

Strategic Policy and Resources Committee

Friday, 20th September, 2013

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Aldermen D. Browne and R. Newton;
Councillors Attwood, Corr, Haire, Hargey,
Jones, Lavery, Mullan, McCabe, McCarthy,
McVeigh, Mac Giolla Mhín, A. Newton,
Reynolds and Spence.

In attendance: Mr. C. Quigley, Assistant Chief Executive/Town Solicitor;
Mr. R. Cregan, Director of Finance and Resources;
Mr. G. Millar, Director of Property and Projects;
Mr. S. McCrory, Democratic Services Manager; and
Mr. J. Hanna, Senior Democratic Services Officer.

Chairing of Meeting

In the absence of the Chairman and the Deputy Chairman, the Committee agreed that Councillor Jones take the Chair.

(Councillor Jones in the Chair.)

Apologies

Apologies for inability to attend were reported from the Chairman (Alderman Robinson), the Deputy Chairman (Councillor Maskey) and Councillor Hendron.

Declarations of Interest

No declarations of interest were reported.

Investment Programme

Area Working Update – Including Update on the Belfast Investment Fund and the Local Investment Fund

The Committee considered the undernoted report:

“1.0 Relevant Background Information

Role of the Area Working Groups

- 1.1 **Members are aware that the Area Working Groups (AWGs) were established last year as a means of connecting Members to local areas in preparation for their role in community**

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planning under the Reform of Local Government. In governance terms, the AWGs were established to have an advisory role, informing the implementation of the Investment Programme. It was agreed that the AWGs would have no delegated authority and no budget.

- 1.2 Since this time, the AWGs have played an integral role in recommending investment decisions for their areas in terms of the Local Investment Fund, the Feasibility Fund and Local Interventions Funds to the SP&R Committee. It was also previously agreed at SP&R last November that the AWGs would play a central part in the decisions related to the Belfast Investment Fund (BIF) given their knowledge of local areas and projects. Members are asked to note Property & Projects is happy to facilitate site visits for Members/Party Groups to any of the Council physical projects (including those funded under the Capital Programme and LIF) as they may help inform future investment decisions under BIF.
- 1.3 Members will be aware that BIF (previously the City Investment Fund) was established in 2007 to enable the Council to take a lead role and work in partnership to deliver key investment projects in the city. At its meeting in March 2012, SP&R Committee reviewed and confirmed the objectives for BIF. Given both the changed needs of the city as well as the broader economic context, it was agreed that BIF support should be extended to include programmes of capital investment (or clusters) as well as single iconic projects, which demonstrated a cumulative transformational or iconic impact. It was further noted at this meeting by the SP&R Committee that in order to ensure a balanced investment across the city, and given the scale of investments, that the time horizon for BIF would be over three terms of Council, from 2007 when BIF was initiated through to 2019/20. This balance will need to be considered in the context of investments which have already been made and the money available for allocation which is currently anticipated as £20m by 2015.
- 1.4 One of the key objectives of BIF is to lever investment from the private and public sectors and Members further agreed in November 2012 that projects must secure at least 50% match funding from other sources. It was also agreed that there should be no ongoing revenue implications.
- 1.5 Members, at this meeting, agreed an approval process for BIF projects which is attached for Members attention at Appendix 2. It is important to note that BIF is a citywide fund and that individual allocations of money are not being made against

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particular areas. AWGs do not have any delegated authority and can only make recommendations to the SP&R Committee. The final decision on which BIF projects the Council will invest in will be determined by the SP&R Committee in its role as the Council's investment decision maker.

- 1.6 This approval process reflects the Stage Approval process that SP& R has previously agreed that all Council capital projects must go through whereby decisions on which projects progress are taken by SP&R Committee. The first stage of this process is the development of a Strategic Outline Case which will test the four abilities of the projects – i.e. feasibility, deliverability, affordability, sustainability. The development of an SOC does not constitute a decision to invest in a project. Members are asked to note that any costs associated with the development of SOCs will come from the Feasibility Fund and not the BIF per se.
- 1.7 Members will appreciate that the role of SP&R as the investment decision maker does present the potential for the Committee to decide to over-rule the proposals or priority projects put forward by an AWG. While this situation has not emerged to date in relation to local investment decisions, there may inevitably be a tension between those decisions made on the basis of local needs and those made from a city perspective which emphasises the importance of city and area planning. SP&R Members will therefore be required to use their civic leadership role and focus on agreeing those projects which can have maximum benefits and investment return on both city-level and area level outcomes in line with the investment principles that were agreed by Members that underpin the Investment Programme -Balanced investment across the city; Good relations and equality; Partnership and integration; Value for money and Sustainability
- 2.0 **Key issues**
- 2.1 Following the Committee decision in November, each AWG was presented with the long-list of suggested BIF projects for their area. In the interim period, individual AWGs have received presentations from emerging projects and been able to question groups on proposals.
- 2.2 In May 2013, Committee agreed that a list of BIF projects (to go forward to the next stage to develop up an outline case and test their feasibility) from each AWG should be brought back in August with clearly expressed outcomes to address identified needs in each area. At this stage it was

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anticipated that first decisions on SIF projects would be available to help inform the decision making process.

- 2.3 A current status of the AWG position in relation to emerging BIF projects is outlined below.

| AWG | Current status in relation |
|-----------------|--|
| North | Currently considering their emerging BIF projects. |
| South | <p>Have recommended that 3 projects be referred to SP&R to move to the next stage</p> <ul style="list-style-type: none"> - Lagan Corridor* - Markets Tunnels at Lanyon - Gilpins <p>(* Members are asked to note that the South AWG has used an aggregation of their LIF feasibility to progress a preliminary study on this project)</p> |
| East | Currently considering their emerging BIF projects |
| West | Currently considering their emerging BIF projects |
| Shankill | Have recommended that St. Andrew's Church be referred to SP&R to move to the next stage |

- 2.4 Whilst it is intended that Members final decisions on priorities should be informed by factors such as SIF projects and city and area priorities, it was highlighted to Committee in August that some AWGs are keen to move certain BIF schemes to feasibility stage because of timescale constraints, the level of investment and the need to secure at least 50% funding from other sources.
- 2.5 Members are therefore asked to asked to consider if they wish to progress the projects as recommended by the South and Shankill Area Working Groups to be moved to Stage 1 (i.e. the development of a Strategic Outline Case) which will test their feasibility in the first instance. Members are asked to note that this does not constitute a final decision to invest in any project.
- 2.6 As with all capital projects, the outcome of the SOC's will be reported back to the SP&R Committee which can then take a decision on whether projects are progressed to the next stage or are stopped. As highlighted the SOC will test the 4 principles which guide all Council's investments: (1) affordability inc. consideration of available match funding; (2)

deliverability; (3) feasibility; and (4) sustainability. A report outlining the framework for finalising BIF investment decisions will be brought to a future meeting of SP&R.

3.0 Area Planning – Next steps

- 3.1** Members are asked to note that it is important that even if some potential BIF projects are progressed to the next stage and the development of an outline case that the emphasis on city and area priorities remains. Best practice from elsewhere highlights that planning needs addressed at a broad city level, within larger constituent parts of the city including the city centre and also from the community grassroots up – in some cases using physical projects as a catalyst. Members are also aware that there are various frameworks in place which set a city wide context including the Masterplan, the Investment Programme and the Corporate Plan.
- 3.2** At an area level however Members will acknowledge that areas are not homogenous and that within local areas (North, South, East, West and Shankill) there are vast differences with individual areas/neighbourhoods requiring different interventions and focus from others. Members are aware the good examples of local area based planning are taking place across the city. These have tended to be driven by thematic issues, specific geographical areas, particular area needs or on an individual project basis. Some examples of the work which is already underway or planned is outlined for Members is attached at Appendix 3. Members will note that this list is not comprehensive and there are many examples of good area planning, led both by the Council and by a range of other agencies and groups, already happening on the ground across the city.
- 3.3** Members are asked to note that all of these developed and emerging plans, together with other masterplans which are being led by DSD and the various NRP plans which are already in place, can provide a nucleus for the development of area frameworks which can inform Members' investment decisions.
- 3.4** A workshop, facilitated by the Centre for Local Economic Studies (CLES), is being arranged for all Members in early October to help Members consider these issues and work through approaches to creating effective investment and interventions at a local level. Further proposals on how the Council will address city and area planning issues will be forthcoming over the next number of weeks.

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4.0 Area Working Group updates – September

South AWG - Local Intervention

4.1 The South AWG made the following recommendation for the consideration of the SP&R Committee in relation to their Local Intervention money:

| Proposal | £ | AWG Comments |
|----------------------------------|---------|--|
| Finaghy Traders' Group | £12,600 | That £12,600 be allocated from the South AWG's Local Intervention Fund to assist the Finaghy Traders' Group to undertake retail development and promotional activities on the understanding that the Group would contribute a sum of £1,400 for that purpose – i.e. 10% of the total anticipated costs - in addition to the amount to be granted by the Council. |
| Ormeau Road Business Association | £10,800 | That £10,800 be allocated from the South AWG's Local Intervention Fund to assist the Ormeau Road Business Association to undertake retail development and promotional activities on the understanding that the Association would contribute a sum of £1,200 for that purpose – i.e. 10% of the total anticipated costs - in addition to the amount to be granted by the Council. |

5.0 Local Investment Fund Update

5.1 Members will recall that they were informed last month at Committee that the full allocation of £5million under the local Investment Fund had been committed in principle to 67 projects across the city. 20 projects totalling £1.26m received funding formal agreements at the LIF event in May.

5.2 Members are asked to note that since this time a number of other LIF projects have now received funding agreements including

| | | |
|---------|-------------------------------|---|
| ELIF027 | Templemore Avenue School | £100,000 towards the renovation of the building |
| NLIF007 | North Belfast WISP | £50,000 towards building renovations |
| SLIF061 | Donegall Pass Community Forum | £38,000 towards a community garden |

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| | | |
|----------|--------------------------|--|
| ShLIF021 | West Belfast Orange Hall | £50,000 towards improvements to the Hall |
| NLIF035 | Ligoniel Connect Project | £50,000 towards a youth training suite |

5.3 A number of other projects are in the final stages of due-diligence (including WLIF020 Divis Joint Development Committee; ELIF015 Short Strand Community Centre; SLIF052 Mornington Community Project). Due-diligence work is continuing on the other projects which have been approved in principle and officers are working closely with groups to ensure that all information is being forwarded to the Council. Area Working Groups will be kept up to date on the status of their LIF proposals on a regular basis regarding where they are in the due-diligence process.

6.0 Resource Implications

Financial: Any costs associated with the development of Strategic Outline Cases for emerging BIF proposals will be met from the Feasibility Fund.

Human: Officer time in working with groups on developing their project proposals

Assets: none at present

7.0 Equality Implications

As part of the Stage approval process, a screening will be carried out on each project to indicate potential equality and good relations impacts and any mitigating actions needed.

8.0 Recommendations

Committee is asked to note the contents of this report and -

- agree the request from the South and Shankill AWGs that their prioritised BIF projects (Lagan, Gilpins and Markets Tunnels – South and St. Andrews Church – Shankill) are progressed to Stage 1 and the development of SOC's to test their feasibility, affordability, sustainability and deliverability. Members are asked to note that this does not constitute a final decision to invest in any project.

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- note the scope and location of area based working which is already taking place across the city as outlined in Appendix 3
- note that a workshop on area planning, to be facilitated by CLES, is being held in October
- agree the Local Intervention recommendation as proposed by the South AWG (Finaghy Traders' Association and Ormeau Road Business Association)

- note the update in respect of the Local Investment Fund"

After discussion, the Committee adopted the recommendations and agreed further that a report be submitted to a future meeting outlining how engagement with City centre stakeholders could be undertaken, together with details of the projects which had been approved by the Area Working Groups fitted into a Masterplan for the City centre.

Capital Programme – Update and Stage Approvals

The Committee considered the undernoted report:

“1.0 Purpose of report

1.1 The Capital Programme is a rolling programme of investment which either improves existing Council facilities or provides new facilities. This report provides an update on –

- Capital programme - Recent highlights since June 2013
- proposed recommendations for movement between the Capital Programme stages
- proposed new Stage 1 - Emerging Projects
- projects requiring additional resources

2.0 Relevant Background Information

Capital Programme – Highlights since June 2013

2.1 There has been significant movement on the Capital Programme since the last update report to Committee in June. Many projects have progressed both on the ground and also in the necessary preparatory work required to deliver them. A number of projects have been completed including the –

- the £3million new Mary Peter's Track has been officially opened

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- the £4m upgrades of Dunville and Woodvale Parks which were part-funded by DSD;
- a new £470,000 3G pitch at the Hammer Complex which was part funded by SportNI;
- the £200,000 John Luke Bridge in Clement Wilson Park which opened earlier this month

2.2 Work is also well underway on –

- Phase 1 of the Connswater Community Greenway project
- the relocation of the Belfast Welcome Centre which is due to open in November
- the three strands of the Super-Connected Belfast project (voucher scheme, wireless and Wi-Fi). A two-month pilot of the voucher scheme is now underway which will help provide grants to SMEs and third-sector enterprises to enable them to access superfast connections. The full voucher scheme is expected to launch in November

Preparatory work is also well advanced for a wide range of projects including new pitches and changing facilities under Phase 1 of the Pitches Strategy, the new pavilion at Suffolk and the new pitch at Marrowbone. Corporate Communications are working closely with the Property & Projects Department and client departments to ensure that the media opportunities around each of these projects is maximised.

- 2.3** Pictures of the above projects are attached at Appendix A so Members can see both the completed projects and the work which is underway. The Property & Projects Department is also happy to arrange site visits for Members/Party Groups to be undertaken to any of the projects including capital programme projects or any of the LIF projects which the Council has contributed to.

Girdwood Hub – Update

- 2.4** Members are aware that the Council has applied for Peace III funding for the development of a Community Hub at Girdwood. Members are asked to note that notification has been received from SEUPB that Peace III funding for the delivery of the Girdwood Hub has been approved and that a letter of offer will follow. This is a significant investment in North Belfast. Work is continuing on the Hub project including working closely with the Hub Forum. It is anticipated that work will start on the ground in January 2014.

Rolling Capital Programme 2013/14 onwards

- 2.5 Members have agreed that all capital projects must go through a Stage process where decisions on which projects progress are taken by SP&R. This provides assurance as to the level of financial control and will allow Members to properly consider the opportunity costs of approving one capital project over another capital project. Importantly it will also enable Members to focus on delivering the projects which can have maximum benefits and investment return for the city and local areas.
- 2.6 Members are aware that the Capital Programme (as agreed by Committee on 22nd March 2013) has been reconfigured to reflect the 3 approval stages as agreed –
- Committed projects (Stage 3) - projects which have completed a Full Business Case (FBC) and where approval has been obtained by SP&R to proceed to tender. There are 4 Tiers under this Stage including -
 - Project which are completed (Stage 3 - Tier 3);
 - Projects which are at construction stage (Stage 3 – Tier 2);
 - Projects at tender preparation stage (Stage 3 – Tier 1) or
 - Schemes at risk (Stage 3 – Tier 0) – which are normally schemes seeking external funding and are still awaiting letters of offer (LOO) (i.e. ERDF applications) but that need to be progressed to tender preparation stage in order to meet tight funding deadlines or projects which have outstanding project issues to resolve. Members are asked to note that no construction contracts will be awarded on these projects until a LOO is in place or that any other outstanding issues have been resolved
 - Uncommitted projects (Stage 2) –projects where a Strategic Outline Case (SOC) has been agreed by Committee and work on the project is being progressed through the development of an Outline Business Case (OBC), but they have not yet been developed to a stage where permission could be sought from SP&R to proceed to tender.

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- **Emerging proposals (Stage 1) –proposals which require completion of an SOC before they could be considered further by SP&R Committee.**

3.0 KEY ISSUES

Capital Programme – Proposed movements - Projects recommended to move up a Stage

Proposed movements from ‘Stage 2 – Uncommitted’ to ‘Stage 3 – Committed’

- 3.1 It is proposed that the projects outlined in Table 1 below are advanced from Stage 2 – Uncommitted to Stage 3 – Committed. Members are asked to note that the costs cited are pre-tender estimates only. These costs will be challenged and assessed at the tender preparation stage and any significant changes will be brought back to Committee.**

| Project | Project overview | Proposed Stage | Estimated Gross Cost | Estimated Net cost |
|-----------------------------|--|-----------------------|-----------------------------|---------------------------|
| Tropical Ravine | Redevelopment of the Tropical Ravine in the Botanic Gardens. Heritage Lottery Funding of £2,232,000 has been applied for. This project will remain ‘at risk’ until a LOO is received. | Stage 3 (Tier 0) | £3,732,000 | £1,500,000 |
| Olympia regeneration | Regeneration of the Olympia Leisure Centre. Members will be aware that £19m towards this project was agreed at SP&R in June as part of the overall Leisure Transformation Programme. | Stage 3 (Tier 0) | £21,600,000 | £19,000,000 |
| Half Moon Lake | To support the evolution of the Half Moon Lake through improved access and to provide for a safe learning environment for the many school, community and local interest groups who enjoy this unique environmental asset located within a dense urban environment. | Stage 3 (Tier 1) | £200,000 | £200,000 |

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| Project | Project overview | Proposed Stage | Estimated Gross Cost | Estimated Net cost |
|----------------|--|------------------|----------------------|--------------------|
| Drumglass Park | To further develop Drumglass Park in order to fully exploit its role and function in the economic and tourism fabric of the Lisburn Road. This is proposed through civic realm improvements and public art installation which will facilitate enhanced usage by local people and visitors. | Stage 3 (Tier 1) | £421,875 | £421,875 |
| | | | £25,953,875 | £21,121,875 |

Specific project issues

- 3.2 Tropical Ravine - Members will be aware that the Tropical Ravine project is the subject of a Heritage Lottery Fund application. This was submitted at the start of August and it anticipated that a decision will be made by the HLF committee by the end of the year. However in order to meeting funding timescales it is necessary for this project to proceed to tender preparation stage. As outlined above however no construction contracts will be awarded on the Tropical Ravine project until a LOO is in place. The HLF had previously awarded the Council £115,000 towards developing up the project up to RIBA Stage D. Given the tight timescales for funding, the Council would like to continue to work at risk on this project to bring it up to RIBA Stage E in order to progress it to a level where it is ready to commence as soon as possible after a Letter of Offer is received from HLF. To facilitate this it is recommended that £60,000 is allocated at risk to this project. Members are asked to note that these costs will be recovered if a Letter of Offer is received.**
- 3.3 Olympia Regeneration – Members will be aware that the SPR Committee, at its meeting in June, agreed a £105m capital expenditure affordability limit for the leisure transformation programme. This included £38m towards the Olympia and Andersonstown schemes under Phase 1. At this meeting Members were also brought a detailed report on the Integrated Stadia regenerations and as part of this Members were made aware that there was a very tight timescale for the delivery of Olympia. Since this time officers have been continuing to work closely with DCAL, the IFA and Linfield in order to ensure successful development and delivery of the project. As a result a number of issues have now been successfully resolved including the overall programme of works and the procurement strategy.**

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3.4 However there are a number of outstanding issues to be resolved including –

- Confirmation in writing from DCAL of its £2.75million contribution to the project
- Detailed land agreements with Linfield FC being resolved
- Maintenance and management agreements with Linfield FC being formally agreed
- Subleases and licenses with the IFA being agreed
- a mutually beneficial community benefits partnership with the IFA being agreed

Members are therefore asked to note that the Council will continue to progress work at risk on this project in order to meet the tight programme timescale but that no construction contracts will be awarded until all outstanding issues have been satisfactorily resolved.

3.5 Members are asked to note that the Director of Finance & Resources has confirmed that the projects outlined in Table 1 at 3.1 above are within the affordability limits of the Council on the proviso that no construction contracts for the Tropical Ravine or Olympia regeneration are let until a Letter of Offer is in place (Tropical Ravine) and all outstanding issues have been agreed (Olympia).

Proposed movements from Stage 1 – Emerging Projects to Stage 2 – Uncommitted

3.6 It is proposed that the projects outlined in Table 2 below are advanced from Stage 1 – Emerging Projects to Stage 2 – Uncommitted. A Strategic Outline Case has been completed for each of these which has examined (i) Background to the project; (2) Feasibility; (3) Affordability; (4) Deliverability and Sustainability. Members are asked to note that at SOC level the affordability of a project is only examined at a very high level and this is tested and challenged further during Stages 2 and 3.

| Project | Project overview | Proposed Stage |
|---------------------------------|--|----------------|
| Capping Works – North Foreshore | Part of the North Foreshore Infrastructure Project. To progress capping works on 2 sites (the Cleantech site; the AD Site 1). Committee have previously agreed to market both sites and agreed in August the preferred bidder in respect of the Cleantech site. The capping work is required in order to enable development work to be undertaken. | Stage 2 |

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| Project | Project overview | Proposed Stage |
|--------------------------------------|---|----------------|
| Commercial Waste Bin Weighing system | The procurement of bin weighing hardware, to be installed on 8 waste refuse collection vehicles, as well as a software management system from which reports can be generated on the tonnage of waste collected. | Stage 2 |
| Council Accommodation | To inform the development of a longer term strategy for the Council's accommodation needs. This will build on the initial baseline already undertaken by CIFPA. | Stage 2 |

Specific project issues

- 3.7 Council accommodation – Clarendon House - Members will recall that they were informed at the SP&R meeting in June of the potential availability to purchase Clarendon House and it was agreed that this property should be included as an option in the Council's Corporate Accommodation Strategy and work around an economic appraisal has been commenced on this basis. It was agreed that a further report would be brought back to Committee in the event of developments in relation to this disposal.**
- 3.8 Members are now advised that an offer has been received by the agents which may precipitate conclusion of the sale by a specified deadline before completion of the Council's economic appraisal. In order to retain Clarendon House as a live option in the Corporate Accommodation Strategy approval is sought to bid on Clarendon House (if required) on a without prejudice basis and on the condition that any bid would be subject to the outcome of the economic appraisal and dependent upon further discussion with the Director of Finance & Resources regarding affordability of funding with a further report to be brought back to this Committee to consider acquisition.**

Projects recommended to be added to the Capital Programme

- 3.9 It is proposed that the following projects are added as Stage 1 – Emerging Projects. These projects will all require the completion of an SOC before they are progressed. Members will acknowledge that there is increasing demand on the Council to deliver projects within increasingly scarce financial resources. Members will also be aware that the Council is commencing an ambitious leisure transformation programme. Due to the scale of investment required this will have implications on future project delivery and will necessitate prioritisation of projects under the capital programme. Members are therefore asked to take this into consideration when making investment decisions around projects.**

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| Proposed Project | Overview | Proposed through |
|---|---|---|
| <p>Grove Wellbeing Centre - Provision of Pool Seating.</p> | <p>Members will be aware that when the new Grove was opened it was agreed that priority for the use for the pool would be for recreational swimming, rather than for the use of swimming clubs. Therefore the centre's design had not incorporated spectator seating which would enable gala events to be held at the venue. Since this time, one of the main swimming clubs which had previously used the pool at old Grove LC has consistently lobbied the Council to make provision for spectator seating and it was agreed by the Parks & Leisure Committee at its meeting in June that this project be referred to the SP&R Committee for consideration as an emerging project under the Capital Programme.</p> <p>Members are asked to note that the Council is commencing an ambitious leisure transformation programme. As part of this, the requirements of swimming clubs, insofar as they relate to swimming galas, will be considered as part of this programme. It is also likely that this proposal will necessitate significant capital and structural works to be carried out.</p> | <p><i>Parks & Leisure Committee</i></p> |
| <p>City Hall – Memorabilia and Displays</p> | <p>Members will be aware an EQIA on Memorabilia was carried out last year and the outcomes reported to Committee in Nov 12. Following this an independent consultant was commissioned to undertake work in relation to the next steps for displays, the findings of which were presented to the Joint Diversity Group on 1 March. Party Group briefings were subsequently held in April and May.</p> <p>Members will be aware that City Hall works (including the East Wing and grounds, Changing Places toilet & parenting room) is already an Emerging capital project. However the displays and memorabilia element is not currently included on this list and as a result no funding has been set aside to undertake this work. The Joint Diversity Group, at its meeting on 6th Sept, therefore agreed that the displays & memorabilia element be referred to the SP&R Committee as an Emerging Project as part of the overall City Hall project and that a composite SOC for all elements of the City Hall works be developed. This SOC will also take into account a number of other emerging issues in relation to the city Hall including the Council's corporate accommodation strategy, the impact of local government reform and transfer of functions</p> | <p><i>Joint Diversity Group of Party Group Leaders & Centenaries Working Group</i></p> |

- 3.10 City Hall – Memorabilia and displays – Members are asked to note that if they agree to add this project to the Emerging Project list that it is proposed that a business case will be presented to the SP&R Committee in January which will include setting out proposals/ options for physical works to the City Hall to create more space for the representation of symbols/artefacts and the creation of exhibition space. As part of this it is recommended that Members agree that**

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independent consultants are engaged to help develop proposals around the presentation of items at the same time as consideration is being given to the physical environment, subject to the agreement of a specification of principles which will be brought back to the Joint Diversity Group in October. Members are asked also to note that an action plan on progressing this work will be taken to the next meeting of the Joint Diversity Group and that the Group will be kept up to date of progress on the development of the SOC in relation to displays and memorabilia between now and January.

Projects requiring additional resources and/or approval to go to tender

- 3.11 Fleet Replacement Programme – Members will know that the Council needs to run and maintain a substantial fleet in order to deliver its services. A fleet replacement programme is currently a Stage 3 project on the Capital Programme, however Members may recall that a recent external consultancy review of the Council’s Fleet Management recommended a significant reduction in the size of fleet and that a comprehensive fleet replacement policy and programme should be developed. The Council’s fleet replacement policy has now been updated. This has been informed by the previous Council policy, industry approach and standards, extended life as recommended by the VFM Fleet Review and is underpinned by comprehensive out of life assessments. Members are asked to approve this. Building on this a detailed costed programme for fleet replacement for the next 6 years will be developed.**
- 3.12 In the interim however, some vehicles have reached the end of their operating life and have had to be removed from service. This has had the effect of creating some temporary shortages in specific types of assets (i.e. street-cleansing and refuse-collection assets). In order to address these shortages, it is proposed to lease a number of vehicles on an interim basis while the vehicle replacement programme is developed and signed off. This approach will allow any temporary shortages to be managed but without acquiring any new assets, as this could make the task of implementing significant fleet reductions more difficult in the longer term. In order to facilitate this, Committee is asked to approve an additional net capital expenditure of up to £125,000 to cover leasing costs during the current financial year. Approval is also sought to initiate the necessary procurement processes (including the invitation of tenders and/or the use of appropriate ‘framework’ arrangements if available) for the leasing of assets, and for the delegation of subsequent**

evaluation and award processes to the Director of Property & Projects.

- 3.13 Vehicle GPS and Route Optimisation – A key recommendation of the Fleet Management Review was the implementation of a GPS fleet tracking system in order to improve utilisation, planning and efficiency of the council fleet assets. It was also envisaged at this time that the GPS system would also provide the required technology to permit ‘route optimisation’ assessments to be undertaken across our fleet in order to maximise routes and ensure that fleet assets are being used optimally in terms of the number, distribution, scale and scope.
- 3.14 However since this time, further work on the specification for the GPS/Route optimisation project has been carried out and it is now evident that a separate route optimisation system and support service will be required. The Council has also looked at how the systems can be future proofed to take into consideration the impact of local government reform and service convergence issues which has necessitated a number of additional modelling modules which have impacted the overall project costs. Committee is asked to approve an additional net capital expenditure of £150,000 towards this project. Approval is also sought to initiate the necessary procurement processes (including the invitation of tenders and/or the use of appropriate ‘framework’ arrangements if available) for this project, and for the delegation of subsequent evaluation and award processes to the Director of Property & Projects. Members are asked to note that a target cost contract will be put in place for this project to ensure that the costs stay within agreed limits.
- 3.15 Members are asked to note that the Director of Finance & Resources has confirmed that the additional net capital expenditure for the Vehicle Replacement Programme and the GPS/Route Optimisation projects are within the affordability limits of the Council.
- 4.0 **Recommendations**
- 4.1 Members are asked to –
- note the updates in relations to the Capital Programme as outlined in 2.1 and 2.2 above and that the Property & Projects Department is happy to arrange site visits for Members/ Party Groups to Council funded capital project (capital programme and LIF).

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- note that the Council has received notification from SEUPB that Peace III funding for the delivery of the Girdwood Hub has been approved and that a letter of offer will follow. Work on this project is continuing and Members will be brought regular updates as required
- agree if they wish to progress the projects as outlined in Table 1 (3.1 above) to move from Stage 2 - Uncommitted to Stage 3 – Committed in the capital programme and if so, agree that these projects are advanced to the invitation of tenders, to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver. Members are asked to note no construction contracts for the Tropical Ravine or Olympia will be let until letters of offer are received, the terms and conditions are agreed or other outstanding issues in relation to projects are satisfactorily resolved
- approve an allocation of £60,000 ‘at risk’ towards the Tropical Ravine project prior to confirmation of funding in order to progress design work and ensure this project is ready for tender to meet the funding timescales
- agree if they wish to progress the projects as outlined in Table 2 (3.6 above) to move from Stage 1 –Emerging Projects to Stage 2 – Uncommitted in the capital programme
- Council Accommodation - Clarendon House – agree that officers continue to progress discussions including making a bid (if required) on Clarendon House on the condition that any bid is on a without prejudice basis subject to the outcome of the economic appraisal and dependent upon further discussion with the Director of Finance & Resources regarding affordability of funding with a further report to be brought back to this Committee
- agree if they wish the proposed new projects as outlined in Table 3 (3.9) to be added as Stage 1 – Emerging projects
- note that if they agree the City Hall –Memorabilia and Displays as an emerging project that approval is given to engage independent consultants to help develop proposals around the presentation of items at the same time as consideration is being given to the physical environment, subject to the agreement of a specification of principles which will be brought back to the Joint Diversity Group in October
- Fleet Replacement Programme – approve the additional net capital expenditure of £125,000 for the

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fleet replacement programme in order to lease a number of vehicles on an interim to address temporary shortages and agree that this is advanced to the invitation of tenders, to be awarded on the basis of most economically advantageous tenders received with authority delegated to the Director of Property & Projects

- **Members are also asked to approve the updated Fleet Replacement policy as attached in Appendix C and note that a detailed fleet replacement programme is being developed in consultation with Departments**
- **Vehicle GPS and Route Optimisation - approve the additional net capital expenditure of up to £150,000 for the Vehicle GPS/Route Optimisation project and agree that this is advanced to the invitation of tenders, to be awarded on the basis of most economically advantageous tenders received with authority delegated to the Director of Property & Projects.”**

After discussion, the Committee adopted the recommendations and agreed that reports be submitted at a future meeting of the Voluntary Transition Committee providing details in relation to current and future Capital Projects which might be undertaken in the Castlereagh and Lisburn areas which were transferring to Belfast City Council; and on how that Committee could engage with the representatives from those areas.

Democratic Services and Governance

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

The Democratic Services Manager reported that the undernoted requests for the use of the City Hall and the Provision of Hospitality had been received:

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| Organisation/ Body | Event/Date Number Delegates/Guests | Request | Comments | Recommendation |
|---|--|---|---|--|
| Faculty of Sexual and Reproductive Healthcare | Faculty of Sexual and Reproductive Healthcare Conference Reception 3rd April, 2014 Approximately 150 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 wine and soft drinks Approximate cost £500 |
| Falls Youth Providers | Falls Youth Awards 18th November, 2013 Approximately 250 attending | The use of the City Hall and the provision of hospitality in the form of tea, coffee and biscuits | This event aims to highlight the achievements of young people in the city and to promote the talent which exists among the award recipients. Awards will be presented to recognise success in areas such as education, sport, training, citizenship, leadership, participation and arts and culture. This event would contribute to the Council's Key Themes of 'City leadership, strong, fair and together' and 'Better support for people and communities' and in addition would contribute to the Council's thematic area of Children and Young People. | The use of the City Hall and the provision of hospitality in the form of tea, coffee and biscuits Approximate cost £625 |

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| Organisation/ Body | Event/Date Number - of Delegates/Guests | Request | Comments | Recommendation |
|-------------------------------|---|--|--|---|
| Flax Trust | Flax Trust Inter-Community Schools Choir Award 5th December, 2013 Approximately 500 attending | The use of the City Hall and the provision of hospitality in the form of tea, coffee and biscuits | This event will aim to inspire communication and integration across the divide. It will provide an opportunity to bring together schools from across North Belfast to demonstrate through music the work which is being carried out to help build cross-community relationships. This event would contribute to the Council's key theme of 'City Leadership – strong, fair, together' and 'Better opportunities for success across the city' and in addition would contribute to the Council's thematic area of Children and Young People. | The use of the City Hall and the provision of hospitality in the form of tea, coffee and biscuits Approximate cost £1,250 |
| Belfast Hospital School | Night of Celebration for the pupils of Belfast Hospital School 9th December, 2013 Approximately 150 attending | The use of the City Hall and the provision of hospitality in the form of tea, coffee and biscuits | This event will celebrate the academic success of children who attend this special school and will recognise the courage, resilience and sheer hard work and determination of children who are unable to attend school due to their illnesses. This event would contribute to the Council's key theme of 'City Leadership – strong, fair, together' and 'Better opportunities for success across the city' and in addition would contribute to the Council's thematic area of Children and Young People. | The use of the City Hall and the provision of hospitality in the form of tea, coffee and biscuits Approximate cost of £375 |

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| Organisation/ Body | Event/Date Number - of Delegates/Guests | Request | Comments | Recommendation |
|---|--|---|--|--|
| Department of Culture, Arts and Leisure | Launch of a Town Charters' Travelling Exhibition 22nd October, 2013 Approximately 50 attending | The use of the City Hall | This event will provide an opportunity to promote the exhibition which will travel throughout the province. The exhibition is based on the history of Town Charters awarded around Ireland in 1613. It will promote Belfast as a thriving city that celebrates success and recognises cultural achievements and historical milestones. This event would contribute to the Council's Key Themes of 'City leadership, strong, fair and together' and 'Better support for people and communities'. | The use of the City Hall |
| Bible Society in Northern Ireland | Launch of Digital Bible Library 4th November, 2013 Approximately 100 attending | The use of the City Hall and the provision of hospitality in the form of tea, coffee and biscuits | This launch will highlight the development of the Digital Bible Library and the addition of local texts to this worldwide resource. The event will be multi-cultural with readings in English, Irish and Ulster-Scots. This event would contribute to the Council's Key Themes of 'City leadership, strong, fair and 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 £250 |

The Committee adopted the recommendations.

Additional Request

The Democratic Services Manager reported that, subsequent to the report having been issued, the following additional request had been received:

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| Organisation/ Body | Event/Date Number of Delegates/Guests | Request | Comments | Recommendation |
|-----------------------|---|--------------------------|--|--------------------------|
| Glortha Aduaidh | Glortha Aduaidh/Northern Voices Launch 25th October, 2013 Approximately 120 attending | The use of the City Hall | This event will provide an opportunity to promote the project which will encourage those whose voices have not been heard to participate and tell their stories. The aim of the project is to promote understanding not only of each other's lives and perspectives but also the divisions that still exist in our communities and to hopefully lead to healing some of that divide. This event would contribute to the Council's Key Themes of 'City leadership, strong, fair and together', 'Better support for people and communities' and 'Better opportunities for success across the city'. | The use of the City Hall |

He pointed out that the application had been received outside the recommended three month lead-in period, however, the revised criteria, which had been agreed in August, 2009, had been applied to the request and it was recommended that the use of the City Hall be granted.

The Committee adopted the recommendation.

Request for the Use of the City Hall and the Provision of Civic Hospitality – 70th Anniversary of the Award of the Victoria Cross to Seaman J. J. Magennis

The Members were advised that the former Policy and Resources Committee, at its meeting on 24th January, 1997, had agreed that a memorial be erected within the City Hall grounds to commemorate the late J. J. Magennis being awarded the Victoria Cross for his outstanding bravery in World War II. Subsequently, at its meeting on 24th August, 1999, the Committee had agreed to the holding of a civic luncheon to mark the unveiling of the memorial. Further to that, the Committee, in 2005, had granted the use of the City Hall and the provision of a civic dinner for the Northern Ireland Submariners Association to mark the achievements of J. J. Magennis, V.C., in what was the year of the centenary of the City Hall. In June, 2006, the Committee had granted the use of the City Hall grounds for a service of remembrance to be held later that year in memory of J. J.

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Magennis, V.C. In addition, the Committee will recall also that a portrait of Seaman Magennis was located in the Rotunda area of the City Hall building.

The Democratic Services Manager reported that a letter had been received from the Northern Ireland Submariners Association requesting the Council to consider hosting a civic dinner in 2015 to celebrate the 70th anniversary of the award of the Victoria Cross to Seaman Magennis. The Association had also requested permission to lay a wreath at the Cenotaph on the morning after the civic dinner. The Association estimated that numbers for the dinner would be approximately 200 Submariners and guests. That number, taken together with invitations to Council Members and their guests and others on the civic guest list would not be able to be accommodated in the Great Hall which had a capacity of 400 seated guests and, therefore, if the Committee were minded to approve the request, further discussion would be required with the Association. The cost of the civic dinner for 400 guests would be estimated at between £15,000 and £17,000.

He pointed out that the request would appear to fall outside the criteria for the use of the City Hall as it sought to celebrate an anniversary which was not a major anniversary, that is, 21st, 25th, 50th, 75th or 100th. However, given the Council's involvement with the commemoration of Seaman J. J. Magennis in the past, the Committee was asked to give consideration to the request.

The Committee agreed to accede to the request from the Northern Ireland Submariners Association to host a civic dinner as outlined and to permit the Association to lay a wreath at the Cenotaph on the morning following the event.

Taxation of Allowances

In accordance with Notice on the Agenda, Councillor McCarthy raised the issue of the taxation of allowances.

During discussion on the matter, a number of Members were of the opinion that a briefing note should be issued to all Elected Members on the issues of the taxation of allowances, carers' allowances and the application of such to Elected Members who might require carers' assistance to undertake approved duties.

After discussion, the Committee noted that a briefing note in this regard would be circulated to the Members of the Council.

Cities of the Isles, Dublin, October, 2013

The Committee was reminded that the Cities of the Isles Partnership was a network of six City Councils in the United Kingdom and Ireland, namely, Belfast, Cardiff, Dublin, Edinburgh, Glasgow and Liverpool. Since 2000 those cities had come together annually to share urban regeneration experiences, develop joint projects and establish a co-ordinated approach to issues of strategic importance. Each of the member cities took it in turn to host the annual event in their city. This year the annual meeting would take place in Dublin on 23rd and 24th October, 2013 and the theme for the event was "Shared Histories: Smart Futures".

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The Committee was advised that, in advance of the Partnership meeting in Dublin, the Lord Mayor of Belfast had been invited by the city of Dublin to formally launch, with the Lord Mayor of Dublin, two public exhibitions. One of the exhibitions had been developed by the Council's Good Relations Unit and was entitled "Shared History: Different Allegiances". The other exhibition had been developed by Dublin City libraries and was entitled "Shared Heritage" and focused on shared cultural and literary linkages. The Belfast exhibition would be on display in Dublin's Civic Offices from 22nd October till 14th November.

The Committee approved the participation by the Lord Mayor at the event and approved the cost associated with his attendance.

Event to Mark the Freedom of the City for Van Morrison

The Committee was reminded that, at a special meeting of the Council on 16th September, 2013, it had been agreed to elect Mr. George Ivan 'Van' Morrison as a Freeman of the City of Belfast.

The Democratic Services Manager submitted, for the information of the Members, a report outlining proposals to celebrate the conferment of the Freedom of the City on Van Morrison. He reported that Mr. Morrison's representatives had indicated that, in accepting the Freedom of the City, his preference would be for a public concert, preceded by a short, informal presentation. Those factors had informed discussions around the arrangements for the event and, mindful of the views which had been expressed by his representatives, the following had been proposed:

- The celebratory concert would take place on Friday, 15th November, 2013. Van Morrison had expressed a desire for the event to be held in the Ulster Hall, bearing in mind its role as an iconic venue throughout his musical career. A short, informal presentation to Van Morrison would take place on the stage immediately prior to the concert. An informal reception at the City Hall would follow the concert;
- With Belfast Music Week's continued success, hosting the Van Morrison concert during this year's festival seemed to be appropriate. As it would be a celebration of his contribution to music and his excellent representation of the City, the event would be free of cost to the general public. Tickets would be available at an appropriate time and would be restricted initially to applicants with a postcode inside the Belfast City Council boundary. Invitations to attend the concert would be extended to individual Members of the Council and a guest; and
- Van Morrison's management team had indicated that he would perform at the concert free of charge or without payment. The expectation was that the concert would be delivered to his usual high standard with full band and technical setup. There would be a cost implication for the accompanying musicians and necessary technical requirements.

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The Democratic Services Manager reported that the estimated cost to deliver the event would be in the region of £56,000 till £58,000.

The Committee approved the proposal to celebrate the conferment of the Freedom of the City on Van Morrison as set out.

Finance/Value-for-Money

Minutes of Meeting of the Audit Panel

The Committee approved and adopted the minutes of the meeting of the Audit Panel of 11th September.

Minutes of Meeting of Budget and Transformation Panel

The Committee noted the minutes of the meeting of the Budget and Transformation Panel of 12th September.

Efficiency Programme

The Committee considered a report which provided an update on the development of the 2014/15 Efficiency Programme and the key strands of work and projects which were being undertaken to realise the £20 million efficiency target by 2015/16. The Director of Finance and Resources reported that, to date, the Efficiency Programme had delivered savings of £16 million across the Council since 2006. The Committee, at its meeting on 15th April, 2011, had agreed an indicative efficiency target of £2 million per year for three years up to and including 2015/16 to ensure that a total of £20 million of efficiencies were realised by that date.

At its meeting on 23rd August, the Committee was advised that the level of uncontrolled cost increases faced by the Council in 2014/15 was around £3.6 million and, therefore, while the target efficiency savings remained a key component in determining the district rate increase, the ability of the Council to maintain its investment plan commitment of setting a district rate at or below the rate of inflation would be affected by other matters, not least the stability of the rate base.

The Director of Finance and Resources outlined the financial pressures which would contribute to making a realisation of cash savings from the Efficiency Programme more difficult in 2014/15 and future years and indicated that the aforementioned pressures meant that the bulk of the efficiency savings would have to come from the wider business transformation/value-for-money projects which were complex and might require collaboration with other local authorities and public bodies and would have longer lead-in times. He highlighted the key strands of work and projects through which the efficiencies would be made, which would include a security review, energy and utilities, advertising on assets, overtime and agency working, a corporate approach to budgetary challenge and the development of a rolling programme of transformation/value-for-money projects.

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The Director of Finance and Resources reported that, in order to support the development of the future programme and to verify support in the delivery of complex transformation projects, it was proposed that the Council join the Improvement and Efficiencies South East organisation (iESE), which was a social enterprise owned by local authorities in the South East of England. It was a “not for profit” organisation and had been established by those councils to provide services and support to public sector bodies across the United Kingdom using local government expertise, especially in the area of efficiency and transformation. If the Committee was minded to join iESE, it would involve the Council becoming a £1 shareholder in the company limited by guarantee with an Elected Member, proposed to be the Chairman of the Strategic Policy and Resources Committee, becoming a director of the iESE.

After discussion, the Committee:

- noted the information which had been provided and the work which had been undertaken to achieve the £2 million efficiency target for 2014/15 and that further updates on the efficiency programme would be provided as part of the rate setting process; and
- approved the Council becoming a joint owner of iESE, with a £1 shareholding of the Company limited by guarantee and that the Chairman of the Strategic Policy and Resources Committee be nominated as a Director.

**Land and Property Services Financial Report
for the Year Ended 31st March, 2013**

The Director of Finance and Resources submitted, for the information of the Members, a financial report on the Land and Property Services agency for the year ended 31st March, 2013.

He explained that the provision of such information enabled the Council to review the trends and key issues which affected the Actual Penny Product (APP) during 2012/13 and to assess the likely impact on future rate income for the City. That information and analysis formed a key element of scenario planning as part of the 2014/15 rate setting process.

The Director outlined the rate base generating income for Belfast for 2012/13 and provided details of the adjustments made for losses on collection, bad debt write-off and allowances for non-domestic vacant rating and the cost of administering the collection. He indicated that the first cut Estimated Penny Product (EPP) for 2014/15 would be provided by Land and Property Services in November, 2013 and that that information would form part of the reports considered by the Members leading up to the decision of the Council on the level of the District Rate in February, 2014.

After discussion, the Committee:

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- (1) noted the information which had been provided and the 2012/13 outturn Actual Penny Product (APP) and the implications for 2014/15 and the likely impact on the 2014/15 Estimated Penny Product (EPP);
- (2) noted the work being undertaken with Land and Property Services and the Institute of Rating Revenues and Valuation (IRRV) on the 2014/15 EPP and that further reports would be submitted as part of the rate setting process;
- (3) noted the local government reform work which had been undertaken with the IRRV to validate the rate base and enhance the collectable rate from the new rate base from April, 2015; and
- (4) agreed that a letter be forwarded to the Minister for Finance indicating that the Committee would be seeking a meeting to discuss the performance of the Land and Property Services Agency in relation to debt collection.

Protocol Reporting to Members on Suspected Fraud

The Committee approved the undernoted protocol for communication to Members when suspected fraud arose:

“Individual cases

In the case of a suspected fraud which involves:

- **Council money or assets; and/or**
- **Potential reputational risk to the Council:**

the Director of Finance and Resources shall, unless he / she receives clear direction from the police that disclosure may compromise their investigations, inform the following of the outline details of the case:

- **party group leaders (through the Budget and Transformation Panel)**
- **the Chair of the Strategic Policy and Resources Committee**
- **the Chair of the Audit Panel**
- **the Northern Ireland Audit Office**

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This will include a 'line to take' brief, prepared in consultation with the Head of Corporate Communications.

Overall reporting

Each quarter the number of ongoing fraud and whistleblowing cases under investigation will be reported to the Audit Panel in the Audit, Governance and Risk Services Progress Report."

Energy – Proposed New Procurement Strategy

The Committee considered the undernoted report:

"1.0 Purpose

1.1 The purpose of this report is to propose a new procurement strategy for gas and electricity to deliver value for money, efficiency savings and support a cost avoidance strategy (minimise future increases in energy costs) on the understanding of accepting a risk-based approach to energy procurement. This proposal is specific to gas and electricity procurement only and does not include oil.

2.0 Background

2.1 The SP&R reports of June and April 2012 identified delivering further energy savings across the Council as a key priority for the 2014-15 and 2015-16 efficiency programmes. In the financial year 2012-13 the Council spent £3.54m on electricity and gas: £1.96m and £1.58m respectively. Our spend on energy has increased by £600k between 2010/11 and 2012/13 which represents a 21% increase. In terms of the domestic energy market this market is unstable and future costs are likely to fluctuate. For information, our top 15 sites for both electricity and gas consumption are listed in Appendix 1.

2.2 The Council's energy consumption will be affected by any future acquisition and disposal of assets. A reduction in energy consumption can only be achieved through energy efficiency projects and better in-house management of energy consumption, for example the current roof survey of Council buildings to examine their suitability for solar power. This report focuses on managing the price we pay for energy regardless of any changes to our asset portfolio and energy efficiency.

3.0 Outline of approach

- 3.1** Currently the Council procures energy via a fixed price tender through participation in a Northern Ireland Local Authority regional energy framework. Using this approach the tender prices are wholly dependent on the relatively small supplier margin (around 5%).
- 3.2** Many large organisations are now using energy management companies to manage their energy costs, specifically their wholesale energy costs. Typically this involves agreeing and setting an energy budget for a 1-5 year period which is managed in a flexible way by the company. This means the company would use hedging techniques (i.e. trades to protect against adverse price movements) to ensure that the price we pay is below the market price. By way of example, Ireland's National Procurement Service uses this approach for 98% of the public estate and saved €21m in 2011-12 (13% of their annual energy cost).
- 3.3** The potential for savings using this procurement approach, i.e. by influencing the market price, is much higher than our current procurement approach where any savings would be only on the supplier profit margin.
- 3.4** The price we pay might fluctuate but should not exceed the expenditure level set by us as part of our budget estimating process. The estimates for 2013/14 have been set and agreed at £3.6m and excluding inflationary increases this price will not be exceeded under this proposed arrangement for 2014/15. The level we set will be monitored and reported by the company appointed on a daily basis as part of the contract. We can also choose to fix a percentage of our portfolio and have a flexible approach to the remainder. If this managed service approach is adopted the majority of the expected efficiency savings will be realised from year 2 onwards. A further benefit is that we will definitively know what the projected level of efficiency savings will be for year 2 and 3 almost immediately after commencing the contract in year one allowing us to set more accurate budget expenditure estimates for the subsequent years.
- 3.5** Other services usually provided by these companies include an ongoing service to validate energy invoices to ensure the accuracy of our future energy bills and also a historic cost audit where they will review previous bills for any errors.

4.0 Potential efficiency savings

- 4.1 Based on 2012-13 volumes and prices, the Council could have saved £379k on its total energy bill (£227k on electricity and £153k on gas). These figures are based on using a fully flexible approach and using market prices provided by a supplier in the course of this research. Depending on the fixed/flexible approach taken the savings will vary. Please see Appendix 2 for graphs illustrating the potential savings.
- 4.2 There are costs associated with this service. Indicative costs provided to the Council in the course of researching this approach are approximately £70k per annum. It would be expected that costs received by suppliers through a tender or framework process would be lower.
- 4.3 Based on our costs incurred during 2012/13 if we had already been in the managed service arrangement, the potential savings for the first year could have been between £81k and £309k depending on the approach to risk management we adopted involving either a part-flexible managed service or based on a fully flexible managed service.
- 4.4 As Members will be aware, our efficiency savings are increasing energy costs which is a trend that is predicted to continue over the coming years. It also highlights the need for us as an organisation to measure by a reduction in our budgets (cash savings). The 2013-14 corporate total for our combined gas, electricity and CHP budget is £3.6m and departments have been advised to allow for an inflationary increase of 5% as indicated in the High Level Rates Guidance Report for 2014-15. The need to adopt a more proactive approach to energy procurement is supported by the recent trend of source more innovative procurement mechanisms to maximise the opportunities to reduce our energy expenditure costs going forward.
- 4.5 It is envisaged that this approach should also lead to in-year savings which could be earmarked to fund or hedge future Council energy costs to further reduce the budgets of future years.

5.0 Outline of options

- 6.1 The Council currently has two procurement options to consider:

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Option 1: Continue with current status quo.

Option 2: Engage an energy management company to provide a managed service solution to energy procurement.

Option 2 as it is presented above can take two forms:

- **part-flexible/part-fixed approach which allows us to set a fixed cost to a percentage of our portfolio and have a flexible approach to the remainder; or**
- **fully flexible portfolio approach.**

6.2 The main advantage of using Option 1 is certainty of cost regardless of global and domestic market conditions, while the main advantages of using Option 2 is to benefit from any market fluctuations, both increases and decreases in price. A summary of the associated advantages and disadvantages of each of these options is set out in Appendix 3.

6.3 A decision on whether to use a part-flexible or fully flexible portfolio management approach does not need to be made until later on in the process when the appointed supplier would advise us by facilitating a risk management workshop with relevant senior officers. The Council can also elect not to proceed with the process at this stage and simply enter a fixed price contract as is the current arrangement.

7.0 Resource Implications

7.1 There will be no additional resource human resource implications required as this process can be managed within existing resources and the new procurement approach if approved would reduce the number of energy-related procurement exercise carried out by the Council. Option 2 if approved can also present more scope to realise efficiency savings and cost avoidance.

8.0 Equality and Good Relations Implications

8.1 None

9.0 Recommendations

9.1 The Committee is asked to:

Consider the contents of this report and to give approval to explore Option 2 using the managed service approach further in

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the context of reviewing the scope for realising efficiencies as part of the rate setting process.

If approval is given to progress Option 2 Committee is asked to give authority to commence a tender process to appoint an energy management supplier and to delegate authority to the Director of Property and Projects to oversee this process and appointment.”

The Committee adopted the recommendations.

Asset Management

**Request for the Use of ILLUMINATE
Facilities – Royal British Legion**

The Committee was reminded that the governance arrangements for the ILLUMINATE Project, which it had approved in February, 2013, had limited access to the new ILLUMINATE LED lighting facilities to:

- (a) charities nominated by our Civic Office Bearers;
- (b) events organised or supported by the Council; and
- (c) an agreed schedule of additional days.

Any request which did not fall into those categories required the approval of the Committee.

The Director of Property and Projects reported that a request had been received recently from the Royal British Legion for the use of the new LED lighting system at the City Hall on 24th October, 2013 to coincide with the launch of the 2013 Poppy Appeal which was being held in the City Hall on that date.

In addition, a request had been received from the Cathedral Quarter Trust to celebrate the Cultural Night, Belfast Book Launch, to light up the City Hall later that evening (20th September) in yellow to celebrate the Belfast Book Week.

The Committee approved the use of the LED lighting system at the City Hall for the purposes of launching the 2013 Poppy Appeal and for Belfast Book Week.

City Hall Christmas Signage – Lighting and Trees

The Committee considered the undernoted report:

“1 Relevant Background Information

- 1.1 Members are reminded that the management arrangements and associated budget for the installation of Christmas festive lighting, signs and the interior Christmas trees (marble & Great Hall) at the City Hall were recently transferred from the**

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Development Department to the Property & Projects Department, and are now therefore the responsibility of this Committee.

- 1.2 A number of potential changes to long-standing decorative Christmas arrangements are now being proposed by the Facilities Management Section which are intended to improve the appearance of the building, secure cost savings and improve the building's CO₂ emissions profile. The various proposed changes are set out below, and Members are asked to note and to consider the proposed changes.

2 Key Issues

- 2.1 The Parks & Leisure Department have advised that they are having increasing difficulty in sourcing, transporting and installing appropriate natural pine trees for both the marble and the Great Hall and would prefer to discontinue the use of natural pine trees for both the marble and the Great Hall and to replace these with high-quality artificial trees in a traditional style (this proposal does not currently affect the exterior tree).
- 2.2 Besides the practical difficulties associated with natural pine trees there is also a cost issue in that the two real trees cost around £8500 per year including daily watering to prevent needle drop etc. In comparison the cost of two artificial trees is approximately £18,000 with a typical 7/10 year life span resulting in a payback period of around 2 ½ years.
- 2.3 Other changes include replacement of the curtain lighting on the City Hall facades with new, energy-efficient LED curtain lighting, and to position these across the windows rather than the columns in order to enhance the visual effect (see example at Appendix 1a).
- 2.4 Replacement, on a rolling basis, the existing pea lights in the trees around the City Hall with a significantly larger LED-type fitting (see example at Appendix 1b) which would both assist in managing the costs associated with the annual use and maintenance of the fittings and also help reduce further the CO₂ emissions of the building.
- 2.5 There are no other suggested changes and all the other normal signage lighting would remain as previously agreed by Committee.

3 Resource Implications

- 3.1 The annual budget for the provision and erecting of the Christmas lights, signage and the main tree is already in place and has been transferred to the Property & Projects

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Department. For this financial year the Property Maintenance Unit have also included an additional £30,000 in the planned maintenance budget for the replacement of the pea lights on the perimeter trees.

- 3.2 It is proposed that this overall budget is used to replace the front façade lighting completely, to repair some existing pea lights and, subject to resources, to replace at least some of the pea lights with the new LED globe type lighting during 2013/14, with the remainder carried out in subsequent years.**
- 3.3 The estimated one-off cost for the 2 new artificial trees on the Marble and Great Hall is £18,000. The trees have a life expectancy of 7-10 years.**
- 3.4 It should be noted there will be some energy savings and reduction in carbon emissions by using LED light fittings on both the curtain lighting and the globe tree lighting, although it is not possible to quantify these reductions in advance. However these installations will complement the main LED lighting infrastructure recently installed on the City Hall's main façade under the ILLUMINATE project.**

4 Equality and Good Relations Implications

- 4.1 The relevant equality and good relations implications have been taken into consideration and a completed screening form has been forwarded to the Equality and Diversity Officer.**

5 Decision(s) required & Recommendations

- 5.1 It is recommended that the Committee notes and considers whether or not to endorse the proposals in relation to the replacement of the City Hall festive curtain lighting and tree lighting installations, and the use of artificial Christmas trees from 2013 onwards.”**

The Committee endorsed the proposals in relation to the City Hall Christmas signage, lighting and trees as set out in the report.

Connswater Community Greenway Update

The Committee was reminded that, as part of the City Investment Strategy, it had agreed to co-ordinate the acquisition of land to enable the Connswater Community Greenway Programme to proceed. The Director of Property and Projects reminded the Committee further that, at its meeting on 18th June, 2010, it had agreed to acquire an area of land at Laburnum Playing Fields off the Knock Dual Carriageway at a cost of £21,500 plus professional and legal fees from the CBM Developments Board and to take

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out a licence from that company for a temporary path and associated temporary embankment to support the path.

The Director reported that, following prolonged detailed negotiations with the company, it had become apparent that they would require the aforementioned path to be fenced on either side, the result of which would have created a tunnel effect for a long stretch of the Greenway. After further negotiations Council officers had agreed, subject to the approval of the Committee, to acquire an additional area of land either side of the path which would provide scope for landscaping along the north and eastern boundaries of the Laburnum Playing Fields and greatly enhance the Greenway at that location. The required expenditure for the additional land would be £48,500 plus associated reasonable professional and legal fees.

The Committee granted approval for the purchase of the additional lands as outlined.

Lease of Offices at the Belfast Castle

The Committee was advised that the Parks and Leisure Committee, at its meeting on 12th September, 2013, had approved the grant of a five year lease to arc21 in respect of second floor accommodation at the Belfast Castle for the sum of £17,000 per annum, subject to review after five years if the lease continued beyond the initial five years and subject to the approval of the Strategic Policy and Resource Committee in accordance with Standing Orders.

The Committee granted the approval sought.

Good Relations and Equality

(Mr. D. Robinson, Senior Good Relations Officer, attended in connection with these items.)

Minutes of the Meeting of Good Relations and Partnership

The Committee approved and adopted the Minutes of the meeting of the Good Relations Partnership of 9th September.

Minutes of the Meeting of the Joint Group of the Party Leaders' Forum and Historic Centenaries Working Group

The Committee adopted the minutes of the meeting of the Joint Group of the Party Leaders' Forum and Historic Centenaries Working Group of 6th September.

Cross-Cutting Issues

Fairtrade City Signage

The Committee considered the undernoted report:

“1 Relevant Background Information

1.1 Background

Belfast Fairtrade Steering Group is a voluntary committee which was established in 2001 with the intention to promote the purchase of Fairtrade products in the city. Fairtrade is a strategy for poverty alleviation and the promotion of sustainable development. The Fairtrade Mark is not a brand or charity but a registered certification for products grown by producers in developing countries under certain ethical and sustainable development conditions.

The Fairtrade committee in Belfast is hosted by the City Council and includes members of local and foreign government, non-governmental organisations (NGOs), charities, black and minority ethnic (BME) community, supermarkets, educational institutions, business and private individuals.

1.2 Proposal

Belfast Fairtrade Committee have requested that Belfast Fairtrade city status be promoted by the erection of appropriate permanent road signage in the Belfast City Council area. The Fairtrade committee have proposed that the signage be erected next to the existing Welcome to Belfast signs on the motorways and arterial routes.

2 Key Issues

2.1 Fairtrade City Status

Fairtrade City status is conferred by the Fairtrade Foundation on a biennial basis. It is awarded after the completion of a comprehensive audit of Fairtrade outlets in the city, and after undertaking considerable marketing and promotional activities by the voluntary committee. Belfast city was granted this city status in 2005 and each year since. The Fairtrade certificates awarded are displayed in the Lord Mayors office.

2.2 Marketing and promotion of Fairtrade

The marketing and promotion of Fairtrade activity in the city is key to retaining Fairtrade City status, to this end the Fairtrade Foundation recommend the display of one of the approved formats or logo's for each Fairtrade Town, City or Borough that has achieved this accolade.

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This is standard practice across the UK and Ireland and has been adopted in Northern Ireland by both Antrim Council (Fairtrade Borough) and North Down Council for Bangor (Fairtrade Town). Please see attached pictures in Appendix 1 showing the Bangor and Antrim signs, which have been erected at different sites, in calming areas and on main arterial routes, respectively.

- 2.3 The Belfast Fairtrade Committee has written to Belfast City Council requesting that BCC follow the example of other Councils and erect similar Fairtrade signage. The committee has also written to DRD, DOE and DFP Ministers seeking their endorsement on this issue. The DOE Minister has endorsed this proposal (letter attached Appendix 2). DRD Roads Service who are responsible for the oversight of road signage have advised this is a Council decision as the signage is to be mounted on existing Council property. They did request to be consulted on the final format of the signage.

3 Resource Implications

3.1 Asset and Other Implications

Fairtrade City signage erected in a prominent place recognises the City's endeavours in promoting the global campaign of increasing Fairtrade products. This is essentially a charitable campaign supported by the City council who host the Fairtrade committee and Fairtrade Belfast website. However Members need to be aware that the Council does not have a policy on the erection of signage by such organisations and that there is no provision in the current revenue estimates for these costs. Members must also be aware if the city loses the accolade of Fairtrade city, the signage must be removed

3.2 Financial costs.

The total costs for design, manufacture and erection for one sign on the motorway underneath the existing signage would be approximately £3500 and £1500 each for smaller signs on the arterial routes. The Fairtrade committee have requested that the Council consider funding and erecting one sign for the M1 Motorway on way into Belfast and four smaller signs on the arterial routes at a total cost of approximately £10 000.

3.3 Human Resources

Staff time will be required from Officers in the Property and Projects Department, Corporate Communications and Health

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and Environmental Services Department to undertake this request.

4 Equality Implications

4.1 There are no equality implications.

5 Recommendations

5.1 Members are invited to consider the request and consider the following options.

Option 1

To endorse the request and agree to the erection of the signage, with one large sign underneath the current M1 motorway *Welcome to Belfast* sign and four smaller signs in arterial routes at a cost of £10,000.

Option 2

To defer the decision until the Council agree a position on such signage and reconsider it after implementation of Local Government Reform when boundary changes are confirmed and associated signage will be relocated.

Option 3

To reject the request for signage on the basis that there is no policy or budget to cover this request.”

After discussion, the Committee agreed to adopt option one.

Human Resources

Standing Order 55 – Employment of Relatives

It was reported that, in accordance with Standing Order 55 and the authority delegated to him, the Director of Finance and Resources had authorised the appointment of members of staff who were related to existing officers of the Council.

The Committee noted the appointments.

Retirement of Town Solicitor and Assistant Chief Executive

(With the exception of the Director of Finance and Resources and the Senior Democratic Services Officer, all other members of staff left the meeting whilst this item was under consideration.)

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The Committee was advised that the Council, at its meeting on 2nd September, had referred back to the Committee the minute of the meeting of 21st August under the heading "Retirement of Town Solicitor and Assistant Chief Executive"

A copy of the minute in this regard is set out hereunder:

The Committee was reminded that, at its meeting on 21st June, it had been advised of the intention of the Town Solicitor and Assistant Chief Executive to retire from the Council's service before the end of this calendar year. The Town Solicitor and Assistant Chief Executive had now confirmed that he would retire with effect from 31st October 2013. At that meeting, authority had also been delegated to the Chief Executive to examine temporary measures to cover the role of Town Solicitor and Assistant Chief Executive which essentially had two main functions – the provision of the legal function for Belfast City Council and some external bodies (that is, the Town Solicitor element of the role) and the day to day management of the Chief Executive's Department (that is, the Assistant Chief Executive element). Accordingly, the Director of Finance and Resources submitted a report in this regard.

The report indicated that the Director of Health and Environmental Services would assume responsibility for the function of the Good Relations Unit and the Legal Services Manager would undertake additional duties associated with the role of Town Solicitor. With regard to the duties of the Assistant Chief Executive, it was proposed that an appropriate officer from the Chief Executive's Department be designated from the relevant tier of management to act as Assistant Chief Executive. That would be by means of expressions of interest and, if necessary, through a merit based selection process. In addition, whilst not related to the Assistant Chief Executive's retirement, a small proportion of the savings effected would be used to make appropriate honorarium payments to lead officers of functions within the Chief Executive's Department who were required to undertake enhanced roles/additional higher level duties. Accordingly, the Director recommended that the Committee agree to the interim measures as outlined.

After a lengthy discussion, it was

*Moved by Councillor Hargey,
Seconded by Councillor Jones,*

That the Committee agrees to approve the proposed interim arrangements to cover the role of the Town Solicitor and Assistant Chief Executive.

Amendment

*Moved by Alderman Browne,
Seconded by Councillor McCarthy,*

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That the Committee agrees that the matter of honorarium payments to appropriate members of staff as outlined be dealt with under the delegated authority of the Chief Executive and the Committee considers only that portion of the report related to the day to day management of the Chief Executive's Department, that is, the Assistant Chief Executive element.

On a vote by show hands three Members voted for the amendment and thirteen against and it was declared lost.

The original proposal standing in the name of Councillor Hargey and seconded by Councillor Jones was thereupon put to the meeting when thirteen Members voted for and three against and it was accordingly declared carried."

After discussion, the Committee affirmed its decision of 23rd August and agreed to approve the proposed interim arrangements to cover the role of the Town Solicitor and Assistant Chief Executive.

**Local Government Reform –
Filling the Chief Executive Post
in Belfast City Council**

(With the exception of the Head of Human Resources and the Senior Democratic Services Officer, all other members of staff left the meeting whilst this item was under consideration.)

The Head of Human Resources reminded the Committee that, at its meeting on 6th September, it had been advised that the Local Government Staff Commission had issued consultation on the Procedures for the Recruitment and Selection of Chief Executives in the eleven New Councils and had agreed that a draft response would be submitted to the Committee for approval at this meeting. At that meeting, Members had also requested options to be set out regarding the specific issues relating to the employment of the Chief Executive for Belfast City Council. Accordingly, the Head of Human Resources submitted, for the information of the Committee, a report in this regard.

The Head of Human Resources proceeded to outline the three options for the filling of the new Chief Executive post in Belfast City Council and highlighted the respective pros and cons and issues in relation to each of the options. In addition, she submitted for the Committee's consideration the consultation questionnaire and a proposed draft response.

After discussion, the Committee noted the options and respective issues in terms of filling the new Chief Executive post in Belfast City Council and approved the draft response to the consultation document on the Procedures for the Recruitment and Selection of Chief Executives in the eleven new councils for submission to the Local Government Staff Commission by the deadline of 27th September, 2013.

Chairman