wider range of groups had inevitably led to increased usage with the result that it would not be possible to accede to the request to hold the two 2010 Westminster election counts in the City Hall. The Committee recognised also, given its desire to encourage enhanced use of the building by the public, that this situation would be likely to pertain in the future since notice of Westminster elections was not normally received until a relatively late stage.

Review of Staff Travel Policy – Attendance of Members at Conferences

The Head of Committee and Members' Services reminded the Committee that, at its meeting on 24th October, 2008, it had approved a Policy for Staff Attending Events. The Policy had been developed to ensure that the approval and control processes for staff attending training events, conferences, study visits, etc., were robust and that attendance at such events provided value for money for the ratepayers of Belfast. However, when approving the Policy, the Committee had agreed to the inclusion of the following at paragraph 2.7:

- Any event which is also to be attended by a Councillor must have Committee and Council approval prior to the event.

This had caused difficulties in recent months in that on a number of occasions Chief Officers had been unable to recommend the attendance of Members at conferences/awards ceremonies since notification of the events had not been received in sufficient time for both Committee approval and Council ratification to be obtained.

The Council, at its meeting on 2nd November, had agreed that, since the current Policy governing the attendance of Members at Conferences could in certain circumstances prove unduly restrictive, the Strategic Policy and Resources Committee be requested to review that Policy at an early date.

The Head of Committee and Members' Services pointed out that, whilst it was the intention to devise a robust Policy governing the attendance of staff at events, it was the Elected Members who had been curtailed in their attendance at events. He pointed out that, if a Chief Officer received an invitation at short notice to attend a ceremony at which a Council Service was due to receive an award and there was insufficient time for both Committee and Council approval to be obtained for the attendance of Elected Members and appropriate officers, the Policy still permitted the Chief Officer to authorise the attendance at the event of up to three officers. It was frequently the case that awards ceremonies, by their very nature, involved the judging of entries and decisions being reached at a late stage and therefore there might not always be time to comply with the current terms of the Policy as set out in point 2.7. It would be inappropriate in the circumstances for the Council not to be represented by the Elected Members who authorised and oversaw all work carried out by the Council, which was an anomaly which he suggested should be rectified. He reminded the Members that, prior to the introduction of the new Policy, the Council had delegated authority to both the Chief Executive, in consultation with the appropriate Committee Chairman, and to all Committees to approve attendance at certain events.

Following discussion, the Committee agreed that, with effect from 2nd December, authority be delegated to:

- (i) the Chief Executive, in consultation with the appropriate Committee Chairman, to approve the attendance of the Chairman and the Deputy Chairman (or their nominees) at any conference, seminar or similar events held in Northern Ireland where there was insufficient time for Committee approval to be obtained; and
- (ii) all Committees to approve attendances at conferences, seminars or similar events in the United Kingdom and Ireland where there was not time for formal Council ratification to be obtained.

**Policy and Procedures for the
Protection of Children and Vulnerable Adults**

(Ms. B. Thompson, Play Development Officer, attended in connection with this item.)

The Committee considered the undernoted report:

“Purpose of the Report

To provide further information to the Strategic Policy & Resources Committee in relation to certain matters affecting Members pursuant to the Council Policy and Procedures for the Protection of Children & Vulnerable Adults.

Relevant Background Information

The Strategic Policy & Resources Committee, at its meeting of 18 September 2009, considered a report concerning the provision of training for Elected Members on the Council's revised Policy & Procedures for the Protection of Child and Vulnerable Adults. The Committee adopted the recommendation to include in the Members' Training Plan the provision of awareness sessions on the protection of children and vulnerable adults, and also agreed that a further report on whether Elected Members were required to be screened under the Council's Child Protection Policy be submitted to a future meeting.

Current Position

The policy and procedures for the protection of children and vulnerable adults were adopted by the Council on 3 June 2002. The policy was subsequently reviewed and the revised version was agreed by Council on 1 September 2009.

The policy and procedures provide information and guidelines on:

1. what is abuse;
2. recognising signs and symptoms;
3. recording and reporting procedures; and
4. training for staff.

Leisurewatch

The Council agreed at its meeting on 1st September, 2009 to become a member of the Leisurewatch scheme. This will involve awareness training for staff regarding adults who may potentially use public facilities such as leisure centres to gain access to children and young people. A site audit is undertaken, which examines physical, design and security issues and ensures that materials (including signage) are provided in order to confirm that the premises comply with Leisurewatch criteria.

The main difference between Leisurewatch and Child Protection is that the former is about perpetrator awareness. Under this initiative, staff are trained to be aware of potential sex offenders who may come onto the premises to gain access to children. This may include a person hanging around a centre or park specifically at times when children are about. Concerns are fed to the police at an early stage as a precautionary measure. Child Protection deals specifically with the situation where a child or young person may have been harmed or exposed to harm.

Vetting

Following the recommendations of the Bichard Inquiry which reviewed vetting procedures in the United Kingdom, two new systems were introduced replacing the former criminal convictions checks scheme and DHSS checks scheme regarding the Disqualification Lists.

A. AccessNI

Became operational from 1st April, 2008. It provides a more comprehensive system for carrying out checks on the suitability of staff and volunteers to work directly with children and young people.

B. Vetting and Barring Scheme

Launched in October 2009 and to be rolled out from July, 2010. This scheme involves the establishment of a register under the Independent Safeguarding Authority – (ISA). The ISA register will provide a minimum standard and will exclude anyone who has a violent or sexual conviction against a child or vulnerable adult. It will apply to those who have contact with children and vulnerable adults.

Key Issues

Current Procedures

Belfast City Council currently carries out checks on staff and volunteers that directly work with children or vulnerable adults through AccessNI. Belfast City Council will also be required to have the staff and volunteers registered with ISA. AccessNI checks will continue to be carried out on staff and volunteers following the introduction of the ISA register to enable more comprehensive information to be ascertained.

Elected Members

In England and Wales, Elected Members will be required to be ISA registered as Social Services falls within their remit. This currently does not apply to Northern Ireland.

The relevant legislation states that the following will need to be ISA registered:

1. Those individuals who work or manage staff that are considered to be in a regulated position are required to be checked. A number of posts within Belfast City Council would come under the definition of 'regulated position', as they work directly with children and young people.

2. Individuals that may regularly come within a facility defined as a specified place. This includes education facilities and some community services provision where there is a service registered with Social Services (for example pre-school playgroups, after school clubs, SureStart).

The issue of vetting of Elected Members is being considered by other district councils. Both Craigavon Borough Council and Lisburn City Council are currently discussing the possibility of introducing the requirement for Elected Members to be ISA registered. The AccessNI checks would only be applicable if they Members were to work directly with children or vulnerable adults.

The recommendation is to defer a decision until the ISA register is operational as the implementation of the scheme is still in progress. This will enable additional information to be obtained and to ascertain the range and responsibilities of individuals being vetted.

Resource Implications

Financial

To take place within existing resources.

Human Resources

No implication on the current allocation

Asset and Other Implications

There is no impact on any physical BCC asset.

Recommendation

It is recommended that Members:

- 1) note the contents of the report, and
- 2) approve the recommendation to defer a decision regarding the vetting of Elected Members until the ISA register is operational.

Key to Abbreviations

ISA – Independent Safeguarding Authority”

In answer to a Member's question, the Play Development Officer indicated that it was intended that the Independent Safeguarding Authority's register would be operational by July, 2010.

Following discussion, the Committee agreed to defer taking a decision regarding the vetting of Elected Members until such time as the Director of Legal Services has had the opportunity to submit a further report once more information becomes available as to the operation of the Independent Safeguarding Authority's register.

Finance

Update on Financial Estimates Process for 2010-11

The Committee considered the undernoted report:

"Purpose

At the Strategic Policy and Resources Committee and the Budget and Transformation Panel in October, 2009, Members were informed that the setting of the district rate 2010/11 would be difficult given the current economic climate and the number of factors which would need to be considered. The purpose of this report, as requested by Members, is to outline the process for identifying savings and agreeing the revenue and capital budgets for 2010/11 and to highlight the key issues which Members will need to address as part of this process.

Key Issues

The following are the key issues which Members will need to consider when setting the rate for 2010/11. More detail will follow on each of these for the December Strategic Policy and Resources meeting.

***Reserves* – at the start of 2009/10 district fund reserves amount to £5.3m. However, during 2009/10 these reserves are planned to fall by £2.4m to subsidise the rate, as was agreed when the rate was set last year. Also, £0.3m has been specified for use on projects which were carried over from 2008/09. We further need to consider the voluntary redundancy exercise in relation to how this will be funded, the payback to the Council and the implications for reserves. Therefore, a key element of the rate setting process will be to agree a strategy to secure the Council's reserves position over the next few years. Members will need to consider the implications for the rates of increasing the level of reserves to a more sustainable level.**

City Investment Strategy – this was developed by the Council to help deliver Members' aspirations by supporting major iconic projects in the city and to act as a mechanism for the Council to help lever additional money into the city.

To date, the Council has committed funding to four key iconic projects across the city:

- (i) Titanic Signature Project - £10m committed;
- (ii) The Mac - £550,000 committed;
- (iii) The Lyric - £1.25m committed; and
- (iv) The Connswater Community Greenway – £4.2m committed.

Together these 4 projects have levered in over £153million of investment in the city. The committed cost for the Council (up to 2013) for these four projects is £16m of which nearly £4.5m has so far been raised by 1 April 2009. In December 2007, it was agreed by the Strategic Policy and Resources Committee that the City Investment Strategy would be funded through a 1% increase in the rate over a three period. 2010/11 is the third year of this arrangement and therefore a 1% increase in the rate to cover city investment strategy funding will be required.

Capital Programme – this already has 57 committed schemes which will require financing of up to £56m. Up to now the affordability in terms of borrowing is £45m. In addition, a detailed paper on the capital programme will be presented to Members at today's meeting which will discuss further capital schemes with a potential further financing requirement of up to £35m. A capital financing strategy is currently being prepared for Members consideration which will help them to maximise capital expenditure in a prudent, affordable and sustainable manner. This strategy will be presented to the Strategic Policy and Resources Committee in December so that it can be considered in the context of the overall rate setting process.

Department Estimates – this is money required by departments to deliver services and typically covers expenditure on headings such as salaries and supplies and services. All departments have prepared a first draft estimate for 2010/11. The key drivers of cost increases are:

- 1.5% increase in salary costs to cover nationally agreed pay rises;

- an increase of £700,000 in employer superannuation contributions;
- loss of external income from fees and charges and investments of over £1m; and
- normal inflationary increases based on the Consumer and Retail Price Indices.

As department estimates account for 95% of the Council's expenditure any increase will have a significant impact on the rate and limit Members ability to finance other priority areas such as the capital programme.

Thematic Budget – amounts to £500,000 in 2009/10. This budget was established to help kick start work on thematic priority areas such as safety, health, younger people and older people. This objective has now been achieved and Members may wish to consider realigning this budget to other priority areas such as reserves or the capital programme.

External Factors – As well as considering the internal issues outlined above Members will also have to bear in mind a number of external factors when setting the rate. These will include:

- 2010/11 will be the last year of the three year freeze on the regional rate;
- 2010/11 will be the last rate set before RPA if the timetable goes ahead as planned. At this stage the financial impact of RPA on the Council is unknown both in terms of transferring functions, boundary changes and assets and liabilities; and
- the NI economy is still in decline and this may lead to further reduced levels of external income, increased rate write-offs and delays in rationalising assets.

Estimate Penny Product (EPP) – this provides an estimate of what the rates will yield in income for the Council for 2010/11. As the Council is dependent on the district rate for 74% of its income it is essential that an accurate as possible EPP is provided by Land and Property Services (LPS). A first draft EPP has been received from LPS and this shows a 1.2% increase from last year. This is better than expected given the current economic climate and it would appear that the work Council officers are doing in conjunction with LPS to try to maximise the collectable rate is starting to bear fruit. Officers will meet with the LPS over the coming weeks to ensure that the EPP is as accurate as possible before finally being presented to Members in December.

Opportunities for Savings – In summary, setting the rate for 2010/11 will not be a straightforward exercise as there are many competing priorities combined with the need to secure sufficient reserves and ensure financing is available for the capital programme. Three related exercises are therefore currently underway which will identify potential ways of reducing the departmental burden on the rate and provide options for financing other areas of expenditure. These are:

- voluntary redundancy exercise;
- mini budget review of budgets, particularly employee costs; and
- Review of the Centre.

Options in relation to these exercises will be presented to the Strategic Policy and Resources Committee at its 11 December meeting.

Rate Setting Process

Given the degree of complexity involved in agreeing the estimates and the district rate for 2010/11 the following process is recommended:

SP&R 20th November – agreement on overall process and discussion around the key issues which Members will need to address.

Party Briefings week commencing 30th November – discussion on options for savings, the revenue estimates, capital programme and the district rate.

Budget Panel 4th December, SP&R 11th December and SP&R 8th January – assessment of rates position, options for savings, approach to increasing reserves and capital financing strategy.

Department Committees (January) – agree on department revenue estimates.

SP&R 22nd January – agreement on recommendations to Council on setting the district rate for 2010/11.

Council 1st February – consider/agree on SP&R recommendations made at 22nd January meeting.

Recommendation

1. Note content of report
2. Agree to the process outlined above.”

During discussion in the matter, the Director of Finance and Resources answered various questions which were put to her by the Members and assured them that the process allowed time for the Committee to challenge the various elements of the rate setting process. She reminded the Members that the Strategic Policy and Resources Committee set cash limits for each Standing Committee and it was in this context that the Departmental estimates were considered by each Committee during January. She informed the Committee that officers within her Department were currently undertaking a detailed budget analysis and would further update Members on this and the overall rate setting process during upcoming Party Group briefings.

Following further discussion, the Committee noted the contents of the report and the information which had been provided by the Director of Finance and Resources and agreed to the process which was outlined in the report.

Update on City Investment Framework

The Committee considered the undernoted report:

“Purpose

Members will recall that a paper was taken to the September meeting of the Strategic Policy & Resources Committee on the proposed development of an overall City Investment Framework within the context of what investment the Council could currently support given the existing budget, people and political constraints.

At this meeting it was agreed that the Director of Improvement would bring an update report back to Committee in November. The purpose of this report is to present –

1. a first cut of a prioritised Capital Programme for political discussion and direction which will need, in due course, to be subject to affordability considerations
2. seek approval to explore options for how the ongoing maintenance backlog is dealt with in the council
3. an update on the current position with regard to the City Investment Strategy

4. an update on sources of funding for investment (loans, grants and alternative sources of financing) which will be further explored in a Capital Financing Strategy being prepared for December.

Members will acknowledge that these are serious and complicated issues for the Council and will involve some difficult decisions over the coming months.

Background

Why Belfast needs a City Investment Framework

Belfast City Council has repeatedly stated its ambitions to take a leadership role in the city to help improve the quality of life of its citizens through place shaping and a number of other measures which are set out in our Corporate Plan 2008/11. The physical aspects of place shaping are contained in some of the projects within the council's Capital Programme; the commitments by the council to a City Investment Strategy; the emerging priorities from the North, South, East, West debates and the various discussions ongoing with other agencies both within, and outside of, the ongoing RPA discussions relating to assets and projects.

As Members are aware however, resources, particularly money, are in short supply and this situation is unlikely to ease over the next few years. This situation is also likely to be further compounded over the coming years as public sector spending is further squeezed at a time when the Council will be assuming wider roles and responsibilities under the RPA.

This financial situation is no different to many Cities in Great Britain where as a result government is encouraging Councils to take a more proactive approach to working with the private sector and taking on more risk.

In addition as a result of the departmental shake-up resulting from the RPA there have been calls for various delivery vehicles to be set up outside the role of the Council with responsibility for development and regeneration. In this situation it is important that Members reflecting on their political mandate set out a clear agenda for the investment in the City that others can buy into so that Belfast optimises all potential resources and sets clear focus and goals against which delivery can be targeted.

Key Issues

1. Update on Capital Programme and first draft of prioritised Capital Programme matrix

Under the Standing Orders, the Strategic Policy & Resources Committee has full responsibility for the Capital Programme and has a key role to play in challenging, improving and prioritising capital projects. The Council's Capital Programme is basically made up of three types of projects –

1. basic facility replacement to enable service delivery e.g. depots or health & safety
2. people based facilities e.g. centres, pitches and alleygates
3. investment schemes e.g. Gasworks, North Foreshore, demolition of Grove, Maysfield

In addition planned maintenance within the Council is difficult to deliver because of the way maintenance budgets are structured which leads to the Capital Programme requiring a significant number of schemes which are enhancement works to existing facilities.

As it currently stands the Capital Programme has 150 projects, all of which require financing which will include rate financed loans. 57 of these projects are already committed which will require financing of up to £56million. In addition to this there are additional 36 uncommitted projects which, if they all went ahead, could potentially require a further £70m-£100m of expenditure. Some of these uncommitted projects can make strong business cases e.g. a heat recovery proposal on the North Foreshore with a short payback period; Woodvale and Dunville Parks which have a large percentage of grant funding or alley gates which are socially and politically viewed as value for money.

However as Members are aware our affordability limit in terms of borrowing as deemed by Financial Services is £45m. Therefore there is already an £11m shortfall on committed projects under the capital programme and this is before any of the uncommitted projects are taken into consideration. The financing of the Capital Programme therefore needs to be fully explored and it is planned to provide a paper on a Capital Strategy for the meeting in December.

At the Strategic Policy & Resources Committee meeting on 18th September it was agreed that officers would make a first cut at prioritising the uncommitted projects in the Capital Programme for 2010-2011. Members are asked to note that the prioritisation exercise looked at all the uncommitted projects collectively. A prioritisation matrix and assessment criteria was developed which prioritised and weighted projects in terms of –

- political/social need**
- strategic fit with council objectives**
- legislative compliance**
- wholelife costs**
- funding sources**
- investment return**
- reputational risk**

This prioritisation exercise has now been carried on all the uncommitted projects in the capital programme. Using this methodology the top 14 ‘priority’ schemes have emerged. These are listed below for the attention of Members. This table also shows the approx. cumulative costs of these schemes (in total over £35,000,000m). Members are asked to note that in accordance with the Gates process (which looks at the feasibility of an individual project) all these projects, if they do proceed, will still be subject to an economic appraisal and further consideration to the projects would have to be given at that stage.

Table 1 – First cut of prioritised capital programme

Weighting	25	20	10	10	20	10	5				
Project Name	Strategic Fit	Legislative Compliance	Whole Life Cost	External Funding	Political / Social Need	Investment	Reputational Risk of not proceeding	Weighted Score	Gross Cost	Net Cost	Cumulative Cost
Alleygates Phase 2	4	1	3	2	4	1	2	270	500,000	500000	£500,000
Dunville Park Refurbishment	3	1	2	2	4	1	3	240	2,000,000	1000000	£1,500,000
Woodvale Park Refurb	3	1	2	2	4	1	3	240	2,000,000	1000000	£2,500,000
Woodlands Park Pitch	2	1	3	4	3	3	2	240	1,500,000	0	£2,500,000
Development of New Recycling Centre (Springfield Rd)	3	3	2	1	2	1	2	225	2,900,000	2900000	£5,400,000
Waterworks/Westland - Playing Field and MUGA	2	1	4	1	3	3	2	220	375,000	375000	£5,775,000
Northlink Playing Fields	3	1	2	3	2	1	1	200	2,375,000	400000	£6,175,000
Cavehill Path Restoration - Phase 2	1	3	4	2	2	1	2	205	400,000	200000	£6,375,000
Gasworks Northern Fringe - Site Development	3	1	2	1	2	4	1	210	1,675,000	1675000	£8,050,000
Northforeshore Business Park Infrastructure	4	1	1	1	1	4	1	205	28,860,000	24497500	£32,547,500
10 New 3G Pitches	2	1	3	3	2	3	1	205	8,700,000	3180000	£35,727,500
Clement Wilson Bridge - Replacement	1	3	4	1	2	1	2	195	200,000	180000	£35,907,500

As can be seen from the table above the first cut at prioritising the Capital Programme has identified projects which are closely in keeping with the Members' priorities for the city – creating a cleaner, greener and safer city.

Further details on the remaining uncommitted projects and how they scored in the prioritisation exercise is attached at available on Modern.gov.

In order to prioritise the use of officer time, Members are requested to confirm at this stage whether these are the schemes on which more detailed economic appraisals should be developed. Members are also asked to consider if they are satisfied with the ranking of these schemes as actual delivery will be subject to the affordability limits Members set through the rates and as previously stated, such proposals will also need to be considered in light of an affordable and sustainable Capital Financing Strategy which is currently being developed.

2. Maintenance Issues

One of the key issues that kept arising during this prioritisation exercise and the discussions regarding this is the cost of maintaining existing Council assets. Many of the Council's assets are ageing and so are incurring major ongoing maintenance costs. This has the potential to be a massive capital liability for the Council e.g. the leisure centres and the parks estate. This has also highlighted the need to ensure that 'whole life' costs are considered from the outset for any capital projects moving forwards.

Currently departments are responsible for holding their own maintenance budgets and allocating this towards projects. As a result the Council's maintenance programme has tended to be carried out on an ad-hoc, reactive basis and not considered strategically. The need to move away from this towards a more planned maintenance framework has been recognised in order to ensure that the Council's buildings are fit for purpose and that maintenance is carried out in a value for money, efficient and effective way.

Members are aware that an Asset Management Strategy is currently being developed and one of the options that is being considered in this is how the Council might move towards a planned maintenance programme. In the interim it is important that officers explore further the options for how maintenance budgets are held in the Council, investigate how to maximise the use of these budgets (eg could these budgets be alternatively used to raise more finance for the Council) and start to look at how the ongoing maintenance costs for all the council's assets could be quantified.

3. Update on City Investment Strategy and N/S/E/W Emerging Priorities

The City Investment Strategy was developed by the Council to help deliver on the aspirations expressed above, to support major iconic projects in the city and to act as a mechanism for the Council to help lever additional money into the city. The fund is financed through an annual % rate contribution and capital receipts obtained through the realisation of assets.

To date, the Council have committed funding to four key iconic projects across the city under the Fund –

- (i) Titanic Signature Project - £10million committed
- (ii) The Mac - £550,000 committed
- (iii) The Lyric - £1.25million committed
- (iv) The Connswater Community Greenway - £4.2million committed.

Together these 4 projects have levered in over £153million of investment in the city. The committed cost for the Council (up to 2013) for these four projects is £16m of which nearly £4.5m has so far been raised as of 01/04/09. This currently leaves a funding gap of £11.8m to be found by 2013.

The current position in relation the City Investment Fund is highlighted in Table 2 below.

CIF Funding Profile						
	Spend to Date	2009/10	2010/11	2011/2012	2012/2013	Total Project
CIF Spend Connswater	(93,683)	(106,317)	(700,000)	(1,650,000)	(1,650,000)	(4,200,000)
MAC		(180,000)	(180,000)	(190,000)		(550,000)
Lyric		(416,667)	(416,667)	(416,667)		(1,250,000)
Titanic TSP	(25,092)			(10,000,000)		(10,025,092)
	(118,775)	(702,984)	(1,296,667)	(12,256,667)	(1,650,000)	(16,025,092)
CIF Opening Balance	3,503,885	4,385,110	5,682,126	7,385,460	18,129,000	
CIF Income From Rate	1,000,000	2,000,000	3,000,000	3,000,000	3,000,000	
Asset Realisation Projection				20,000,000		
CIF Total at Year End	4,385,110	5,682,126	7,385,460	18,129,000	21,129,000	

Members will be aware that a series of briefings has taken place over the last few months to identify other area based projects and priorities. Arising out of these debates, other project ideas that have been suggested for funding under the City Investment Fund include the Belfast Visitor and Convention Bureau; the Lagan Canal; Belfast Hills projects, Belfast Stadia and the Convention Centre.

Members will be aware that the Council agreed that the City Investment Fund should benefit all areas of the city building to a total of £29m by 2012, funded by a 1% increase in the rate for 3 years from 08/09 to 11/12 and asset realisations. Details of sums to be derived from asset realisations are projected to raise £20m by year end 2012. The fund is therefore broadly on target, subject to the risk that the volatile economic conditions may affect the overall value of the assets which will be realised. In these circumstances it is recommended that officers be authorised to continue to explore options for alternative forms of financing such as Accelerated Development Zones (ADZ's), Local Asset Backed Vehicles (LABV's) and Private Sector Development Contributions.

4. Update on sources of funding for investment

In the paper that was presented to Committee in September it was highlighted that there are four key sources of funding for investment available to the council – loans, capital receipts, grants and public private partnership (alternative sources of financing). This section updates the Committee on the current position in relation to these areas.

(1) *Loans* – As highlighted above there is provision made in the Council budget for an affordability limit of £45m of capital. Current Committee schemes amount to £56m with an aspiration to spend up to £35m more if the schemes set out in Table 1 are prioritised. Options for financing this level of expenditure are presently being reviewed in the Capital Finance Strategy which will be reported to committee at its December meeting and decisions will then have to be made on overall affordability in the context of other priorities and the rate setting process for this and coming years.

(2) *Capital Receipts through Asset Realisation* - One of the key sources of funding that is available to the Council is raising capital receipts through asset disposals. There are currently a number of disposals of Council assets which are being progressed or where Committee approval has already been obtained for disposal. Reports have been taken to Committee on an individual basis on these disposals.

There are also a number of additional assets that have been previously identified as being potentially suitable for disposal or have development potential, subject to appropriate appraisals and approvals. Members are asked to note that some of these assets may not currently be surplus to either the operational requirements of the current holding Committee and /or to Council requirements. Details of these assets are outlined in the table below along with some of the main issues which will require further investigation before any decision is taken on disposal.

Table 3 – Schedule of Assets and Options/Recommendations

<i>Corporate Landbank or Non Operational Asset</i>	<i>Recommended Course of Action</i>
Maysfield	<p>(i) Undertake planning assessment and site appraisal inc COMAH issues</p> <p>(ii) Ascertain potential Council requirements inc. accommodation; conference centre etc</p> <p>(iii) Progress discussions with external stakeholders (inc Translink & adjoining landowners)</p> <p>(iv) Legal /Title issues</p> <p>(v) Demolition issues</p>
Grove former Leisure Centre	<p>(i) Undertake planning assessment & site appraisal</p> <p>(ii) DSD wider area master planning</p> <p>(iii) Demolition issues</p>
Duncrue Car Compound & Adjoining 'Option Site'	<p>(i) Undertake Planning Assessment & Site Appraisal inc access issues</p> <p>(ii) Decision on long term lease versus outright disposal</p> <p>(iii) Progress discussions with previous interested party</p>
Ravenhill Road former PC's & Rest Garden	<p>(i) Undertake planning assessment and site appraisal inc access issues</p>
Gasworks Northern Fringe	<p>(i) Continue with master planning process</p>
Shore Road (adj Whitewell Tabernacle Church	<p>(i) Undertake planning assessment & site appraisal</p>

<i>Operational Assets/Assets currently held by Service Depts which may have development potential</i>	<i>Recommended Course of Action</i>
Stranmillis Car Park	<p>(i) Undertake planning assessment, inc dMAP enquiry implications (designated as public open space as part of Lagan Valley Regional Park)</p> <p>(ii) Site appraisal /constraints</p>
Ormeau Avenue Car Park	<p>(i) Undertake planning assessment</p> <p>(ii) Ascertain status and impact re proposed road scheme</p>
Cathedral Gardens	<p>(i) Operational Asset held as Open Space - departmental /service requirements to be ascertained</p> <p>(ii) Planning Assessment & Site Appraisal to be undertaken</p> <p>(iii) Ascertain proposals of adjoining landowners inc UUJ.</p>
Skegoneill Avenue former Health Centre (adj. Grove Well Being Centre)	<p>(i) Departmental /service requirements to be ascertained</p> <p>(ii) Obtain costs for redevelopment</p> <p>(iii) Undertake planning assessment & site appraisal</p>
Dunbar Link Depot	<p>(i) Operational asset - departmental /service requirements to be considered.</p> <p>(ii) Cost benefit analysis to determine if economic case for relocation;</p> <p>(iii) Relocation options to be considered in context of overall cleansing depot requirements</p> <p>(vi) Planning Assessment to ensure any premium reflects optimal development potential</p> <p>(v) Progress discussions with adjoining landowners</p>

<i>Operational Assets/Assets currently held by Service Depts which may have development potential</i>	<i>Recommended Course of Action</i>
Seymour House & ISB building Gloucester Street	<ul style="list-style-type: none"> (i) Consider as part of the Council's overall corporate accommodation requirements (ii) Undertake cost benefits analysis of disposal versus costs of relocation (iii) Undertake site appraisal and planning assessment to determine optimal site development
Old Zoo, Antrim Road	<ul style="list-style-type: none"> (i) Ascertain departmental / operational requirements (ii) Undertake Planning Assessment & Site Appraisal (iii) Ascertain impact of Tree Preservation Orders
Land at Ballymacarrett Walkway	<ul style="list-style-type: none"> (i) Undertake planning assessment and site appraisal (ii) Ascertain status of road scheme (iii) Ascertain wider development proposals for area
Ballygomartin Road South /Upper Whiterock Road	<ul style="list-style-type: none"> (i) Undertake planning assessment and site appraisal (ii) Ascertain if any departmental /service proposals (iii) Legal /Title Issues
McClure Street Open Space	<ul style="list-style-type: none"> (i) Undertake planning assessment including dBMAP enquiry implications (ii) Undertake site appraisal

In terms of market demand, funding availability and resultant capital return, the current economic climate is not favourable to asset disposals. However, this does provide us with an opportunity to plan and resolve many of the issues that invariably slow down any disposal including planning issues/constraints; financial considerations; legal and title restrictions; environmental/contamination issues; site constraints; co-dependencies with other agencies and external stakeholders etc, as well as ascertaining Council, department and service requirements including longer term accommodation requirements.

It is therefore proposed that a cross departmental Assets Realisation Project Team is set up and a structured asset realisation plan is prepared to address the issues identified above for each asset with a view to having the assets highlighted above being 'market ready' when the economy picks up or if any proposals are presented to the Council in the interim. There may also be other assets which may subsequently be declared surplus to departmental requirements or where development potential is identified and in these instances the Asset Realisation Team will undertake the necessary assessment and report back to Committee accordingly.

All options for disposal will be reported to SP&R for consideration and decision.

(3) *Grants* - One of the other sources of funding available to the Council is through grants. Grant aid may be a key factor in moving some projects ahead of others, especially given the Council's limited loan options. Not all projects will be eligible for grant funding and often a condition of grant funding is that it is matched and front loaded and so the Council must fund the expenditure upfront. However it is important for the Council to maximise grant funding to help achieve its objectives and therefore allowance will need to be found in the Council's capital financing strategy to provide necessary match funding for agreed projects.

As Members are aware the Council has submitted a number of applications for 100% grant funding under 'Priority 2.1 – Contributing to Shared Space' of the Peace III initiative. Details of these are outlined below –

1. Development of a 'Community Hub' facility on the Girdwood site
2. Cultural Corridor project
3. Gasworks Bridge
4. Crusaders/Newington bid at the North Foreshore

These application forms were submitted on 13th November and it is likely to be early in the New Year before the Council is informed of the outcome. The Committee will be kept informed of the outcome of these bids.

The Council will continue to seek out grant opportunities, including looking at new and innovative sources where possible, to maximise their benefit.

(4) *Alternative sources of financing* – The tightening of the public purse, the increased pressure on the public sector to provide value for money service and the challenges presented by the current economic climate means that local authorities elsewhere are increasingly looking at alternative and innovative sources of financing to take forward capital investment. This includes the use of mechanisms such as Local Asset Backed Vehicles (LABVs), Accelerated Development Zones (ADZs) and JESSICAs. However these are all longer term options which will take time to establish and implement.

As Members may be aware some of these options have been explored further in the economic appraisal consultation report which was recently published by the PwC on behalf of the Department of the Environment – ‘*Economic Appraisal of options for local government service delivery in its entirety*’. In addition PwC and King Sturges have talked with a number of English local authorities and Core Cities in advancing these options.

The All Party Urban Development Group at Westminster has produced a paper ‘Regeneration and the Recession – Unlocking the Money’ which further recommends government action on ADZ’s and for City authorities to take a proactive approach to working with the private sector.

More details on the operation, advantages and disadvantages of these models will be made available in the Capital Financing Strategy paper in December.

Recommendations

Members are asked to note the contents of this report and

1. *Capital Programme* – Consider the first cut of the prioritised capital programme so that officers can start to develop more detailed economic appraisals for these schemes. Any further commitments in the Capital Programme are subject to the development of an affordable and sustainable capital financing strategy. This strategy is planned to be presented at the December meeting so that it can be considered in the context of the revenue estimates and district rates report which will be presented at the same meeting.

2. *Maintenance Programme* – note that officers will explore further the options for how maintenance budgets are held in the Council, investigate how to maximise the use of these budgets and start to look at how the ongoing maintenance costs for all the council’s assets could be quantified

3. *City Investment Strategy* – to note the current funding profile, its dependency on asset realisations and the risk associated with these realisations due to the volatile economic conditions and the need to consider this strategy in the context of other competing priorities.

4. *Assets* – agree that a cross departmental Assets Realisation Project Team is established and an Asset Realisation Strategy is developed to undertake further appraisal and assessment of the assets listed above or any other assets that are subsequently declared surplus to requirements or identified as having development potential, with a view to bringing forward for disposal, when the market improves, those assets which have development potential and which are surplus to Council requirements

5. *Alternative sources of financing* – agree that officers continue to explore the alternative sources of financing that may be available to the Council and note that this will be further explored in the proposed Capital Financing Strategy. As normal, Officers will be available to brief Members in detail as required and a detailed report will be brought back to committee in due course.”

The Director of Improvement drew the Committee's attention to various aspects of the report and answered several questions from the Members.

During a lengthy and wide-ranging discussion, Members made the following points:

- (i) the matrix and associated weightings used in the Capital Programme prioritisation process needed to be re-examined to ensure that the correct weighting had been allocated to each element and the political and social need elements should have been considered as two separate requirements within the matrix;
- (ii) there appeared to be some confusion as to how several of the projects had been included in the Capital Programme when the Standing Committees responsible for the schemes had not granted the necessary authority;
- (iii) more emphasis needed to be placed by Departments on seeking grant-aid or alternative methods of funding for capital projects;
- (iv) should it be decided that planned and response maintenance would be organised on a central rather than Departmental basis, they insisted that there would have to be equivalent decreases in the amounts set aside for maintenance in Departmental budgets;

- (v) there was a need to ensure that capital projects were spread throughout the City, which was not the case in the prioritised capital budget first cut produced in the report;
- (vi) the Committee would need to receive a separate report on the various special purpose vehicles which might provide alternative forms of financing of capital schemes;
- (vii) the Council should control development briefs to ensure that developments on former Council sites were acceptable to both Members and local residents;
- (viii) given the importance of the issues, it would have been preferable if the detail had been submitted to the Committee in several separate reports rather than in one overall report.

The Director of Improvement indicated that the capital projects listed in Table 1 within the report had been included following an analysis of the political and social need rather than on a strict geographical basis and that Directors had informed him that the projects listed within that table had been agreed by the relevant Committees. He apologised if Members were confused by the number of issues contained within the report but explained that the issues were complex and interconnected and he had thought it appropriate to demonstrate this to the Committee by producing one overall report. In addition, he indicated that the established process for the planning and carrying out of maintenance throughout the Council was not as efficient as it might be and he wanted to examine alternatives to ensure that the Council was achieving best value for money. He agreed with the comments that there was currently an inconsistent approach across the Council to the seeking of alternative forms of funding for capital projects and he believed that further work required it to be done to ensure that best practice was applied across the organisation.

The Director of Improvement explained that the main purpose of the report was to stimulate discussion both at Committee and Party Group level into these major policy considerations and he welcomed the wide-ranging discussion which the Committee had undertaken. He pointed out that reports on those matters would continue to be submitted to the Committee over the next number of months.

Following further discussion, the Committee noted the contents of the report and the comments thereon of the Director of Improvement. In addition, the Committee agreed to the establishment of a cross departmental Assets Realisation Project Team and authorised the holding of Party Group Briefings to discuss the matters raised in the report in more detail.

Minutes of the Meeting of Budget and Transformation Panel

The Committee approved and adopted the minutes of the meeting of the Budget and Transformation Panel of 13th November and, in particular, the decision that a deputation of Elected Members should meet with the Minister for Finance and Personnel in order to discuss the role and performance of Land and Property Services.

**Framework Agreement for
Information Technology Security Services**

(Ms. R. Crozier, Head of Information Services Belfast, attended in connection with this item.)

The Head of Information Services Belfast informed the Committee that infrastructure security protection dealt with minimising the risk to the Council's business operations from external and internal threats by protecting its information technology infrastructure, applications and data. The threats to the Council's information technology infrastructure were changing rapidly, as were the approaches, applications and technologies which were used to mitigate these threats. The infrastructure security protection covered protection strategies, technology selection and deployment and best practice and affected the following areas:

1. Network security
2. Messaging security
3. Mobile security
4. Data security
5. Vulnerability management
6. Application security
7. Endpoint security

She pointed out that the Information Services/Information Technology Strategy required the Council to have independent information technology security services to support and provide assurance for the above areas and that the existing framework agreement covering such protection strategies was due for renewal. She indicated that the cost of acquiring this service would be in the region of £25,000 per annum and that the evaluation criteria would be based on both cost and quality.

Following discussion, the Committee agreed that tenders be invited to establish a new framework agreement for the supply of information technology security services for a three year period, with an option to renew for a further one year.

Human Resources

Absence Management - Second Quarter 2009/10

The Committee was advised that absenteeism for the period from July till September was showing an average of 3.26 days lost per employee, which represented an increase of 0.47 days per employee when compared to the same period in the previous year, when the figure had been 2.79 days. This represented an increase also of 0.54 days over Quarter 1 in the current year, which meant that the Council was not on target to reduce overall sickness absence to 10.50 days by 2010/11. It was pointed out that 72.09% of staff had had no absences during Quarter 2, with the number of staff on long-term sickness absence having increased from 5.10% at the same time last year to 6.04% this year.

The Head of Human Resources advised the Committee that the Council had made substantial progress in reducing absence by an average of four days over the last three years and she believed that it was essential for this progress to be maintained. She reported that the Human Resources Section had analysed the reasons for absence, had undertaken a compliance audit of those Sections where absence was increasing and had identified areas for improvement for them. Every section which had increasing absence figures had developed an improvement plan. However, in order that progress be maintained, she recommended that the issue of absence management be referred to the Audit Panel for further detailed scrutiny to ensure that the necessary appropriate action was being taken.

The Committee noted the information which had been provided and agreed that the Audit Panel be requested to consider the issue of the increasing absence management figures.

Rightsizing Exercise

The Committee considered the undernoted report:

“Purpose

The purpose of this report is to update Members on the three elements of the organisational rightsizing exercise, i.e. voluntary redundancy; vacancy control; and the management of supernumerary employees.

Relevant Background Information

Members agreed an approach to organisational rightsizing at its meeting on 21 August 2009 and asked for further information on vacancy control at its meeting in October 2009.

Key Issues

Voluntary redundancy (VR)

- 1. The Council initiated a trawl for expressions of interest in voluntary redundancy. This trawl related only to those staff in areas that are potentially affected by the review of centre, ongoing structural reviews, and/or significant revenue losses.**
- 2. 64 formal applications for VR have been received.**

3. A pro-forma is being used to assess every application. Members will note that the pro-forma sets out the criteria and principles which members agreed in relation to the implementation of the VR exercise – i.e. the decision to release anyone on VR is dependent on the needs of the council and we retain the right to decide whether or not to accept an employee's application for VR in accordance with the following principles:
 - Prioritisation of VR requests will be based on available finance and the level of savings which may be delivered
 - The VR will avoid the need for compulsory redundancy
 - The employee's post must be redundant or a one to one transferred redundancy can be identified with a clear audit trail linking the person to be redundant with the post to be deleted.
 - The potential for redeployment
 - The need to ensure that essential skills and expertise are maintained
 - All other relevant options have been considered.
4. In addition, departments have been asked to identify any vacant posts in their staffing establishment as this is a crucial element of both managing supernumerary staff and assessing whether or not employees may be released on the grounds of VR.
5. Consultation with TUs is ongoing throughout the process. Individual redundancy consultation is ongoing with supernumerary employees.

Vacancy control

1. In conjunction with the VR exercise we must consider filling posts on a permanent basis in the context of the organisation's need to 'right-size' and/or create an effective corporate centre.
2. Consequently, any vacancy in an area affected by the VR exercise will be held until such times as the outcome of the VR exercise / resultant structural changes are clearer;

3. If the vacant post is unaffected by the VR exercise it will be considered as a potential redeployment opportunity for supernumerary employees or whether or not it could be internally trawled to mitigate against potential redundancy.
4. Only if none of these mechanisms are appropriate, will consideration be given to filling the post via public advertisement.
5. We are also required to implement the RPA vacancy control system, i.e. the Council now has to consider trawling some posts in the most appropriate RPA 'restricted pool'.
6. The Council's TUs are consulted throughout the Council's approach to vacancy control.
7. Since the instigation of the VR exercise only 'front-line/ service delivery' posts have been recruited. The higher graded, support type posts (e.g. business support/finance/HR posts) have been put on hold until the outcome of the VR exercise and resultant structural changes are clearer.
8. In addition HR is currently working with departments, BIS and Financial Services to undertake an analysis of staff numbers, budget and spend with a view to agreeing a format for regular reports to committee on this matter. This proposed format will be presented to members in the near future.

Supernumerary staff

1. Supernumerary staff are employees who do not have a substantive post in the organisation structure. Consequently the cost of these salaries is in addition to established salary budgets.
2. Such staff may be released with redundancy payment at any stage while they have supernumerary status; however the Council is actively seeking suitable alternative employment for supernumerary employees.
3. Should suitable redeployment not be found within a reasonable timeframe the Council will have to consider compulsory redundancy for any remaining supernumerary staff.

Recommendation

Members are asked to note the process to date and agree that a further report will be brought to December's meeting once evaluation of all the criteria and financial information has been complete."

The Head of Human Resources drew the Committee's attention to various aspects of the report and answered questions which were put to her by the Members.

Following discussion, the Committee agreed that the wording contained within Item 3 under the heading "Supernumerary Staff" be amended to read as follows:

"Should suitable redeployment not be found within a reasonable timeframe, the Council will have no option but to impose compulsory redundancy for any remaining supernumerary staff".

Subject to the foregoing amendment, the Committee noted the contents of the report and agreed that a further report be submitted for its consideration in December.

Review of Building Control Service

At the request of the Director of Finance and Resources, the Committee agreed to defer until its next monthly meeting consideration of the decision by the Health and Environmental Services Committee to adopt the recommendations contained within a report from the Business Improvement Service regarding staffing levels within the Building Control Service, to permit the Committee to consider the matter alongside the report on the Council-wide voluntary redundancy scheme.

Asset Management

Disposal of Land at Glen Road

The Committee considered the undernoted report:

"Relevant Background Information"

The Strategic Policy & Resources Committee, at their meeting on 19 June 2009, agreed to the proposed disposal of a 1.54 acre site at Glen Road (adj. St Teresa's GAC) to Oaklee Housing Association for £750,000. Oaklee Housing Association propose to develop a social housing scheme of 18 units. A portion (0.696 acre) of the lands being sold is currently held by St Teresa's GAC under a 99 year lease from the Council, as part of a lease of other lands. The sale to Oaklee Housing Association and the development of the proposed social housing scheme is dependent upon St Teresa's GAC surrendering this portion of their leased site back to the Council, who would then dispose of the larger 1.54 acre site to Oaklee Housing Association.

The Strategic Policy & Resources Committee had previously agreed (at their meeting on 19 June 2009) to the payment of a premium of £103,000 to St.Teresa's GAC in return for the surrender of this leased portion. St Teresa's GAC have however requested a longer term rental agreement in lieu of the £103,000 premium, and in order that they can have more certainty in terms of future financial commitments, they wish to offset the £103,000 in lieu of a fixed rent for the remaining leased site. In this instance the Council would have the benefit of the full capital receipt including the £103,000.

St Teresa's GAC currently pay a rent of £4250 p.a. although there is an outstanding rent review which was to be settled as part of the surrender agreement. At the time these lands were leased to St Teresa's GAC they were undeveloped and all works to develop playing pitches etc were undertaken by St Teresa's GAC at their expense. The user clause in the lease is restricted to playing field purposes.

Provisional agreement has subsequently been made with St Teresa's GAC, subject to Committee approval, to fix the rent at the equivalent of the current passing rent of £4,250 p.a. over the remaining lease term, on the basis of £2,250 p.a. for the first 25 years and £5,112 p.a. for the remainder of the lease term thereafter. No premium is payable to St Teresa's GAC in this instance, and from the Council's perspective, in valuation terms the benefit of the £103,000 capital sum now as against a future (uncertain) rental uplift is supportable.

It should also be noted that as a result of the proposed disposal to Oaklee the existing car parking area serving the Travellers' Liaison Office and the Portacabin Facility leased to An Munia Tober (both of which are located on the Council's adjoining retained lands) will require some realignment, and it is proposed that the cost of these fairly minor works is covered from the sale proceeds. It is unlikely that the cost of these works will exceed £5,000.

Key Issues

- St Teresa's GAC will surrender a portion of their leased site to facilitate the proposed disposal of the 1.54 acre site from the Council to Oaklee Housing Association.
- In return for the surrender St Teresa's GAC will have a fixed rent for their retained lands over the remaining lease term at the equivalent of the passing rent of £4,250 p.a, on the basis of £2,250 p.a. for the first 25 years and £5,112 p.a. for the remainder of the lease term thereafter.
- The Council will receive the full capital receipt from Oaklee Housing Association of £750,000, less the cost of minor alignment to provide revised car parking arrangements for the Council's retained lands (cost anticipated to be less than £5,000).
- If the proposed disposal does not proceed in the next few weeks Oaklee Housing Association have advised that this will result in funding difficulties which could mean the scheme or the disposal not proceeding.

Resource Implications

Financial:

Disposal of the land will result in a capital receipt of £750,000 for the Council, which could be used in furtherance of the City Investment Framework or other corporate priorities.

Human Resources:

Staff resource in Estates Unit & Legal Services to bring forward the proposed disposal.

Asset & Other Implications:

Disposal of this surplus site for a capital sum and redevelopment with a social housing scheme represents a better use of resources and accords with effective management of the Council's assets.

Recommendation

The Committee is asked to grant approval to the surrender by St Teresa's GAC of a portion of their leased site on the basis that the rent on their retained lands is fixed at £2,250 p.a. for the first 25 years and £5,112 p.a. for the remainder of their lease, subject to appropriate legal agreement being drawn up by the Legal Services Department; and to approve the cost of the minor realignment of the parking arrangements for the Council's adjoining lands to be covered from the proceeds of the capital receipt of £750,000.

Decision Tracking

Director of Improvement to ensure disposal process is completed within 3 months."

After discussion, the Committee adopted the recommendation.

Disposal of Land at Templemore Avenue

The Committee was reminded that, at its meeting on 20th March, it had agreed that discussions be held with other public sector bodies regarding the disposal of land at Templemore Avenue, the site of public conveniences which had subsequently been demolished, and that a report thereon be submitted to the Committee in due course.

The Director of Improvement reported that discussions had been held with the Libraries Authority and the Department of Education and Learning as both organisations had buildings which adjoined the site but neither had expressed an interest in acquiring the land. However, the Northern Ireland Housing Executive had confirmed that there was a need for social housing in this area and a Housing Association had expressed an interest in acquiring the site. Accordingly, he recommended that the land be placed on the open market with an agent which would enable the Housing Association and any other interested buyers to make a bid. He pointed out that the proposed disposal terms would be reported to the Committee in due course for approval.

The Committee adopted the recommendation.

Consumer Advice Centre - Renewal of Lease

The Director of Improvement advised the Committee that the Council's Consumer Advice Centre occupied premises in Wellington Place by virtue of a ten year lease, which had commenced on 1st August, 1999 and was subject to rent reviews every five years. The rent payable for the five years from 1st August, 2004 was £35,200 per annum.

He pointed out that the Centre had occupied the premises from 16th May, 2006, following its vacation by the former Belfast First Stop Shop which had previously held the lease. The lease for the premises had been the subject of protracted negotiations between the landlord's agent and the Estates Management Unit since August. Originally the agent had been seeking a further rental period of ten years at an amount of £66,000 per annum with rent reviews every five years. However, following negotiation, a rental of £42,300 per annum on a five year term with break options at the end of years 1, 2 and 3 had been provisionally agreed, which provided the Council with greater flexibility.

After discussion, the Committee granted approval to the renewal of the lease for the Consumer Advice Centre in Wellington Place on the terms as outlined above, subject to the completion of a suitable agreement to be prepared by the Director of Legal Services.

Proposed Lease Variation and Easement at Woodlands Playing Fields

The Committee was advised that, by way of a lease dated 11th December, 1998, the Council had disposed of land at Woodlands Playing Fields to the Northern Ireland Council for Integrated Education. As part of this legal arrangement, the site and the access road could be used for school purposes only.

The Director of Improvement reported that the school had been approached by Northern Ireland Water which was seeking to use the school's access road in order to gain admittance to a pumping station which was situated on adjoining land and had offered to pay a small premium for the grant of a right-of-way over the access road. He indicated that the Council's agreement to the grant of the right-of-way was required as it was contrary to the terms of the 1998 lease. He reported that outline terms had now been agreed between the school, Northern Ireland Water and the Council which would

permit Northern Ireland Water use of the access road provided that such use was restricted to the operational necessities associated with the inspection and maintenance of the pumping station. Accordingly, he recommended that the Committee approve the variation of the lease dated 11th December, 1998 in order to allow the grant of a right-of-way to Northern Ireland Water along the access road to the school, subject to the payment of the fee of £750 to the Council and incorporation of the arrangements into a suitable legal agreement to be approved by the Director of Legal Services.

The Committee adopted the recommendation.

Modernisation and Improvement

(Ms. R. Crozier, Head of Information Services Belfast, attended in connection with these items.)

Approval to Use the Northern Ireland Regional Area Network for Internet Service Provision

The Head of Information Services Belfast informed the Committee that the contract for the provision of an internet service for the Council was due for renewal and that the Council currently paid £20,000 per year for the service. She reported that a new public sector framework agreement had been established by the Queen's University of Belfast for the provision of internet services. The Northern Ireland Regional Area Network, as it was known, had been developed as a broadband computer network for the tertiary education and public sectors in Northern Ireland. It delivered high-speed cost effective internet access to some thirty institutions across Northern Ireland and compared favourably to larger internet service providers. The service from the Northern Ireland Regional Area Network provided 100Mbits service, which was ten times the capacity of the current service.

She reminded the Committee that the Council had a second internet connection, known as a point of presence, at the Duncrue Complex in order to have a contingency for external access to the internet should the Gloucester Street site be lost for any reason. The low cost of the system being offered by the Northern Ireland Regional Area Network would enable Information Services Belfast to implement the second point of presence, thereby improving resilience and increasing capacity and performance, for the same annual cost as the current arrangement which only provided one point of presence. She pointed out that it would be necessary to provide an additional firewall to secure the second point of presence at Duncrue, which would cost £20,000 plus an annual support cost of £2,000. She explained that, since a public sector framework was already in place, the Council would not have to seek tenders for the provision of this service. Accordingly, she recommended that the Council procure two circuits for internet service provision from the Northern Ireland Regional Area Network Framework to enable a second point of presence to be implemented at Duncrue and to increase internet bandwidth from 10Mbits to 100Mbits and that a firewall be procured to provide security at the second site, at an overall cost of £30,000 plus annual costs of £21,000 over a three year period.

The Committee adopted the recommendation.

**The Council's Connection to
Network Northern Ireland**

The Head of Information Services Belfast informed the Committee that, currently, each of the 26 councils in Northern Ireland had its own network and telecommunications systems. These networks were independent of each other and provided no interconnectivity outside an individual council area. Due to the forthcoming reorganisation of Local Government and the transfer of functions from Central Government, this approach would not be sustainable post 2011.

She informed the Committee that Network Northern Ireland was the regional communications "backbone" infrastructure which had been procured by the Northern Ireland Civil Service and was operational across the Province. Connection to this "backbone" would provide the required connectivity within new council areas, across councils and to centrally delivered services. She pointed out that, by connecting to Network Northern Ireland, the requirements for connectivity to transferring functions and inter-council connectivity would be met at a price which would be significantly less than the Council would pay to buy and implement the necessary new infrastructure itself. The Council would be required to pay a one-off sum of £39,000 to the Network and an annual recurring licence cost of £25,000. The installation costs had been provided for in the Capital Programme and the annual costs would be met from within Information Services Belfast's Revenue Budget and she recommended that the Committee agree to proceed on this basis.

Following discussion, the Committee adopted the recommendation.

**Infrastructure to Deliver Housing Benefit Services
for the Northern Ireland Housing Executive**

The Committee agreed to defer to a future meeting consideration of a report regarding the above-mentioned matter to enable further information to be obtained.

Good Relations and Equality

(Mrs. H. Francey, Good Relations Manager, attended in connection with this item.)

Minutes of Good Relations Partnership

In considering the minutes of the meeting of the Good Relations Partnership of 13th November, a Member requested information concerning the total amount of money which the Partnership had awarded under the Peace III Small Grants scheme, which the Good Relations Manager undertook to provide directly to the Member who had raised the issue. The Member advised the Committee that she understood that the Special European Union's Programmes Body required both the group in receipt of small

grant funding and the Council to expend funds in order to evaluate the project which had received financial assistance. She pointed out that, since the Small Grants scheme was designed to help communities, this double evaluation could be a waste of resources. In response, the Good Relations Manager confirmed that the Council was acting in accordance with the guidelines laid down by the Programmes Body and undertook to provide details of the evaluation process directly to the Member.

Following further discussion, the Committee approved the minutes of the meeting of the Good Relations Partnership of 13th November and adopted the recommendations contained therein, including:

Peace III Small Grants

The approval of the issue of a Letter of Offer of funding up to a maximum of £25,000 to South Belfast MaleCare which had achieved the necessary minimum score, subject to the satisfactory completion of pre-contractual checks and a site visit and the agreement of the budget with the Peace III Programme staff.

Minutes of Memorabilia Working Group

In considering the minutes of the meeting of the Memorabilia Working Group of 5th November, a Member drew the Committee's attention to a decision of the Group that exhibitions on the United Irishmen, Reflections and Images and the Orange Order be held in that order in the City Hall. The Member expressed concern that the exhibition on the Orange Order had been introduced into the Working Group's discussion without prior warning.

Following a lengthy debate it was

Moved by Councillor C. Maskey,
Seconded by Councillor McCann,

That the minutes of the meeting of the Memorabilia Working Group of 5th November be approved and adopted, subject to the decision regarding the exhibitions to be held within the City Hall being amended to provide that the United Irishmen exhibition be installed first, followed by the Images and Reflections photographic exhibition, then the Unkindest Cut and finally the exhibition entitled Celebrated Literary Belfast and that a process as to how an exhibition concerning the Orange Order might be held in the City Hall should be considered as part of the Members' brainstorming session on memorabilia issues which was to be held on 30th November.

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

Accordingly, the minutes of the meeting of the Memorabilia Working Group of 5th November were approved and adopted.

Chairman