

Document Pack

**Democratic Services Section
Chief Executive's Department
Belfast City Council
City Hall
Belfast
BT1 5GS**



28th February, 2011

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Dear Councillor,

The above-named Committee will meet in the Lavery Room (Room G05), City Hall on Friday, 4th March, 2011 at 10.00 am, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully,

PETER McNANEY

Chief Executive

AGENDA:

1. **Routine Matters**
 - (a) Apologies
 - (b) Minutes
2. **Modernisation and Improvement**
 - (a) Improvement, Collaboration and Efficiency Programme (Pages 1 - 24)
 - (b) Shaping Belfast 2011-2015 (Pages 25 - 30)
3. **Finance**
 - (a) Approval to Seek Tenders - Supply and Delivery of Mechanical Sweeper Brushes (Pages 31 - 32)
 - (b) Northern Ireland Local Government Association - Annual Subscription (To Follow)

4. **Human Resources**

- (a) Secondment Request from the ILEX Urban Regeneration Company (Pages 33 - 34)
- (b) Standing Order 55 - Employment of Relatives (Pages 35 - 36)

5. **Cross-Cutting Issues**

- (a) Consultation - Concordat between the Voluntary and Community Sector and the Northern Ireland Government (To Follow)

To: The Chairman and Members of the Strategic Policy and Resources Committee

Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Improvement, Collaboration and Efficiency Programme
Date:	4 th March 2011
Reporting Officer:	Gerry Millar and Julie Thompson
Contact Officer:	Kevin Heaney (Ext. 6202)

1.0	<u>RELEVANT BACKGROUND INFORMATION</u>
1.1	Members will be aware of the ongoing work in regards to developing a local government led 'Improvement, Collaboration and Efficiency (ICE) Programme' which seeks to identify and examine potential collaborative opportunities which may exist to support service improvement or drive out efficiencies in delivery. As previously agreed by Committee, Council officers have been engaged in these discussions to explore the potential opportunities for the Council as part of its wider efficiency programme which has already recognised collaboration as one approach.
1.2	Although initially developed as a counter argument to the proposed establishment of a centralised Business Services Organisation, the ICE programme seeks to reflect the vacuum created by the suspension of RPA in June 2010, and the increasingly challenging financial environment in which Councils now find themselves. The stated aim of the programme is to reduce the financial burden on ratepayers and to make the Sector more efficient through identifying, sharing and implementing opportunities for improvement and efficiency via collaboration.
2.0	<u>KEY ISSUES</u>
2.1	This work has now culminated in the development of a "Case for Change" report, which seeks to engage the sector in discussions on potential improvement opportunities. The report summarises the initial scoping work completed under the ICE workstreams. Identified priorities will be subject to a more robust assessment following the consultation process. At this stage, the figures contained within the report are indicative rather than definitive
2.2	<p>A series of specific questions have been posed as part of the consultation exercise and Councils are required to respond by 8th March 2011. The Case for Change consultation document sets out proposals and seeks the views of councils on a number of key areas including:</p> <ul style="list-style-type: none"> (1) The proposed I.C.E. framework detailing the best practice guidance and toolkits designed to support long-term improvement, collaboration and efficiency within and across Councils. (2) The potential scope of opportunities across the Sector arising from improvement, collaboration and efficiency (refer to Appendix 2 for further detail) (3) The potential range of efficiency savings achievable through the I.C.E. programme (4) A possible roadmap for implementation and the potential investment costs required. (5) Proposed operating principles for a governance structure to take forward and support the programme. <p>An Executive Summary of the ICE Case for Change document is attached at Appendix 3 and copies of the full report (266 pages) can be made available to Members if they so wish.</p>

2.3	Following consultation, the prioritised improvement opportunities identified will be subject to more detailed evaluation and comparison through development of robust business cases progressed through the longer term ICE Programme.
2.4	<p>The opportunity areas analysed for the purposes of this Case for Change relate to the following business and service areas:</p> <ul style="list-style-type: none"> ○ Customer Facing Services □ covering approximately 70% of front line services, ie, leisure, parks and recreation, waste collection, waste disposal, environmental health and building control ○ Support Services □ focused on finance, legal, insurance and asset management ○ Human Resources □ focused on occupational health services; recruitment issues; capacity building/e□learning; HR systems; delivery models; performance approaches and systems; and pay and grading systems ○ Procurement □ focused on improvement and collaborative opportunities across a baseline of approximately 50% of total procurement spend ○ Information and Communication Technology (ICT) – identifying the creation of a common network platform as a critical enabler for the transfer of functions and collaborative improvement opportunities across all business and service areas. In relation to ICT, such opportunities include shared data centres, shared internet connectivity, shared email and web protection/filtering, shared processing systems e.g. finance, payroll, HR, and moving to a centralised tiered IT support model.
2.5	<p>The Case for Change report has set out range of improvement benefits which it is argued will flow from the ICE Programme opportunities, including:</p> <ul style="list-style-type: none"> ○ Improved customer satisfaction due to better targeted services and facilities ○ Improved ratepayer satisfaction due to increased value for money ○ Improved career enhancement opportunities, staff skilling and staff morale ○ Improved performance management ○ Improved partnership relationships and greater sharing of knowledge across local government and other sectors ○ Increased potential to improve and standardise service provision and to promote new service delivery models.
	<p><i>Belfast City Council response</i></p>
2.6	<p>Whilst a detailed draft response is attached at Appendix 1, Members are asked to note the following key points:</p> <p>i) Potential Opportunities & Efficiency Savings</p> <ul style="list-style-type: none"> ○ Members will note that the Case for Change report estimates that the Ice Programme will deliver efficiency net present value savings (discount rate of 3.5%) between £257m to £570m over a 25 year period. It does not appear that the cumulative costs which would be incurred to realise such efficiencies are offset against the savings. ○ Major concerns exist regarding the reliability and accuracy of the baseline figures used in the attempt to identify the scale of the opportunities and the range of efficiency savings attached to a formalised collaboration programme amongst Councils. ○ The Council would also be concerned in regards to the potential risk of double counting potential savings across the workstreams explored within the report.

- Members are asked to note that the benefits attached to collaboration will be solely dependent upon the scale of the change required in each of the participant Councils and the extent of political will to affect change at the local level. Furthermore, any possible savings attached to the participation of this Council will vary depending upon the projects that this Council wishes to participate in; which in turn will be exclusively informed by the use of local business cases and Members' priorities for the District.

ii) Reorganisation of District Councils

- The preferred model for the governance of the I.C.E programme, as previously considered by the Council's Strategic Policy and Resources Committee in March 2010, is a Regional Government Group representative of the current 26 Council structure. Further detail is required in relation to how a RGG would relate to statutory reform structures, including Voluntary Transition Committees should the outstanding issues in respect of RPA be resolved by the NI Executive. It is anticipated that in this case the Voluntary Transition Committees will play an important role in overseeing and providing political direction in respect of Council collaboration within each of the eleven Clusters. The governance structure of the RGG needs to be sufficiently flexible to respond to this possible dynamic.

iii) Operational Arrangements for the Regional Governance Group (RGG)

- The views of this Council are sought in relation to a number of operating principles for the Regional Governance Group, including:
 - i) Councils will engage in the I.C.E. programme on a purely voluntary basis;
 - ii) There will be equality of representation from each Council;
 - iii) There will be shared resourcing of the programme.
- Whilst the Council would support in principle, the proposed operating principles as set out within the consultation document, it would require further information in terms of the anticipated resource requirement for Councils. Clearly any costs must be kept to a minimum and any commitment made by the Council towards the establishment and/or operation of the RGG would be subject to a business case.
- Members will note, in particular, that under the current proposals the costs attached to the establishment and operation of the RGG will be apportioned based on the respective population size for each of the participating Councils. Clearly this will have a greater proportionate impact for Belfast as it is the largest Council by some way. In addition and as a consequence of no statutory duty being placed upon Councils to participate in the I.C.E. programme, annual costs attached to operation of the Group will be determined by the number of Councils participating. This again brings additional risks for Belfast City Council if it decides to participate as it would be required to fund the largest proportion of costs.
- It is also proposed within the consultation document that the expenses incurred by Members participating on the RGG would be paid by their sponsoring councils.

iv) Resource Implications for Participating Councils

- The financial implications for participating Councils in the ICE programme are represented by (1) upfront investment costs attached to the development and implementation of collaborative initiatives across participating Councils, and (2) costs attached to the establishment and operation of the RGG.
- Clearly if the Council is to make an informed decision in respect of the collaborative initiatives it may wish to support, the early and accurate identification of upfront investment costs is an important pre-requisite. Furthermore, Members will recall that SP&R Committee has previously agreed that any investment costs attached to collaborative initiatives via the I.C.E. programme will only be borne where there is a demonstrable financial benefit for participating.

	<ul style="list-style-type: none"> o Other potential resource implications, both financial and human resource, are attached to the project management, organisation and resourcing of local work associated with the I.C.E. programme. These are unquantifiable at this time and will be determined by the development of robust business cases at the local level.
2.7	<p>Notwithstanding, the issues raised in regards to the Case for Change report and the scope and scale of opportunities which it outlines, the key question remains as to what level of benefit would there be for the Council from its continued involvement in the ICE programme. Some concerns have been raised in regards to the potential risk that the resources and capacity within the Council will continue to be drawn upon as the ICE programme moves into its next phase of developing detailed business cases for potential collaborative opportunities. A number of BCC officers have already given support, both directly and indirectly, to the ICE programme with limited added value being experienced by the Council.</p>
2.8	<p>It is important to recognise that the Council is moving into a new Corporate Plan and Council term with resources constrained and the need for a greater emphasis on delivery (getting things done). We need to ensure that our people and resources are mobilised and focused to deliver the priorities of the Council. Therefore, it is suggested that the Council's continued participation in the ICE programme should be linked to those areas whereby demonstrable benefits may be gained (e.g. potential collaboration on recruitment advertising, procurement opportunities etc).</p>
2.9	<p>In considering the way forward for the Council within the ICE Programme, a number of options are available for Members consideration:-</p> <ul style="list-style-type: none"> i) believe that there are demonstrable opportunities/benefits for the Council's continued participation and actively work towards supporting the realisation of these benefits and linked to BCC efficiency programme. The top BCC priorities would need to be identified (e.g. single waste authority, ICT infrastructure, procurement, recruitment advertising etc.); ii) retain a watching brief over the ICE programme (with limited officer input) until firmer proposals/opportunities are forthcoming; iii) realign officer resources to deliver other council priorities
2.10	<p>Clearly the position adopted by the Council will influence the nature of the draft response attached at Appendix 1.</p>

3.0 Resource Implications

There are potential significant HR implications from the Council's continued participation in the ICE programme. There are also resource implications for the Council's participation on the proposed Regional Governance Group albeit the level of resources has yet to be quantified.

4.0 Recommendations

Members are asked to note the content of this report and

- i) consider the Council's draft response attached at Appendix 1;
- ii) agree the submission of the response subject to any amendments being made by Members; and
- iii) consider whether the Council would be willing to continue to participate in the ICE programme and any associated regional governance group to be established subject to clarification on potential resource implications and added value to the Council as detailed business cases emerge.

5.0 Documents Attached	
Appendix 1	Draft Council response to the ICE Case for Change report
Appendix 2	Overview of identified collaborative opportunities
Appendix 3	Executive Summary of Case for Change report

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Belfast City Council DRAFT RESPONSE TO ICE CASE FOR CHANGE REPORT

1. INTRODUCTION

Belfast City Council accepts the need for greater collaboration within local government and recognises the potential opportunities which this may present in terms of securing possible efficiencies and providing value for money services. The Council therefore welcomes the opportunity to submit its views on the ICE 'Case for Change' report.

The Council acknowledges that the current financial pressures facing the local government and wider public sector will undoubtedly act as a compelling driver for encouraging greater collaboration where real benefits, greater value for money and efficiencies can be demonstrated at no detriment to councils.

Whilst the Council has previously stated its commitment to working in collaboration, where appropriate, to secure greater efficiencies and has actively been involved in the ICE programme to date, it will not be until detailed business cases are set out that the Council could establish the potential added value of participating in any collaborative projects.

Over the past number of years the Council has put in place many of the foundations which are needed for an organisation to deliver a programme of sustained efficiency savings. As a result the Council has already delivered in excess of £12million efficiency savings across the following areas. It should be noted that these are the key efficiency drivers in the latest HM Treasury report on efficiency.

- Assets and Land
- Procurement
- Challenge to Budgets
- ICT
- Service Reviews
- Income Generation

The Council recognises also the need to avoid the following risks when delivering further savings:

- Major conflicts between the drive for efficiency and having enough money to deliver Members' ambitions for the city;
- Damaging front line services; and
- Cutting services rather than realising genuine and sustainable efficiency savings

The comments, as set out within this response, therefore build upon the Council's own experience in respect to improvement and efficiency, are intended to be constructive and seek to ensure that the potential benefits to be accrued from the ICE programme are maximised in the interests of providing a value for money services to the citizen.

The following response sets out both a high-level commentary on the contents of the ICE 'Case for Change' report and the general tenor and focus of the work around improvement, collaboration and efficiency within local government. Commentary is provided also on the individual questions as set out within the consultation document.

2. GENERAL COMMENTS

i) Potential Opportunities & Efficiency Savings

- The Council notes that the Case for Change report estimates that efficiency savings in the region of between £250m to £570m can be achieved over a 25 year period via the ICE programme.
- The Council would be concerned about the reliability and accuracy of the baseline figures/assumptions used to identify the scope and scale of potential opportunities and the range of efficiency savings attached to a formalised collaboration programme amongst Councils. In many instances throughout the report reference is made to the lack of robustness of the baseline information.
- The Council would also be concerned in regards to the potential risk of double counting potential savings across the workstreams explored within the report.
- The Council would suggest that further consideration needs to be given to the potential up-front funding required to realise such savings.
- The Council would highlight that the potential benefits realised through collaboration will be dependent upon the scale of the change required within each of the participant councils and the extent of political will to affect change at the local level. Furthermore, any possible savings attached to the participation of councils will vary depending upon the projects that a council wishes to participate in; which in turn will be informed by the use of local business cases and Members' priorities for the District.

ii) Establishment of Regional Governance Group

- The Council would point out that the proposal for the establishment of a Regional Governance Group representative of the current 26 Council structures has been developed in the context of the current uncertainty around the future of local government reform.
- Whilst recognising the primacy of the 26 sovereign councils in this process and the need for political oversight and input into discussions around improvement, collaboration and efficiency, due consideration will need to be given to how the proposed Regional Governance Group would relate to any emerging statutory reform structures, including the reinstatement of Voluntary or Statutory Transition Committees, should the outstanding issues in respect to RPA be resolved by the NI Executive. The Council would suggest that any governance structure put in place needs to be sufficiently flexible to respond to this possible dynamic.
- The Council would suggest that due consideration will also need to be given to the timing of establishing such structures given the pending elections and potential changes to elected Members.

iii) Operational Arrangements for the Regional Governance Group (RGG)

- Whilst the Council would support in principle, the proposed operating principles as set out within the consultation document, it would require further information in terms of the anticipated resource requirement for councils. Clearly any costs must be kept to a minimum and any commitment made by the Council towards the establishment and/or operation of the RGG would be subject to a business case.
- The Council notes that under the current proposals the costs attached to the establishment and operation of the RGG will be apportioned based on the respective population size for each of the participating Councils. Clearly this will have a larger proportionate impact for Belfast as it is the largest council by some way. In addition and as a consequence of no statutory duty being placed upon councils to participate in the I.C.E. programme, annual costs attached to operation of the RGG will be determined by the number of councils participating. This again brings additional risks

for Belfast City Council if it decides to participate as it would be required to fund the largest proportion of costs. This funding model will need to be further considered and should be based on the likely savings that each council would actually achieve.

iv) Resource Implications for Participating Councils

- The Council notes that the financial implications for participating Councils in the ICE programme are represented by (1) upfront investment costs attached to the development and implementation of collaborative initiatives across participating councils, and (2) costs attached to the establishment and operation of the RGG.
- Clearly if the Council is to make an informed decision in respect of the collaborative initiatives it may wish to support, the early and accurate identification of upfront investment costs is an important pre-requisite. Furthermore, the Belfast City Council Strategic Policy and Resources Committee has previously agreed that any investment costs attached to collaborative initiatives via the I.C.E. programme will only be borne where there is a demonstrable financial benefit for participating. Investment costs should be divided based on the likely benefits to be accrued.

4. CONCLUSION

There are many positive attributes included in the ICE Programme proposals, however the Council would be concerned in respects to the potential resource implications attached to the ICE Programme and the need for fuller business cases to be developed to inform the Council's consideration of potential collaborative opportunities.

The Council recognises that this is a phased programme of work and that if agreement is secured across local government that work will be progressed to establish the detailed business cases for potential collaborative opportunities. The Council looks forward to work with the sector to unlock the potential opportunities that exist to realise efficiencies through greater collaboration.

4. RESPONSE TO QUESTIONS

ICE principles and Development of an appropriate Framework	
	Belfast City Council Comments
<p>Q1. Do you agree that the definitions provided in Section 3 of the 'Case for Change' report (Page 11) for Improvement, Collaboration and Efficiency are appropriate and that these form a suitable basis on which to develop the ICE Programme?</p>	<ul style="list-style-type: none"> ○ The Council would suggest that it would be helpful to define ICE at three levels i.e. organisational, sectoral and cross-sectoral. ○ The efficiency definition should make some reference to cash savings.
<p>Q2. Do you agree that the ICE Framework as outlined in Section 11 of the Case for Change report (Page 23) and Appendix B is an appropriate mechanism to aid and support improvement, collaboration and efficiency within individual councils?</p>	<ul style="list-style-type: none"> ○ The ICE framework appears to be a very simple standard definition of planning. If the emphasis is on collaboration then maybe a broader model is required which addresses the issues of integration and alignment of planning at sectoral and cross-sectoral levels. ○ It will be important that flexibility exists for individual councils to develop their own mechanisms and therefore there is no need to be prescriptive or require all councils to follow an identical framework. ○ However, the Council welcomes the self-assessment excellence model and recognises its role in identifying and prioritising service improvements.
<p>Q3. Is your council prepared to incorporate the ICE Framework within its Corporate and Business Planning Cycle?</p>	<ul style="list-style-type: none"> ○ Belfast City Council already integrates improvement and efficiency planning into its corporate, business and financial planning processes and has linked this with a new performance management regime. Whilst the BCC model is not identical to the ICE Framework there are some similarities of approach. ○ The Council already has a well developed set of service PIs and published Service Standards. ○ The Council would highlight the previous experiences with the Best Value review process which some would argue became overly complicated and diverted significant resources to a tick box exercise. It will be important that the ICE Programme does not seek to create a prescriptive process but rather be flexible enough for Council's to adopt to best fit their circumstances.

Q4. *What are the main challenges relevant to the ICE Programme that will be faced by your council during the next election term (2011-2015)?*

- Examples of some of the main challenges which the Council may face in pursuance of potential improvement, collaboration and efficiency activities may include:
- managing the potential conflicts between the drive for efficiency and having enough money to deliver Members' ambitions for the city;
- retaining front line services whilst realising genuine and sustainable efficiency savings
- relative scale of opportunity and added value for Belfast City Council
- pursuance of cross-sectoral collaboration around a City agenda; and
- efficiencies are required to deliver the Council's identified priorities for the City and would therefore not be available for funding reform.

Q5. *Do you agree that the local government sector should develop a baseline data set and appropriate key performance indicators that can be used to assist co-operation and collaboration in terms of identifying and supporting good practice?*

- The Council would accept need to create a robust baseline data set and appropriate key performance indicators that can be used to assist co-operation and collaboration in terms of identifying and supporting good practice.
- The Council would suggest that further consideration will need to be given as to how this would be done and the potential linkage with the new local government performance framework as set out within the recent Local Government Reform Policy proposals recently released by DoE for consultation and in responding the Council has raised concerns in the proposed approach. The Council would welcome its input into any such discussions.
- The Council believes that the setting of performance indicators should be left to local authorities and set within the wider context of community planning and in developing integrated solutions to local needs.
- Rather than introducing an overly bureaucratic and centralised performance regime, a more supportive approach should be developed. Local and central government should work together to develop and implement a more progressive approach to performance and service improvement including, for example, the creation of performance tools such as peer review, self assessment and benchmarking.
- The Council would stress that any performance framework which is implemented should be based on the following principles:
 - Councils are ultimately accountable to their ratepayers for their performance

	<ul style="list-style-type: none"> - Councils are responsible for their own performance and for leading on the delivery of services and improving outcomes for the people they serve. - A range of assessment methods including self assessment, peer review and performance indicators should be used. - The burden of inspection, data collection and reporting to be kept to a minimum. - The framework should provide value for money, be affordable, transparent and fair, easily understood and capable of implementation. <p>○ The Council would also suggest that due consideration be given to the potential lessons to be learned from the DoE Best Value Performance Indicator (BVPI) indicators and reporting process that has been in place since 2001 and which some would argue is out of date and ineffective.</p>
ICE Work Programme	
Q6. <i>What are your views on the proposed ICE Work Programme detailed at Section 13 of the 'Case for Change' report (Page 41)? Is it an appropriate starting point for consideration by the RGG?</i>	○ Refer to Annex A below for response.
Q7. <i>Are there other projects you would like to see included?</i>	○ Not at this stage.
Q8. <i>What are your views on the enablers listed at Section 8.2 of the 'Case for Change' report (Page 18)? Are they all appropriate for the ICE Programme? Are there others that are not included?</i>	○ The Council would support the identified enablers as set out within the Case for Change report, however, would seek further clarification as to the anticipated source for necessary up-front seed funding and resource to take forward the next phase of work to develop detailed business cases.
Q9. <i>What are your views on submission of a case to DOE for a further extension of existing resources to maintain continuity of the ICE Programme until such times as the initial ICE Work Programme has been finalised and resource requirements more accurately determined?</i>	<ul style="list-style-type: none"> ○ The Council recognises the need to secure a level of dedicated resource to progress the ICE Work Programme to its next stage whereby potential opportunities and resource consequences are quantified and a case can be made for potential funding. ○ The Council notes that based on the proposals as set out in regards to the establishment of the Regional Governance Group that the anticipated workload would equate to 2 FTE posts. Clearly this resource does not take account of the proposed development of detailed business cases for potential collaborative projects and involvement at local council level.

	<ul style="list-style-type: none"> Given the financial and budgetary constraints facing the DoE, it will be important that any interim case put forward clearly sets out the scope and purpose of any resource required. Due consideration should also be given to the mobilisation of resources from within the local government sector to take this work forward.
Governance	
Q10. <i>What are your views on the proposed operational principles for the Regional Governance Group? Are there alternative proposals which you consider would be more appropriate?</i>	<ul style="list-style-type: none"> Whilst the Council would support in principle, the proposed operating principles as set out within the consultation document, it would require further information in terms of the anticipated resource requirement from councils. Clearly any costs must be kept to a minimum and any commitment made by the Council towards the establishment and/or operation of the RGG would be subject to a business case. The Council notes that under the current proposals the costs attached to the establishment and operation of the RGG will be apportioned based on the respective population size for each of the participating Councils. Clearly this will have a larger proportionate impact for Belfast as it is the largest council by some way. In addition, and as a consequence of no statutory duty being placed upon councils to participate in the I.C.E. programme, annual costs attached to the operation of the RGG will be determined by the number of councils participating. This again brings additional risks for Belfast City Council if it decides to participate as it would be required to fund the largest proportion of costs. The Council would recommend that any funding requirements should be based on the scale of likely benefit.
Q11. <i>Please indicate which method of management of regional resource you prefer.</i>	<ul style="list-style-type: none"> Any regional resource put in place should be accountable to local government (or those participating councils).
Q12. <i>What are your views on the proposal that there should be a limited number of methods for ensuring sharing of positions of Chair and Deputy Chair similar to the proposals in the DOE Local Government Reform Consultation?</i>	<ul style="list-style-type: none"> The proposed methods for ensuring sharing of positions of Chair and Deputy Chair do not appear to be outlined within the consultation report and the Council would welcome further clarification on this.
Q13. <i>Will your council give a commitment to nominate a representative to the Regional Governance Group?</i>	<ul style="list-style-type: none"> Yes, the Council would commit to nominate a representative to the Regional Governance Group subject to further clarification being given on the potential resource implications for the Council of such participation.

'Invest to Save' Business Model	
<p>Q14. <i>Do you agree that efficiencies delivered should be used by councils to either reduce the rates bill or reinvest for further improvements in service delivery as advocated by the 'Invest to Save' Business Model (Page 10 report)?</i></p>	<ul style="list-style-type: none"> ○ The Council would suggest that efficiencies need to be clearly defined, captured and used in the context of the financial planning of each local authority to meet locally determined priorities. It is important to recognise and reconcile the clear tensions between the use of potential efficiency savings at the local level and also any requirement to centrally fund local government reform.
<p>Q15. <i>Under what circumstance would your council would be prepared to agree to using efficiency savings to deliver aspects of the reform programme?</i></p>	<p>Given the current financial and budgetary constraints facing the NI Executive, the Council accepts that it is likely that local government will be expected to bear some of the costs of the local government reform programme. The Council Strategic Policy and Resources Committee, at its meeting on 19th March 2010, endorsed the following high-level principles which it proposed should be applied to funding reform.</p> <ul style="list-style-type: none"> (a) any financial contribution made by the Council would be proportionate to the costs incurred by the Council in implementing the reform programme; (b) any financial commitment to the efficiency programme for local government will only be made on the basis of VFM being demonstrated for Belfast ratepayers; (c) the Belfast ratepayer should not be asked to subsidise the convergence costs of other council areas; and (d) transferring functions should be rates neutral at point of transfer to councils.
Local Government Reform	
<p>Q16. <i>What part do you consider the ICE Programme can play in developing improved partnership relationships between local and central government and agreeing the transfer of functions from central government?</i></p>	<ul style="list-style-type: none"> ○ Clearly there remains some uncertainty in regards to how local government reform is to be taken forward and the potential scope and timing of any transferring functions to local government. It will be important that the DoE Minister and Executive provide clarification on how this will be taken forward and importantly the implementation structure. ○ Notwithstanding, it will be important that any such discussions has professional input from the local government sector so as to ensure that due consideration is given to the operational, managerial and resource implications of any transfer proposals. ○ It is understood that the RPA Transfer of Functions Working Group is to be reconvened to consider how the Local Government sector may wish to engage.

ANNEX A: Response to Question 6

In considering the proposed ICE Work Programme and the related reports as set out within the Appendices, the Council would make the following observations:-

Customer Facing Services (Appendix D)

- The Council notes that the proposals as set out within the Case for Change report relating to potential efficiency savings across a range of customer facing services are based primarily on (i) increasing revenue income and/or (ii) reducing net expenditure.
- The proposals appear to be heavily focused on securing efficiencies rather than service improvement. The Council would suggest that due consideration needs to be given to the role of local government especially in respect to its accountability to the citizen through the local electoral mandated politicians, the difference of place (localism) and the need to create public value.
- It is important to recognise the differing political dynamics between councils and the varying emphasises placed upon, for example, charging policies and allocation of resources across particular functions. No two council areas are the same nor are the political, economic and social drivers which inform decision making processes.
- The Council would be concerned about the robustness of the baseline data used to inform the emerging position. Whilst the Council notes the 30% sensitivity discounted, it would require further information on the basis of the sensitivity figure set and as to whether a similar methodology was introduced for the other workstreams. The risk of double counting could undermine the potential savings available.

Building Control

- Whilst not wishing to undermine or comment upon the effectiveness of the Building Control Group System, it should be noted that Belfast City Council is not part of the Group System at present given the scale and complexity of operation within Belfast.
- Whilst there is no statutory link between Belfast and the Group system or other councils, there is however two voluntary alliances.
 - **Group Chiefs Building Control Committee:** The five Goup Chief Building Control Officers (CBCOs) and their elected representatives meet quarterly and organise an annual Study Visit and Seminar.
 - **Building Control Northern Ireland:** The five GCBCOs, Belfast and most/all of the other Heads of Building Control combine to form a collaborative professional officers group. It has been operational in one form or another for about fifteen years. It meets monthly to try to get consistency of interpretation, act as a link for the industry, share best practice and work on economies of scale. It has working panels on issues relating to Fire Safety, Building Standards and Training & Communication.
- Whilst the Council would see the potential need for and benefit of a more collaborative approach on issues such as establishing common interpretations of legislation and sharing good practice, it would not wish to enter into a new formalised structural arrangement at this stage. However, the Council would be willing to further explore the potential opportunities which may exist.

Environmental Health

- Whilst not wishing to undermine or comment upon the effectiveness of the Environmental Health Group System, it should be noted that Belfast City Council does not formally participate in these structures given the scale of operation of the Council and the complex and linked issues which it deals with (e.g. community safety and health development are key areas for Environment Health within the Council)

- Whilst the Council appreciates that collaboration is effective, useful and essential across professionals and councils, it should be noted that there are already examples of proactive and positive collaborative work across the 26 Councils (e.g. via CEHOG) which should be considered and potentially build upon.
- Whilst the Council would not be in favour of entering into any formal collaborative model at this stage, it would be willing to enter into dialogue around the potential opportunities and models which may exist.

Single Waste Disposal Authority

- Whilst loosely referred to at page 23 of Appendix D, the Councils notes with concern the limited consideration given to the proposed establishment of a Single Waste Authority for Northern Ireland. The Council is aware that discussions are ongoing in regards to this and would highlight that the Council would be in favour of this proposal as reiterated in the Council's response to the PwC 'Economic Appraisal of Local Government Service Delivery' agreed by SP&R on 20th November 2009.
- The Council would, however, advocate 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.

IT (Appendix E)

- The Council recognises the potential benefits to be gained through the creation of a common network infrastructure and the ability to share information and communicate more effectively. The Council is also aware of the potential opportunity provide by Network NI to provide a common infrastructure across councils and between central and local government which will be a pre-requisite for the proposed transfer of functions in the future.
- Any consideration given to the establishment of a common ICT infrastructure should be subject to:-
 - consideration of the cost/benefit analysis for participating councils; and
 - ensuring service continuity and resilience.
- The Council notes that at paragraph 5.9 of Appendix E, reference is made to the potential extension of the HR and payroll systems applied by Belfast across other council areas. Whilst there will be clearly licence cost implications from this proposal there are likely to be significant resource implications for BCC staff as highlighted within the report. Clearly such resource requirements would need to be quantified and the potential benefits for BCC established. A business case would also need to be prepared to confirm that this was the optimum approach.

HR (Appendix F)

- In considering the HR workstream, there are clearly tensions to be considered in respect to the costs and benefits of centralisation -v- decentralisation on workforce issues.
- The current local government HR system has been in place since 1997 seeks to secure a hybrid of both e.g. it was intended to secure the benefits of acting collectively on the big issues; essentially those in Part 2 of the National Joint Council Agreement while allowing for flexibility around pay and grading and Part 3 conditions.
- The Case for Change report and proposals contained therein needs to be set within a wider strategic context and strategy for the future of HR within local government and the associated roles

and relationships with other agencies. The Council notes that the Case for Change report identifies this as a point of action, but does not outline how this would be progressed.

- In considering the proposed HR workstreams outlined and the associated potential benefits to be realised, the Council would have concerns about some of the assumptions which underpin these and the absence of detailed costing for implementation. A number of the work areas set out would need to be considered in the light of past experience in local government (e.g. lessons learnt from the introduction broad banded pay).
- In addition, it should be noted that local government in NI used to operate a more 'closed' recruitment and promotion regime, but again this is not referenced or debated within the document. The fact that many councils moved away from this regime for business reasons before it was eventually dissolved by the 'McCausland –v- Dungannon Council' case isn't debated. This is not to say that there may be of course be a legitimate 'business case' to move back to local government trawls but this needs to be further worked up and clearly presented.
- In some areas there appears to be discussion based on a single, centralised regime of employment conditions (not unlike NICS perhaps?) in other parts it's narrowed down to simply job evaluation administration.
- As a point of information, the Council would highlight that the reference made to potential savings under 'common terms and conditions' on page 6 of Appendix F appears to relate to job evaluation administration rather than common terms of conditions.
- The Council recognises that there are clearly legitimate concerns about job evaluation administration and the significant costs committed by councils in recent years. It is important to note however that a key contributor to this is the fact that the approaches that have led to that outcome are the only approaches available at present. If potential service improvements and/or efficiencies are to be realised, the options available to local government to undertaken job evaluations needs to be reviewed and updated.

Joint Recruitment Advertising (p6, Appendix F)

- The Council recognises the potential benefits to be gained from a more strategic and joint approach to recruitment advertising and would welcome further exploration as to how this could be taken forward even on a pilot basis to test working assumptions.

Pay and Grading Systems Benefits (p10 Appendix F)

- The Council notes the proposals set out in regards to the creation of common terms and conditions and the anticipated benefits to be gained from such an approach (see below). The Council believes that much further examination and discussion in this area is needed.

Procurement (Appendix G)

- The Council recognises that the details regarding procurement as set out within the Case for Change report are very high level with a great deal of further work to be undertaken.
- Notwithstanding, the Council believes that the procurement workstream has been a good exercise to get councils to start examining their procurement spends; highlighting the absence of and need for robust financial procurement spend information across the sector. There needs to be an understanding that such information will be crucial if local government is ever to formulate a robust procurement strategy for the sector. Only when we know what we are spending money on can we have a strategy that will gain efficiencies. It is therefore suggested that is an element that the report should emphasise.
- The potential efficiency savings outlined within the paper appear to be somewhat aspirational and will be difficult to capture. The savings are based on three elements i.e. 1. Moving to good

practice, 2. Implementing quick win opportunities and 3. Identifying and developing collaborative procurement opportunities. These three elements may be difficult to quantify regarding savings to be realised.

- The report confirms that the baseline financial information from 24 councils who responded is not robust. This in itself is a significant problem. The Council recognises that capturing accurate information would be difficult as there are many and varied financial systems in existence throughout the 26 councils. This, along with the fact that there are differences in coding methods, means that it is unlikely that the baseline information on which projected savings are based is accurate.
- The Council notes the proposed 'quick wins' set out in respect to potential improvements to procurement processes and practices. Whilst the Council has already progressed many of them within the organisation, it recognises the potential benefits for other councils.
- There does not appear to be any detailed consideration given at this stage to quantifying the investment required to realise the proposed improvements and associated efficiency savings.
- If further work is to be progressed to develop a Procurement Strategy for the sector as proposed within the Case for Change report (at page 42), the Council would welcome its continued involvement in this process.

Support Services (Appendix H)

- The Council would suggest that much further work is required to examine the practical operational implications and barriers to taking forward the collaborative opportunities identified under this workstream (e.g. council self insurance, creation of local government legal support team; creation of a financial transactions shared service model). Due consideration needs to be given to the effectiveness of such models, the costs of investment needed and the need for councils to retain service continuity.
- Whilst the Council would advocate that it should be for individual councils to decide as to their participation in such collaborative initiatives, based on a business case assessment, it should be noted that the up-front enabling costs and the levels of any efficiency to be realised will be dependant upon participation numbers.

Overview of collaborative opportunities identified

The 'Case for Change' sets out proposals and seeks views on the following:

Information & communication technology

This strand considers the efficiency savings and business improvement opportunities that could be delivered collaboratively within the sector through the use of a common network infrastructure. This is a pre-requisite for future development in terms of sharing applications and IT infrastructure across Councils and it will also be necessary to accommodate future transferring functions. Working collectively across the sector, there is the opportunity to consolidate data centres, technology platforms, IT architecture and business applications to enable a reduction in overall costs, while making it possible to focus on the development of improved systems and processes with a higher level of security.

Estimated annual efficiency savings per annum from implementation of the recommendations is £436,115.

Procurement

The scoping exercise has identified an approximate Local Government procurement spend of £287m across 31 expenditure categories, based on the 2009/10 financial year. Given the scale of procurement within the sector and experiences of other central and local government bodies and agencies such as the Health Trusts, it is estimated that significant benefits could potentially be achieved through collaborative procurement, underpinned with a capacity building initiative for local SME's to equip them with the skills and knowledge to compete within a wider market place. The potential of E-procurement is also considered.

Minimum estimated annual efficiency savings per annum from implementation of the recommendations is £2.9m (the potential may be up to £11.7m)

Human Resources

The proposals in the ICE outline business case have been identified alongside the developing Organisational Development and People Strategy for the sector that will explore how key HR issues should be addressed. Approximately 45% of Local Government expenditure in Northern Ireland (£307.1m) relates to employment costs and as such it is important in terms of maximising sectoral performance. Within the 'Case for Change' report, illustrative estimates of long-term financial benefits have been made for 5 improvement areas: - Joint Recruitment Advertising, IT integration, Sharing Staff, Performance Management, Absenteeism reduction and Common Terms and Conditions.

Indicative financial benefits of the HR strand amount to approximately £119.5m over 25 years, however at this stage it has not been possible to estimate the financial provision for the staff related costs associated with transition (e.g. voluntary redundancies) and these have not been included in the estimated efficiency savings to date which will reduce this figure.

Support Services

The support services element of the 'Case for Change' concentrates on financial transactions (processes, systems, costs, staff, debtors, creditors, invoicing and payroll), insurance, legal

service provision and asset management practices. For insurance and legal services it was concluded that opportunities to progress collaborative initiatives should be pursued in recognition that, whilst there will be cashable savings, the main benefits will derive from improvement and standardisation of processes, procedures and improved service delivery. In relation to financial transactions, initial consideration was given to the collaborative procurement of software and shared service options to provide economies of scale.

Indicative estimates suggest that an annual saving of £1.8m is potentially deliverable through implementation of the recommendations.

Customer facing services

Customer Facing Services consider front line services delivered directly to customers and citizens including leisure, parks and recreation, waste collection, waste disposal, environmental health and building control. These account for a net expenditure across the sector of £330m annually. Given the scope and extent of the functional areas involved coupled with the limited timetable available for analysis, the objective of the scoping exercise was to assess the potential for improvement, efficiency and/or collaboration in the knowledge that each of identified priorities would be subsequently examined through a full business case.

The indicative savings in the report are based on reductions to operational costs of 2%, 4%, 6%, 8% equating to between £4.6m - £18.5m per year.

Transfer of functions

As part of the RPA local government reform proposals, it had been intended that a suite of new functions would transfer to councils with a view to creating strong and responsive local government. A Transfer of Functions working group had been established by the sector to lead the associated discussions and negotiations. There has recently been some progress with the Minister's announcement on the intended transfer of Planning Service functions to Local Government. Given the current economic climate pending budgetary cuts and growing pressures on the public sector 'to do more with less', this strand of the ICE Case for Change looks at further opportunities that exist for local government to work in a joined up way to facilitate the delivery of services to citizens improving public services. It is suggested that partnership pilots are proactively sought for proof of concept purposes.

The 'Case for Change' seeks confirmation from the NI Executive in terms of:

- Reaffirmation of its commitment to transfer of functions.
- Confirmation of the proposed timetable for transfer.
- Clarification on resources and liabilities
- Bring forward the necessary legislative platforms to underpin the transfer of functions.
- Acceptance of the principle that functions should be rates neutral at the point of transfer.
- Commitment to meaningful engagement with local government on implementation issues

LOCAL GOVERNMENT ICE PROGRAMME

The 'Case for Change' - Consultation Paper



'CASE FOR CHANGE' EXECUTIVE SUMMARY

1. BACKGROUND

- 1.1 The ICE Programme has been designed and led by local government, through NILGA and SOLACE, as a voluntary initiative to support the sector as it strives to deliver on citizen expectations of continually improving, value for money services, in an increasingly challenging economic climate.
- 1.2 The Improvement, Collaboration & Efficiency (ICE) Programme was originally conceived by the sector as a response to government proposals for the creation of a Business Services Organisation (BSO). This was unanimously and robustly rejected by the sector, primarily on the basis that it removed decision making from local councils and would be damaging to the vision of 'strong, effective local government'.
- 1.3 In June 2010 the Northern Ireland Executive took a decision that the Review of Public Administration (RPA) would not proceed to the planned May 2011 timetable and, instead, elections to the existing 26 councils would take place in May 2011. Since then, the ICE Programme has taken on greater significance in terms of delivering citizen focused transformation and change.
- 1.4 Local government has grasped the opportunity to lead and progress reform based on an approach which is complementary to the objectives of the RPA agenda yet can be progressed independently. Both programmes can be aligned once the new RPA timeframe has been agreed.

2. PURPOSE OF 'CASE FOR CHANGE' REPORT

- 2.1 This 'Case for Change' report endeavours to engage the sector in a discussion on the potential improvement opportunities. A range of illustrative estimated long term benefits, both quantitative and qualitative, has been set out in the report. These demonstrate that the ICE Programme presents an opportunity for the local government sector to make significant improvements in both the quality and efficiency of delivery of services. In some cases, it should be noted that indicative outcomes have been heavily caveated due to recognised limitations in the available data and a key recommendation from this report is the development of an appropriate baseline and initial key performance indicators to support future performance improvement.
- 2.2 Following consultation and endorsement by the sector, the prioritised improvement opportunities identified will be subject to more detailed evaluation and comparison through development of robust business cases progressed through the longer term ICE Programme.
- 2.3 The extent to which the estimated improvement potential can be achieved will be dependent on a number of factors including the availability of funding, resources and capacity but, of

primary importance will be the level of engagement across the sector and the commitment of strong professional and political leadership.

3. ICE PROPOSALS

3.1 Based on recognised good practice and corporate and business planning processes already in operation in many councils, an ICE Framework has been developed which will support continuous improvement at a local level and collaborative improvement initiatives at both sub-regional and regional levels. Some of the key strengths of the ICE Framework are that it recognises, firstly, that councils will have different starting positions on the improvement journey and, secondly, the importance of upholding local accountability and local decision making so that programmes can be tailored to local needs and circumstances.

3.2 The opportunity areas analysed for the purposes of this Case for Change relate to the following business and service areas:

- **Customer Facing Services** - covering approximately 70% of front line services, ie, leisure, parks and recreation, waste collection, waste disposal, environmental health and building control
- **Support Services** - focused on finance, legal, insurance and asset management
- **Human Resources** - focused on occupational health services; recruitment issues; capacity building/e-learning; HR systems; delivery models; performance approaches and systems; and pay and grading systems
- **Procurement** - focused on improvement and collaborative opportunities across a baseline of approximately 50% of total procurement spend
- **Information and Communication Technology (ICT)** – identifying the creation of a common network platform as a critical enabler for the transfer of functions and collaborative improvement opportunities across all business and service areas. In relation to ICT, such opportunities include shared data centres, shared internet connectivity, shared email and web protection/filtering, shared processing systems eg finance, payroll, HR, and moving to a centralised tiered IT support model.

4. POTENTIAL BENEFITS

4.1 The 'Case for Change' report has identified a wide range of improvement benefits flowing from the ICE Programme opportunities, including:

- Improved customer satisfaction due to better targeted services and facilities
- Improved ratepayer satisfaction due to increased value for money
- Improved career enhancement opportunities, staff skilling and staff morale
- Improved performance management

- Improved partnership relationships and greater sharing of knowledge across local government and other sectors
- Increased potential to improve and standardise service provision and to promote new service delivery models.

4.2 In terms of quantitative benefits, it is estimated that the ICE Programme will deliver efficiency net present value (NPV) savings (discount rate of 3.5%) in the range of £257m to £570m over a 25 year period. These represent savings in the range of 2.85% - 6.33% against the baseline cost of £9 billion for the delivery of local government services over a 25 year period. As already stated, the extent to which the ICE Programme delivers along this scale of efficiency savings is dependent on a number of factors including the availability of funding, resources and capacity but, primarily, on the level of engagement across the sector together with the commitment of strong political and managerial leadership.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Above all the ICE Programme presents the local government sector with the opportunity to lead its own change and transformation programme and to work together, with other stakeholders, to put in place the enablers and arrangements to support this process.

5.2 Key recommendations at this stage are:-

- Each council has the opportunity to consider and comment upon the 'Case for Change' report through the consultation process
- The ICE governance arrangements should be established as soon as possible
- The Regional Governance Group once established considers and agrees the initial ICE Work Programme for implementation and a detailed programme plan is developed
- Consideration is given by the sector, in liaison with DOE, to the resource and funding requirements to support the identified work programme at both central and local levels, including potential to account for redundancy costs through capital arrangements. This may entail support from central government and/or participating councils
- Building on the work of Policy Development Panel B, the sector enters into a process, in liaison with the Local Government Auditor and other stakeholders, to develop consistent, robust baseline data across business and service areas and agrees a limited number of key performance indicators for the purposes of performance measurement and continuous improvement.

"Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek" (Barack Obama)



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Shaping Belfast 2011-2015
Date:	4 March 2011
Reporting Officer:	Peter McNaney, Chief Executive
Contact Officer:	Gerry Millar, Director of Property and Projects, Ext: 6217 Julie Thompson, Director of Finance and Resources, Ext. 3499

1.0 **Relevant Background Information**

- 1.1 Even though it is not the planning or regeneration authority there is no doubt that the Council has through the utilisation of its resources and assets played an important role in shaping the face of Belfast over the past decade and with its continued commitment to investing in the City and the services which it provides it can continue to substantially contribute to the overall development of the city. Some examples of the Council's contribution include:
- the Waterfront Hall which anchored private sector investment in Layon Place, the Hilton and BT tower;
 - St George's Market which brings welcomed vitality to that area of the city at weekends;
 - the award winning regeneration of the Gasworks which has resulted in £160million of private sector investment in the City and the creation of 4,000 jobs;
 - the revitalisation of historic buildings such as the City Hall, Ulster Hall, Albert Clock and a number of Gasworks buildings to help retain some of the city's character;
 - the Belfast Welcome Centre which anchored the city's tourism offering; and created a successful partnership relationship with NITB and the private sector;
 - the award winning redevelopment of the Falls Swim Centre and the ground breaking multi-purpose Grove Well Being Centre;
 - upgrades of various community centres and leisure facilities including multi-use games areas (MUGAs);
 - four state of the art recycling facilities;
 - a number of land disposals for social housing; and
 - environmental enhancements along a number of arterial routes within the city.

Members' Direction on City leadership

- 1.3 At the recent workshop on the new Corporate Plan for the period 2011-2015, Members set out a clear ambition for the Council in moving into its new electoral term; stating the need for strong city leadership and the willingness to work in partnership/form strategic alliances to ensure the continued investment in the City during this period of austerity and to secure necessary resources to make things happen, with a greater focus on delivery. Members raised a number of strategic questions which can be paraphrased as follows:
- What is the cluster of projects which the Council wishes to prioritise and focus its efforts in supporting **delivery** across the City?
 - How do we innovate to maximise the potential investment/funding in the City?
 - How can we lobby for resources?

	<ul style="list-style-type: none"> • Who are the Council's key strategic partners at home and abroad? • How can we most effectively influence to Belfast's advantage?
2.0	<u>Key Issues</u>
	<i>What is the Challenge?</i>
2.1	There is no doubt that the current economic climate and budgetary pressures (cutbacks) facing the entire public sector within Northern Ireland will have an adverse impact upon the future level of investment within the City. The Council's response to the NI departmental budget proposals set out Member's concerns across a number of key areas which have the potential to threaten investment in the City. Members also picked this up as part of the recent Ministerial meetings, identifying in particular the need to ensure the prioritisation of capital investment for Belfast.
2.2	City investment is important in terms of growing the city's rate base, which provides some 74% of the Council's income. Investing in necessary infrastructure also provides a platform for growing the City's economic competitiveness, while the rates growth allows enhancement of public service delivery and further improvements to quality of life. Evidence of the decline in the city centre's office occupancy rates and pressure on local businesses provides a further impetus for action.
2.3	The seriousness with which Members take the issue of continued investment in the City was evident in their concern to protect capital spend in the recent budget setting process.
2.4	<p>Two important enablers underpinning the Council's continued commitment to investing in the City are its Capital Programme and City Investment Fund.</p> <p>1) Capital Programme</p> <ul style="list-style-type: none"> ▪ Funded through a mixture of loan and grants, this is a rolling programme of capital investment which either improves/replaces existing facilities/assets/infrastructure (e.g. parks improvements; leisure; civic buildings) or provides new facilities/investment property (e.g. Gasworks, leisure provision, pitch provision etc). ▪ While there are growing affordability pressures on the capital programme and an ongoing need to secure greater efficiencies, Members have recognised the importance of taking a long-term strategic approach and continuing to invest in the development of our City and Council facilities. Major issues such as safety, healthy lifestyles, culture, tourism, sport, the environment can all be usefully supported via the capital programme. <p>2) City Investment Fund</p> <ul style="list-style-type: none"> ▪ The City Investment Fund which has, to date, committed £16million investment by the Council in four iconic projects (including Connswater Community Greenway; Titanic Signature Project; Lyric theatre and the Mac), has helped to lever in some £153million of public and private sector investment in the City. One of the first initiatives of the new Strategic Policy and Resources Committee, the CIF can be considered as a success and is a clear demonstration of the Council's commitment to action and desire to contribute to the vibrancy, prosperity and competitiveness of the City. The TSP alone is projected to attract around 400,000 visitors per annum and contribute 30-40million income into the local economy. Moreover, these key city assets add value to the rate base.
2.3	Members will recall the debates which took place in late 2010 as part of the development of the new Corporate Plan and capital programme; and which sought to examine and identify potential projects and interventions which the Council may wish to consider in particular quadrants of the City. There were a number of consistent messages coming out of these debates which are worth remembering in moving forward:-

- Things don't just happen, they need to be made to happen and in this regard political leadership is essential
- Cities are not physically changed by plans but by projects – masterplans, regeneration plans and strategies with out resources and delivery mechanisms will remain unrealised and unfairly raise expectations that cannot be delivered on.
- Regeneration is largely recognised to be a combination of economic, social/community and physical enhancements. The trigger to making this happen in a particular area requires leadership from the community, professionals/experts and the mandated politicians.
- The need for regional recognition of the importance of the city as the key economic engine and gateway for the city and region, shop window for visitors, tourists and investors and the importance of a vibrant city centre which contributes most of the city's rate base.

The common thread in this is the necessity for strong and proactive leadership to focus the political will, resources and energy of the Council on those projects that are deliverable and have the greatest impact for the city.

How do we move forward?

- 2.4 As stated by Members, things don't just happen; they need to be made to happen. Therefore, a number of core workstreams (as set out below) have been pulled together, drawing upon initiatives already approved by Members and set within the context of the new Corporate Plan and Members' ambition to get things done in the City.
- i) **Medium Term Financial Plan** - this will underpin the financial direction of the council and support the delivery of Members' ambitions for the city over a period of time. It will require:
 - the development of a capital financing strategy which will fund the agreed capital programme;
 - the identification of the proposed indicative rates and efficiency targets for three financial years;
 - the development of a Treasury Management Strategy; and
 - the implementation of the Prudential Code as part of the new Finance Bill.
 - o **Resources Strategy** – this is a key element of the medium term financial plan. The purpose of this strategy is simple - to raise more funds for investment in the city. The strategy will cut across the whole council and will include:
 - the maximisation of collectable rate income;
 - enhancement of the rates base through tackling issues such as vacant office accommodation and business premises;
 - the re-alignment of the council's economic development work to support the strategy;
 - approaches to increasing income from fees and charges, rents and revised pricing policies;
 - a strategic approach to accessing major funding streams such as the EU and National Lottery;
 - the development of new partnership arrangements with the private and public sector to access additional funds (linked to external relations strategy below)
 - ii) **Alternative funding mechanisms** – as directed by Committee, work is underway to identify and explore alternative financing tools which may be utilised by the Council

and/or its partners to deliver the investment priorities for the City and the development of an action plan which would deliver against these priorities

In terms of pursuing potential strands of external funding (e.g. from special funding bodies, government departments, Europe and/or the private sector) it will be important that the Council has a clear vision of what it wants to achieve so as to provide the necessary confidence to potential funders.

- iii) **City Projects (Belfast Agenda)** - Members previously authorised officers to initiate discussions with other public service providers (including Government Departments and the Strategic Investment Board) to discuss the potential of creating a joint framework for city investment and to identify and scope the delivery potential of key strategic projects for the City (e.g. provision of rapid transit system; stadium; tourism & cultural infrastructure; further regeneration of the City Centre; investment in gateways etc). It is important to recognise the key levers which the Council possess to support project delivery including the provision of direct funding and/or assets, providing expertise and capacity, advocacy and asserting influence.
- iv) **Strengthening the leadership and advocacy role of Members on behalf of the City** - Members will be aware that the Committee previously agreed to the establishment of a cross-party City Investment Working Group who would engage with relevant Ministers and government departments to discuss the current economic challenges facing the City, potential risks to future infrastructure investment and to explore how joint delivery may be progressed. Whilst the Ministerial engagement has been useful and progressive, it will be important that the Council build upon this and reinforce its relationship with the NI Executive and government departments in pursuance of a Belfast agenda.
- v) **External Relations Strategy** – will set out how the Council will engage with and create strategic alliances with key stakeholders/service delivery agencies to ensure a more integrated and focused approach is taken to delivering the priorities for the City. In this regard the Council will have to prioritise its present set of relationships and work to add value to others contribution to city development.
- vi) **Belfast Masterplan/City Regeneration Plan** – provide a platform and important focus for the Council’s broad approach to the continued regeneration/revitalisation of the City.
- vii) **Neighbourhood Investment** – a pilot project threw up a number of issues which will require to be addressed to enable effective delivery of projects at a neighbourhood level. Further reports on the learning of the last project will be brought to Committee in due course.
- viii) **Acquisition of additional Place Shaping Powers** – As Members are aware the RPA proposals have been placed in abeyance, awaiting the formation of a new Executive. If the Council actively wants to Shape the Future of the city it needs to accept responsibility for the key place shaping powers of planning and regeneration. The new Council will have to determine whether it wishes to enter into a planning pilot programme with the Department of the Environment and consider how it can develop a joint city regeneration framework with the Department of Social Development and Regional Development.

- 2.6 There is no doubt that these are challenging issues which will require the focus and effort of Members and officers over the coming period. At the meeting, Members will be asked to give their views on these proposals which are intended to drive forward Members’ city leadership agenda and to identify any other issues which they may wish to have addressed in this context. It would be the intention that the officials will facilitate discussion on these issues at the Committee and provide further information, so that Members can then give their views.

3.0 Resource Implications

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

4.0 Equality Implications

All emerging strategies and plans will be assessed in line with the Council's equality scheme and policies.

5.0 Recommendations

Members are asked to:

- iii) note the contents of this report and, in particular, further reports will be submitted for the future consideration of the Committee on the identified workstreams; and
- iv) provide their views on how they would wish to be engaged in taking forward these important issues and in providing strong city leadership

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BELFAST CITY COUNCIL

Report to:	Strategic Policy & Resources Committee
Subject:	Approval to seek tenders for the supply & delivery of mechanical sweeper brushes
Date:	4 th March 2011
Reporting Officer:	Gerry Millar, Director of Property & Projects
Contact Officer:	George Wright, Head of Facilities Management – Ext 5206/6232

Relevant background information

- 1.1 Members will be aware that, under the revised Scheme of Delegation, approval must be sought from the relevant Committee prior to inviting tenders for the supply of any goods or services.
- 1.2 Members will also be aware that the Fleet Management unit is responsible for the procurement, maintenance, repair and disposal of all items of the council's fleet of vehicles. This includes mechanical sweepers which are used by the Cleansing Services Section to deliver important public services in terms of street cleansing.
- 1.3 These street-cleansing vehicles use a range of specialist mechanical sweeper brushes which are procured from external suppliers. As the existing contract will terminate later this year, the unit is seeking approval to undertake a procurement exercise for the supply and delivery of mechanical sweeper brushes, and to award a contract to the most economically advantageous tender.
- 1.4 Based on current trends this contract would have an annual value of approx. **£100,000** and would run for one year, with up to two further 12-month contract extensions exercisable at the Council's discretion, based on satisfactory performance. This is felt to provide the optimal balance between regularly testing the market to obtain the keenest prices and minimising the bureaucracy and administration associated with the procurement process.

Key Issues

- 2.1 Tenders will be evaluated in liaison with the Council's procurement manager, and the evaluation criteria will be based on both cost and quality.

Resources Implications

- 3.1 Financial
Provision has been made in the unit's budget for 2011/12 in respect of this expenditure. Regularly testing the market via competitive tendering ensures that we obtain the best possible value for money and standards of service

from our external suppliers, which in turn assists us in driving down costs and minimising the rate burden.

Human Resources

There are no human resources implications arising from this report.

Assets

Having a range of experienced and efficient suppliers of goods and services is an important factor in delivering effective fleet management to the Council.

Recommendations & Decisions

- 4.1 The Committee is recommended to approve the invitation of tenders on the basis set out above.

Key to Abbreviations

None.

Documents attached

None.



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Secondment request from the Ilex Urban Regeneration Company
Date:	4 March 2011
Reporting Officer:	Peter McNaney Chief Executive ext 6002
Contact Officer:	Laura Leonard European Manager ext 3577

1	Relevant Background Information
1.1	Members will be aware that the Council has highlighted the need for more effective relationships to be developed with other cities in Northern Ireland, with a view to establishing a common city agenda, which can find expression in regional/European policies and resource plans.

2	Key Issues
2.1	<p>Since early in 2010, Derry City Council has been exploring the potential for establishing a dedicated European resource based on the success of Belfast City Council's European Unit since its establishment in 2003. To this end, Belfast City Council's European Unit has played an increasing advisory role for Derry City Council and more recently Newry City and Donegal County Councils.</p> <p>Derry City Council is now pursuing the intention of formally establishing a European unit and in the meantime the Ilex Urban Regeneration Company has approached Belfast City Council with a secondment request.</p> <p>The Chief Executive of Belfast City Council has received a request from the Chief Executive of Ilex to release Belfast City Council's European Manager Laura Leonard on secondment for a period of three to six months.</p> <p>The purpose of the secondment would be to work with Ilex to develop an EU resourcing strategy to help deliver the newly developed Ilex regeneration plan for Derry. At the same time the European Manager would give primary focus on her</p>

	<p>work for Belfast City Council, to contribute to Belfast's emerging resource plan.</p> <p>This is a real opportunity for Belfast City Council and the city of Derry/Londonderry and their stakeholders to work together to develop a shared urban resource strategy and to jointly lobby for a strong European urban dimension within future structural funds programmes post 2013.</p> <p>It will be the first time that the two urban centres of NI will come together to address urban challenges and maximise the potential to secure what European funding remains for Northern Ireland.</p> <p>Ilex has requested that the European Manager is seconded on a 3:2 day week about basis in Derry for a preliminary three month period with a possible three month extension subject to review.</p> <p>The Ilex Urban Regeneration Company will cover all related gross staff costs and related expenses and the manager will report monthly to the Director of Ilex and Belfast City Council's Director of Development to monitor progress and mutual benefit. Once Council approval is given the necessary legal and administrative arrangements will be investigated and put in place.</p>
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3	Resource Implications
3.1	All gross staff costs and associated expenses relating to this secondment will be covered through a legal agreement with BCC and Ilex Regeneration company.

4	Equality and Good Relations Considerations
4.1	There are no equality and good relations considerations attached to this report.

5	Recommendations
5.1	Members are asked to agree to the secondment of the European manager for a period of three to six months subject to review beginning 1 April 2011.

6	Decision Tracking
There is no decision tracking attached to this report.	



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Standing Order 55 – Employment of Relatives
Date:	4 March 2011
Reporting Officer:	Julie Thompson, Director of Finance and Resources, ext 6083
Contact Officer:	Jill Minne, Head of Human Resources, ext 3220

Relevant Background Information

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

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

NAME OF NEW EMPLOYEE	POST APPOINTED TO	RELATIONSHIP TO EXISTING OFFICER	NAME OF EXISTING OFFICER	DEPARTMENT
Anne Ross	Project Support Officer (Healthy Ageing) (FTC to 31 March 2012)	Wife	James Ross	Health and Environmental Services

Resource Implications

Financial

Provision for this post exists within the revenue budgets of the relevant departments.

Human Resources

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

Asset and Other Implications

There are no other implications.

Recommendations

Committee is asked to note the appointment authorised by the Director of Finance and Resources in accordance with Standing Order 55.