

# Public Document Pack

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



**Belfast  
City Council**

15 January 2016

## **MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE**

Dear Alderman/Councillor,

The above-named Committee will meet in the Lavery Room - City Hall on **Friday, 22nd January, 2016 at 9.30 am**, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully,

SUZANNE WYLIE

Chief Executive

### **AGENDA:**

#### **1. Routine Matters**

- (a) Apologies
- (b) Minutes
- (c) Declarations of Interest

#### **2. Restricted Items**

- (a) Leisure Estate Programme - Update (Pages 1 - 6)
- (b) Belfast Waterfront Hall and Ulster Hall (Pages 7 - 14)
- (c) Revenue Estimates 2016/2017 and Efficiency Programme (report to follow)
- (d) Proposed DSD adoption of Belfast City Centre Regeneration and Investment Strategy (report to follow)

#### **3. Matters referred back from the Council/Notices of Motion**

- (a) Invitation to Pope Francis - response from the Vatican (Pages 15 - 18)
- (b) Nursery Provision in Belfast - feedback on meeting with Education Minister (Pages 19 - 22)

#### **4. Belfast Agenda**

- (a) 'SMART' City Framework for Belfast Agenda (Pages 23 - 28)

- (b) Belfast Agenda and Corporate Plan - Update (Pages 29 - 32)
- (c) Urban Living Partnership Bid (Pages 33 - 36)
- 5. **Physical Programme and Asset Management**
  - (a) Capital Programme - Update (Pages 37 - 78)
  - (b) Area Working Groups - Update (Pages 79 - 84)
  - (c) Asset Management/Estates - Update (Pages 85 - 88)
- 6. **Finance, Procurement and Performance**
  - (a) Review of Business Rates - Consultation Response (Pages 89 - 152)
  - (b) Contracts for Award (Pages 153 - 156)
  - (c) Anti-Poverty/Social Value - Work Programme (Pages 157 - 162)
  - (d) Social Clauses Policy adoption and outputs - Update (Pages 163 - 188)
  - (e) Local Multiplier Model 2014/2015 - Outcomes and Review (Pages 189 - 194)
  - (f) Belfast Bike Scheme - Potential Expansion and Revenue Estimates (Pages 195 - 206)
- 7. **Equality and Good Relations**
  - (a) Minutes of Meeting of Good Relations Partnership (Pages 207 - 212)
  - (b) Belfast Statement on Mental Health and Deafness (Pages 213 - 216)
- 8. **Operational Issues**
  - (a) Members' Portal - Update and Demonstration (Pages 217 - 222)
  - (b) Information Governance - Draft Policies and Procedures (Pages 223 - 270)
  - (c) Minutes of the Budget and Transformation Panel (Pages 271 - 274)
  - (d) Minutes of the Special Audit and Risk Panel (Pages 275 - 276)
  - (e) Requests for the use of the City Hall and Hospitality (Pages 277 - 280)
  - (f) Use of Council Chamber re: 'Spring into Easter' Festival (Pages 281 - 282)
- 9. **Attendance at Events**
  - (a) Centenary of the Battle of the Somme (Pages 283 - 284)



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Subject:	Invitation to His Holiness Pope Francis to Visit Belfast
Date:	22nd January, 2016
Reporting Officer:	Stephen McCrory, Democratic Services Manager (Ext 6314)
Contact Officer:	As Above

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
<b>1.1</b>	To note the response from the Vatican in relation to the Council's invitation to His Holiness Pope Francis to visit Belfast.
<b>2.0</b>	<b>Recommendations</b>
<b>2.1</b>	The Committee is requested to note the response from the Vatican.
<b>3.0</b>	<b>Main report</b>
<b>3.1</b>	<u>Key Issues</u>
<b>3.1.1</b>	The Council, at its meeting on 2nd November, 2015 passed the following resolution following the submission of a Notice of Motion from Councillor McCallister:
<b>3.1.2</b>	<i>"This Council notes that Dublin will host the 9th World Meeting of Families and recognises the opportunity for the Republic of Ireland to host a Papal visit. The Council further recognises the opportunity to coincide this with a Papal visit to Northern Ireland and therefore the Council extends a formal invitation to Pope Francis to visit Belfast."</i>
<b>3.1.3</b>	A response from the Vatican has been received (Appendix 1) which passes on their thanks for the renewed invitation and indicates that the invitation has been duly noted.
<b>3.2</b>	<u>Financial &amp; Resource Implications</u>
<b>3.2.1</b>	None.

<b>3.3</b>	<u>Equality or Good Relations Implications</u>
<b>3.3.1</b>	None associated with this report.
<b>4.0</b>	<b>Appendices – Documents Attached</b>
<b>4.1</b>	Appendix 1 – Letter from the Cardinal Secretary of State at the Vatican.



SECRETARIAT OF STATE

FIRST SECTION - GENERAL AFFAIRS

From the Vatican, 16 December 2015

Dear Ms Wylie,

I am writing on behalf of the Cardinal Secretary of State to acknowledge your letter of 16 November communicating a further Notice of Motion passed by the Belfast City Council favorable to a visit to the city from His Holiness Pope Francis.

His Eminence has asked me to thank the City Council for this renewed invitation to the Holy Father to visit Belfast on a future journey to Ireland.

Please be assured that the invitation has been duly noted.

Yours sincerely,

*Peter B. Wells*

Monsignor Peter B. Wells  
Assessor

Ms Suzanne Wylie  
Chief Executive  
Belfast City Council  
City Hall  
Belfast  
BT1 5GS

Chief Executive's Office		
Date	5.1.16	
Seen by CX		
Referred to		
ACX	Corp Comms	Dem Serv
GR	SPP	Bus Supp.
Dev	F&R	H&ES
P&L	P&P	Other
Ref	SW 611	

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<b>Subject:</b>	Nursery provision in Belfast – feedback on meeting with Education Minister
<b>Date:</b>	22 January 2016
<b>Reporting Officer:</b>	Jill Minne, Director of Organisational Development
<b>Contact Officer:</b>	Lisa Toland, Head of Economic Development

<b>Is this report restricted?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report</b>
1.1	<p>The purpose of this report is to:</p> <ul style="list-style-type: none"> <li>– Provide feedback on a recent meeting with the Minister for Education in the Northern Ireland Assembly, John O'Dowd MLA, to discuss a notice of motion on nursery provision in Belfast</li> <li>– Agree a series of follow-up actions from the meeting.</li> </ul>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>It is recommended that Members:</p> <ul style="list-style-type: none"> <li>– Note the feedback from the meeting with Minister O'Dowd</li> <li>– Agree to a follow-up meeting between the Chief Executive or her nominees and officials from the Education Authority to explore opportunities for greater coordination on planning on education issues in the Belfast area, in the context of the Belfast Agenda.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p>At the council meeting in October 2015, Cllr Mullan presented the following notice of motion:</p> <p>“This Council acknowledges the strategic aim of Belfast to become a first-rate ‘Learning City’ and supports initiatives which would create a culture that promotes all forms of lifelong learning. This Council calls on the Minister of Education to ensure the</p>

	<p>provision of free, pre-school, curriculum based nursery education places for all children in the year immediately before primary one; to ensure that they have a strong foundation for future learning and skills development, to reach their maximum potential, on a lifelong basis”.</p>
3.2	<p>The notice of motion was unanimously supported and it was agreed that an all-party group would seek a meeting with Minister John O’Dowd MLA to discuss the issue. A meeting took place on 9 December 2015. The following elected members were in attendance:</p> <ul style="list-style-type: none"> <li>– Cllr Ciaran Beattie</li> <li>– Cllr Paula Bradshaw</li> <li>– Cllr Aileen Graham</li> <li>– Cllr Julie-Ann Corr Johnston</li> <li>– Cllr Kate Mullan</li> <li>– Ald Jim Rodgers.</li> </ul>
3.3	<p>Members raised a number of issues related to the matter with the Minister and his officials. These included:</p> <ul style="list-style-type: none"> <li>– Clarification on planning process around the allocation of nursery school places in the Belfast area</li> <li>– Opportunities for improvements including starting the application process earlier in the year</li> <li>– Addressing the barriers to potential community-based nursery providers (principally legislative issues that mean significant cost implications for providers)</li> <li>– Clarification around the nursery curriculum</li> <li>– Potential opportunities for looking at specific activities within targeted areas, e.g. linked to regeneration and local employability activities, including potential to build on good practice</li> <li>– Opportunities for integrated pre-school provision.</li> </ul>
3.4	<p>Minister O’Dowd confirmed that the Education Authority was responsible for the administration of nursery provision and wider education provision up to secondary school level. Officials acknowledged that there was no specific planning undertaken on a Belfast city level and indicated that they would be open to looking at how that could be done, in order to address some of the key educational as well as social and</p>

	economic challenges in the city.
3.5	<p>Members will recall that one of the strands of the Belfast Agenda focuses on “Working and Learning”. Under this theme, a number of key priorities are identified, including:</p> <ul style="list-style-type: none"> <li>– Addressing education inequalities</li> <li>– Attracting and retaining skilled people</li> <li>– Improving skills and employability.</li> </ul>
3.6	<p>While the council has no statutory responsibility for the delivery of education and skills activities, the issue has been repeatedly referenced as a key priority for inclusive city growth, as part of the development activity on the Belfast Agenda. Successive studies underline the importance of good quality education in improving educational and wider societal outcomes.</p>
3.7	<p>The growing interest in creating a family-friendly city means that consideration will need to be given to education provision as part of any future plans to encourage population growth in the city centre, and in the context of the emerging Local Development Plan (LDP). In addition, the council’s engagement with the Belfast Strategic Partnership (BSP) to promote a “learning city” means that it recognises the value of all learning – both formal and informal – and supports a range of activities to provide access to learning opportunities for its residents.</p>
3.8	<p>It is clear that there are opportunities to improve the planning process at an area level around education and skills development activities. This issue has been clearly articulated through the draft employability and skills plan, particularly for further and higher education. However it is considered that there is also significant scope to work with partners responsible for nursery, primary and secondary school education to consider how a more coordinated approach to planning activity might support greater educational outcomes. Given the emerging narrative of Belfast as a “city of talent”, it is critical that the essential foundation stones are in place from early years education right through to primary, secondary, further and higher education if that narrative is to be supported.</p>
3.9	<p>In order to progress this issue, it is proposed that a further meeting is organised between the Chief Executive or her nominees and key officials from the Education Authority.</p>

3.10	<p><b><u>Financial and Resource Implications</u></b></p> <p>No specific financial or resource implications at this point.</p> <p><b><u>Equality or Good Relations Implications</u></b></p>
3.11	<p>There are no specific equality or good relations implications.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	None



<b>Subject:</b>	Harnessing a 'smart city' framework to address Belfast Agenda priorities
<b>Date:</b>	22 January 2016
<b>Reporting Officer:</b>	Ronan Cregan, Director of Finance and Resources
<b>Contact Officer:</b>	Deborah Colville, Digital Portfolio manager Mark McCann, Business Research and Development manager

<b>Is this report restricted?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	<p>This paper recommends that the Council lead on the development of a 'smart city' framework to support the delivery of priorities within the Belfast Agenda. Smart Cities is a collaborative partner approach between business, academia and public bodies to make use of new technologies and big data to better understand and tackle traditional urban and neighbourhood challenges. Many local authorities (including Glasgow, Dublin, and Manchester) have already established such frameworks in order to find new ways to address such issues as waste, energy, traffic and water management.</p> <p>Members are asked to approve a programme of work which, with support and co-investment from the Government's Future Cities Catapult and other partners such as local SMEs, Invest NI, Queen's University and the Ulster University, would seek to build Belfast's smart city capacity while at the same time demonstrate a financial return on this initial investment through the delivery of a number of projects. This investment seeks to build on the city's successful infrastructure investment in Superconnected Broadband and City WiFi.</p>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>Members are asked to consider and agree the following:</p> <ol style="list-style-type: none"> <li>1. To work with our public and private sector partners to develop a smart city framework for the city.</li> </ol>

	<p>2. To co-invest in a programme of work with the Government's Future Cities Catapult to support the development of this framework whilst at the same time delivering four demonstrator projects that will deliver a financial return on the investment.</p> <p>3. To reassign existing resource to set in place an innovation team to design and deliver the programme over the next two years.</p>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Key Issues</u></p> <p>A 'smart city' uses new technologies (such as apps, sensors, cloud computing), and big data to find innovative ways to tackle traditional urban challenges and support the city's' strategic objectives. Places such as Glasgow, Dublin, Bristol, and Manchester have established smart city frameworks to attract funding and investment in order to create smart, sustainable ways of addressing urban challenges such as waste, energy, traffic and water management.</p>
3.2	For example, with a smart city framework in place, Glasgow City Council was able to attract £24 million from central Government to deliver a number of major projects including a sophisticated traffic management system for the city, visitor apps, smart street lights and neighbourhood air quality monitors.
3.3	The leadership role of the local authority has proven crucial in the development of these frameworks. All successful 'smart cities' need a partnership between the public and private sectors to ensure that the right infrastructure, systems and shared objectives are in place to encourage business, academia and public bodies to work together to create innovative solutions and services.
3.4	Belfast is well-placed to take a similar approach. Both of our local universities have strong reputations in this field and the city has a growing digital SME sector that is eager to work with us (including the Centre for Secure Information Technologies <sup>1</sup> ). We have a good physical infrastructure with recent investments in Superconnected Broadband and City WiFi. At a Government level, DFP, DETI and Invest NI have all acknowledged the importance of a shared smart city approach in fostering SME innovation and attracting investment.
3.5	<p><u>Building a smarter Belfast framework</u></p> <p>What Belfast currently doesn't have is a joint framework that brings partners together to determine what our 'smart city' priorities should be and how best we can work together in order to deliver them. Government agencies and the private sector want to see evidence</p>

<sup>1</sup> <http://www.csit.qub.ac.uk>

	<p>of such city frameworks in place before they invest.</p> <p>In discussions with partners and experts (and looking at best practice elsewhere<sup>2</sup>) officers have identified four critical elements that Belfast needs to have in place:</p> <ul style="list-style-type: none"> <li>i. <b>A collaborative environment:</b> Public and commercial city partners working together to develop a shared framework to confirm smart city priorities, enablers, investment opportunities, and joint working arrangements.</li> <li>ii. <b>City data and intelligence:</b> Finding better ways to work with our partners on the collection, management and interpretation of shared city data to support understanding, analysis, decision-making and joint accountability on our challenges.</li> <li>iii. <b>Funding and procurement:</b> Establishing a long term 'roadmap' for funding and investment. Developing new procurement models (such as SBRI<sup>3</sup>) that encourage the best of our local SMEs to create innovative solutions that can address Belfast's challenges (while at the same time offering these companies opportunities to develop products which they sell abroad).</li> <li>iv. <b>Capacity and infrastructure:</b> Supporting infrastructure developments including City WiFi, smart building management, smart transport sensors, Internet of Things technology, etc. We also need to foster an organisational culture where managers and leaders have the necessary skills and training to better understand and exploit the potential of data analytics and technologies.</li> </ul>
3.6	<p>Belfast City Council's leadership role will be critical in ensuring that these elements are in place. No other organisation in the city has the necessary remit to support the development of the framework. Officers have had exploratory discussions with Invest NI and Queen's University both of which are eager to work with the Council to develop one or more of these elements. For example, researchers at Queen's University are investing in a new city data platform and analytics team and are keen to work with the Council in using this resource to understand and tackle issues in the city. Invest NI also see the potential of such a framework in supporting R&amp;D with local digital SMEs and have up to £250,000 available to co-invest in a smart city collaborative network.</p>
3.7	<p><u>Future Cities Catapult</u></p> <p>The Council has also been approached by the Future Cities Catapult - a body set up by Government to support cities in the development and exploitation of smart city approaches. The Catapult have made a proposal to co-invest with the Council in the</p>

<sup>2</sup> <http://www.bsigroup.com/en-GB/smart-cities>

<sup>3</sup> <https://sbri.innovateuk.org>

development of a Belfast smart city framework. As part of the proposal they are recommending that Belfast should seek to drive the development of its smarter cities framework by delivering a number of practical demonstrator projects. These projects outlined below, would provide practical support for growing the rate base and increasing rate collection, the delivery of the City Centre Investment Framework and the delivery of a performance infrastructure to support the community plan.

**1. A Rates Identification tool:** A tool to greatly increase accuracy in identifying occupied properties in Belfast (with the potential to recover an estimated £1.5 million in lost Rates for Council each year.)

**2. A Rate Forecasting model:** A data model that will support Council decision-making by predicting future levels of income and identifying the wider economic impact of changes to the Rate.

**3. Belfast Growth-mapper:** A tool to support planning and investment decision-making by sharing data on city utility infrastructure (gas, sewage, broadband, electricity, etc.) This would provide a resource to the Council and partners, developers and future city centre investors. A similar tool is already used by Manchester City Council.<sup>4</sup>

**4.** Support for the development of a **community planning dashboard** to share performance and impact data amongst our community planning partners.

3.8 These demonstrators would provide a financial return on the initial investment while at the same time providing a number of solutions to support our new roles as the spatial planning and community planning authority.

The Catapult is recommending that these demonstrator projects would (where possible) be commissioned from Belfast's digital SMEs which would circulate R&D investment back in the local economy while strengthening the partnership between the Council and private sector partners.

3.9 Next steps

Members will be aware that a small team of officers have begun exploratory work on the potential of a Belfast smart cities framework. However, in order to develop the framework in a timely manner that can align with the emerging Belfast Agenda, officers are recommending the following next steps:

1. Begin a programme of work to develop a smart city framework and a supporting collaborative city partnership with public and private sector partners (Feb 2016 to July 2016).

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<sup>4</sup> <http://www.mappinggm.org.uk/gmodin>



	<ol style="list-style-type: none"> <li>2. Finalise a co-investment package between the Future Cities Catapult and the Council to deliver the four demonstrator projects. (Feb 2016 to Oct 2017 – with the demonstrators on phased delivery during this 18 month period.)</li> <li>3. Engage with Invest NI and DETI to develop collaborative smart city investments. (Invest NI have potentially up to £250,000 to invest in a collaborative network if a smart city framework is in place). (Spring 2016)</li> <li>4. Engage with the local universities (and with DFP) to seek agreement on co-investment in data management and analytics. In principle, Queen’s University are willing to work with Council on a city data analytics platform to address issues such as traffic and parking management. (Spring/Summer 2016).</li> <li>5. Draw on existing officer support and resources to oversee the design of the Smart City Framework to support the Belfast Agenda, set in place the necessary partnerships and deliver the demonstrator projects over a two year period from February 2016.</li> </ol>
3.10	<p><u>Financial &amp; Resource Implications</u></p> <p>Future Cities Catapult has estimated the development costs of these four demonstrators would require a joint investment of £593,000 of which they are willing to invest £118,000. Revenue and Capital resources for this programme of work have already been identified within the existing Superconnected Broadband budget.</p> <p>Members should note that the Rate Identification tool alone is expected to demonstrate an annual financial return on this investment of approximately £1.5 million for the Council beginning from Year Two.</p> <p>Council aim to use this co-investment package to attract other smart city investment from partners – including, in the first instance, Invest NI (potentially up to £250,000) and from Queen’s University.</p> <p>An element of the framework would be a detailed investment roadmap for the city that would identify and pursue other investment opportunities – particularly from Horizon 2020 and Innovate UK.</p>
3.11	<p><u>Equality or Good Relations Implications</u></p> <p>Equality and good relations implications, in relation to this policy, are still under consideration. Further updates will be sent to the Equality and Diversity Officer in due course.</p>
4.0	<b>Appendices – Document Attached</b>

4.1	None
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<b>Subject:</b>	Belfast Agenda Update & Corporate Plan
<b>Date:</b>	22 January 2016
<b>Reporting Officer:</b>	Suzanne Wylie, Chief Executive
<b>Contact Officer:</b>	Sharon McNicholl, Strategic Planning and Corporate Policy Manager

<b>Is this report restricted?</b>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of Main Issues</b>
1.1	To update Members on the continuing development of the Belfast Agenda and to propose a workshop for SP&R Committee, to which all Members will be invited, to discuss the continuing work on the Belfast Agenda and the draft corporate plan for 2016/17.
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>Committee is asked to agree to:</p> <ul style="list-style-type: none"> <li>Hold a strategic planning workshop on 12<sup>th</sup> February 2016, to which all Members will be invited, from 12pm – 3pm to discuss the on-going work on the Belfast Agenda and the corporate plan 2016/17 for the Council. The workshop will also consider the leadership role of Members in taking forward and promoting the Belfast Agenda and key council strategies, including the corporate plan and the City Centre Regeneration and Investment Strategy.</li> </ul>
<b>3.0</b>	<b>Main Report</b>
	<u>Key Issues</u>
	<b>Drafting the Belfast Agenda</b>
3.1	As Members will be aware, a considerable amount of engagement has taken place with

	<p>stakeholders across Belfast on what the outcomes and priorities should be for the city. These have informed our developing Belfast Agenda and our own corporate plan. This included a residents' survey and our Belfast Conversation events. Officers have been analysing this information, together with a wide range of other data and information to begin to prepare both the Belfast Agenda document and the corporate plan.</p> <p><b>Timeline for completion of the Belfast Agenda</b></p>
3.2	<p>We are required to have the final version of the community plan for Belfast published by April 2017 and we are on course to meet this legislative target. However, another strategically important date for the Belfast Agenda is the finalisation of the next Programme for Government. It is a priority of the council to positively influence the Programme for Government with the strategic priorities for the city.</p>
3.3	<p>A series of meetings has taken place where we have been able to articulate our priorities for the city. However, in order to better represent the interests of Belfast and articulate our aspirations for the city while the Programme for Government is being finalised, it is important to have a draft Belfast Agenda document by April 2016 that sets out our emerging long term vision and outcomes, as well as our medium term priority actions. This will also allow for further engagement with partners and wider stakeholders across the city to further refine the plan in the coming months. The draft community plan will be subject to ongoing engagement and equality screening in advance of the legislative deadline.</p> <p><b>The Corporate Plan 2016/17</b></p>
3.4	<p>The corporate plan is a key governance document, cited in the council constitution as the means by which the SP&amp;R Committee sets the strategic direction of the council. It should reflect:</p> <ul style="list-style-type: none"> <li>• The council's vision and high level strategic outcomes and priorities linked to the Belfast Agenda;</li> <li>• Strategic projects and programmes aligned to the above;</li> <li>• Priorities for service improvement and the programmes of work related to these;</li> <li>• Investment plans and the council's physical works programme;</li> <li>• Financial planning information;</li> <li>• The organisational development programme;</li> <li>• Audit and risk analysis;</li> <li>• Performance information relating to the above and arrangements for regular monitoring and review through CMT and the SP&amp;R Committee.</li> </ul>

3.5	<p>A significant amount of organisational planning has already taken place, underpinned by a range of engagement activities and data analysis, which provides a strong foundation upon which to finalise the Corporate Plan for 2016/17. This work has included:</p> <ul style="list-style-type: none"> <li>• The on-going development of the Belfast Agenda, including the Belfast conversations;</li> <li>• The 2016/17 revenue estimating process and the departmental and service planning assumptions which underpin this;</li> <li>• The development of committee plans for City Growth &amp; Regeneration Committee and People &amp; Communities Committee;</li> <li>• The “Belfast Future City – Making it real” city commitments and area engagement on these;</li> <li>• Key strategic documents such as the Organisational Development Programme, City Centre Regeneration &amp; Investment Strategy, capital programme etc.</li> </ul>
3.6	<p>The corporate plan should be aligned to the Belfast Agenda when finalised in 2017. <b>As a result, it is proposed that the corporate plan should be for the period 2016/17 and that the strategic objectives should be amended substantially to reflect the emerging outcomes and priorities of the Belfast Agenda.</b> In particular the corporate plan should reflect the four pillars of the Belfast Agenda which set out the city’s draft medium term priorities, with an additional internal element that reflects the key strategic internal programmes, for example: OD Programme, efficiency programme, financial planning processes, capital programme and risk management processes.</p>
3.7	<p><b>Proposed Workshop</b></p> <p>It is proposed that <b>a workshop be held with the SP&amp;R Committee, to which all Members will be invited, on 12<sup>th</sup> February 2016 (12pm – 3pm)</b> to discuss the emerging Belfast Agenda, Belfast’s role in driving regional growth and the role of the corporate plan in supporting Members’ overview of the strategic direction of the council. This workshop will also form the basis of the SP&amp;R Committee plan for 2016/17.</p>
3.8	<p><b>Timeline for completion</b></p> <p>It is intended to bring a draft one year corporate plan to Strategic Policy &amp; Resources Committee on 18<sup>th</sup> March for approval. Following the workshop on 12<sup>th</sup> February, Chief Officers will draft the corporate plan and bring to SP&amp;R Committee on 18<sup>th</sup> March for approval.</p>

3.9	<u>Financial &amp; Resource Implications</u> Costs for the implementation of the Belfast Agenda and the corporate plan have been factored into the budget estimates for 2016/17.
3.10	<u>Equality or Good Relations Implications</u> As part of the Belfast Agenda and corporate planning process, residents and other stakeholders have been consulted through our residents' survey and other stakeholder engagement events. The Community Plan will also be subject to equality screening.
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	None



<b>Subject:</b>	'Urban Living Partnership' competition: Connecting neighbourhoods to growth opportunities
<b>Date:</b>	22 January 2016
<b>Reporting Officer:</b>	Ronan Cregan, Director of Finance and Resources
<b>Contact Officer:</b>	Deborah Colville, Portfolio manager Mark McCann, Business Research and Development manager Stevie Lavery, Programme manager

<b>Is this report restricted?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	Queen's University are applying to Innovate UK's Urban Living Partnership competition which is providing up to £400,000 to five cities to help them understand and better address complex urban and neighbourhood challenges. The competition aims to break down barriers between universities, local authorities and other partners in order to use innovative research to clearly understand the root causes of urban challenges that are difficult to address and co-produce sustainable change in urban living to benefit cities and their communities.
1.2	Partners have identified the issue of marginalised inner city neighbourhoods and the challenge of connecting communities into future growth opportunities through employability, skills and entrepreneurship as the theme of the Belfast bid.
1.3	The deadline for city applications was 21 January. Queen's University have requested support for their bid from Belfast City Council. In the event of a successful application, they have asked the Council to work with them in designing and delivering a Belfast programme (which would begin in May 2016). In advance of the deadline a letter of support has been sent from the Chief Executive providing support for the Queen's

	application.
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• Note the purpose of the Urban Living Partnership competition and the aims of the proposed Belfast bid; and</li> <li>• In the event of a successful bid, to agree to the Council's participation in the design and delivery of a Belfast programme.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Key Issues</u></p> <p>Innovate UK and the UK Research Councils want to work with up to five cities to support them in understanding and addressing key urban challenges. The aim is to break down barriers between universities and local government in order to use research, data, and national expertise, to clearly define the root causes of major challenges. As such the competition links well with the Council's ambition to develop a 'smart city' approach in addressing the Belfast Agenda's priorities.</p>
3.2	<p>Each partnership must be led by a local university and bring together a consortium of the local authority, service providers and other stakeholders. Full details of the competition can be found at the link below<sup>1</sup>. Up to £400,000 is available to each city for an eighteen-month 'diagnostic' phase to investigate a complex, inter-connected challenge(s) and then to set out delivery options. This first phase would include funding for a Council officer to work with the programme and bring together local authorities with the foremost experts in urban research and innovation to diagnose an integrated challenge(s) facing their city and work with local communities and stakeholders to develop pathways to future solutions</p>
3.3	<p>Following on from this first (diagnostic) phase a second stage would then support a city delivery partnership and test practical solutions to the challenges. Government funding for this stage has yet to be confirmed but there are indications that substantial funding will be available to assist cities in tackling the challenges identified in the diagnostic phase.</p>

<sup>1</sup> <http://urbanliving.epsrc.ac.uk/funding/>



3.4	<p><u>The Belfast application</u></p> <p>The Belfast bid is being led by Greg Keeffe, Professor of Architecture and Urbanism at Queen's University, who has a substantial record of success in similar competitions. In early December Professor Keeffe hosted a bid workshop (facilitated by Neil McInroy of the Centre for Local Economic Strategies) which involved researchers from a range of disciplines; officers from Council; and representatives from a number of other organisations including NI Housing Executive and the Strategic Investment Board's Urban Villages team. The School of the Built Environment at the Ulster University have also agreed to be part of a joint Belfast programme.</p>
3.5	<p>The workshop identified likely priorities within the Belfast Agenda around which the project could help 'diagnose' and then develop specific practical programmes of work. Specifically, participants identified the issue of marginalised neighbourhoods and the challenge of connecting such communities into future city growth opportunities with a focus on skills, employability and entrepreneurship. There was agreement that the city needs to better understand the barriers (spatial, perceptual, social) associated with achieving better connectivity with these neighbourhoods. As such, the work has the potential to contribute to the social aims of the Belfast Agenda and the City Centre Regeneration framework.</p>
3.6	<p>In the diagnostic phase, researchers would seek to identify the relationship between a wide range of factors that contribute to the disconnection of such neighbourhoods – and their impact on such things as employability, skills, and entrepreneurship. The work would look at the range of physical, social and perceptual barriers and draw on substantial government data and analytics currently not available to city policy makers.</p>
3.7	<p>Innovate UK have stressed that successful bids must demonstrate practical out-workings that will have a concrete impact on the lives of residents. The Belfast programme, if successful will seek to use this diagnostic phase to align with any relevant emerging investments already planned for the city (e.g.) projects related to the city centre regeneration framework.</p> <p>Successful cities will be expected to engage and co-design with communities, policy makers and other stakeholders to understand the challenges.</p>
3.8	<p><u>Financial &amp; Resource Implications</u></p> <p>A successful bid would include 100% funding for a Council officer to work on the eighteen-</p>

3.9	<p>month diagnostic phases. In addition, other relevant council officer time would be required to participate in workshops, evidence gathering, supporting consultation and engagement with residents, members and partners etc.</p> <p><u>Equality or Good Relations Implications</u></p> <p>Equality and good relations implications, in relation to this policy, are still under consideration. Further updates will be sent to the Equality and Diversity Officer in due course.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	None



<b>Subject:</b>	Capital Programme Update
<b>Date:</b>	22 January 2016
<b>Reporting Officer:</b>	Ronan Cregan, Deputy Chief Executive
<b>Contact Officer:</b>	Sinead Grimes, Programme Manager

Is this report restricted?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	<p>The Council's Capital Programme is a rolling programme of investment which either improves existing Council facilities or provides new facilities. The rolling programme was approved by the Shadow SP&amp;R Committee in January 2015. This report outlines -</p> <ul style="list-style-type: none"> <li>▪ highlights of current status of projects under the Programme</li> <li>▪ projects recommended to be moved/added on the capital programme – Anglers Cabin at the Waterworks to Stage 3 – Committed; Cathedral Gardens – Redevelopment and upgrade and IT Programme – Asset Management System from Stage 1 – Emerging to Stage 2 – Uncommitted and the Belfast Model Flying Club – Tommy Patton Park to be added as an Emerging Project</li> <li>▪ specific project updates –Innovation Centre, Fleet Replacement Programme 16/17 and City Cemetery – HLF project</li> </ul>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>Members are asked to –</p> <p><b>General</b></p> <ul style="list-style-type: none"> <li>• note the update in relation to the Capital Programme as outlined in 3.1 and that the Property &amp; Projects Department is happy to <b>arrange site visits</b> for Members/ Party Groups to any capital project. Photos of projects are attached at Appendix 1.</li> </ul>

### **Proposed movements on the Capital Programme**

- agree that the **Anglers Cabin** at the **Waterworks** is moved to **Stage 3- Committed** and agree that the necessary procurement processes (including the invitation of tenders and/or the use of appropriate 'framework' arrangements) be initiated with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver. The Director of Finance and Resources has confirmed that this project is within the affordability limits of the Council and agreed that a maximum of £30,000 be allocated (see paragraph 3.2)
- agree that the **Cathedral Gardens – Redevelopment and Upgrade** and the **IT Programme – Asset Management System** are moved up a stage on the programme from **Stage 1 to Stage 2** and that OBCs are now worked up for these projects which will be brought back to Committee before any final investment decisions are taken (see Paragraphs 3.7 and 3.9)
- **Cathedral Gardens** – In addition Members are also asked to **endorse their commitment to the redevelopment of Cathedral Gardens as part of Phase 3 of the Streets Ahead project (BSA3) and agree in principle to ringfencing an allocation** (up to a maximum of £5m) **as part of this subject to final confirmation of the costs, a satisfactory tender return and confirmation by the Director of Finance & Resources that the project is within the affordability limits of the Council.** Members are asked to note that the Council's contribution as part of BSA3 will be ringfenced for use only within Cathedral Gardens and that the Gardens will continue to remain as asset of the Council (see Paragraphs 3.4-3.8)
- Agree that the **Belfast Model Flying Club in Tommy Patton Park** is added as a **Stage 1 – Emerging Project** on the Capital Programme to allow an SOC and the costs to be worked up (see 3.10)

### **Capital Programme Project Updates**

- **Forthriver Innovation Centre** – note that a competitive dialogue is currently underway for the operator of the building. As part of this it will be necessary for the Council to enter into a sub-lease with the appointed operator in order to allow them to enter into lease or licence agreements with the centre tenants. Members are asked to note that this and note that although a sub-lease is required the Council will continue to be the asset holder (see paragraphs 3.11 and 3.12)
- **Fleet Programme 16/17** - note the agreed Programme for 2016/2017 (Appendix 2) and

	<p>agree that the necessary procurement processes are initiated with the delegation of subsequent evaluation and award processes to the Director of Property &amp; Projects (see paragraph 3.13)</p> <p>- <b>City Cemetery HLF project</b> – agree that a <b>site visit to Glasnevin Cemetery in Dublin</b> is undertaken in February order to inform the development of the project and the next phases– it is recommended that this includes the Chair/Deputy Chair of the SP&amp;R and People and Communities Committees and the Falls Park Masterplan Steering Group or their nominees. The costs for this trip will be covered by the development grant from the Heritage Lottery Fund (see paragraph 3.14)</p>
<b>3.0</b>	<p><b>Main report</b></p> <p><u>Key Issues</u></p>
3.1	<p>The Council's rolling Capital Programme is a significant programme with over <b>£150m of projects recently completed or currently underway</b>. Members are asked to note that there has been substantial progress under the Capital Programme since the last update report in October. <b>Significantly two of the major EU funded projects have been recently been completed or are practically completed – the Girdwood Community Hub and the Waterfront</b></p> <ul style="list-style-type: none"> <li>• The new <b>£11.7million Girdwood Hub</b> was officially opened on Friday 15<sup>th</sup> January following a week long programme of events. The building has already won a number of awards and officers are investigating other potential suitable awards – <ul style="list-style-type: none"> <li>• Community Benefit Project of the Year – Property Industry Excellence Awards</li> <li>• Best Public Participation - Brownfield Business Awards (Highly Commended)</li> </ul> </li> <li>• the <b>£29.5million extension to the Waterfront</b> to provide dedicated conference and exhibition facilities is due to be handed over to the Council w/c 25<sup>th</sup> January. Work on the parallel project is well underway and is due for completion at the end of April in time for the opening and the first major conference in May.</li> </ul> <p><b>It is recommended that all Members undertake a site visit to both major projects – officers will be happy to facilitate this as requested.</b></p> <p>Other key Capital Programme highlights include -</p> <p><b><i>Projects recently completed/in final stages of completion</i></b></p> <ul style="list-style-type: none"> <li>• <b><i>Pitches projects</i></b> - A range of pitch projects have recently been completed including the <b>new £1.7m 3G pitch at Cliftonville</b> as part of the overall £4million Bunscoil Bheann Mhadagáin development and the <b>new 3G pitch at Woodlands</b> under our £15m Pitches Strategy. In addition the <b>new £1.1million 3G pitch at Sally Gardens</b> is</li> </ul>

due for completion at the end of the month – a separate report on the management arrangements for this will be taken to a future meeting of the People and Communities Committee. Following the completion of the new pavilions in Dixon and Waterworks last year this represents a significant investment in the city's pitch infrastructure and Members are asked to consider how these events should be marked

- Phase 2 of the **£500,000 upgrade of Drumglass Park** which upgraded the lighting and the wall and the installation of new art. This project has been complemented by a refurbishment of the playground within the Park
- **Phase 1a of the Belfast Bike Share Scheme** which comprises 3 new stations, 48 extra docking points and 30 additional bikes at Queens University and Titanic Belfast
- **playground refurbishments at Drumglass and Roddens Crescent**

#### ***Projects currently on the ground***

- the £9.1m **Innovation Centre** at Forthriver which is due for completion in Quarter1 next year – a competitive dialogue process is currently underway in terms of the appointment of the operator
- the infrastructure at the **North Foreshore**
- **Phase 2 of the £40million Connswater Community Greenway**
- the new **£21.7m leisure facility at Olympia** which is due for completion in early 2017
- work commenced early January on the new **MUGA at Springfield Avenue**
- **playground refurbishments at Mount Eagles and Skipper Street** with Nubia Street and Belmont due to commence in the coming weeks
- work has commenced on the **£3.7million upgrade of the Tropical Ravine** – it is anticipated that works will be completed early in 2017
- new **Council accommodation** in Adelaide Street which will be complete in early 2017
- new pitches at **Ormeau** (due for completion February), **Musgrave** and **new pavilions at Victoria** and **Ballysillan** (due for completion in June)
- Phase 1 of the Whiterock Community Corridor (due to go on ground February)

#### ***Projects at tender preparation stage***

- Preparatory work is continuing on a wide range of projects including the remaining sites under the pitches strategy (Cherryvale and Falls), the statue of the boxer John Caldwell in Dunville Park which will be unveiled in May and the boxer sculpture in Woodvale Park which will be unveiled in the Autumn time

#### ***Proposed movements on/additions to the Capital Programme***

- 3.2 Members have previously agreed that **all** capital projects must go through a **3 Stage process** where decisions on which projects progress are taken by SP&R. Members are asked to agree to the following movements as summarised below on the Capital Programme.

Project	Overview	Stage
Anglers Cabin – Waterworks	Provision of electrical supply and upgrade Maximum of £30,000 to be allocated	Move to Stage 3- Committed
Cathedral Gardens	Redevelopment – linked to Phase 3 of the Belfast Streets Ahead project	Move to Stage 2
Asset Management System	Part of the IT programme – development of a fit for purpose corporate asset management system	Move to Stage 2
Belfast Model Flying Club	To examine the potential for provision of an electrical and water supply to existing cabin  Recommended following a site visit by the People and Communities Committee	Add as an Emerging Project

#### **Projects proposed to move to Stage 3- Committed**

- 3.3 **Anglers Cabin – Waterworks** – Members will recall that they agreed in June 2015 that the proposed upgrades to the Anglers Cabin at the Waterworks was added to the Capital Programme. The project proposed the provision of an electrical supply together with examining the requirement for toilet facilities. Members are asked to note that Council officers have now investigated this proposal and looked at costings. Given the small scale of the project it is recommended **that it is now moved to Stage 3 – Committed and progressed**. The Director of Finance & Resources has **confirmed that this project is within the affordability limits of the Council and agreed that a maximum of £30,000 to be allocated**. It is further recommended that the necessary procurement processes (including the invitation of tenders and/or the use of appropriate ‘framework’ arrangements) be initiated with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver.

#### **Projects proposed to move to ‘Stage 2 – Uncommitted’**

- 3.4 **Cathedral Gardens (Buoy’s Park)** - Members will be aware that Cathedral Gardens is a strategic location within the city centre and represents one of the few open spaces within the city centre apart from the City Hall. It has long been **an aspiration of Members to upgrade Cathedral Gardens however plans for this were held for many years as this asset was linked to both the regeneration of the University of Ulster and the ongoing development of Phase 3 of DSD’s Belfast Streets Ahead (BSA3) project.**

The upgrade of Cathedral Gardens and the surrounding area is identified as a key opportunity in the Council's 'City Centre Regeneration and Investment Strategy' which outlines (Belfast city) *"centre is lacking in green space, in treelined streets, in the softness that can provide relief in the most densely developed part of a great city. There is a great opportunity to provide a sizeable new open space in the north end by considering option for the parking area around St. Anne's Cathedral for green space and linking it to Buoy's Park and Writer's Square and the Streets Ahead Phase 3 proposals"*.

3.5 DSD have been progressing work on the plans for BSA3 over the past number of years and they have now completed the design work for this phase which they have paid for—the Council have been involved in the process and sit on the BSA3 Project Board. An integral part of the Phase 3 is the redevelopment of Cathedral Gardens and the plans include environmental upgrades to maximise the open space and its attractiveness including greening of the area, the installation of benches, open space for performances etc. and the development of a pavilion facility which can be used for a range of purposes including community usage, events etc. The overall estimated budget for Phase 3 is £35m with the high level estimates for the works at Cathedral Gardens being approx. £5million.

3.6 DSD are in the process of submitting a business case for the BSA3 and due to the levels of expenditure the business case has to be signed off by the DSD and DFP economists together with the DSD and DFP Ministers. **DSD have requested that to help facilitate the business case approval process that the Council endorse their commitment to the redevelopment of the Cathedral Gardens as part of the Streets Ahead project and commit to a financial contribution towards the project (up to £5m).** Members are asked to note that it has been emphasised that this is an in-principle commitment at this stage. The final costs for the redevelopment will be worked up over the coming months and costs will be brought back to Committee before a final investment decision is taken. Members are asked to note that although **Cathedral Gardens will be an integral part of the Streets Ahead Phase 3 project the Gardens will continue to be the Council's asset and any contribution by the Council will ringfenced only for upgrades within Cathedral Gardens**. The Council has also emphasised that the financial contribution by the Council will also be dependent on the scheme using high quality materials.

3.7 **Members are recommended to agree that this project is now progressed which will allow the costs to be further assessed. Members are also asked to endorse their commitment to the redevelopment of Cathedral Gardens as part BSA3 and agree in principle to ringfencing a financial allocation (up to £5m) as part of this subject to final confirmation of the costs, a satisfactory tender return and confirmation by the Director of Finance & Resources that the project is within the affordability limits of**



	<p><b>the Council.</b> Members are asked to note that if the costs of the redevelopment are less than £5m then this will be what is allocated to the project</p>
3.8	<p>Members will be aware that a statue of Rinty Monaghan was installed in Cathedral Gardens in the Autumn as part of the Council's boxer statues programme. This statue will remain in any upgraded project however the installation has been designed with the refurbishment and upgrade of the Gardens in mind if it is necessary for it be moved.</p>
3.9	<p><b>IT Programme – Asset Management System</b> – Members will be aware that prior to local government reorganisation last year the Council already owned and managed a substantial estate. This was significantly enhanced under LGR with the addition of over 70 assets which transferred from Lisburn and Castlereagh. Due to the growing estate there is now a requirement for the Council to have a fit for purpose corporate asset management system to support the strategic objectives of better financial management, information management, planning and performance and asset management. <b>Members are recommended to agree that this project is now progressed to Stage 2 – Uncommitted which will allow the costs to be further assessed.</b></p> <p><b>Projects recommended to be added as 'Stage 1- Emerging'</b></p>
3.10	<p>Members are asked to agree that the following project is added to the Capital Programme as a <b>Stage 1- Emerging Project – Belfast Model Flying Club in Tommy Patton Park</b> following a site visit undertaken by the People and Communities Committee. This will allow an SOC to be worked up and the costs examined for the installation of a water and electrical supply to the existing cabin.</p> <p><b>Project Updates</b></p> <p><b>Forthriver Innovation Centre</b></p>
3.11	<p>As outlined in 3.1 above the procurement process for the appointment of an operator for the Forthriver Innovation Centre is currently being completed using the European procurement route of Competitive Dialogue with a forecast contract award date of late April/early May 2016. As per the EU procurement rules the award date is subject to a mandatory 10 day alcatel standstill period. The SP&amp;R Committee in September 2014 agreed that delegated authority be granted to the Director of Development to approve the most economically advantageous tender for the contract, subject to a form of contract being drawn up by Legal Services.</p>
3.12	<p>A draft contract has been drawn up which is predicated on the basis that the <b>operator will occupy the Centre under a Sub-lease (to be granted to the operator by the Council) for the purpose of allowing the operator to provide the services required under the contract.</b> This sub lease will enable the operator to enter into lease or licence agreements</p>

	<p>with the centre tenants. The Council (via the Council's building contractor) presently occupies the site at Forthriver under an Agreement for Sale and Purchase entered into between the Council and Invest NI for the purpose of allowing the Council (and it's contractor) access to the site to complete construction of the innovation centre. Upon practical completion of the works Invest NI will grant the Council a lease of the site. The Council will then be in a position to enter into a sub lease with the operator. <b>Members are therefore asked to note that the sub-lease process will be completed following grant of the Council's lease from Invest NI</b>, approval of the most economically advantageous tender by the Director of Development, practical completion of the building and signature of the contract with the operator. Members are also asked to note that</p>
3.13	<p><b>Fleet Programme 2016/17</b> – Members will know that the Council needs to run and maintain a substantial fleet in order to deliver its services. In March 2013 SP&amp;R agreed to allocate £2.1m towards the Fleet Programme for 2016-2017. Members are asked to note that the Fleet Programme has been developed in conjunction with Council departments and reflects the service needs of the organisation. The Fleet Programme for 2016-2017 is attached at Appendix 2. <b>Members are asked to note the agreed Fleet Programme and agree that the necessary procurement processes are initiated with the delegation of subsequent evaluation and award processes to the Director of Property &amp; Projects</b></p>
3.14	<p><b>City Cemetery – HLF project</b> – Members will recall that they were updated in October that the Council had been awarded a development grant from the Heritage Lottery Fund to work up a Stage 2 application for the proposed restoration and redevelopment of the City Cemetery within the overall context of the Falls Park Masterplan. In order to inform the development of the next phase Members are asked to agree that a <b>site visit to Glasnevin Cemetery in Dublin</b> is undertaken in February. It is recommended that this includes the Chair/Deputy Chair of the SP&amp;R and People and Communities committees and the Falls Park Masterplan Steering Group or their nominees. The costs for this trip will be covered by the development grant from the Heritage Lottery Fund.</p>
3.15	<p><u>Financial &amp; Resource Implications</u></p> <p><i>Financial</i> – <b>Anglers Cabin</b> – Up to £30,000 maximum allocation</p> <p><b>Cathedral Gardens and IT Programme – Asset Management System</b> – Costs to be tested and challenged as part of the OBC stage</p> <p>Members are asked to note that progressing the above projects does not constitute a final decision to invest in a project and final investment decisions remain subject to confirmation by the Director of Finance &amp; Resources that projects are within the affordability limits of the Council.</p>

	<p><i>Resources</i> – Resources from Property &amp; Projects and appropriate departments in working up proposals in conjunction with groups. Members are asked to note that the council is currently in the process of delivering a major physical programme not only under the capital programme but also under the Local Investment Fund (1 &amp;2), Belfast Investment Fund and other projects including LGR transferring areas and ongoing maintenance projects. In addition the council is going to be acting as delivery agent for a range of projects under externally funded initiatives including SIF, Urban Villages and BSC – therefore Members are asked to appreciate that resources are stretched to capacity.</p> <p><u>Equality or Good Relations Implications</u></p> <p>All capital projects are screened as part of the stage approval process</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	<p>Appendix 1 – Photos of projects</p> <p>Appendix 2 - Fleet Programme 16/17</p>

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## Appendix 2- Capital Programme Update – Fleet Programme 2016/2017

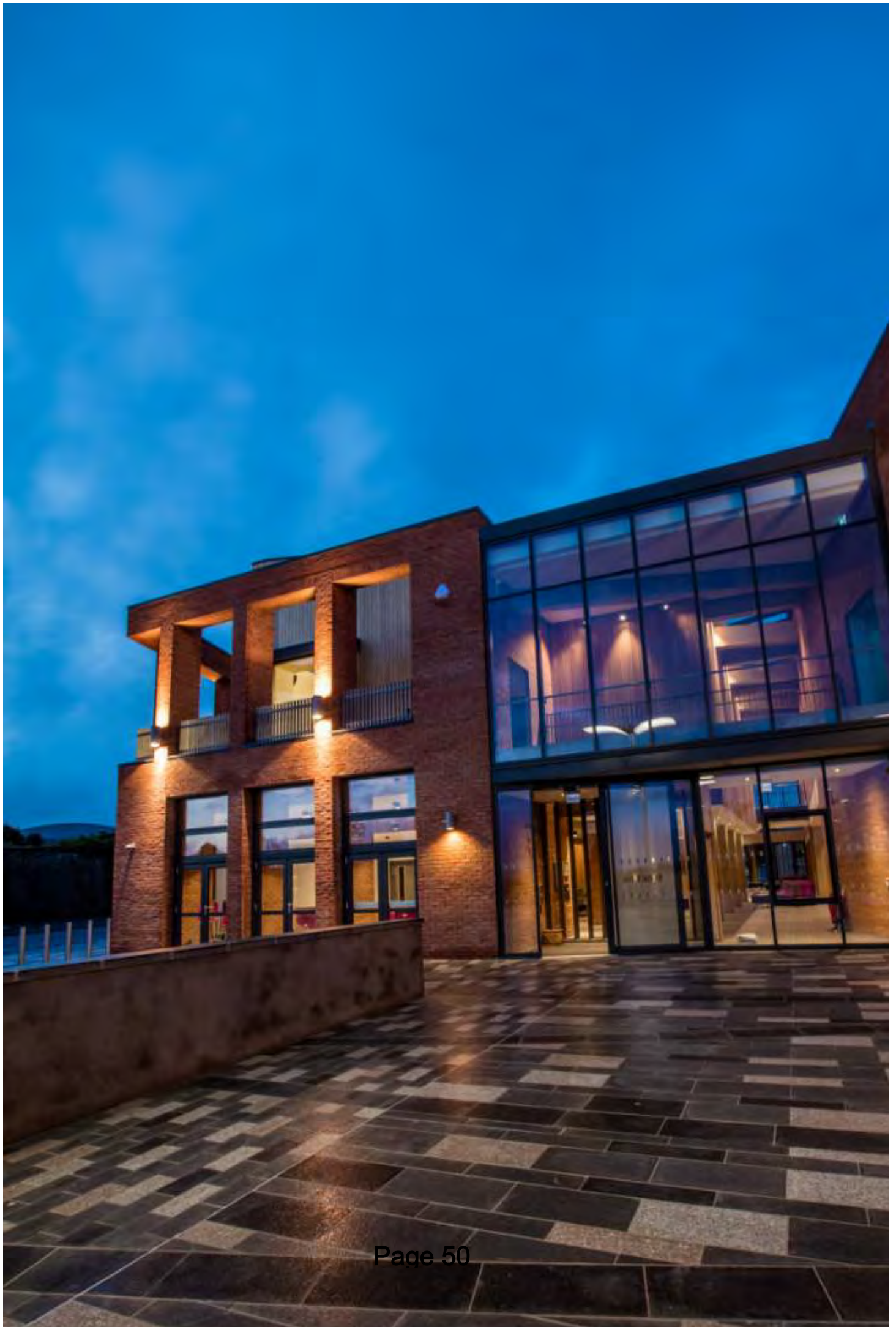
	No.	Cost	TOTAL
<b>CLEANSING ASSETS</b>			
RCVs (26T) - Low Level B/Lift & Front Food Recycling Pod	2	£185,000	£370,000
RCVs (26T) - Low Level B/Lift	2	£151,000	£302,000
RCVs (18T) - Low Level B/Lift	1	£133,013	£133,013
Precinct sweeper	4	£59,000	£66,162
Crew Loose Waste Tipper (6.5T) – Platform Body/Tail Lift	2	£54,000	£54,000
Truck-mounted sweeper (15T)	3	£118,000	£354,000
Leased Assets (12 Months)			£466,000
<b>PARKS ASSETS</b>			
Precinct Sweeper	1	£66,162	£198,486
Tractors (85BHP) re-moveable front loader	3	£30,000	£90,000
Tractors (60BHP) re-moveable front loader	3	£25,000	£75,000
Panel van – 3 Seater	2	£13,000	£26,000
<b>FACILITIES ASSETS</b>			
Panel van – 3 Seater	3	£13,000	£39,000
<b>Health &amp; Environmental Services</b>			
Panel van – 3 Seater	2	£12,000	£24,000

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**Appendix 1 – January 2016 SP&R Report – Capital Programme Update – Photos**  
**GIRDWOOD HUB – completed. Officially opened 15<sup>th</sup> January 2016.**











Main foyer





Cafe space



Main Hall



**Meeting Room**



**Spa facilities**





## Gym



## Flexible Space – Ground Floor





## PROJECTS UNDERWAY – Innovation Centre

















December 15 – Main conference hall



Conference Hall







Circulation space



New kitchens

**PROJECTS UNDERWAY – North Foreshore – Infrastructure**











## PROJECTS UNDERWAY – Connswater Community Greenway – Phase 2













## Connswater Community Greenway – Phase 2





## PROJECTS COMPLETED – Drumglass Park Playground Refurbishment

Before



After





**PROJECTS COMPLETED – Roddens Crescent Playground Refurbishment**  
**Before**



**After**





## PROJECTS UNDERWAY – New Council Accommodation – Adelaide Street Belfast









## **PROJECTS UNDERWAY**

### **Pitches Strategy – Ballysillan Pavilion**



### **Pitches Strategy – Victoria Pavilion**





## PROJECTS UNDERWAY

### Ormeau Park – New pitch





## PROJECTS UNDERWAY

Sally Gardens – New pitch – due for completion end of January





PROJECTS UNDERWAY – Tropical Ravine





## PROJECTS UNDERWAY – Olympia Regeneration Construction









<b>Subject:</b>	Area Working Update
<b>Date:</b>	22 January 2016
<b>Reporting Officer:</b>	Ronan Cregan, Deputy Chief Executive and Director of Finance & Resources
<b>Contact Officer:</b>	Sinead Grimes; Programme Manager

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	To update Members on a number of area related issues for Members consideration.
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>Members are asked to –</p> <p><b>Area Working Group Planning Sessions</b></p> <ul style="list-style-type: none"> <li>note that the West and East AWG planning sessions are scheduled for the 28<sup>th</sup> and 29<sup>th</sup> of January respectively. A full report on the outcome of the workshops will be brought to a future SP&amp;R meeting following completion</li> </ul> <p><b>Local Investment Fund proposals</b></p> <ul style="list-style-type: none"> <li>note that 4 projects which had previously been agreed for in principle funding (St. Paul's GAC -WLIF2-11 and St. Paul's ABC-WLIF2-12 – West AWG and Ballynafeigh Community Development Association – SLIF2-09 and Surestart Belvoir - SLIF2-11– South AWG) have now been scored by officers (see appendix 1) and all have successfully met the minimum threshold. It is recommended that these projects proceed to the Due Diligence stage of the LIF process</li> </ul> <p><b>Request for Council to act as Delivery Agent for other projects in local areas</b></p> <ul style="list-style-type: none"> <li><i>Building Successful Communities</i> – agree in principle that the Council acts as the delivery agent for the delivery of a playground project (Kids Together Outdoor Play Area) subject to</li> </ul>

	<p>due diligence being undertaken on the project including verification of costs, access issues and confirmation that there are no ongoing management or maintenance implications for the Council</p> <ul style="list-style-type: none"> <li>Note that a number of letters of offer/contracts for funding have now been received for projects due to be funded under these initiatives and it is likely that more will follow in the coming weeks. Members are asked to <b>agree that the necessary procurement processes</b> (including the invitation of tenders and/or the use of appropriate 'framework' arrangements) be initiated for projects being delivered under these streams with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver</li> </ul>
<b>3.0</b>	<b>Main report</b>
	<p><b><u>KEY ISSUES</u></b></p> <p><b>AREA WORKSHOPS</b></p> <p>3.1 The AWGs have recognised the need to think through the issues and context of their areas and agreed the need for a number of planning workshop sessions per area as a first step towards the development of local area plans and to allow Members to start to consider wider issues in their areas linking with the ongoing work on the Belfast Agenda, the outcomes framework and the forward Committee plans for People and Communities and City Growth.</p> <p>3.2 Members are asked to note that the South and north AWGs have already held their workshops and both AWGs agreed that that they were very productive and that they should be the first in a series of such planning sessions. The West and East AWGs are scheduled for the 28<sup>th</sup> and 29<sup>th</sup> of January respectively. A full report on the outcome of the workshops will be brought to a future SP&amp;R meeting following completion</p> <p><b>LIF Updates</b></p> <p><b>Projects recommended to be advanced to due-diligence</b></p> <p>3.3 Members are asked to note that a number of projects which have previously received 'in-principle' commitment for funding have now been scored by officers (St. Paul's GAC -WLIF2-11 and St. Paul's ABC-WLIF2-12 – West AWG and Ballynafeigh Community Development Association – SLIF2-09 and Surestart Belvoir - SLIF2-11– South AWG) and all have successfully met the minimum threshold. It is recommended that these projects proceed to the Due Diligence stage of the LIF process.</p> <p><b>REQUEST FOR COUNCIL TO ACT AS DELIVERY AGENT FOR OTHER PROJECTS</b></p> <p>3.4 Members will recall that they were previously updated that the Council has been requested to act as the delivery agent for a range of projects funded under a number of external initiatives</p>

	<p>including Urban Villages, the Social Investment Fund (SIF) and Building Successful Communities (BSC) These requests recognise both the successful track record of the Council as a delivery agent for capital projects and also the uniquely placed role of the Council as a civic leader in the city. This is a sign of confidence in the Council and recognition of the Council's increasing role in terms of regeneration and emerging community planning role</p> <p>The Council has received a further request to act as delivery agent for a project under the <i>Building Successful Communities</i> initiative for the delivery of a playground project (Kids Together Outdoor Play Area) in the Glencolin/Lenadoon BSC area. Members are asked to agree in principle that the Council acts as the delivery agent this project subject to due diligence being undertaken on the project including verification of costs, access issues and confirmation that there are no ongoing management or maintenance implications for the Council</p>
3.5	<p>Members are asked to note that a number of letters of offer/contracts for funding have now been received including</p> <p style="padding-left: 40px;">Delivery of alleygates (Lenadoon and Glencolin and Lower Falls) – BSC funded</p> <p style="padding-left: 40px;">Bike Share Scheme – Lower Shankill –BSC funded</p> <p>It is anticipated that further letters of offer/contracts for funding will be received in the coming weeks. Members are therefore asked to <b>agree that the necessary procurement processes</b> (including the invitation of tenders and/or the use of appropriate 'framework' arrangements) be initiated for projects being delivered under these external funding streams with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver</p>
3.6	<p><b>FINANCIAL &amp; RESOURCE IMPLICATIONS</b></p> <ul style="list-style-type: none"> <li>• Financial – No direct financial implications</li> <li>• Resource - Officers time to deliver projects.</li> </ul> <p><u>Equality or Good Relations Implications</u></p> <p>LIF has been equality screened.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	Appendix 1 – Scoring LIF projects





Theme RAG Scores / Projects					
		St Pauls GAC WLIF2-11	St Pauls ABC WLIF2-12	Ballynafeigh Community Development Association SLIF2-09	Sure Start Belvoir SLIF2-11
Affordability		-	-	-	-
Feasibility		-	-	-	-
Deliverability		-	-	-	-
Sustainability		-	-	-	-
Overall RAG / Score		-	-	-	-





<b>Subject:</b>	Asset Management:  (i) Port Health Unit, Corry Place – Lease Renewal (ii) Proposed Grant of Easement to Victoria College, Belfast
<b>Date:</b>	22 January 2016
<b>Reporting Officer:</b>	Gerry Millar - Director of Property & Projects Department
<b>Contact Officer:</b>	Cathy Reynolds – Estates Manager, Property & Projects Department

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of this report is to outline a number of asset related issues for Members' consideration.
<b>2.0</b>	<b>Recommendations</b>
2.1	<p><b>(i) Port Health Unit, Corry Place – Lease Renewal</b></p> <p>Committee is asked to agree the recommendation of the People and Communities Committee dated 12 January 2016 to renew the Lease for the Port Health Unit premises for a further 10 years from 1 November 2015 at a reduced rent of £23,000 per annum.</p>
2.2	<p><b>(ii) Proposed Grant of Easement to Victoria College, Belfast</b></p> <p>Committee is asked to agree the recommendation of the People and Communities Committee dated 12 January 2016 to grant an easement to Victoria College to provide access over Council land at Drumglass Park for a proposed drainage pipe and manhole.</p>

<b>3.0</b>	<b>Main report</b>
	<p><b>(i) Port Health Unit, Corry Place – Lease Renewal</b></p> <p><u>Key Issues</u></p> <p>3.1 The Council occupy (by way of a Lease from Belfast Harbour Commissioners) specialist premises at Corry Place within the Harbour Estate for the inspection of imported foods and delivery of the Port Health Function.</p> <p>3.2 These premises have been specifically designed and approved as meeting the requirements of EU legislation for the inspection of high risk foods, including foods of animal origin. Such foods can only be imported into the EU through port accommodation with similar facilities. The premises include office space, inspection rooms, cold storage space, docking stations for loading/unloading containers and exclusive use of a secure yard to the front of the facility. The premises are currently held under a 9 year lease which expired on 1 June 2015 (and Council have continued to over hold under this lease).</p> <p>3.3 The former Health and Environmental Services Committee at its meeting on 4<sup>th</sup> March 2015 agreed that the Estate Management Unit would enter into discussions with Belfast Harbour to negotiate a new lease.</p> <p>3.4 After extensive negotiations provisional agreement has been reached to renew the Lease for a further 10 years from 1<sup>st</sup> November 2015 subject to a rent of £23,000 per annum with a rent review after 5 years. This is a substantial reduction in the passing rent of £35,103 per annum. To add flexibility to the Council's tenure, break options in the Council's favour to terminate the Lease after the 4<sup>th</sup> and 7<sup>th</sup> years have also been agreed. In addition, more favourable lease terms have been agreed in relation to the ability to assign or sublet; the user clause and repair obligations.</p> <p>3.5 The People and Communities Committee at its meeting on the 12 January 2016 approved the Lease renewal.</p> <p>3.6 <u>Financial &amp; Resource Implications</u></p> <p>The Council will lease the premises for a further 10 years from 1<sup>st</sup> November 2015 subject to an annual rent of £23,000 per annum a reduction from the current rent of £35,103 per annum. Legal Services and Estates Management Unit resources will be required to complete the lease renewal.</p>



3.7	<p><b>(ii) Proposed Grant of Easement to Victoria College, Belfast</b></p> <p><u>Key Issues</u></p> <p>3.8 The surface water drainage system along the northern boundary of the school grounds is in very poor condition and largely ineffective. This boundary adjoins the Council's Drumglass Park and consists of an old 10ft (3.0m) high brick wall. The poor drainage allows for a build up of surface water on the school side of the wall which drains through weep holes and saturates the Council's adjacent park land. The Council had asked the school to install a new drainage system to prevent the ingress of surface water into the park.</p> <p>3.9 Civil engineers acting for the school have designed a system which entails draining the surface water into an existing manhole within the Park approximately 30m from the school boundary. The design and specification has been agreed with the Council's engineer and the works must be carried out to the Council's satisfaction.</p> <p>3.10 The easement will provide the College with a right of access to carry out repairs and maintenance for which they will be fully liable. The college shall also be liable for a 50% contribution to the costs of repairing and maintaining the Council's drainage infrastructure from the manhole to the NI Water adopted sewer as this will become a shared facility.</p> <p>3.11 The People and Communities Committee at its meeting on the 12 January 2016 approved the grant of easement.</p> <p><u>Financial &amp; Resource Implications</u></p> <p>All works will be carried out by the College at no cost to the Council. The easement will be subject to single payment to the Council of £1,000. The Council's Estate Management Unit and Legal Services Department will prepare the legal documentation and Council's Project Management Unit will approve the works on completion. The works will improve surface water drainage to the betterment of Council owned Park.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	None

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<b>Subject:</b>	Business Rates Review
<b>Date:</b>	22 <sup>nd</sup> January 2016
<b>Reporting Officer:</b>	Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources
<b>Contact Officer:</b>	Mark McBride, Head of Finance and Performance

Is this report restricted?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	This report provides a draft Council response to the Department of Finance and Personnel's consultation paper on the " <i>Review of Northern Ireland's Non-Domestic Rating System.</i> " ( <b>Appendix 1</b> ) The consultation period ends on the 25 January 2016.
<b>2.0</b>	<b>Recommendations</b>
2.1	Members are asked to: <ul style="list-style-type: none"> <li>Agree the draft Council response provided at Appendix 2.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<b>Review of the Business Rates System</b> In November 2013 the then Finance Minister, Simon Hamilton, announced to the Assembly his intention to undertake a full review of the non-domestic taxation system. It was intended that this would commence once the non-domestic revaluation had bedded in and would consider whether the current system is fit for purpose and whether there are alternative ways of raising revenue from those who do business in Northern Ireland.



3.2	In May 2015 Minister Foster announced to the Assembly her intention to proceed and in June 2015 the review was initiated with an Innovation Lab (or policy symposium) attended by a broad range of interest groups, business organisations, the voluntary sector, local government, academia and professional bodies.
3.3	In October 2015 the Department of Finance and Personnel published a consultation paper on the review which focuses on the current system of non-domestic taxation i.e. business rates, but also considers and welcomes views on any alternative system which could be used to replace or supplement part of the revenue currently from the business sector through the rating system.
3.4	<b>Overview of the Consultation Paper</b>
3.5	<p>Key Principles of the Review: The consultation paper set out key principles under which the suitability of alternatives or potential changes to the existing system will be considered. These key principles are that the system should be:</p> <ul style="list-style-type: none"> <li>• Revenue Neutral</li> <li>• Efficient and Cost Effective</li> <li>• Certain and Simple</li> <li>• Flexible</li> <li>• Equitable and Fair</li> </ul>
3.6	<p>The consultation asks a number of questions in relation to the review. These cover areas such as:</p> <ul style="list-style-type: none"> <li>• the key principles of the review</li> <li>• the frequency of Non Domestic Revaluations</li> <li>• whether criteria / priorities should be applied to existing and future rate relief / exemption</li> <li>• the review of current rate reliefs exemptions</li> <li>• whether the rating system should be used to pursue economic development objectives</li> <li>• whether district councils should take on powers for granting reliefs</li> <li>• whether district councils should be able to strike separate domestic and non domestic rates</li> <li>• whether the system should tax the owner rather than the occupier of non domestic properties</li> <li>• whether there should be a derelict land tax</li> </ul>

	<ul style="list-style-type: none"> <li>• whether public sector organisations should pay rates</li> <li>• whether other forms of local tax should be pursued</li> </ul>
3.7	A key area of the Council's response is the use of the non-domestic rating system as an economic regeneration tool. The response recommends that this should ideally involve a combined central and local government package of measures to support regeneration, especially in city centre areas. With relief subject to a proven business case, sectors to target could include hotel developments, Grade A office space development or retail developments and the redevelopment of vacant properties or derelict land.
3.8	In response to the frequency of re-evaluations it is the Council's proposal that increasing the frequency of re-evaluations (3 yearly) would help ensure rateable values are better aligned to passing rents and the local economy and potentially reduce the number of appeals. More frequent revaluations would generally result in a more acceptable change to rate poundage levels; thereby giving rateable occupiers a greater degree of certainty.
3.9	We also agree with the principle of a derelict land tax as an incentive for owners of such sites to bring them back into use. As well as encouraging investment and better use of assets this approach, when combined with the introduction of corporation tax, should help mitigate the risk of land-banking. .
3.10	A full copy of the Council's response is attached at <b>Appendix 2</b> .
	<u>Financial and Resource Implications</u>
3.11	District rate income represents 75% of the Council's total income.
	<u>Equality or Good Relations Implications</u>
3.12	None.
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	<b>Appendix 1:</b> Draft consultation document <b>Appendix 2:</b> Draft Council response to the consultation questions

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Department of  
**Finance and  
Personnel**  
[www.dfpni.gov.uk](http://www.dfpni.gov.uk)

# Review of Northern Ireland's Non-Domestic Rating System

## Consultation Paper



Improving  
**Public  
Services**



## **Ministerial Foreword – Arlene Foster, MLA**

This review of non-domestic rating will provide a unique opportunity for us to consider the best system for raising local revenue in Northern Ireland and to ensure that it is fit for purpose for the 21st Century. This follows the revaluation of non-domestic rates that my Department implemented from 1st April 2015.

Locally, business rates account for approximately £592m towards the provision of district and regional services and it is important this revenue is raised in a way that reflects the changing patterns of business activity and conditions within the wider economy.

This 12 week consultation will provide the basis for a wide ranging review of the system of business rates and will also present an opportunity to examine other possible ways to fund local services.

I would encourage as many people as possible to respond to this consultation, so that I can ensure that we have an effective system of taxation in place to help assist with the provision of services in these challenging times for business and public finances.

**Arlene Foster, MLA**  
**Minister of Finance and Personnel**

**October 2015**

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# **1 Introduction**

- 1.1 In November 2013 the then Finance Minister Simon Hamilton announced to the Assembly his intention to undertake a full review of the non-domestic taxation system.
- 1.2 It was intended that this would commence once the non-domestic revaluation had bedded in. On 12 May 2015 Minister Foster announced to the Assembly her intention to proceed with this review. The review will consider whether the current system is fit for purpose and whether there are alternative ways of raising revenue from those who do business in Northern Ireland.
- 1.3 In order to initiate the review, an Innovation Lab (or policy symposium) was arranged in early June. This was attended by representatives from a broad range of interest groups, business organisations, the voluntary sector, local government, academia and professional bodies. These are listed in Annex B.
- 1.4 This group was tasked with establishing a set of guiding principles and setting a direction for the review. This helped shape terms of reference, which was subsequently presented to the Finance and Personnel Committee and agreed by the Finance Minister (see Annex C).
- 1.5 It is intended that this consultation will mainly focus on the current system of non-domestic taxation i.e. business rates, however it will also consider and welcome views on any alternative system that could be used to either replace or supplement part of the revenue currently raised from the business sector through the rating system.

## 2 Background to the Rating System

- 2.1 Business rates are a tax based on property values and help fund public services within Northern Ireland. There are two different rates levied within NI, a domestic rate for residential properties and a business rate for non-domestic properties. Business rates are levied on the occupier and in the case of vacant property they are levied at a lower rate on the person entitled to possession (usually the owner). Gross liability (before any reliefs) is assessed in direct proportion to a property's rental value (also known as Net Annual Value or "NAV"). From 1 April 2015 values are based on a statutory definition of the rental value of a property as at 1 April 2013 (known as the "antecedent valuation date" or AVD). A rental value is then assessed for every rateable non domestic property in NI<sup>1</sup>, whether it is owner occupied, rented or vacant.
- 2.2 The total revenue raised through both domestic and non-domestic rates in Northern Ireland is approximately £1.17bn, with around 50% of this being funded through non-domestic rating. All of this money stays within NI and is used to fund both local District Council services as well as regional services e.g. education, health etc. The total Regional Rate contribution to total central government spending within Northern Ireland is approximately 6%, with the District Rate revenue accounting for around 70-75% of Councils' resources. A high level breakdown of total rating revenue raised is provided in the following table:

2014/15 £ <sup>2</sup>	District Income	Regional Income	Total
<b>Domestic</b>	£261m	£319m	£580m
<b>Non-Domestic</b>	£254m	£339m	£592m
<b>Total</b>	£515m	£658m	£1,172m

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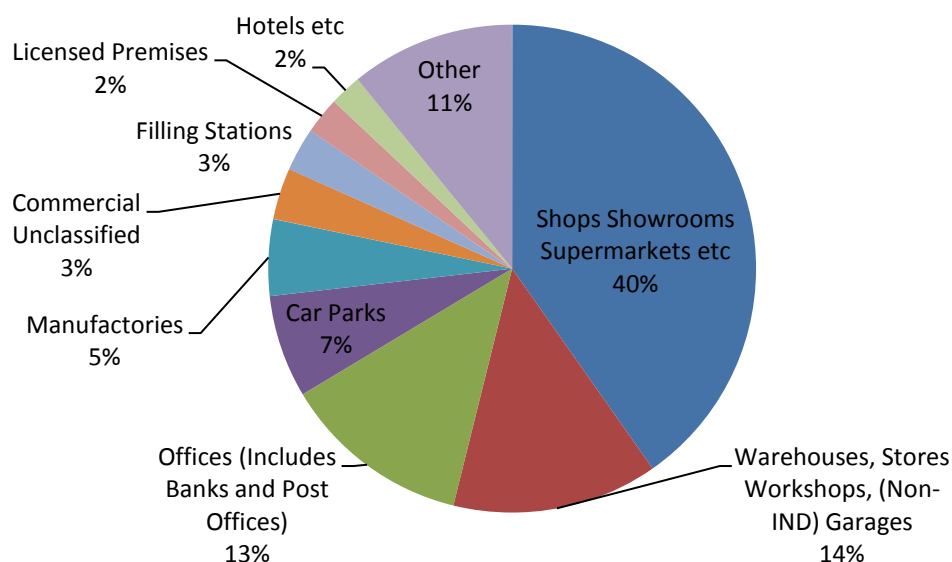
<sup>1</sup> There are approximately 73,000 properties assessed for rating purposes, including 10,000 that are distinguished as fully exempt from rates.

<sup>2</sup> Includes revenue from 'mixed hereditaments' that has been apportioned based on the domestic/non-domestic split



- 2.3 The following chart breaks the total non-domestic rating burden<sup>3</sup> down to show the distribution by property classification.

**Chart 1 - Distribution of rating burden by Property Class**



- 2.4 The above distribution reflects the contribution made by the different property types to the overall rating burden<sup>4</sup>. However, this picture is artificially distorted by a complex system of exemptions and reliefs (rate support) operating within the non-domestic rating system.
- 2.5 It is also worth highlighting that the 40% contribution paid by shops, showrooms and supermarkets cannot be interpreted as the share of the rating burden raised by the retail sector as this may include businesses such as cafes, estate agents, accountancy/law practices etc, as well as a significant number of vacant properties. Nevertheless, retail is likely to contribute proportionately more in comparison to other sectors of the NI economy as well as the overall proportion paid by retailers elsewhere in the UK. However, it is important to note that this does not necessarily mean that the liability for an individual retailer will be higher in Northern Ireland (as noted below in paragraph 2.9 & 2.10) as the distribution percentage will be higher as other sectors get more relief than elsewhere, such as manufacturing, freight transport and exemptions, a point which is borne out if the analysis is carried out on Net Annual Value rather than liability.

<sup>3</sup> Based on the total monetary amount due on the last bill (up to 30 June 2015) for the occupancy (excludes costs, fess and credits). This data broadly reflects the total percentage contribution to net annual collectable rates when public bodies are excluded.

<sup>4</sup> For a more detailed breakdown by property type see annex F2

- 2.6 Reliefs and exemptions serve to reduce or remove the overall rating burden for particular types of property, based on various criteria. In effect, this results in either a higher rate for everyone else or less revenue being available for both District Council and Central Government services. A description of each form of support is available in Annex D and the total revenue cost of all non-domestic rates support is shown in the following table<sup>5</sup>:

<b>Rate Support</b>	<b>Value £</b>
Non Domestic Exempt	£87m
Industrial De-rating	£58m
Freight & Transport	£1.97m
Sport & Recreation	£4.35m
Empty Premises Relief	£0.41m
Residential Homes	£8.30m
Vacant Rating	£43m
Hardship Relief	£0.003m
Rural ATMs	£0.22m
Small Business Rate Relief	£17.87m
<b>Total Cost</b>	<b>£221m</b>

- 2.7 It is worth recognising that the total figure of £221m in revenue forgone will not be split evenly between District Councils and the NI Executive. This is due to the fact that only some of the support measures noted above represent a loss to both district and regional revenue. Indeed of the main measures noted above, only vacant property rating relief and the non domestic exemptions represent a loss to both district and regional rate revenue. Other measures represent a direct cost to central Government finances and not district councils, given that revenue forgone through 'derating' measures such as industrial de-rating, freight transport relief and sport and recreation relief will be fully reimbursed to District Councils through the Department of the Environment's long standing de-rating grant.
- 2.8 Issues around the continued relevance and affordability of the current range of reliefs and exemptions form an important part of this consultation and these matters are covered in more detail later in this report.

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<sup>5</sup> All cost figures should be considered approximate and are reflective of 2015/16 actuals. Total revenue figures represent the amount of combined revenue lost to both the district and regional rate tax bases. For a more detailed breakdown by property type please see Annex F3.

## Comparison with rating levels in rest of UK

- 2.9 The average business rates bill (excluding reliefs and exemptions) in Northern Ireland for the last rating year (2014/15) was £10,819. Recent average figures for GB are not available but are understood to be in excess of £15,000 a year. Such comparisons are meaningless, however, as we do not have the same scale of big business here in Northern Ireland compared with the rest of the UK. For example high value undertakings such as the City of London, petro chemical plants and airports e.g. Heathrow, significantly distort the average in England.
- 2.10 What can be deduced is that broadly speaking non-domestic properties of the same rental value attract very similar rates bills here and in England. Within NI, the average charge is around 55p per pound of rateable value; assessed at 2013 rental levels (they are based on a 1 April 2013 Antecedent Valuation Date). The corresponding 'standard' business rate in England is 49.3p, 48p in Scotland and 48.2p in Wales. Again, this is levied per pound of rateable value, but in the rest of the UK these are assessed at 2008 rental levels (they are based on a 1 April 2008 Antecedent Valuation Date).
- 2.11 Since 2011/12 the non domestic regional rate in NI has increased by 9.3%, compared with the Uniform Business Rate in England which has increased by 13.9% over the same period. The regional rate accounts for over half a typical rate bill and in recent years NI has inflated the rate each year using the GDP deflator, rather than the oft-criticised retail price index used in the rest of the UK.
- 2.12 The principal differences with GB lie in relief schemes:
- NI "de-rates" manufacturing premises by 70%, the rest of the UK charge full rates;
  - Charitable occupation come with full rates exemption, compared to the 80% mandatory relief that applies in the rest of the UK;
  - NI charges 50% rates on empty properties, England and Wales charge 100% and Scotland 90%; and
  - Small business rate relief (SBRR) is another significant difference and the findings from the study undertaken by the University of Ulster's Centre for Economic Policy, published Dec 2014, sets out in detail the different schemes that exist (see Annex E).

These matters are explained in more detail later on in this paper.

### **3 Consideration of Key Principles**

- 3.1 Systems of taxation are generally established for the sole purpose of raising revenue, although they can also be used to redistribute income, influence behaviours, manage aggregate demand and correct market failures.
- 3.2 Within Northern Ireland the primary purpose of non-domestic taxation (currently business rates) has been to raise revenue to help fund public services provided by central and local government. When considering any changes or alternatives to the current system there are a number of recognised principles of good taxation policy that should be inherent within any new system. These include efficiency, certainty, simplicity, and flexibility as well as equity/fairness. In addition, it is DFP's view that the revenue yield should be adequate and the tax structure should not threaten overall fiscal targets (revenue neutrality is a working assumption but this will not bind decision makers; whatever system emerges will need to be scale-able).
- 3.3 Consideration has been given to whether particular weighting should be given to each of these criteria, however it is the Department's view that the relative importance of each of these will ultimately depend on the particular perspective from which they are being assessed e.g. taxpayers may take different views on what is fair depending on how it impacts them.
- 3.4 All of these factors are explained in turn within the following section and form the basis for assessing the suitability of alternatives or potential changes to the existing system of property rates.

#### **Revenue Neutral**

- 3.5 It is important to highlight that this review is not concerned with investigating potential ways in which to raise *additional* revenue for either District Councils or the Northern Ireland Executive. Rather, the focus is on whether there is a better system for generating the existing level of revenue or whether there are any alternative forms of taxation that could replace all or a proportion of the total revenue currently being collected from the non-domestic rating system.

#### **Efficient and Cost Effective**

- 3.6 The efficiency of a taxation system refers to the ease with which it can be practically implemented, whilst at the same time ensuring that compliance costs to businesses and administration costs for government are minimised as far as possible.



## **Certain and Simple**

- 3.7 Tax rules should be simple to understand so that taxpayers can be certain of an exact liability and budget ahead. A simple taxation system that varies little year on year makes it easier for businesses to understand their obligations and also makes it easier for government to undertake accurate budgetary planning.
- 3.8 Such a system will also enable businesses to plan more effectively in relation to how to respond to the intended policy outcome. Furthermore simpler taxes tend to be more difficult to evade as the inherent transparency makes aggressive tax planning and evasion more difficult.

## **Flexibility**

- 3.9 A taxation system that is flexible will be able to respond to economic and commercial developments. This is considered important as it will enable a consistent level of revenue to be maintained and will also lead to a greater degree of acceptance by taxpayers as it can respond to events such as economic downturns.
- 3.10 However, it is recognised that there is a conflict between the predictability, stability and flexibility of any tax system and therefore a balanced approach is needed.

## **Equity/fairness**

- 3.11 Perhaps one of the most critical features of a taxation system is that of equity/fairness. Although this can sometimes be difficult to define it is often thought that a particular tax should first of all treat businesses in similar circumstances the same way and secondly, ensure that those businesses that are in a more advantageous position should bear a larger proportion of the tax burden.
- 3.12 The criteria outlined above are broadly reflective of those provided by the Innovation Lab that suggested any system of local non-domestic taxation should be simple, predictable, provide certainty and be hard to evade.
- 3.13 It is also important to recognise that rates are but one system of taxation that fits within a basket of other national taxes paid by businesses. Any taxation system, that is set and managed locally, cannot be expected to 'tick all the boxes'. It should be viewed in this wider context when contemplating what qualities it should have and the extent to which it complements all forms of taxation. This is also a point to bear in mind when considering issues presented later in this paper about who should pay more and who should pay less.

<b>Question 1 - Are there any additional criteria that should be used to judge the suitability of the system for raising revenue locally?</b>
---

## 4 The current System and the Case For Change

- 4.1 This section sets out some of the main features of the existing system of non domestic rating. It also explains the rationale for the current arrangements and what changes could be made. It cannot cover every aspect of the system, however, this is a root and branch review and views are welcome on any areas not described in this paper.
- 4.2 Furthermore, there is a series of technical supplements on the consultation website with more background information on some issues that are considered 'ripe for reform'. Links are provided at Annex F.
- 4.3 Property rates have been in existence in the British Isles in one form or another since the 16<sup>th</sup> Century and have gradually evolved over many years. The main benefit of the system is that it is difficult to evade and provides a stable revenue stream for government. Despite this, the system of property rates is often criticised, as the charge is ultimately based on the nature of the property and is not directly linked to the performance of the occupying business.
- 4.4 Despite no system of taxation being perfect, it is DFP's view (and HM Treasury's in GB) that the current system of property rates scores highly for each of the key principles outlined above as it is relatively efficient, provides certainty for both government and businesses, is difficult to evade (given the visibility of property) and allows for flexibility where there is a process of regular revaluations and a tailored system of reliefs. For example, while some firms may attempt to structure themselves in such a way so as to pay a lower the rate of corporation tax, it is very clear who the occupier (ratepayer) of a commercial property is, thus providing for more certainty in the collection of the tax.
- 4.5 Considerations around the equity of the system are more difficult to define and will ultimately depend on individual perceptions of what is fair. There will be some businesses that resent having to pay any rates, others for whom it does not represent a large proportion of their operating costs and some who consider it grossly unfair, given the large percentage of their turnover that goes towards covering their liability.
- 4.6 Given DFP's view that the review should be revenue neutral and that raising less revenue from businesses is not an option, there are a number of issues that can be assessed to determine whether the existing system of property rates can be made more equitable. These include the process and frequency of **revaluations**, the system of **reliefs**, **widening** the tax base as well as aligning the system to an **ability to pay**.

- 4.7 The Innovation lab also raised the issue of the need to improve collection performance within LPS in order to maximise the amount collected so that the overall burden on ratepayers can be reduced. This is an important issue but it is not something covered in this Consultation Paper, the reason being that LPS had its processes independently reviewed in 2014/15 and is already engaged in a process of major reform in this area.
- 4.8 This is much more than a series of initiatives. It is an integrated and coordinated programme intended to lead to a systemic and step change in performance. It includes centralisation of collection activity, using specialist account managers for high value ratepayer accounts, segmenting ratepayer debt in terms of propensity to pay and employing 'nudge' techniques (i.e. behavioural insights) within the recovery framework.
- 4.9 It also involves the development of new IT systems to accommodate innovative payment channels (particularly digital) with greatly improved functionality, including advanced analytical tools for debtor profiling and targeting. Key to improving recovery is good data and LPS is working with Councils and other agencies to ensure that those 'who can pay but don't', can be successfully pursued through the Courts. Finally, to measure improvement, progress and success, LPS is in the process of undertaking a bench marking assessment with relevant billing authorities elsewhere in the UK.

#### **Rateable Values, Net Annual Values (NAVs) and Revaluation**

- 4.10 As explained above, rates are a property tax and as such the system differs from most other forms of taxation in a fundamental way. This is due to the fact that the amount of revenue to be raised each year is decided in advance, through the budgeting processes of both the NI Assembly and the 11 District Councils.
- 4.11 Broadly speaking, the total amount to be raised is distributed amongst a defined number of taxpayers (ratepayers) based on, and in proportion to, the value of the property in their possession. In Northern Ireland (and the rest of the British Isles) we use rental values, as property letting dominates the open market for commercial property and therefore provides the widest possible evidence base.
- 4.12 Market rents are affected by the economic factors of demand & supply. As rateable values (more accurately referred to as Net Annual Values or NAVs) are derived from rental evidence, the same considerations apply when undertaking these assessments. Rents and thus NAVs are influenced by:
- the physical state of the property;
  - its locality;
  - its potential use; and
  - the use or occupation of other premises situated in the locality.

- 4.13 The big difference between rental values and NAVs is the fact that rents fluctuate over time, whereas NAVs are fixed at a uniform (Antecedent) valuation date. This means that over time the assessed values become out of date and therefore it is necessary to undertake **general revaluations** every few years, when every property is reassessed at a new valuation date. This is currently undertaken by Land & Property Services (LPS) within DFP.
- 4.14 Following every revaluation, a new Valuation List is produced in order to establish where the rating burden should fall and once district and regional rate poundages are calculated, determine how much each ratepayer proportionately contributes to the overall amount of revenue to be raised. A revaluation occurred this year and previous lists were produced in 2003, 1997 and 1976. The new 2015 list details the rental value of the property as it would have been at 1 April 2013.
- 4.15 No additional revenue is raised through a revaluation, however wider economic and social changes that have occurred since the last revaluation are taken into account. Sectors and locations that have fared better than others since the previous revaluation will pay more and correspondingly those that have not fared so well will pay less. It is a rebalancing or redistribution exercise.
- 4.16 Although it was 12 years between the previous revaluation in 2003 and the revaluation that came into operation in April 2015, more frequent revaluations are preferable and could take place every e.g. 3-5 years. It could also be written into legislation (as is the case in the rest of the UK) to ensure it is regarded as and becomes part of the normal rating activity cycle, rather than the current uncertain situation where it needs full Executive approval to proceed. This would not inhibit the Executive and Assembly taking through legislation to delay a revaluation should circumstances arise that merit postponement.
- 4.17 More frequent revaluations would also help to mitigate problems for businesses resulting from a material change of circumstance that affects the local trading environment. For instance, this can happen in a shopping centre when an anchor tenant leaves an area, and in so doing reducing the footfall and demand for all other businesses in the vicinity.
- 4.18 The counter argument is that having more frequent revaluations will lead to greater uncertainty and potential instability for businesses as they will have to more often consider their own property needs, and whether or not they can afford any potentially higher rates liability (see Annex F1 for further background information on this issue).

**Question 2 - Do you think that more frequent revaluations would lead to a more equitable rating system and improve the current rating system?**

**Question 2a - If yes, how often should revaluations occur?**

**Question 2b - Should the date and/or frequency of revaluations be written into legislation?**



## System of Reliefs

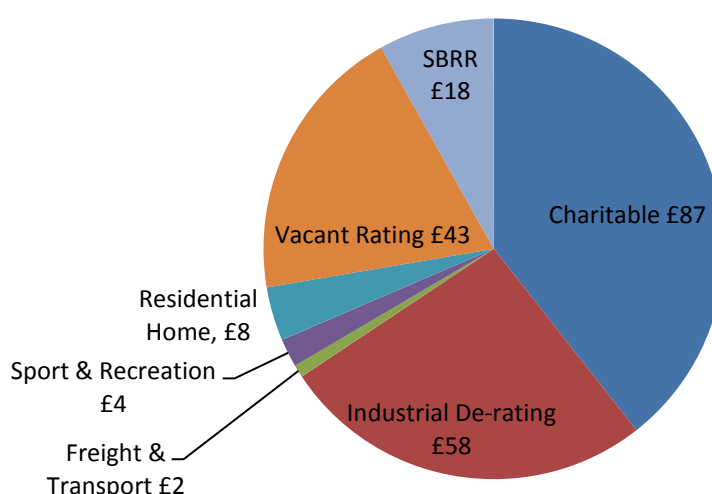
- 4.19 The system of reliefs is perhaps the main lever of the rating system that can be used to address the issue of equity as it provides the opportunity for government to adjust the rating liability for a particular class of ratepayer. However it could be argued that a system of reliefs creates an uneven distribution of the rating burden, which in itself could be considered unfair as businesses will be treated differently for no other reason than the industry they operate in or the size of the property they occupy.
- 4.20 This begs the question as to whether it would be better for the whole system of reliefs (that essentially are a form of government subvention) to be abolished so that all non domestic ratepayers are treated equally, with their liability being based solely on the rental value of their property, rather than the application of various reliefs. Such an approach would also serve to bring this financial support within the public expenditure regime and allow decisions to be made based on spending priorities agreed by Ministers, rather than through the rating system. Indeed, it is often regarded as an easy and somehow less costly option for worthy groups and sectors to receive assistance through the rating system rather than through direct funding, with concessions granted in the past quickly becoming long term entitlements. Furthermore, every pound granted in rating relief is a pound less to spend on health, education, roads and other important local services.
- 4.21 Whilst such a radical approach would serve to simplify the rating system, it would leave it unable to respond to changing economic circumstances or respond to those who may be considered to be in need of rate relief e.g. charities. Furthermore, all property taxation systems around the world have a series of concessions that reflect local policy preferences. This underlines the need to keep this as a feature of any future rating system.
- 4.22 If the rating system is to continue with a system of rate support, it is important to carefully examine each of these in turn and determine whether they remain fit for purpose. In addition there may be merit in establishing guiding principles for maintaining and developing such support. This could include criteria such as:
- a clearly stated purpose/need;
  - be time-bound with well defined timescales;
  - be better targeted or more closely linked to the Economic Strategy;
  - have an exit strategy to end a particular form of rate support; and
  - have an evaluation process established at the outset to assess its effectiveness over time.

**Question 3 - Do you think that all current and/or future rate supports should adhere to clearly defined criteria?**

**Question 3a - What should these criteria be and what do you consider to be the most important?**

- 4.23 There are currently 10 main support measures in operation that represent revenue forgone of £221m. Of all properties included within the non-domestic valuation list approximately 75% obtain some form of allowance with their rates. If vacant properties are excluded this figure is reduced to around 55%, which is perhaps a better indicator of the level of support being provided to businesses and organisations through the rating system.

**Chart 2 - Distribution of rate support £m**



- 4.24 The historical context for each support measure is set out in Annex D. The following section explains the rationale for the current system of reliefs, highlights possible issues and seeks views on the ongoing relevance and importance of these reliefs.

### **Industrial De-rating**

- 4.25 Industrial de-rating provides 70% relief to manufacturing businesses i.e. factories. It costs approximately £58m in revenue forgone each year and supports around 4,400 ratepayers. It no longer exists as a support mechanism within the rest of the UK
- 4.26 Under Direct Rule the intention was to phase out industrial de-rating by 2011. However, following the restoration of the Northern Ireland Executive in May 2007, a decision was taken to halt this process and cap the relief at the then rate of 70%. This decision was informed by an evaluation carried out by the Economic Research Institute for Northern Ireland (ERINI) that recommended the relief be retained (though kept at no more than 50%).
- 4.27 The report recognised that despite the manufacturing sector experiencing significant job losses in the past e.g. textile and clothing sector, it still played a key role in the local economy.

- 4.28 Deciding whether to keep (or change) the current level of relief for this sector is really a balanced argument between the potential damage to the sector versus the benefit to other business ratepayers of having manufacturing taking up a larger share of the overall rating burden.
- 4.29 Analysis undertaken by ERINI in 2007 suggested that if the relief was removed, rates would represent no more than 15% of total profit for 80% of firms<sup>6</sup>. Furthermore, depending on whether firms decided to protect employment or profits, it was ERINI's assessment that removing the relief was likely to lead to a net loss of between 514 and 1645 jobs, after taking into account any increase in public sector employment (assuming the additional revenue was used for public sector investment). Needless to say, it is now 8 years later and these figures should be treated with caution.
- 4.30 In considering the merits and demerits of continuing to support all manufacturing in NI through industrial derating, there are other wider issues to consider. Manufacturing is an energy intensive activity and energy prices here remain high. According to the recent Cost of Doing Business Survey<sup>7</sup>, very large electricity users have comparatively high energy prices against other EU comparators, although this group of companies have benefited the most from recent declines with their price having fallen by 14% up to the end of 2014.
- 4.31 Couple this with peripherality arguments (location within UK and EU), there are concerns around NI maintaining its competitive position; not merely in relation to other manufacturing companies elsewhere but also for large multinational companies with plants around the world that effectively compete with one another for business.
- 4.32 At the time of writing the most recent data (2013) shows that manufacturing accounts for 24% of Northern Ireland's Gross Value Added (GVA) and employs close to 78k people or 15% of the total workforce. To put this in context, this compares to e.g. the services sector that accounts for at least 35% of total GVA, employing 262k or 50% of all employees and the retail sector that accounts for around 12% of GVA and 17% of all employees.
- 4.33 Analysing the recent performance of this sector is complicated by the extreme economic downturn that was experienced in 2008. However the performance of the manufacturing sector since 2012 shows growing output as well as increasing employment, leading to an overall increase in sectoral productivity. Given that improving productivity is one of the goals of the Executive's Economic Strategy, it is evident that manufacturing is one of the key sectors that can help contribute towards this goal.

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<sup>6</sup> Based on a sample of 1,248 matched businesses and using Gross Operating Surplus as a proxy measure for profit.

<sup>7</sup> <https://www.detini.gov.uk/publications/cost-doing-business-northern-ireland>

- 4.34 As many of Northern Ireland's manufacturing success stories are indigenous businesses that often operate outside of the main urban areas, it is also evident that this sector provides employment in locations that are unlikely to be successful in attracting Foreign Direct Investment, again underscoring its importance to the wider Northern Ireland economy.
- 4.35 An alternative to keeping the long established scheme would be to use this relief in a more targeted way by e.g. only providing relief to those manufacturing businesses that engage in research and development or operate within particular high value/high growth sectors.
- 4.36 However it is important to note that the current industrial de-rating policy was a pre EU accession subsidy and due to rules on State Aid, it is unlikely that a similar policy could be introduced today. Consequently any change would have to be in the direction of removing/reducing the relief and if a more targeted approach was being considered, it would have to be subject to the normal rules on state aid. Any reduction could not however be reversed in future due to the restrictions placed on the Executive by EU State Aid implementation.

**Question 4 - Should industrial de-rating be retained in its current form?**

**Question 4a - If you disagree, what would you recommend instead and why?**

## **Sport & Recreation Relief**

- 4.37 Relief for amateur sport and physical recreation facilities is granted under Article 31 of the 1977 Order. The 80% relief is granted on the basis that it encourages physical recreation at an amateur level and makes a significant contribution to health care. The total cost of this relief annually in revenue forgone is £4.3m, 23% of which results from golfing facilities, with a further 32% being accounted for by sports grounds.
- 4.38 The present policy, although being adjusted to the level of 80% relief in 2007, has its origins in the 1978 Report of the Lawrence Committee on the rate liability of bodies permitting facilities for sport, recreation and community activities in Northern Ireland. Part of the rationale to raise the level of relief up to 65% from 35% in light of the Lawrence report (which was slightly higher than the then level in GB) was that the enhanced incentive for "voluntary clubs and societies that offer opportunities for constructive social effort" was deemed to be "justifiable in view of the difficult circumstances in Northern Ireland at the present time". The report also took a general view that such organisations, "offer opportunities for constructive social effort" and "are particularly valuable in areas of high unemployment and social deprivation and where vandalism and anti-social behaviour are rife."



- 4.39 The current 80% level of relief is the same as that provided elsewhere within the UK, however local authorities in England & Wales do have discretion to apply a further 20% relief subject to certain local criteria.
- 4.40 Key conditions for securing this rate relief are that the organisation must be established as 'not for profit' and engaged in a 'prescribed' recreation<sup>8</sup>. Social facilities (bars restaurants, function rooms etc) are excluded from relief, though they are not assessed in the same way as commercial undertakings.
- 4.41 For larger clubs with extensive social facilities this raises questions around equity and fairness in relation to the interests of private enterprise and in particular the hospitality sector. This issue is not confined to hotels and bars but also extends to privately owned golf clubs, riding schools and other private enterprises.
- 4.42 However it is important to note that the full 80% sport and recreational relief can be awarded to e.g. adjoining social facilities provided the NAV of such facilities is no more than 20% of the total NAV of the hereditament.
- 4.43 This provision was originally made so as not to penalise sporting facilities that had proportionately modest social facilities. However given that some sporting facilities can have a large NAV e.g. golf courses, the 20% criteria can often mean that substantial social facilities can benefit from the full 80% sport and recreation relief.
- 4.44 At the time of writing the subject of enhanced relief for designated Community Amateur Sports Clubs is being considered. There are issues around providing relief to clubs with successful social facilities and a separate consultation will be undertaken with the relevant business organisations, including the hospitality sector before the matter is taken forward.

**Question 5 - Do you consider that rate relief for Sport & Recreation should be awarded as at present and maintained at the current level of 80%?**

**Question 5a - If you disagree, what would you recommend instead and why?**

**Question 5b - Should the criteria to disregard social facility apportionment be removed or reduced from the current level of 20%?**

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<sup>8</sup> As prescribed in The Rates (Recreational Hereditaments) Order (Northern Ireland) 2007

## **Freight Transport Relief**

- 4.45 Freight Transport relief was introduced throughout the United Kingdom in 1929 (along with industrial de-rating) but was removed in Great Britain in 1963. It survives in Northern Ireland and today applies to publicly funded and private sector transport undertakers. The relief has an annual cost of approximately £2m and applies to 17 individual properties that are mainly associated with harbours and ferry terminals.
- 4.46 It is granted to encourage lower freight charges and is intended to benefit exporting firms as Northern Ireland is on the periphery of Europe, which it is argued, results in higher transport costs when trying to access the main European markets. To qualify for Freight Transport de-rating, the use of the facilities must involve the handling and shipment of goods that are neither owned by nor intended for the use of the operator.
- 4.47 As with industrial de-rating, Freight & Transport relief was a pre EU accession subsidy and due to rules on state aid it is extremely unlikely that such a measure could be introduced today. Indeed the only possible changes to the policy today will be in the direction of reducing or removing the subsidy.

### **Question 6 - Should Freight & Transport relief be removed?**

#### **Question 6a - What would be the potential consequences of such move?**

## **Small Business Rate Relief (SBRR)**

- 4.48 The Small Business Rate Relief (SBRR) scheme was introduced in 2010 to support small businesses at a time of economic downturn. Since then 110,000 SBRR awards have been made to non-domestic ratepayers, with an average award of £516 each, at a total cost of £61.5m. Annually, some 26,000 properties receive relief under the scheme at a cost of around £18M.
- 4.49 In 2014, the Ulster University's Economic Policy Centre (UUEPC) undertook an extensive evaluation of SBRR (Annex E). The report concluded that the scheme should be retained for a further year (2015/16) prior to being phased out as economic conditions improve. Indeed the main criticism of the scheme was that despite its popularity, it provided little economic benefit in terms of increased employment or additional investment. Furthermore, there was little evidence to suggest that it made a significant difference to business survival rates during the recession. The report also suggested that if a replacement for the scheme was to be considered, it should take a more targeted approach focusing on economic growth, to ensure value for money is maximised.

- 4.50 The one year extension to the scheme is due to expire on 31<sup>st</sup> March 2016. Consequently any decision on its potential replacement will have to be made outside this review and in the context of the budget progression. Any proposals to replace the scheme will be taken forward as part of a separate consultation and include input from the Department of Finance and Personnel, Department for Social Development as well as the Department for Enterprise, Trade and Investment.

### **Residential Homes Relief**

- 4.51 The annual cost of the Residential Homes Relief is approximately £8.3m and applies to just under 500 individual properties. The policy was originally aimed at incentivising and promoting the provision of residential care homes. A breakdown of this relief between the private and public sector is available in the following table:

Type	Number	%	Cost £m	%
Private	317	65%	£5.95	72%
Public	170	35%	£2.35	28%
Total	487		£8.30	

- 4.52 To qualify for this relief all or part of the property must be used wholly or mainly for one or more of the following purposes:
- the provision of residential accommodation for the care of persons who have an illness or the after-care of persons who have an illness;
  - the provision of facilities for training or keeping suitably occupied persons who have an illness or persons who have an illness;
  - the provision of such accommodation or facilities as are mentioned in the previous two points for persons with a disability the provision of personal social services for persons with a disability; and
  - the provision of facilities under section 15 of the Disabled Persons (Employment) Act (Northern Ireland) 1945.
- 4.53 Whilst there may be merit in providing rate relief in relation to the care of the elderly; it is perhaps less clear who actually benefits from this exemption. Indeed does this cost saving for residential homes represent a reduced cost and therefore an increase in net revenue for the provider or is it passed onto residents in the form of lower charges? There is also an issue around the appropriateness of the relief given that residential homes benefit from the services (both locally and regionally) that rates pay for.

**Question 7 - Is residential homes relief still necessary to encourage the provision of care homes by the private sector?**

**Question 7a - Should it be limited to organisations that can demonstrate charitable status?**

## Vacant Property Rating

- 4.54 In general, once a non domestic property becomes vacant, it will receive 100% exemption for the first three months of that vacant period. After this period has elapsed, the property owner will only have to pay 50% of the occupied rates liability. This compares to a situation in GB where the owners of a vacant property do not receive any relief and incur the full 100% liability (90% in Scotland).
- 4.55 This Non Domestic Vacant Rating (NDVR) "relief" (known as "empty property relief" namely a 50% reduction of the occupied rate) accounts for 20% of all non-domestic reliefs and costs approximately £43m in revenue forgone per year. It was introduced in 2004 and was reviewed in 2009 at which time it was decided to maintain it at 50% in order to help property owners mitigate the impact of the recession. This cost is made up from a variety of sub categories that are detailed in the following table:

Vacant Rating Sub Category	Cost £m
NDVR - 3 month period	£2
NDVR - 50% Amount	£25
NDVR – NAV < £2k	£4
NDVR – Exemptions (Annex F4)	£13
<b>Total Vacant Rating</b>	<b>£44<sup>9</sup></b>

### Question 8 - Should empty property relief continue at 50%?

**Question 8a - Should any of the current NDVR exemptions (listed in Annex F4) be removed?**

**Question 8b - Should there be any additional exemptions within the policy?**

## Empty Shops Rates Concession

- 4.56 In addition to NDVR, an Empty Shops Rates Concession scheme operates at an approximate annual cost of £400k. The scheme is intended to provide an incentive for long term vacant premises to become occupied by providing a 50% reduction in the rate liability for the first year of occupation if the property has been lying empty for at least a year. Consequently it could be argued that this scheme does not actually represent a cost in terms of revenue forgone, as there is a possibility that the premises would continue to remain empty (without this incentive) after the first year of NDVR had elapsed.

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<sup>9</sup> Differences with 4.55 are due to rounding



- 4.57 There are calls for the relief to be awarded where properties have only been vacant for 6 months or to extend the relief beyond the first year. The current policy has the merit of targeting those properties that are the biggest problem (empty for a long time) and balancing the interests of established businesses in the area by confining relief to that difficult first year of trading. Furthermore, a relaxation of the conditions could lead to it becoming a means of avoiding rates.

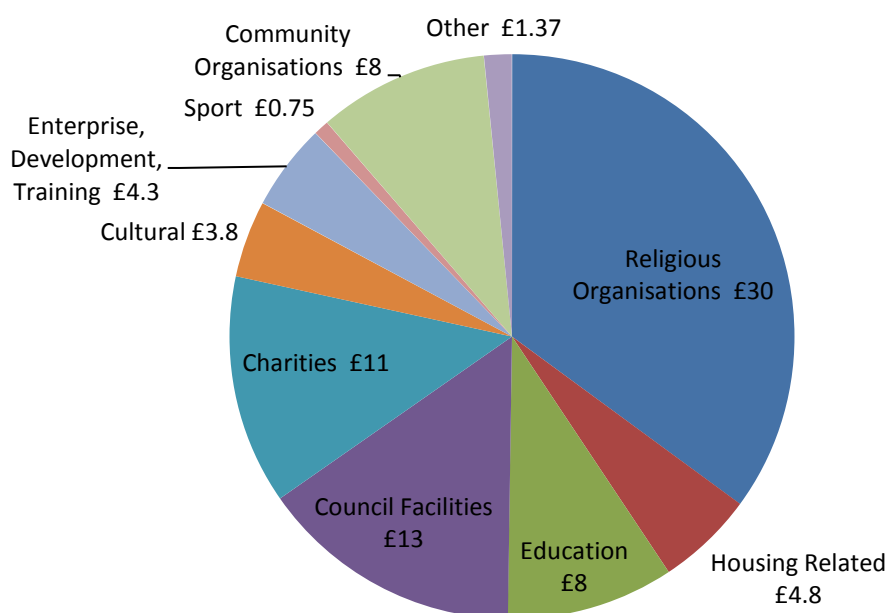
**Question 9 - Is there any evidence that the parameters (qualifying criteria or duration) of the empty shops rates concession should be changed?**

**Question 9a - If yes, to what should they be changed to?**

### **Non Domestic Exemption**

- 4.58 If a property is occupied by a charity (or an organisation not established for profit) and is used for purposes that directly facilitate its aims, it is generally not liable for rates. The annual cost of this 100% relief is approximately £87m per year and is available to organisations established for the following purposes:
- the advancement of religion;
  - the advancement of education;
  - the relief of poverty; and
  - other purposes beneficial to the community
- 4.59 Whilst there are obvious examples of organisations that benefit from this relief e.g. churches & charity shops, it is recognised that there is a wide range of organisations covering activities as diverse as e.g. education, rural development, housing and the arts. A full breakdown of the total cost of this exemption, based on type of organisation, is available in the following chart:

## Breakdown of charitable exemption by type of organisation £m



- 4.60 A further breakdown of the non-domestic exempt category reveals that just over £60m or 70% of the total value of this exemption applies to just over 2000 properties or 20% of total recipients. Of these 2000 properties, 33% are linked to churches with a further 18% being offices. This would indicate that if there were any changes made to the relief it could impact significantly on this relatively small number of ratepayers. This analysis is presented in the following table:

Individual exemption £	£0 < £1k	£1k - £2k	£2k - £3k	£3k - £4k	£4k - £5k	£5k - £10k	> £10k
No. benefiting	1,117	1,746	1,341	1,008	813	1,937	2,020
Average amount	£622	£1,486	£2,460	£3,480	£4,498	£7,042	£29,825
Total Value	£0.695m	£2.6m	£3.3m	£3.5m	£3.7m	£13.6m	£60.2m

- 4.61 Despite these ratepayers being aligned to organisations that have a social/charitable purpose, some have argued that their rates liability should be treated the same as any other property cost e.g. rent, electricity, heat & light etc. This is especially pertinent considering these organisations benefit from the provision of services at both the local and regional level and may receive additional assistance in the form of various tax reliefs.
- 4.62 The counter argument is that these organisations often have limited resources and it is thought that those resources are better utilised providing social benefits through pursuing charitable objectives rather than funding public services directly through rates.
- 4.63 As many of the organisations receiving a 100% non-domestic exemption are registered charities, it is perhaps worth examining the financial profile of charities within Northern Ireland to assess whether it would be possible for them to make some contribution towards the overall rating burden. Indeed information within the following table outlines the profile of income for a sample of 603 charities registered with The Northern Ireland Charities Commission:

Income Band	% of sample	Average Income £m	Total Income £m	% of Total Income
£0 - £100,000	70%	£0.03	£11.20	10%
£100,001 - £200,000	11%	£0.14	£9.83	9%
£200,001 - £300,000	5%	£0.26	£7.40	7%
£300,001 - £400,000	3%	£0.35	£5.59	5%
£400,001 - £500,000	2%	£0.45	£6.36	6%
£500,001 +	9%	£1.40	£72.26	65%
	<b>100%</b>	<b>£0.185</b>	<b>£112</b>	<b>100%</b>

Source: The Charity Commission for Northern Ireland – *The Northern Ireland register of charities at a year*

- 4.64 The above information demonstrates that 70% of charities have an income of less than £100,000 although it is likely that there are a significant number with extremely small revenue streams of a few hundred pounds. In addition, it can be noted that 80% of registered charities operate with an income of less than £200,000, accounting for less than 20% of the sector's income. Conversely, those charities with an income of more than £200k make up less than 20% of the sector, but account for more than 80% of the total income.

- 4.65 Given the evidence outlined above it could be argued that it is both appropriate and affordable for some of the organisations currently benefiting from a 100% exemption to make some contribution towards their rates. This is especially pertinent considering that the charitable exemption elsewhere within the UK is 80% (although DFP is of the view that if changes are to be made to the 100% non-domestic exemption, then changes should only apply to those sectors that compete directly with commercial undertakings). This would include the many charity shops found in our High Streets. Day nurseries run by charities are another less obvious example. Council owned leisure centres also get a full exemption and on the face of it appear to compete with private sector providers. However, Councils do have a statutory duty in this regard and the considerations are different. Nevertheless, there may be merit in considering the continued affordability of providing 100% exemption, as this represents a loss to the regional rate as well as the district rate. There is more of an issue around rates exemption for municipal golf courses, which are also run by councils but appear to compete with proprietary golf clubs who pay full rates (see also para 4.41 & 4.42).
- 4.66 Indeed, the growth in the number of charity shops in recent years has highlighted the interaction between vacant rating and the non domestic exemption. It is the case that once a property becomes vacant, rather than pay the 50% rates liability, landlords often rent (or where the market is depressed allow the use and occupation of) these premises out to charities thereby qualifying for 100% relief (irrespective of the size or location of the property). This has lead to a situation where charity shops have become a significant part of the high street in many towns, selling goods such as second hand furniture, clothes and books.
- 4.67 Whilst the growth in charity shops has lead to advantages e.g. revenue for charities, occupation of empty premises, increased footfall etc, it is unclear to what extent these outlets have had a positive impact in the local area as they have lead to a reduction in the overall retail mix and can represent competition for existing business. In addition it is questionable whether sufficient incentives now exist for landlords to put these premises into commercial (and rateable) occupation.

**Question 10 - What changes (if any) should be made to the current level of 100% non-domestic exemption?**

**Question 10a - Should a reduced exemption or cap apply to those organisations competing with commercial interests?**

**Question 10b - Should all charity shops pay some rates?**

**Question 10c - Should charities have their relief capped so that they do not take over expensive properties simply to help the owner avoid empty property rates?**



## Hardship Relief and Rural ATMs

- 4.68 Hardship relief was introduced to help with rates bills for businesses recovering from a temporary crisis, financial or otherwise, as a result of exceptional circumstances. Although not easily defined such exceptional circumstances would usually be those that are: -
- external to the business or organisation;
  - beyond normal business risk;
  - unavoidable; and
  - unforeseen.
- 4.69 The impact of strikes within a business or organisation increased operating costs (e.g. energy, transport) and increased market competition would not be considered exceptional. The relief provided is also discretionary i.e. applied on a case by case basis. It is intended to be temporary and it will only apply for the length of time required for a business or organisation to recover from the crisis. It should be noted that hardship relief is rarely applied with only 2 applications being successfully processed since the scheme was introduced in 2005.
- 4.70 The Rural ATMs exemption was introduced in 2007 with the objective of encouraging and sustaining the provision of ATMs in rural areas. It has an annual cost of £217k and applies to around 70 ATMs providing an annual saving of £2,800 per ATM.
- 4.71 The exemption is provided for stand-alone ATMs that are individually valued in the valuation list, such as those located outside petrol stations or on high streets. It does not apply to those located in banks or building societies, which tend to be valued as part of that property.
- 4.72 In a 2012 evaluation of the policy it was noted that banks did not consider the rates exemption for rural ATMs to be an influencing factor in the decision to locate an ATM in a rural area. However, more importantly, the relief was seen as a determining factor for banks in deciding whether to retain or remove ATM's from rural locations. The policy is due to expire on 31 March 2016.

<b>Question 11 - What, if any, changes should be made to both the hardship relief and Rural ATM exemption?</b>
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## Aligning rating system to Economic Strategy

- 4.73 It has been suggested that the rating system should be more aligned to the Northern Ireland Executive's Economic Strategy. This would ensure that reliefs and exemptions are better aligned to economic priorities, thereby creating incentives for growth in particular sectors.

4.74 Indeed, the Economic Strategy has at its core the goal of “improving the competitiveness” of the Northern Ireland Economy. This is to be achieved through rebalancing the economy by focusing on the following key economic priorities:

- stimulate innovation, R&D and creativity
- improve skills and employability.
- compete effectively within the global economy.
- encourage business growth.
- develop a modern and sustainable economic infrastructure.

4.75 However it is unclear whether a rating system that has the primary function of raising revenue should be used as an economic development tool and whether such a system should duplicate the efforts and resources of other government Departments such as InvestNI, which may be better placed to deliver more successful outcomes.

**Question 12 - Should the rating system be used to pursue economic development objectives or should its primary function be to simply raise revenue? If yes, what sectors should be targeted?**

**Question 12a - What are the disadvantages of such an approach and do you feel that using the rating regime in this way would make a material difference to Northern Ireland’s economic performance?**

4.76 Economic development might also be assisted by District Councils being able to provide district rate relief to specific ratepayers based on criteria that they would decide to impose. Such a system could operate on a similar basis to the system in GB that allows local authorities to provide discretionary relief to e.g. charities & community amateur sports clubs. Relief could be provided for a variety of reasons and include the following examples:

- to top up a mandatory relief;
- to ratepayers in a particular ward – perhaps to assist the regeneration of a rundown area;
- to a class of ratepayers across the Councils area e.g. business providing jobs for a certain number of people;
- rates holidays to businesses starting up in the area; and
- to specific sectors e.g. high street retail units – to support town centres.

- 4.77 Any possible new reliefs granted by District Councils are likely to raise issues around State Aid. As the discount would be introduced at the discretion of local authorities, who would also be funding the relief and taking decisions on the nature of the relief, responsibility for ensuring that the grant of relief did not contravene the rules on state aid would lie with the authority.

**Question 13 - Would it be advantageous for District Councils to take on powers for granting reliefs?**

**Question 13a - In what areas would this be considered beneficial?**

- 4.78 District Councils could also be given more discretion over the rate setting process by enabling them to strike completely separate domestic and non-domestic rates. Currently, councils strike one non-domestic rate and conversion factors are used to work out the corresponding domestic rate. The proportion split between domestic and non-domestic was established in April 1976, which was the last time that both sectors were valued at the same time and on the basis.
- 4.79 Providing councils with the ability to strike separate domestic and non-domestic rates could enable rates to be more reflective of services provided and provide greater accountability at the local level as there could be increased transparency in relation to what services e.g. non-domestic rates actually pay for.
- 4.80 In addition, there is also the issue around the de-rating grant and whether District Councils should continue to be compensated in full by central government for reliefs in relation to manufacturing, sport & recreation as well as freight and transport.

**Question 14 - Should District Councils have the ability to strike separate domestic and non-domestic rates?**

**Question 14a - What would be the advantages and disadvantages of such an approach? Should District Councils continue to be compensated in full for the elements contained within the de-rating grant?**

#### **Aligning rating system with an ability to pay**

- 4.81 The current system of assessed rental values provide a crude measure of ability to pay, because the more successful and profitable businesses usually gravitate towards higher value property. Rent is often a residual expense and businesses tend to bid for what they can afford to maximise profit. This of course is over simplifying matters and there is a whole series of reasons why theory does not translate into practice for many

individual businesses e.g. a business occupying a large NAV property may be operating on small margins and struggling to make a profit. Consequently, some have argued that rates should take account of factors other than the rental value of the property.

- 4.82 This could include some measure of turnover or profitability, Gross Value Added (GVA) or number of employees. There are no clear nor obvious international case studies to draw from though it is noted that France determines an element of local property taxes based on GVA for businesses with a turnover of more than €500k. The big problem when trying to adopt an approach more related to individual business activity is that it is likely to add unacceptable complexity to the current system. Such a system is likely to require ratepayers to provide detailed information, or will require LPS to source appropriate data from HMRC. It would also mean that the simple recurrent nature of the current system would have to change and this could lead to complete reassessment of an individual business' rating charge every year or two, adding cost to both government and business.
- 4.83 Having said that, it is understood that the Federation of Small Businesses is currently examining this issue. Any practicable ideas that emerge during this consultation from the Federation will be carefully considered and if it would help address the ability to pay question and are capable of implementation their proposals will be presented on the DFP website: [www.dfpni.gov.uk](http://www.dfpni.gov.uk)
- 4.84 Whilst the existing system of property rates may not directly reflect a business' ability to pay, most businesses will seek to optimise their property requirements by taking into account factors such as size, location & specification (that will impact on the rental value) and consequently their potential rates liability. Effective businesses already review their occupation needs periodically to utilise or rationalise their property assets and in extreme cases re-locate, for example if an area's character is changing and it no longer suits the needs or cost base of the particular business. The current rating system at least reflects wider changes in the economy **if** revaluations are undertaken on a much more regular basis.

**Question 15 - To what extent do you feel that a rate bill based on a property's NAV is a fair reflection of the occupying business' ability to pay?**

**Question 15a - Should local revenue be raised using an alternative method that would better reflect an 'ability to pay'?**

**Question 15b - What method should be used and what are the advantages and disadvantages of such an approach?**

## **Basis of Liability and Value**

- 4.85 This review also provides an opportunity to consider the basis of assessment for a non-domestic rating liability and whether the bill should be issued to the owner or occupier of a particular property.
- 4.86 Taxing occupation is the current system in NI, GB and ROI and it generally operates effectively. If ownership were to be taxed in NI there could be savings in billing and collection simply because few bills would issue e.g. a shopping centre would attract one assessment and one bill. However some of the disadvantages of such an approach would be that it would require the maintenance of an ownership database (set up cost could be substantial) and it could also lead to collection problems from owners who reside outside of the NI jurisdiction.

<b>Question 16 - Should we consider taxing ownership instead of occupation for the Non-Domestic sector?</b>
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- 4.87 As is the case throughout the British Isles, non-domestic property rates are currently assessed based on an individual assessment of NAV or Rental value of a property.
- 4.88 In terms of individual assessment, this was something examined last year as part of Whitehall's Administrative Review of Business Rates. Options were presented about adopting a more 'broad brush' approach, such as 'banding' or 'zoning' of values, to simplify the system, reduce cost of assessment and appeals and facilitate rolling revaluations. The pro and cons of these approaches were set out in a consultation last year. Ratepayers in England sent a clear message that they want to continue receiving an individual valuation for their property, on which their business rates bill is based. Northern Ireland, could choose to adopt a broader brush approach, though, as that consultation discovered, this is likely to be at the expense of equity and fairness for many ratepayers. It also could be regarded as a policy contrivance for the sake of administrative ease rather than good for ratepayers as a whole.
- 4.89 Moving to individually assessed capital values as the basis for distributing the rating burden would be a major change. Such a system is considered to be more progressive as it is likely to amplify the current difference between the best and the worst property values. Generally prime commercial properties, notably retail and office properties would pay more and secondary ones less (for any given level of revenue raised). It follows that small businesses would usually be winners as they tend to occupy less expensive property.



- 4.90 There is evidence that increasing the rates burden adversely affects rental value usually in the medium to longer term because of existing contractual rent arrangements. Capital values are more likely to be affected immediately and thus it is probable that prime property would be to an extent a less attractive investment if it attracted a higher tax. Furthermore, given the lack of market evidence for non-domestic capital values there is also likely to be a risk of higher levels of challenge against valuations. A full study of market impact and the economic consequences of a move to a capital value system would need to be carried out before any decision could be taken. One negative impact could be its effect on the viability of new prime development and corresponding site values. The corollary is that it could have a positive impact on the economics of development in secondary areas.

<b>Question 17 - Should a switch to capital value be considered in more detail for Non-Domestic property?</b>
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### **Widening the property tax base**

- 4.91 It is reasonable to expect any system of taxation to treat similar businesses in a similar way. Applying this rationale to the current system would mean that any business occupying a property with a potential market value should be included within the NAV assessment and be liable for rates. This would ensure that the burden of taxation is spread more widely, resulting in a smaller rates bill for everyone else.
- 4.92 Furthermore, the growth in commercial property (shops, offices etc) over many decades would appear to be in decline with many large companies rationalising their assets in response to the transformation in the way people shop, work and spend their leisure time. The sustainability of the non-domestic property tax base can only be maintained if there is an injection of new sources to stimulate growth. This growth can be achieved by the removal of certain exemptions or perhaps by bringing new land and property assets within the scope of the tax.
- 4.93 This was a key issue emanating from the Innovation lab, with the view expressed that “everyone should pay something”. As noted in the earlier section this was to include an examination of all reliefs as well as those properties that are not currently included within the valuation list i.e. agricultural land and buildings. Within Northern Ireland (as well as the rest of UK), agricultural land and buildings were progressively derated in stages from the 1890s and made fully exempt from rates since 1929. It is also not rated in the ROI where it was finally fully de-rated in 1984.

- 4.94 The revenue cost of the exemption is unknown because agricultural land and buildings have not been assessed for rates in recent times; indeed, the legislation that derated agriculture did not even allow particulars to be included in any subsequent valuation list. Initial estimates suggest that with the relatively low value of most agricultural land, the sector could contribute only relatively small amounts of additional rating revenue. The reason it was historically excluded was due to the economic difficulties of the period; primarily to protect the industry and thereby national food supplies. Circumstances, of course have changed since that inter-war period, nevertheless, protection of the industry and food security remains something of strategic importance both at a UK level and even more so at a regional level in NI, given its prominence in our local economy.
- 4.95 Furthermore, it is recognised that the agricultural industry has a role beyond food production, as it helps to manage the rural environment and provides the economic underpinning of many rural communities, which aligns with Executive priorities set out in the current Programme for Government. It is also worth noting that 87% of average farm incomes within Northern Ireland are derived from the Single Farm Payment<sup>10</sup>. As a result of this, and given the wider economic difficulties facing the sector, both now and over the long term, the rating of agricultural land and buildings is not considered to be an attractive option and it is thought that the sector should remain worthy of special treatment. Therefore, the issue is not explored in any more detail in this paper.
- 4.96 Derelict land and brown field sites are other areas that currently sit outside the property tax base. Bringing this land into the existing tax base would encourage developers to make sites available for development and disincentivise 'land banking' whereby speculators retain land holdings in the expectation that values would rise. This could also encourage the supply of development land onto the market, assist housing affordability, as well as have wider economic development and regeneration benefits.
- 4.97 Indeed, this was something examined back in 2007/2008 following the Executive's Review of Domestic Rates. The policy, however, was not taken forward following the near collapse of the housing and commercial property market later in 2008 and in particular due to concerns about the impact it would have on the construction industry with many struggling builders holding stocks of land for future development.

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<sup>10</sup> The Single Farm Payment is an agricultural subsidy paid to farmers in the EU

- 4.98 One point established at that time was the fact that it could not become part of the current rating system. This is because it is inextricably linked or founded on the principle of existing value and its potential development value could not be rated. The taxing of such land would have to be outside the system of non domestic rating. This could be done but the problem remains on how to establish firm values, as these must be sufficiently reliable and defensible to charge against, given the paucity of clear market evidence. The alternative would be to levy a charge on the basis of a prescribed pre-determined formula, though the acceptability of such an approach would depend on how much revenue is to be generated.

**Question 18 - Do you agree with the principle of a derelict land tax?**

**Question 18a - What should the scope of the tax be?**

**Question 18b - Should it apply to all unused and derelict sites or should it be restricted to land that is zoned for a particular development?**

- 4.99 When considering what should be included within the tax base there is also an issue around whether public sector properties should be required to pay rates. Organisations such as hospitals and schools etc are currently assessed for rates and are issued with a bill. However as any liability will be paid for out of central government funds it is unclear whether it is appropriate to maintain the required administrative capacity e.g. valuation, billing etc for no corresponding net increase in central government revenue. However, this issue is complicated by the fact that District Councils will receive revenue from public sector organisations located within their jurisdiction and excluding public bodies from having to pay rates could result in less revenue for Councils.

**Question 19 - Should public sector organisations that are funded from central government continue to pay rates?**

**Question 19a - What are the potential consequences of moving away from such an approach?**

## **5. Alternative forms of Taxation**

- 5.1 When considering alternative taxes that could be used to raise revenue locally, it is important to be mindful of the quantum of revenue that is required. As noted in earlier sections, the system of property rates raises approximately £1.1Bn annually, with just over half of this (£592m) being raised from the business community, with the rest (£580m) coming from the domestic sector. Consequently any alternative tax that is capable of raising either all or at least a significant part of this revenue is likely to lead to substantial increases in tax elsewhere.
- 5.2 The alternative systems of taxation listed below are not new and have frequently been discussed in relation to alternative systems of local taxation. Whilst this list is not exhaustive it provides an opportunity to assess the advantages and disadvantages of each and determine whether there is any realistic alternative to the current system of property rates.

### **Land Value Tax**

- 5.3 The Land Value Tax (LVT) system is often cited as a suitable alternative to our current system of property rates. Under this model the tax is levied based on the value of land (in its optimum 'highest and best' use) rather than the improvements e.g. the buildings that are placed on it. In its purest form LVT seeks to capture betterment i.e. the benefit or added value of amenities created through public investment such as a new road or school.
- 5.4 Whilst conceptually sound and favoured by a number of leading economists, such a system has never been implemented within the UK and only operates in a few jurisdictions internationally. One of the main reasons it has never been adopted, is due to a lack of clear and reliable market evidence on which to base land values, as most of the data relating to property transactions will include both the value of the property as well as the land. In particular, the potential of the tax is linked with the quality of land registration data. The LVT system also means that valuations would have to be undertaken on a much more hypothetical basis than the current Rental Value System, so the potential grounds for challenging assessments are greatly increased; inevitably leading to wealthy landowners engaging in prolonged litigation. It would also be important to assess the impact of such volatility on local government finances in particular (as noted rates currently account for around 70-75% of their financing). For a system of LVT to work it also requires clear and up to date development control plans to provide clarity around land use zoning so that the optimum use of land can easily be identified. It would also raise significant issues for under-utilised land (which could well include agricultural land), present difficulties about who pays the bill (because identifying the owner of the predominant legal interest in urban land is not always readily apparent) and it creates a whole set of new winners and losers.

- 5.5 A LVT would also have to replace the incumbent system of property rates that has been successful in raising revenue over many years. Therefore it is perhaps understandable why no UK government has decided to introduce it, without a full understanding of the potential economic and political consequences.
- 5.6 LVT has the potential to be less easily understood by taxpayers, for example people know the value/rental cost of their property but do they know the value of their land? This is in contrast to the existing rates system, which as a longstanding system is built into expectations and decisions, rental reviews, etc. There would also be a smaller number of taxpayers with LVT. As a result there could be a higher individual burden and therefore associated issues in relation to the distribution of that burden (from the owner to those who are occupying the property through rental arrangements).
- 5.7 Proposals to introduce a LVT within Northern Ireland were examined in a recent study commissioned by the Northern Ireland Centre for Voluntary Action's (NICVA) Centre for Economic Empowerment<sup>11</sup>. This report recognised the practical difficulties associated with introducing a LVT within Northern Ireland but thought that our current system of market-value property taxation could lend itself to helping in this regard. However, the report concluded by stating that "For practical and political reasons, we do not recommend that Northern Ireland introduces a system of LVT in the immediate future". However it noted that further work could be carried out into developing the required methodology and data with the view to making a LVTs introduction in the future a possibility. Such an approach is worth considering but there would be cost implications in undertaking the required preparatory work. In terms of strategic approach the potential for LVT may rest as part of a larger and more dynamic suite of taxation measures.

**Question 20 - Notwithstanding some of the fundamental policy concerns expressed above, is their support for exploring the issue of LVT in more detail?**

### **Online sales tax**

- 5.8 The growth in online sales in recent years has lead to calls for an online sales tax. This is due to the perception that a traditional retailer located on e.g. the high street, may be unable to compete with an online rival due to it having a significantly higher rates liability. This is despite the fact that an online retailer will still incur property rates on e.g. distribution warehouses, offices etc.
- 5.9 Whilst there may be valid reasons for imposing an online sales tax on the purchase of goods e.g. to raise revenue, it is not clear to what extent creating a more equitable business rates environment is one of them. Indeed, businesses will choose to locate wherever they consider most

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<sup>11</sup> Produced by Ronan Lyons & Andy Wightman



advantageous for their business needs and will operate whatever business model earns them their required return. This may be e.g. a traditional “bricks & mortar” business, an online business operating out of a warehouse or a combination of having both a high street presence as well as an online offering – the ‘click and collect’ approach.

- 5.10 There will be advantages and disadvantages of each and arguably it is up to individual businesses to decide what best meets their needs e.g. a physical business can benefit from footfall, advertising, consumer loyalty etc whereas an online business will face disadvantages in terms of e.g. postage & packaging costs, online payment costs, website hosting etc.
- 5.11 Furthermore, there are likely to be practical difficulties in administering an online sales tax that could lead to significant costs. It is likely that this would require online retailers throughout the UK (and internationally) to collect tax revenue from the sale of goods to customers located within Northern Ireland. It is perhaps unrealistic to consider this to be feasible locally and any moves in this direction are likely to have to be initiated at a UK level. In addition there are likely to be issues around State Aid as it is unlikely that online businesses could be treated differently to ‘traditional’ businesses that could benefit from this tax.

**Question 21 - Would an online sales tax benefit businesses operating within Northern Ireland? How could this be practically implemented?**

### **Local Income tax**

- 5.12 It is sometimes thought that a local income tax could be introduced to replace either all or part of the rating burden. However as this review is concerned with developing the best system of non-domestic taxation, it is unlikely that asking employees to subsidise business by paying more is likely to be a viable alternative. Indeed it may be more appropriate to consider any proposals for a local income tax within the context of any future review on domestic rating which is outside the scope of this review.
- 5.13 Notwithstanding this difficulty, according to HMRC statistics, the amount raised from Income Tax within Northern Ireland during 2013/14 was £2.7bn. If either the domestic or non-domestic regional rate income was to be replaced by a supplement to this tax it would increase the current income tax burden by approximately 11%. If all regional rate income was replaced by an increase in the rate of income tax locally it would increase the overall burden by over 20%. In reality, it is likely that the required increases would be even higher, as increasing income tax rates by this amount could result in significant deadweight as higher tax rates may act as a disincentive to earn additional income for some, especially at higher rates.
- 5.14 There are also likely to be significant administrative hurdles to overcome prior to introducing a local income tax. These would include devolving the relevant powers, ascertaining the correct data and developing the

administrative capacity to manage such a tax. There is also an issue around the unpredictability of the revenue streams as an income tax will be aligned to economic cycles resulting in less revenue being generated during economic downturns.

## **Tourist Tax**

- 5.15 Tourist taxes operate successfully in a number of other European countries e.g. France, Austria & Italy. The tax is usually applied to an overnight stay and can be in the region of €1-€3 per night. Applying a similar charge of around £2 per night to a Hotel or Bed & Breakfast within Northern Ireland would generate revenue of approximately £5m-£7m per year<sup>12</sup>, 70% of which is likely to come from visitors outside of NI.
- 5.16 However, critics of tourist taxes argue that anything that adds to the cost of visiting a country will make it increasingly uncompetitive as a holiday or short break destination. This is vitally important when considering that the tourism industry and need to attract additional international visitors is a key aspect of the Executive's Economic Strategy.
- 5.17 Indeed recent developments in this area have seen moves to reduce the costs of coming here to international visitors with e.g. the reduction in Air Passenger Duty for long haul flights. Furthermore, the tourism sector within Northern Ireland faces significant competition from the Republic of Ireland which currently enjoys a preferential VAT rate of 9% for many tourism related items, compared to a standard rate of 20% within NI.
- 5.18 Consequently DFP is of the view that it would be inappropriate to impose this tax at this time. Notwithstanding the fact that it would only raise around 1% of the revenue collected from business rates, it is likely to adversely impact the growing tourism sector within Northern Ireland.

## **Other Potential Sources of Revenue**

- 5.19 As part of a review of industrial de-rating policy in 2007, the Economic Research Institute of Northern Ireland (ERINI) examined two potential additional ways in which to raise revenue locally. This included new transport taxes (vehicle registrations and vehicle testing fees) as well as an annual fee for the holding of either a liquor licence or a licence for gaming and betting.
- 5.20 Indeed, at the time it was thought that around £56m could be raised annually by placing for example, a £210 tax on a new car or motorcycle registration as well as a £70 supplementary fee on MOT applications. Whilst this was based on a relatively high (2006) level of new vehicle registrations it is thought that similar amounts could be raised today, especially as the number of MOTs has increased by about 44% since this analysis was first undertaken.

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<sup>12</sup> Does not take account of deadweight from reduced visitor numbers.

- 5.21 An analysis of the liquor and gaming licence regime within Northern Ireland suggested that together, these could generate around £8m annually. This could be achieved by placing a levy on the holder of a liquor licence as well as an increase to the fee for the renewal of a licence linked to gambling (although it is recognised that the increase in online betting could make this more difficult).

## **Conclusion – Alternative forms of taxation**

- 5.22 When considered in the context of the key principles outlined in chapter 3 it is unlikely that any of the taxes listed above would represent a significant improvement on the current system of property rates. Notwithstanding the practical difficulties of implementation e.g. state aid, devolving powers, data requirements etc, it is DFPs view that they will score lower than the existing system of property rates for most of the key principles outlined in chapter 3 i.e. efficiency, certainty, simplicity. Furthermore, with the exception of a Land Value Tax they are likely to raise relatively modest sums of tax revenue and may result in unintended consequences that could detrimentally alter the economic landscape within Northern Ireland.
- 5.23 Consequently it is the Departments view that introducing any alternative form of taxation to the existing system of property rates would be extremely challenging and be unlikely to deliver significant additional benefits. Nevertheless, the Department remains open to possible alternatives and is willing to take on board any realistic suggestion in relation to this issue.

<b>Question 22 - Should DFP pursue an assessment of other/additional systems for raising revenue within Northern Ireland? If yes, what tax should be examined in more detail? What would the potential benefits of such an approach?</b>
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## 6. Next Steps

- 6.1 This paper covers a wide range of issues, ranging from ideas for improving the current system of non domestic rates through to alternatives to the current system.
- 6.2 As noted at the start, the Department welcomes opinions and views on all matters concerned with the rating system and how it raises money from business and other non domestic sectors. It is not confined to issues mentioned in the paper nor should responses be limited to answering the questions set out in the paper. These are merely drafted as a guide to help organisations and ratepayers structure their responses.
- 6.3 It is recognised that some who respond to this consultation will have an interest in particular issues but not in others. The technical annexes have therefore been produced to facilitate this, allowing respondents to delve deeper into some issues. These do not cover all issues but if there is a demand for further technical annexes (or discussion papers) on specific issues these will be produced as early as possible during the consultation process and published on our website:
- <https://www.dfpni.gov.uk/consultations/review-northern-irelands-non-domestic-rating-system>
- 6.4 It is also appreciated that some quite radical or novel ideas are presented in the consultation paper. Clearly the detail provided in this paper is insufficient to attract well informed responses and then for these to be put forward as firm proposals for change. The Department appreciates that they will require more research, impact assessment work and further consultation on options before we get to the point of decision making. They are, however, presented at a high level in order to test the appetite for a major shift in direction for local taxation in NI; an approach which reflects the Innovation Lab's<sup>13</sup> wish for this to be a genuinely wide ranging and zero based review process.
- 6.5 As well as helping to set a direction for the review, the Innovation Lab was also asked to advise on the conduct of the review process. The Lab took the view that the review needed to be informed by who pays what, who does not pay, how this influences or is influenced by social and economic trends and how it links with policy on economic development, rebalancing the economy and sectoral priorities. This paper aims to do that, recognising that the wide policy context is uncertain. For example devolution of Corporation Tax and the introduction of the proposed National Living Wage are two 'landscape changing' policies that will affect the cost of doing business in Northern Ireland but their timing and extent are not known yet.

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<sup>13</sup> As noted earlier in this paper the Lab involved representatives from business and commercial organisations (listed in **Annex B**).

- 6.6 The Lab participants also made the point that the Department should evaluate the level of engagement that is achieved and independently validate the conclusions in terms of the summary of responses that will be published in the consultation report. This is in order to give assurance that the summary of responses which will be published in the consultation outcomes report is a true representation of views expressed during the process. The Department is content to take this forward and has already approached the University of Ulster's Centre for Economic Policy with a view to involving them in the validation process.
- 6.7 The Lab was also concerned that the consultation should set a tone that attracts quality and evidence based responses by affording respondents the opportunity to explain their positions in a way which can meaningfully influence the outcome. Adequate explanation and feedback are key to its success.
- 6.8 The formal consultation on the issues will last for 12 weeks, and will end on 25 January 2016. Details of where to send consultation responses are set out below.

**Rating Policy Division  
Department of Finance and Personnel  
Carleton House  
1 Cromac Avenue  
Gasworks Business Park  
BELFAST  
BT7 2JA**

- 6.9 Responses to the consultation exercise will be made available on the Rating Policy website (see 6.3 above). A paper setting out the main issues raised during consultation will also be made available in due course. The results of the consultation exercise will be analysed and shared with the Finance Minister and the Committee for Finance and Personnel. Decisions will then be reached on the way forward by the Northern Ireland Executive.
- 6.10 The Department welcomes direct engagement with stakeholders throughout the consultation process and to that end individual business organisations may wish to use the contact details provided in this section to arrange this once they have had a chance to review the Department's paper.
- 6.11 Should you wish to contact us by e-mail, any queries and consultation responses should be sent to: [ratingpolicy.cfg@dfpni.gov.uk](mailto:ratingpolicy.cfg@dfpni.gov.uk).
- 6.12 If you require any further information about this consultation exercise you should contact Rating Policy Division on (028 9090 9325). The consultation paper can be made available, on request, in alternative languages and formats.



- 6.13 It is intended to publish a summary of the views expressed during consultation, following completion of the consultation process. This, along with all individual and organisational consultation responses, will be published on the DFP website. The Department can only refuse to disclose information in exceptional circumstances.

## Summary of Consultation Questions

Number	Question
1	Are there any additional criteria that should be used to judge the suitability of the system for raising revenue locally?
2	Do you think that more frequent revaluations would lead to a more equitable rating system and improve the current rating system?
2a	If yes, how often should revaluations occur?
2b	Should the date and/or frequency of revaluations be written into legislation?
3	Do you think that all current and/or future rate supports should adhere to clearly defined criteria?
3a	What should these criteria be and what do you consider to be the most important?
4	Should industrial de-rating be retained in its current form?
4a	If you disagree, what would you recommend instead and why?
5	Do you consider that rate relief for Sport & Recreation should be awarded as at present and maintained at the current level of 80%?
5a	If you disagree, what would you recommend instead and why?
5b	Should the criteria to disregard social facility apportionment be removed or reduced from the current level of 20%?
6	Should Freight & Transport relief be removed?
6a	What would be the potential consequences of such a move?
7	Is residential homes relief still necessary to encourage the provision of care homes by the private sector?
7a	Should it be limited to organisations that can demonstrate charitable status?
8	Should empty property relief continue at 50%?
8a	Should any of the current exemptions (listed in Annex F4) be removed?
8b	Should there be any additional exemptions within the policy?
9	Is there any evidence that the parameters (qualifying criteria or duration) of the empty shops rates concession should be changed?
9a	If yes, to what should they be changed to?
10	What changes (if any) should be made to the current level of 100% non-domestic exemption?
10a	Should a reduced exemption or cap apply to those organisations competing with commercial interests?
10b	Should all charity shops pay some rates?
10c	Should charities have their relief capped so that they do not take over expensive properties simply to help the owner avoid empty property rates?
11	What, if any, changes should be made to both the hardship relief and Rural ATM exemption?
12	Should the rating system be used to pursue economic development objectives or should its primary function be to simply raise revenue? If yes, what sectors should be targeted?
12a	What are the disadvantages of such approach and do you feel that

	using the rating regime in this way would make a material difference to Northern Ireland's economic performance?
13	Would it be advantageous for District Councils to take on powers for granting reliefs?
13a	In what areas would this be considered to be beneficial?
14	Should District Councils have the ability to strike separate domestic and non-domestic rates?
14a	What would be the advantages and disadvantages of such an approach? Should District Councils continue to be compensated in full for the elements contained within the de-rating grant?
15	To what extent do you feel that a rate bill based on a property's NAV is a fair reflection of the occupying business' ability to pay?
15a	Should local revenue be raised using an alternative method that would better reflect an 'ability to pay'?
15b	What method should be used and what are the advantages and disadvantages of such an approach?
16	Should we consider taxing ownership instead of occupation for the Non-Domestic sector?
17	Should a switch to capital value be considered in more detail for Non-Domestic property?
18	Do you agree with the principle of a derelict land tax?
18a	What should the scope of the tax be?
18b	Should it apply to all unused and derelict sites or should it be restricted to land that is zoned for a particular development.
19	Should public sector organisations that are funded from central government continue to pay rates?
19a	What are the potential consequences of moving away from such an approach?
20	Notwithstanding some of the fundamental policy concerns expressed above, is their support for exploring the issue of LVT in more detail?
21	Would an online sales tax benefit businesses operating within Northern Ireland? How could this be practically implemented?
22	Should DFP pursue an assessment of other/additional systems for raising revenue within Northern Ireland? If yes, what tax should be examined in more detail? What would the potential benefits of such an approach?

**Attendees at the Innovation Lab**

- NI Chamber of Commerce (COC)
- Manufacturing NI
- Federation of Small Business (FSB)
- Northern Ireland Centre for Voluntary Action (NICVA)
- Northern Ireland Retail Consortium (NIRC)
- A representative on behalf of the Institute of Directors (IOD)
- The Association of Town and City Management (ATCM)
- Strategic Investment Board (SIB)
- Local Government; and
- Institute of Revenues Rating and Valuation (IRRV)

**Follow up sessions also took place with:**

- The Rural Community Network
- Ulster Farmers Union
- NI Independent Retailers' Association
- Association of Local Government Finance Officers (through NILGA)

**Terms of reference**

[https://www.dfpni.gov.uk/sites/default/files/consultations/dfp/Business%20Rates%20Review%20-%20Terms%20of%20Reference\\_0.pdf](https://www.dfpni.gov.uk/sites/default/files/consultations/dfp/Business%20Rates%20Review%20-%20Terms%20of%20Reference_0.pdf)



### Historical context of current reliefs

Relief	Value	Rationale
Industrial De-rating		Derating of industrial property by 70% in Northern Ireland is an operating subsidy to industry that dates back to 1929.
Sport & Recreation Relief		Sport & Recreation Relief is held at 80%. Legislation was introduced in 1979 and extended relief in this sector as a result of the recommendations made by the Lawrence Committee. That committee was appointed in September 1976 to look at the rate liability of bodies providing facilities for sport, recreation and community activities in Northern Ireland.
Freight & Transport Relief		Occupiers of freight transport properties are entitled to 75% rate relief. It was introduced throughout the UK in 1929 but was removed in GB in 1963.
Small Business Rate Relief		The Small Business Rate Relief (SBRR) scheme is a Northern Ireland government initiative introduced in 2010, whose aim is to support the growth and sustainability of small businesses in Northern Ireland, by providing some small business owners with rate relief. Qualifying businesses will receive the relief on their annual bill during the life of the scheme. The scheme has been extended until 31 March 2016.
Residential Homes Rate Relief		Residential Homes Rate Relief was introduced in 1977. It is an application based rate relief which provides 100% relief to properties which meet the criteria.
Non-Domestic / Charitable Exemption		The exemption (100%) of charities from rates dates back to the late eighteenth and mid nineteenth centuries and individual legislative provisions and case law have shaped the application of the law from then until today.
Non Domestic Vacant Rating		Since 1st April 2004, the rating of vacant non-domestic property has been in place to encourage properties to be brought back into use. Rates are not payable for three months from either the date a non-domestic property becomes empty or the date Land & Property Services (LPS) has determined as a completion day. This is applied automatically. After the three month free period, rates will be billed at 50% of the

Relief	Value	Rationale
		normal occupied amount.
Rural ATMs		Full exemption from rates has been awarded since 2007 for automatic telling machines (ATMs) located in designated rural areas used only for the purposes of a machine which provides automatic telling and other services on behalf of a bank or building society.
Empty Shops Rates Concession		The Empty Shops Rates Concession scheme came into effect on 1 April 2012 has been extended until 31 March 2016. It was created to help get long term empty retail premises back into business. It effectively allows for 50 per cent rate relief for up to a year once a long term empty retail premises becomes occupied.
Hardship Relief		Hardship relief for non-domestic property was introduced in 2005. It is intended to assist a business recover from a temporary crisis, financial or otherwise, as a result of exceptional circumstances, and therefore some form of recovery plan will generally be required before an application can be considered.

**SBRR Evaluation Report**

[https://www.dfpni.gov.uk/sites/default/files/consultations/dfp/SBRR%20final%20report%20v2%201%20December%202014\\_0.pdf](https://www.dfpni.gov.uk/sites/default/files/consultations/dfp/SBRR%20final%20report%20v2%201%20December%202014_0.pdf)

## Technical Annexes

1. [Frequency of Revaluations](#)
2. [Breakdown of Rating Burden by Property Type](#)
3. [Breakdown of Reliefs and Exemptions by Property Type](#)
4. [List of NDVR Exemptions](#)
5. [Exemption for Public, Charitable or Other Purposes](#)

[Further technical annexes may be added to the DFP website if requested during the consultation period]

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## **Belfast City Council Response to the Review of the Business Rating System**

### ***Question 1 - Key Principles: Are there any additional criteria that should be used to judge the suitability of the system for raising revenue locally?***

In addition to those considered in the consultation document it is essential that the tax base fully reflects the rate liability of all properties and liable persons to ensure equity and fairness. The tax base should therefore contain all properties liable for the tax whether they be domestic or non domestic. It logically follows that all properties in the valuation list must have a debit prescribed to it irrespective of whether it results in a liability. Also, the system should encourage investment and productive use of assets.

### ***Question 2 - Revaluation of Non Domestic Properties: Do you think that more frequent revaluations would lead to a more equitable rating system and improve the current rating system?***

We contend that shorter periods between revaluations would be preferred by the majority of ratepayers as this would help to even out some of the changes in levels of value which can occur within the revaluation cycle.

It may assist ratepayers to move towards a three-yearly revaluation cycle; possibly as a stepping stone to annual or two-yearly revaluations. We accept however that these changes would probably only be achieved if all leases are supplied as a matter of course to Land and Property Services (LPS). Such a move to more frequent revaluation would generally reduce the number of appeals and keep rateable values more aligned to passing rents and the local economy. Frequent revaluations would also negate any need for transitional relief schemes.

More frequent revaluations would generally result in a more acceptable change to rate poundage levels; thereby giving rateable occupiers a greater degree of certainty.

### ***Question 2a: If yes, how often should revaluations occur?***

Revaluations should move towards a three-yearly revaluation cycle.

### ***Question 2b: Should the date and/or frequency of revaluations be written into legislation?***

Yes that would create certainty for ratepayers and create stability in the system.

### ***Question 3 - Defined Criteria for Reliefs: Do you think that all current and/or future rate supports should adhere to clearly defined criteria?***

We believe all forms of rate support should be examined to judge whether they are fit for purpose in the modern context. The following questions (question 4 through to question 11) have been answered in the context of each of them being subject to an

individual review. We also believe that future rate support criteria should include economic regeneration which supports job creation and enhancement of the rate base itself.

***Question 3a: What should these criteria be and what do you consider to be the most important?***

We believe they are all equally important and provide a firm foundation to review all reliefs and exemptions.

***Question 4 - Industrial De-Rating: Should industrial de-rating be retained in its current form?***

Industrial de-rating should be kept in its present form. We believe it is critical to maintaining the economic health of manufacturing in Northern Ireland and together with the proposed changes in corporation tax provide a stable foundation to attract and maintain economic activity in this important sector.

***Question 4a: If you disagree, what would you recommend instead and why?***

N/A

***Question 5 - Sports and Recreation Relief: Do you consider that rate relief for Sport & Recreation should be awarded as at present and maintained at the current level of 80%?***

We believe that the current level of relief should not be reduced as it is important in maintaining the social fabric of our communities.

***Question 5a: If you disagree, what would you recommend instead and why?***

N/A

***Question 5b: Should the criteria to disregard social facility apportionment be removed or reduced from the current level of 20%?***

We can see no reason for making any change. It should remain at the current level.

***Question 6 - Freight and Transport Relief: Should Freight & Transport relief be removed?***

We believe it should remain as it is part of the framework that enhances the economy of Northern Ireland. Even though it is a relatively low amount impacting on a small number of ratepayers this should not diminish its importance.

***Question 6a: What would be the potential consequences of such move?***

We believe it could damage economic well-being of Northern Ireland and would send out the wrong signals to this important activity.

***Question 7 - Residential Homes Relief: Is residential homes relief still necessary to encourage the provision of care homes by the private sector?***

We believe this relief should be subjected to a rigorous review which should include an examination of where the relief actually goes. Is it a direct influence on the charges made by the provider to the person receiving the support or is it just rolled into the profits of the provider. We are not convinced that the award of the relief is necessary to encourage the provision of this accommodation in the private sector. However there is a case to consider specialist providers associated with national charities.

***Question 7a: Should it be limited to organisations that can demonstrate charitable status?***

Yes, there is an argument for limiting it to charitable organisations who are providers or to providers who have formal nomination arrangements with national charities.

***Question 8 - Non Domestic Vacant Rating: Should empty property relief continue at 50%?***

Given the improved economic outlook we believe that a reduction in the level of exemption would be appropriate, especially given the lower level of relief provided in other parts of the UK. Consideration should also be given to linking the scale of the relief to the length of time a property is vacant.

We believe that the review of this relief should be given priority.

***Question 8a: Should any of the current NDVR exemptions (listed in Annex E) be removed?***

We believe they should be considered as part of the overall review.

***Question 8b: Should there be any additional exemptions within the policy?***

We can see no case for increasing the number of exemptions.

***Question 9 - Empty Shops Relief: Is there any evidence that the parameters (qualifying criteria or duration) of the empty shops rates concession should be changed?***

We believe it is important that every possible form of support is given to regenerate high streets and city centres. The current relief goes some way to helping to address empty retail properties in the City Centre and the current criteria and duration should remain.

***Question 9a: If yes, to what should they be changed to?***

Any review of the scheme should be undertaken in partnership with the retail sector to devise schemes that give real value and encourage change.

***Question 10 - Charitable Exemption: What changes (if any) should be made to the current level of 100% non-domestic exemption?***

We believe all exemptions and reliefs should be reviewed in the modern context. As stated in the consultation document there are special conditions that have to be satisfied for properties occupied by charities. In examining all the reliefs and exemptions regard should be had to the overall level of relief. The award of 100% relief should be reviewed particularly as it is a loss on collection where the tax base bears the burden thus passing the cost to all ratepayers

***Question 10a: Should a reduced exemption or cap apply to those organisations competing with commercial interests?***

Yes

***Question 10b: Should all charity shops pay some rates?***

Charity shops located in the high street should pay some rates.

***Question 10c: Should charities have their relief capped so that they do not take over expensive properties simply to help the owner avoid empty property rates?***

Yes

***Question 11 - RURAL ATM Exemption: What, if any, changes should be made to both the hardship relief and Rural ATM exemption?***

We believe rural ATM exemption is a legitimate approach to utilising rating powers to support the community. We believe it should become a permanent feature of rating exemptions.

***Question 12 - Pursuing Economic Development: Should the rating system be used to pursue economic development objectives or should its primary function be to simply raise revenue? If yes, what sectors should be targeted?***

Yes, we believe that the rating system should be used to support economic regeneration and in particular where it leads to job creation and further enhancement of the rate base. This should not only be an issue for local government but rather a combined central and local government package of measures offered to support regeneration, especially in city centre areas. This type of relief would be subject to a proven business case, which prohibits relief where displacement of existing ratepayers occurs. Sectors to target could include hotel developments, Grade A office space development or retail developments and the redevelopment of vacant properties or derelict land.

***Question 12a: What are the disadvantages of such approach and do you feel that using the rating regime in this way would make a material difference to Northern Ireland's economic performance?***

We believe that provided the relief is subject to a robust business case process then there is no disadvantage in this approach. The key issue will be to ensure that state aid rules are complied with.

***Question 13 - Powers of Relief for District Councils: Would it be advantageous for District Councils to take on powers for granting reliefs?***

This is an area of rating which should be explored further. One of the key determinants would be the availability of rating information in order to model the impact of a relief on the level of overall rates collected.

***Question 13a: In what areas are it considered that this would be beneficial?***

We believe this could be a key factor in economic regeneration especially in the City Centre Regeneration.

***Question 14 - Ability to Strike Separate Domestic and Non Domestic Rate: Should District Councils have the ability to strike separate domestic and non-domestic rates?***

We believe that this should be kept under review; however, at a time when there is little growth in the rate base, the impact of any rebalancing would be marginal.

***Question 14a: What would be the advantages and disadvantages of such an approach? Should District Councils continue to be compensated in full for the elements contained within the de-rating grant?***

We further believe district councils should continue to be compensated in full for the elements contained in the de-rating grant.

***Question 15 - Ability to pay: To what extent do you feel that a rate bill based on a property's NAV is a fair reflection of the occupying business's ability to pay?***

We do not believe it reflects the ability to pay. Other forms of taxation, such as corporation tax and income tax are based on ability to pay.

***Question 15a: Should local revenue be raised using an alternative method that would better reflect an 'ability to pay'?***

There is no evidence (compelling or otherwise) in favour of a move away from property based business taxation. The yield from these taxes in Northern Ireland is adequate to meet current Treasury demands and without them, significant alternative sources of revenue would have to be found. In simple terms, the only remedy



available to wholly replace the two recurring property taxes would be either an increase Income Tax or Value Added Tax.

Public finance experts regard taxes on immovable property as a suitable source of revenue for local governments. They also believe that they contribute to a well-balanced revenue system. Revenue systems that include a mix of taxes and other sources of revenue make it easier to find a balance among competing policy objectives, weather economic difficulties, and compete effectively in the global economy.

Local government services often are provided to properties or their owners and occupants. The tax captures for local government some of the increases in the value of land that are partially created by public expenditures. A dedicated source of revenue promotes local autonomy. The visibility of property taxes focuses attention on the overall quality of governance and promotes accountability. Information on land, buildings, and market prices collected in the course of administering taxes on immovable property becomes part of a valuable fund of information that has numerous governmental and private uses. If up-to-date and publicly available, this information can facilitate orderly real property markets.

Furthermore, all surveyed European countries have at least one tax on property, and most have several. Of the forty-six countries surveyed, at least forty-four have at least one recurrent tax on immovable property (Malta and San Marino do not).  
*Source Institute of Revenues Rating and Valuation (IRRV)*

***Question 15b: What method should be used and what are the advantages and disadvantages of such an approach?***

N/A.

***Question 16 - Taxing Ownership Instead of Occupation: Should we consider taxing ownership instead of occupation for the Non-Domestic sector?***

We believe there are numerous disadvantages in taxing the owner rather than the occupier even though at first sight it appears to be a more efficient option. The first hurdle to overcome would be the definition of owner. Any building or land is subject to numerous legal interests. These are layered with absolute ownership at the base. If the absolute owner were to be the liable person you would have to determine which interests in the property he / she was liable for. In the City of Belfast the number of plots in absolute ownership would be relatively small in relation to the current number of rateable hereditaments but the number of legal interests associated with those plots would be numerous. This situation would create an uncertain tax base riddled with inconsistency. To unravel these complexities would certainly involve litigation which would no doubt render the tax uncollectable. If you contrast this with the current approach of taxing the occupier on the legal interest they actually occupy is far more certain. Add to this the mountain of established case

law on rateable occupation it hard to see any logic in considering any other approach to liability.

***Question 17 - Capital Value or NAV: Should a switch to capital value be considered in more detail for Non-Domestic property?***

No, we can see no point in pursuing this objective particularly as there is little evidence of capital values on which to base assessments.

***Question 18 - Derelict land tax: Do you agree with the principle of a derelict land tax?***

Yes, we believe it would encourage the owner of such sites to bring them into use and should play a key role in encouraging investment and the productive use of assets. Also, with the introduction of corporation tax and the potential for a rising market, derelict land tax would mitigate the risk of land-banking.

***Question 18a: What should the scope of the tax be?***

We believe all derelict land apart from that which is contaminated should be liable.

***Question 18b: Should it apply to all unused and derelict sites or should it be restricted to land that is zoned for a particular development.***

We believe it should apply to all derelict land apart from that which is contaminated

***Question 19 - Public Sector Rates Liability: Should public sector organisations that are funded from central government continue to pay rates?***

We believe it is critical to a fair property tax system that public sector organisations should pay property tax where they are located.

***Question 19a: What are the potential consequences of moving away from such an approach?***

We believe it would be grossly unfair to the local authority which hosts these public sector organisations. If they did not receive a direct contribution from such bodies they would have to seek compensation from the Assembly.

***Question 20 - Land Value Tax: Notwithstanding some of the fundamental policy concerns expressed above, is their support for exploring the issue in more detail?***

Given the complexity and practicalities of implementing a land value tax system, we believe this would require further exploration and assessment of the benefits, costs and practical issues with such a tax.

***Question 21 - On Line Sales Tax: Would an online sales tax benefit businesses operating within Northern Ireland? How could this be practically implemented?***

Over the last three years, Governments in many countries have become more concerned about the impact of the internet retailer on the bricks and mortar retailer.

Any internet retailer operating in Northern Ireland will have an administrative centre, which would consist of call centre facilities, administrative buildings and a distribution warehouse. Any of these facilities that satisfy the four ingredients of rateable occupation would attract non-domestic rate liability. Many of the major on-line providers use outsourced facilities and again these would attract non-domestic rate liability. However, the actual internet traffic determining the transaction itself would escape liability. There are situations where on-line retail activity is operated from a dwelling house, in these circumstances an effort would be made to place a value on the commercial part of the building and then the retailer could be charged rates in the normal way however the difficulty is in finding the location and then identifying a separate rating assessment.

Many have considered if the pulses on the internet could be measured and if some form of virtual rating assessment could be created but under the current legislation and case law in all parts of Great Britain and Northern Ireland this would be most unlikely. The problem is that this sort of traffic already attracts rate liability through the providers of telecommunications. In these circumstances major providers of cables are rated on a basis which attempts to place a value on the volume of activity. The later situation means that any attempt to create an assessment based on virtual traffic could amount to double taxation.

There are also difficulties with the majority of the bricks and mortar retailers, who run online services, alongside their normal retail activity. These retailers, range from major chains through to small high street retailers. If there is a desire to level the playing field between the bricks and mortar retailer, and the online retailer, this can only be achieved by a form of sales tax or a transaction tax. In Europe, it is often said that a sales tax would be in conflict with European Law because of the levy of value added tax. This only leaves the option of a transaction tax which would be relatively easy to administer and collect because it could be operated by the retailer themselves as part of the selling processes. These matters have attracted some interest in the media and the wider on line industry.

The approach of a sales tax or a transaction tax does exist in countries around the world. In the USA each individual municipality has the option to levy a sales tax in addition to conventional property taxes. This has been the practice for a number of years however in the last two years there have been significant moves to raise a levy on internet retail transactions.

***Question 22 - Other / Additional Tax Systems: Should DFP pursue an assessment of other/additional systems for raising revenue within Northern Ireland? If yes, what tax should be examined in more detail? What would the potential benefits of such an approach?***

We have expressed our views on other tax systems in response to the preceding questions.

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<b>Subject:</b>	Contracts for Award
<b>Date:</b>	22 January 2016
<b>Reporting Officer:</b>	Ronan Cregan, Deputy Chief Executive and Director Finance and Resources Gerry Millar, Director of Property and Projects
<b>Contact Officer:</b>	Donal Rogan, Head of Contracts

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report</b>
1.1	<p>The purpose of this report is to:</p> <ul style="list-style-type: none"> <li>Seek approval from Members to the advancement and award of the tenders as outlined in Appendix 1 in accordance with the Scheme of Delegation.</li> </ul>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>It is recommended that Members:</p> <ol style="list-style-type: none"> <li>Approve the public advertisement and acceptance of tenders as listed in Appendix 1 Table 1, through the Council's electronic procurement system</li> <li>Grant delegated authority to the appropriate Director using pre-agreed criteria the most economically advantageous tender.</li> </ol>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Key Issues</u></p> <p>Section 2.5 of the Council's Scheme of Delegation outlines that under Standing Order 60(a) any contract that exceeds the statutory amount (currently £30,000) needs to be made under the Corporate Seal. Under Standing Order 51(b) the Corporate Seal can only be affixed when there is a resolution of the Council.</p>
3.2	The tenders submitted for approval in Appendix 1 have been forwarded by Departments

	for approval. Departments have been required to provide assurance that provision for the expenditure has either been made within their departmental budgets or approval has been sought from the Director of Finance and Resources that this expenditure has been provided for within a corporate budget.
3.3	As part of this process, Departments have also provided assurance that appropriate resources are available within their departments in order to effectively administer and management any contract(s).
3.4	In accordance with Standing Orders these tenders shall comply with the relevant requirements of national legislation and European directives and be overseen by Corporate Procurement Services.
3.5	This report relates to corporate as well as departmental supplies and services only. The procurement of services and works contracts relating to the capital procurement is dealt with under the Capital Programme reports in accordance with the approved stage approval process.
3.6	<p><u>Financial &amp; Resource Implications</u></p> <p>The financial resources for these contracts will be met within the current departmental budgets and the proposed departmental estimates process which are taken forward through the rate setting process.</p> <p><u>Equality or Good Relations Implications</u></p>
3.7	No specific equality or good relations implications.
<b>4.0</b>	<b>Appendices - Documents Attached</b>
4.1	Appendix 1 – Contracts For Award, Schedule of tenders for consideration

## Contracts for Award - Appendix 1 - Schedule of tenders for consideration

**Table 1 - New tenders**

Title of tender	Senior Responsible Officer	Proposed contract duration
Social enterprise support programme	Donal Durkan	3 years with option to extend
Procurement advancement programme	Donal Durkan	3 years with option to extend
Drainage of pitches	Rose Crozier	1 year with option to extend for a further 2
Supply and delivery of printed materials	Rose Crozier	1 year with option to extend for a further 2
Cleaning of Belfast Castle and Malone House (also consider Stables and Lock-keepers)	Rose Crozier	1 year with option to extend for a further 2
Procurement of support for Strategic Environmental Assessment and Sustainability Appraisal.	Phil Williams	3 years with option to extend
Procurement of support to inform the appropriate options for the Development Plan.	Phil Williams	1 year with option to extend

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<b>Subject:</b>	Anti Poverty / Social Value Work Programme
<b>Date:</b>	22 January 2015
<b>Reporting Officer:</b>	Jill Minne, Director of Organisational Development
<b>Contact Officer:</b>	Claire Patterson, Business Research and Development Manager Jelena Buick, Policy Officer, Development Department Mark McCann, Business Research and Development Manager

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	<p>To provide recommendations to harness the Council's role as city leader, employer, and deliver and commissioner of services, in order to better address the risk of poverty faced across the city.</p> <p>The paper acknowledges the substantial existing work of the Council and its partners in addressing aspects of poverty and highlights the importance of taking a strategic and integrated approach, within the economic growth context of the Belfast Agenda, to maximise our combined contributions to social outcomes.</p>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>Members are asked to:</p> <ul style="list-style-type: none"> <li>Note the current contribution that the Council makes in addressing aspects of poverty in its roles as civic leader, service deliverer, employer; deliverer of programmes and purchaser of goods and services.</li> <li>To agree that the Council, in the creation of Belfast's first community plan, works</li> </ul>

	<p>with its partners to develop a joint approach to tackling poverty in the city that maximises the social impact of city growth and investment agenda.</p> <ul style="list-style-type: none"> <li>• To agree that the Council develops options to maximise the social value potential as employer and purchaser of goods and services in addressing aspects of poverty.</li> <li>• To agree that members conduct a workshop with the Joseph Rowntree Foundation (as in initial step) to support the development of a strategic and integrated approach to addressing issues of poverty and inequality within the economic growth context of the Belfast Agenda, to maximise our combined contributions to social outcomes.</li> </ul>
<b>3.0</b>	<p><b>Main report</b></p> <p><u>Key Issues</u></p>
3.1	<p>Most governments, including the Northern Ireland Executive, agree that an individual or family is at risk of poverty if their household income is 60% less than that of the average household income. Under this definition more than 56,000 people in Belfast live in poverty. (In financial terms this works out at around £115 per week for a single adult with no dependent children or £195 per week for an adult with two dependent children.)</p>
3.2	<p>The 2013 'End Child Poverty' report noted that nearly 28% of Belfast's children are growing up in poverty (a figure that rises to more than 40% in our six most deprived wards). According to an Institute for Fiscal Studies report for OFMdFM, these numbers are expected to increase substantially by 2020.</p>
3.3	<p>Those most at risk include households headed by a lone parent with dependent children; pensioners wholly dependent on state benefits; ethnic minorities; people with disabilities; and people living around the interface areas. In addition, 'In-work poverty' is a growing problem in Belfast with nearly a quarter of the city's employees earning less than the Northern Ireland Living Wage (£7.65 per hour).</p>
	<p><u>The current role of Belfast City Council</u></p>
3.4	<p>The Council, across all of its departments, has a substantial and proud track record of delivery aimed at addressing elements of poverty. We have a number of roles through which we support this work - civic leader; deliverer of services; employer; and purchaser. The following, while not exhaustive, illustrates the breadth of this work:</p>



- Provision of annual core funding for advice provision in each quarter of the city.
- Provision of annual funding for a citywide Advice Tribunal Service – particularly aimed at addressing Welfare Reform changes
- Providing a central city location for Advice NI's debt advice service.
- Provision of financial support to the Belfast Food Network which, as part of the Sustainable Food Cities Network, tackles the issue of food poverty in Belfast.
- Working with DSD to deliver the Affordable Warmth Scheme to more than 1,000 households at risk of fuel poverty.
- Working with the Public Health Agency, Surestart and Age NI to procure and distribute over 3,000 Winter Warmth Packs to vulnerable families each year.
- Supporting inter-agency partnerships to address the issue of homelessness in the city.
- Delivery of the annual Community Support programme to ensure that the necessary community development infrastructure is in place to assist communities in addressing issues of deprivation and marginalisation.
- Tackling the impact of fuel poverty by supporting communities to establish local oil buying clubs; and administering the Belfast fuel oil stamps scheme which, to date, has sold £1.25 million worth of stamps.
- Supporting the Belfast Home Safety & Repair Service for Older People.
- Provision of community gardens across the city which provide access to locally grown, healthy food.
- Provision of concessionary rates for those on means tested benefits in our leisure facilities.
- Focused delivery of Active Communities programme aiming to get more people involved in sport and physical recreation, in areas of high deprivation.
- Delivery of a free events programme in our parks including educational activities and summer fun days.
- Delivery of coach development and training programme which provides qualifications and skills to volunteers that may increase employability.
- Adopting the Living Wage for Council employees
- Encouraging the use of social clauses through our procurement processes (to maximise the social value of our purchasing power).
- Developing the Belfast Employability and Skills strategy to support those who are furthest from the labour market.
- The delivery of a corporate employment initiatives, including provision of work placements, apprenticeships, job opportunities and pre-recruitment and training

programmes for the long term unemployed from across the city.

- Member and officer representation on all of Belfast's Neighbourhood Renewal Partnerships leading an annual £10 million programme specifically aimed at tackling deprivation in the Top 10% most deprived areas of the city.
- Membership and support to the Belfast Strategic Partnership which has a cross-cutting commitment to addressing poverty-related issues.
- Supporting the Youth Forum - which this year is raising young people's awareness of child poverty, homelessness and shared space
- Development of small-scale locality pilots to work with residents to agree local outcomes and priorities and work together on shared actions
- Participation in the Children and Young People' Strategic Partnership – which works with city partners to address childhood inequalities.
- Working with Queen's University of Belfast on a joint bid to the Urban Living Partnership to tackle the issue of neighbourhoods disconnected from city centre growth
- A recent application to the \$1 million Rockefeller 100 Resilient Cities programme aimed at building resilient communities amongst those most at risk from social, economic and environmental impacts.

3.5

#### Harnessing the Council's new leadership role

The Council has a number of roles through which it can help address poverty issues in the city including:

- Civic leader for the Belfast Agenda – particularly in bringing our partners together to deliver on shared social and economic outcomes;
- The deliverer of a large number of neighbourhood services (including services directly aimed at mitigating the impact of poverty)
- As a large employer; and
- As a purchaser of local goods and services.

3.6

A future approach to tackling poverty needs to maximise the impact each of these roles. It is important to note that while national and regional Government remain the key actors in terms of addressing the underlying causes of poverty, local authorities do have a significant role to play. A recent Centre for Local Economic Strategies (CLES) report notes that the approach of national government towards addressing poverty is changing: moving away from special initiatives to one where addressing poverty is an outcome of economic

growth, welfare reform and public service reform. CLES suggest that if this approach is to actually benefit those at risk from poverty a city will need strong leadership to ensure there is an ongoing commitment to integrated anti-poverty commitments in all aspects of statutory service planning and delivery.

3.7

This was also a key finding of the IBM Smarter Cities Challenge and the Lord Mayor's Civic Forum on Poverty. And it is supported by evidence from the Joseph Rowntree Foundation (JRF) which has looked at the range of city policies across the UK<sup>1</sup>. The JRF report notes that there is no guarantee that urban economic growth in itself will reduce poverty. And, **cities should not approach growth and poverty as two separate strands but as mutually re-enforcing agendas**. They suggest that local authorities thus have a critical convening, lobbying and co-ordinating role that can make interventions much more impactful. But that councils need to think carefully about the nature of these roles.

3.8

The leadership role is one that Belfast City Council is well positioned to play as the city's 'place leader'. It is proposed that, in contributing to the outcomes of the Belfast Agenda, the Council should seek to work with partners to determine poverty outcomes, priorities, and to develop a shared Belfast approach and commitments to achieving them.

3.9

In terms of our role as a major employer and purchaser of goods and services, two related papers are being presented to Committee which measure the multiplying impact of our purchasing power and another which considers how we best maximise the outcomes of our contracts through a revised social clauses policy. In addition, further work is being planned on employability initiatives including plans to ring fence further job opportunities to the long term unemployed; to deliver relevant pre recruitment and training programmes; and to provide paid placement opportunities as part of SIF projects.

3.10

The Joseph Rowntree Foundation has led work across a number of UK cities looking at the connection between economic growth and reducing poverty and is in the process of developing an 'anti-poverty strategy'. It is therefore proposed that the Council should engage JRF and others to support the development of a strategic and integrated approach to addressing issues of poverty and inequality( within the economic growth context of the Belfast Agenda) to maximise our combined contributions to social outcomes. This work

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<sup>1</sup> <https://www.jrf.org.uk/report/cities-growth-and-poverty-evidence-review>

	would also support and enhance Council initiatives and ensure that our services and programmes are designed and delivered in ways that align with the needs and characteristics of the Belfast context. As a first step, it is proposed that a members workshop take place on this issue and is supported by the JRF.
3.11	<p><u>Financial &amp; Resource Implications</u></p> <p>The development of an approach to tackling poverty Belfast is included within current Council estimates. This includes a budget to engage the Joseph Rowntree Foundation to support the Council in maximising its role in dealing with poverty and creating better social outcomes.</p>
3.12	<p><u>Equality or Good Relations Implications</u></p> <p>Equality and good relations implications will be taken into consideration in relation to tackling elements of poverty; however it is anticipated that any collaborative efforts should have a positive effect on section 75 groups.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	None



<b>Subject:</b>	Social Clauses policy adoption and output update
<b>Date:</b>	22 January 2016
<b>Reporting Officers:</b>	Gerry Millar, Director of Property & Projects Donal Durkan, Director of Development
<b>Contact Officers:</b>	Donal Rogan, Head of Contracts Lisa Toland, Head of Economic Initiatives

<b>Is this report restricted?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	<b>Purpose of Report or Summary of main Issues</b>
1.1	<p>The purpose of the report is to:</p> <ul style="list-style-type: none"> <li>– Seek elected members' approval to adopt the draft revised Social Clause Policy, as one element of a strategic and integrated approach to addressing issues of poverty and inequality within the economic growth context of the Belfast Agenda</li> <li>– Advise members of the social clause outputs achieved to date and identify future opportunities for the inclusion of social clauses within upcoming contracts.</li> </ul>
2.0	<b>Recommendations</b>
2.1	<p>It is recommended that members:</p> <ol style="list-style-type: none"> <li>1. Adopt the revised draft Social Clauses Policy on an interim basis and agree with the proposal to review it within 18 months to take into consideration changes in the operating context across local and central government</li> <li>2. Note the outputs of social clauses for council contracts to date</li> <li>3. Note and agree the potential to vary the 12 month definitions of long term unemployed to 6 months, in the case of youth unemployed, or where there are specialist skills sets required on a case-by-case basis.</li> </ol>

3.0	<b>Main report</b>
3.1	<p><b><u>Key Issues</u></b></p> <p>Following committee approval in October 2013, the Council has been using social clauses developed in conjunction with the Construction Industry Federation (CIFNI). These clauses set out a series of agreed opportunities for work placements, apprenticeships and Training for Success opportunities, based on the labour value of the respective contracts. The Council continues to actively seek to include social clauses in both Supplies and Services and Works Contracts and regularly monitors tenders to verify whether social clauses should be applied.</p>
3.2	<p>A report (Appendix 1) on the council's draft Social Clauses Policy (Appendix 2) was presented to SP&amp;R committee on the 24<sup>th</sup> April 2015 and was subsequently referred back at the council meeting in May. On 22<sup>nd</sup> May 2015 the committee agreed to defer consideration of the matter. The Committee also agreed to seek a meeting with the DCAL Minister in order to understand how DCAL was developing and managing social clauses. This meeting has not yet taken place.</p>
3.3	<p>In the interim, officers have been working closely with representatives from the Strategic Investment Board (SIB) who have just completed a review of the impact of social clauses within government contracts across all departments. This review was undertaken in consultation with CPD, Government Departments, COPEs and business representatives. The findings of the review recommended a number of changes to how social clauses are managed. These included the need for improved monitoring (currently, social clauses within central government contracts are only measured at the end of the contract), need to explore additional opportunities for including social clauses as an evaluation criteria and the need for better integration of services to look at how social clauses can contribute to addressing key challenges such as economic inactivity.</p>
3.4	<p>At a meeting of the Procurement Board – chaired by the Finance Minister – on 5 November 2015, the findings of the review were presented and a new “Buying Social” approach was endorsed. This will now be presented to the Northern Ireland Executive for ratification. SIB is keen to work with Belfast City Council to see how this work can be extended to involve local government as well as central government departments.</p>
3.5	<p>Officers have undertaken some analysis of the proposed approach and consider that it has a number of benefits:</p> <ul style="list-style-type: none"> <li>– Greater transparency for contractors and suppliers – consistent approach across</li> </ul>



all government contracts

– Ability to share experience across commissioning bodies regarding challenges and opportunities

– Potential to support collaborative approach to “brokerage” of clients to avail of social clause opportunities – presenting a single point of contact for contractors.

3.6

While it would not be possible to move to this approach immediately, it is proposed that further work is undertaken to identify the implications of this approach for the Council, with a view to moving towards a new way of working within 18 months, subject to political endorsement. A report setting out the revised policy and approach will be presented to a future meeting of this Committee. In the interim, and in order to ensure that there is a policy in place to support the Council’s work on social clauses, it is proposed that the current draft Social Clause Policy is accepted as the way forward.

3.7

Social clauses outputs in all council contracts are monitored through the Council's contract management regime. Table 1 below details the position at the end of November 2015. A more detailed analysis of activity is attached as Appendix 3.

Table 1 Summary of Employability Outcomes as at November 2015

Project	Opportunities for unemployed	Apprentices employed	Students employed	Training for success
Connswater	6	19	15	2
Belfast Waterfront	9	10	9	11
Girdwood	5	24	4	4
Cliftonville	3	2	0	1
Olympia	3	1	2	N/A
Forthriver	4	9	11	0
Roselawn Extension	1	N/A	N/A	N/A
Council Accommodation	1	0	1	1
Northforeshore	2	28	5	1
Kerbside Collection	3	N/A	1	N/A
WFH Cleaning	1	N/A	N/A	N/A
Manned Guarding Security Services*	2	3	N/A	3
Total	40	96	48	23

\*Requirement 30% year one and 5% each year until 45% is reached of new recruits from the long term unemployed

3.8	<p>There are a number of challenges with the current social clause regime, from the point of view of both the commissioning organisation and contractor. Anecdotal feedback from contractors suggests that they are having some difficulty in recruiting suitable candidates to meet their social clause targets or in finding replacement candidates if a client is not suitable for a post. For government contracts, DEL advises contractors to engage with the Jobs and Benefits offices as well as their contracted organisations (such as Ingeus, who run the Steps2Success programme). However, given that DEL only monitors social clause implementation on project conclusion, this presents a risk that social clauses may not be met or that the experiences provided to the clients are not useful in helping them find sustainable employment. For council contracts, officers are working with training providers that we are supporting through ESF funding in order to improve the linkages between training organisations and contractors, providing a single point of contact.</p>
3.9	<p>Currently, the definition for “long term unemployed” is someone who has been out of work for at least 12 months. While this definition supports the delivery of the Real Jobs Now motion approved by the council, practical experience of social clause highlights the need to be more flexible. It is proposed that consideration be give to varying the definition on a case-by-case basis, in order to support access to opportunities for young people or to support contractors in accessing specialist skill sets.</p>
3.10	<p>While social clauses in contracts provide one mechanism for the council to maximise the impact of its expenditure, there are other, potential more significant ways for this objective to be achieved. The move towards a “social value” agenda – identified by SIB in their work – means that the council can look across all its activity – not just its procurement spend – to see how this can be used to address economic and social challenges in the city. The Belfast Agenda provides a framework within which the Social Clause policy can evolve further as outlined in the separate report on the development of a strategic and integrated approach to addressing issues of poverty and inequality within the economic growth context of the Belfast Agenda, to maximise our combined contributions to social outcomes.</p>
3.11	<p><b><u>Financial &amp; Resource Implications</u></b></p> <p>There is no evidence to suggest that the inclusion of social clauses increases the cost charged to the council. The monitoring and management of the policy to date has been absorbed within the existing resources across departments.</p>

3.12	<p><b><u>Equality or Good Relations Implications</u></b></p> <p>As detailed in the original report the draft policy was screened out during the equality screening process, however two respondents asked that a full equality impact assessment be performed. Advice was sought and it suggested that a full EQIA would not provide further clarity. However, because of this request, the council rescreened the policy using an independent expert and taking into account the feedback from the consultation. The policy, with some minor changes, was screened out. The version in Appendix 2 takes account of the comments from the independent expert.</p>
4.0	<p><b>Appendices – Documents Attached</b></p>
4.1	<p>Appendix 1: Strategic Policy &amp; Resources Report 24 April 2015</p> <p>Appendix 2: Draft Social Clauses Policy</p> <p>Appendix 3: Detailed overview of Social Clauses Outcomes by Contract</p>

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## Appendix 1 – Strategic Policy & Resources Committee Report 24/4/15



**Belfast**  
City Council

STRATEGIC POLICY AND RESOURCES

<b>Subject:</b>	Social Clauses update and policy adoption
<b>Date:</b>	24 April 2015
<b>Reporting Officer:</b>	Gerry Millar, Director of Property and Projects John McGrillen, Director of Development
<b>Contact Officer:</b>	Lisa Toland, Head of Economic Initiatives and International Development Donal Rogan, Head of Contracts

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report</b>
<b>1.1</b>	To update members on the outcomes of the consultation on the draft Belfast City Council Social Clause Policy and to adopt the policy and associated guidelines.
<b>2.0</b>	<b>Recommendations</b>
<b>2.1</b>	<p>Members are asked to:</p> <ul style="list-style-type: none"> <li>– Adopt the revised draft policy document subject to a further equality screening process</li> <li>– Approve the internal staff guidance note for application of the policy</li> <li>– Note the feedback responses to the consultation (summary in appendix and full document available in Members' library)</li> <li>– Agree with the proposals to review the policy within 18 months, in line with the new council powers specifically in the area of economic development, community planning, planning gain and regeneration</li> <li>– Approve the inclusion of social clauses in council contracts with third party organisations</li> <li>– Note and agree the potential to vary the 12 month definition of long-term unemployed to 6 months, in the case of youth unemployed, or where there are specialist skill sets required – on a case-by-case basis.</li> </ul>
<b>3.0</b>	<b>Main report</b>

### Key Issues

- 3.1** Members may recall that the council made a commitment through its 2012-15 Investment Programme to incorporate social clauses, where possible, in capital and revenue contracts. Approval was given to develop a social clause policy for the council in order to provide direction on how and when social clauses should be integrated into council contracts and managed post-contractor appointment.
- 3.2** Members previously agreed that all contracts should be screened for the potential inclusion of social clauses and that these should be incorporated as follows:
- Capital and revenue contracts with a minimum labour value of £250,000 and a duration of at least six months
  - Construction Industry Federation (CIFNI) clauses to be used in the first instance.
- 3.3** In keeping with good practice, it was agreed that social clauses needed to be germane to the project: sometimes conditions would dictate that it was more appropriate to focus on long-term unemployed opportunities than those for apprentices or FE students – and vice versa.
- 3.4** The outcomes of each of each of the clauses are monitored through the council's contract management regime and the position as at the end of March 2015 is summarised in the table below. A more detailed breakdown is available to members on request.

Project	Opportunities for Unemployed	Apprentices employed	Students employed	Training for Success
Connswater (ARUP)	1 person (permanent post)	10 people	3 people (80 weeks)	-
Connswater (Farrans)	TBC	TBC	1 person (30 weeks)	1 person (30 weeks)
Waterfront (WH Stephens)	1 person (permanent post)	1 person	4 people	-
Waterfront (McL&H)	5 people (65 weeks)	3 people	1 person (17 weeks)	2 people (5 weeks)
Waterfront (Harvey Group)	-	5 people	-	-
Girdwood (OHMG)	4 people (57 weeks)	4 people	3 people (74 weeks)	4 people (46 weeks)
Girdwood (Harvey)	-	4 people	-	-



	Group)				
	Girdwood (Contract Services)	-	10 people	-	-
	Girdwood (Brickwork)	-	3 people	-	-
	Kerbside collection	3 people (29 weeks)	-	1 person (25 weeks)	-
	Cliftonville School and Pitch	1 person	2 people	-	-
		<b>15 people</b>	<b>42 people</b>	<b>13 people</b>	<b>7 people</b>
<b>3.5</b>	<p>Pinsent Masons were appointed to develop a social clause policy and guidance document for the council. At the September 2014 meeting of SP&amp;R Committee, a draft social clause policy was presented to members and approval was provided to issue the draft policy for public consultation. The policy was subsequently issued for public consultation in December 2014 with a deadline for responses of 24 February 2015. 11 responses were received.</p>				
<b>3.6</b>	<p>A review of consultation responses has revealed a range of recommendations for consideration, some of which can add value to the policy, others of which may be impractical to adopt. Some of the key responses included:</p> <ul style="list-style-type: none"> <li>– The need for monitoring, post-implementation review and assessment of impact of Council's social clause policy at appropriate intervals</li> <li>– A desire to move social clauses beyond the current focus on jobs</li> <li>– A need for appropriate guidance and raising awareness of social clauses among suppliers</li> <li>– Encouragement for the council to contribute to the planned review of CIFNI clauses and work undertaken by Strategic Investment Board (SIB)</li> <li>– Encouragement for the council to look at how it deals with non-compliance with social clauses in terms of a breach of contract</li> <li>– Need for the policy to focus on commissioning for 'outcomes' as well as promoting co-production and commissioning models.</li> </ul>				
<b>3.7</b>	<p>Consideration has been given to all comments – many of which are about application of the policy and are supported with the addition of the staff guidance (attached as Appendix 2). A full compendium of the responses and officer comments to each of the comments are</p>				

3.8	<p>available in the members' library for information. The revised Draft Social Clause Policy in <b>Appendix 1</b> highlights the suggested changes to the policy in <b><i>bold italic text</i></b> and, in cases where text has been removed, using <del><b><i>strikethrough text</i></b></del>.</p>
	<p>In addition to the public consultation, briefings have taken place across party groups and chief officers have met and corresponded with a number of organisations to promote the draft policy approach and seek support for a wider integrated brokerage arrangement. These organisations include SIB, DCAL, DEL, Belfast Harbour Commission, ARC 21 and University of Ulster. Whilst all support the concept, discussions are still at an early stage.</p>
3.9	<p>While the policy sets out the broad approach that the council plans to take, experience to date has shown that there are challenges at all stages of the process, particularly in terms of contractor compliance, data collection and overall monitoring and management. This challenge needs to be set in the context of the current political expectation around what social clauses can deliver and the level of resources that need to be allocated to their development and management. While the impact of social clauses and the added value that they bring should not be underestimated, it is considered that they should be looked at as one of a range of mechanisms that the council can access to support economic regeneration through its spend. To put this in context, the council's HR department has supported the creation of 402 permanent job opportunities and 337 temporary job opportunities since the commencement of the Investment Programme. Equally, they have facilitated 690 work placements and 39 "job assist" interventions with LEMIS providers and have provided 95 places on pre-employment and training programmes for the long-term unemployed, resulting in 12 people gaining both permanent and temporary employment.</p>
3.10	<p>The development of the Belfast Agenda and an outcomes-based accountability approach will provide a framework in which this policy can evolve further. This will mean that the council can take account of the wider implications of its interventions and look at how its remit for economic and social regeneration can be delivered. In this context, it is proposed that the policy should remain open to review, with a full review to take place within 18 months – in line with the new powers and areas of responsibility being devolved to the council.</p>
3.11	<p>Social clauses are now being implemented in most government contracts. The broad criteria for determining whether or not social clauses should be included are reflected within the policy. However, at this point, clauses are developed on a project-by-project basis and there is no oversight or joint planning across projects in order to create a pipeline of capital</p>

3.12	<p>investment to sustain opportunities for shared apprenticeships. Given the scale of the council's capital programme and its overall budget, it is difficult to create economies of scale. It is considered that there would be an opportunity to make a much more significant impact if greater alignment could be secured between the work of the council and that of the government departments and other statutory partners.</p>
3.13	<p>At present, DEL takes the lead in working with government departments to help contractors fulfil their employment-related social clauses. This is done by putting them in contact with their Jobs and Benefits Offices or relevant DEL-funded training providers. However, recent changes to DEL mainstream programmes mean that there is no longer a requirement for participants to undertake work placements. This means that contractors are reporting some difficulty in being able to get access to relevant individuals for work placement-based social clauses. However issues of non-compliance are not necessarily picked up as the project monitoring activity currently only takes place at the end of the project.</p>
3.14	<p>Belfast City Council has taken a slightly different approach. Although contractors are still working with DEL and their training providers, we have been monitoring compliance much more rigorously and as the project progresses. This means that we are able to pick up instances of non-compliance at a much earlier stage and address these in time. Despite this, contractors still suggest that they are having difficulty in accessing candidates and they have expressed a need to have a single point of contact with responsibility for the work placements/apprentices so that any performance issues can be addressed more easily and replacement candidates sourced as soon as possible if one person leaves. The Equality Screening also suggested it would be useful for the council to develop a list of suitable agencies that could be contacted by contractors to highlight upcoming employment opportunities. This would help us to target those experiencing long term unemployment and help support key target groups e.g. those with a disability.</p>
3.15	<p>For contractors, employability-related social clauses are the most challenging to deliver. Whilst it is the ambition of council that these clauses benefit Belfast residents, there continues to be a number of practical challenges. The complexity of employability and skills provision across the city and mismatch in demand and supply creates a challenging environment for contractors to navigate and increases the risk of non-compliance.</p> <p>One possible solution is to consider integrating contract conditions to any future match funding requests for ESF or other employability-related projects that the council might support. Through this approach, we could make it a condition of the financial assistance</p>

	<p>that training organisations would work with contractors to promote the opportunities in the target areas and ensure that job seekers are equipped with the appropriate skills to meet contractor requirements. We would be able to monitor progress through the regular monitoring reports from the training organisation, and could cross-reference this with the reports from the contractor. In addition this model may prove a useful mechanism for the anchor institutions across the city to buy in to in order to meet their social clause requirements. DCAL has already taken a step towards this by appointing a “brokerage” to help contractors fulfil their social clauses. There is ongoing engagement between the council, DEL, DCAL and the other departments to understand the pros and cons of the various approaches and to work out the most appropriate mechanism for the council to ensure that its employment-related social clause obligations can be met.</p>
<p><b>3.16</b></p>	<p>One specific issue that has been identified in recent months is the definition of long-term unemployed for the purposes of the social clauses. At present, this is defined as a person who is at least 12 months unemployed. Whilst this definition supports the delivery of the ‘Real Jobs Now’ motion approved by the council, practical experience of social clauses highlights the need for flexibility for the following reasons:</p> <ul style="list-style-type: none"> <li>– Some contracts procured by council are specialist in nature requiring specialist skill sets which may not be available in the available pool of LTU</li> <li>– Central Procurement Directorate (CPD) is currently reviewing advice from the Department for Employment and Learning (DEL) to reduce the definition of LTU from 12 to 6 months for the 18-24 age category. The rationale for this advice is to tackle the high level of unemployment experienced amongst 18-24 year olds and to prevent this age group progressing into ‘true’ LTU definition of 12 months or more.</li> </ul>
<p><b>3.17</b></p>	<p>–</p> <p>Whilst it is the intention of council that employability social clauses will be targeted towards the long term unemployed (i.e. 12 months+), it is proposed that consideration be give to varying this – on a case-by-case basis – in order to support access to opportunities for young people or to support contractors in accessing specialist skills sets.</p>
<p><b>3.18</b></p>	<p>The Strategic Investment Board (SIB) has recently produced a toolkit for social clauses and supporting a wider “buying social” agenda. This provides useful case studies and sets out protocols for introduction and management of social clauses. The toolkit is advisory only and it does not set any specific requirements on government bodies or other agencies to introduce social clauses. SIB is also undertaking a wider review of approaches to social clause management across the government departments, with a view to identifying challenges and proposing potential solutions to improve performance.</p>

3.19	<p><u>Financial and Resource Implications</u></p> <p>There is no evidence to suggest that the inclusion of social clauses increases the cost charged to the council. The monitoring and management of the policy to date has been absorbed within the existing resources across departments. However this will be kept under review in line with competing priorities and challenges that this work creates.</p>
3.20	<p><u>Equality or Good Relations Implications</u></p> <p>This policy has been screened out during the equality screening process. Two respondents to the consultation asked that a full equality impact assessment (EQIA) of the policy be performed. Further advice has been sought and this suggests that an EQIA would not provide further clarity. However, because of this request, the council will re-screen the policy due to obligations set out under Section 75 of the Northern Ireland Act 1998. This re-screening does not necessarily prevent adoption of the policy: any changes required can be incorporated into the policy document.</p>
4.0	<p><b>Appendices</b></p>
	<p><b>Appendix 1</b> – Social Clauses update and policy adoption, Revised Draft Social Clause Policy</p> <p><b>Appendix 2</b> – Social Clauses update and policy adoption , Draft guidance for implementation of social clause policy</p> <p><b>Appendix 3</b> – Social Clauses update and policy adoption, Brief analysis of responses to draft council social clause policy</p>





## Appendix 2 Draft Social Clauses Policy



### BELFAST CITY COUNCIL

#### Policy on the use of Social Clauses in Council Contracts

**NB this document is still in draft form pending Council approval. Modifications have been made following a public consultation exercise and subsequent equality re-screening. Those changes are highlighted *in bold italic text*.**

## INTRODUCTION

The Council is committed to generating, through its commissioning and procurement activities, positive outcomes for Belfast and the people of Belfast. We will do this by ensuring that, where practicable, the money we spend on procuring goods, works and services benefits the people, the communities and the economy of Belfast. To achieve this, this document sets out the Council's policy on the use of social clauses in Council contracts.

Social clauses are clauses added to contracts that are intended to result in benefits to the wider community. The benefits can be social, economic and/or environmental in nature and are intended to be in addition to the benefits secured by the provision of the goods, works or services themselves.

The decisions made by directors, service commissioners, procurement officers and managers within the Council can have key implications for the sustainability of business and the growth of jobs and wealth within the Belfast area. In addition to the very significant annual investment in the purchase of supplies and services, the Council also makes significant capital investment in infrastructure. Our goal is to ensure that this public spending reaps maximum local economic, social and environmental benefit.

## CONTEXT AND BACKGROUND

The incorporation of social clauses into contracts procured by the public sector has been gathering momentum since 2010. In part this has been facilitated by a change in the legislation relating to purchasing. The use of social clauses to deliver significant social and economic benefits is also a key commitment of the NI Executive's Programme for Government 2011-2015.

The Council is committed to the use of social clauses to increase the economic social, and environmental benefit of its procurement spend. This commitment is shown in our Investment Programme and our Procurement Strategy.

Our Investment Programme for 2012 – 2015 contains the following actions to:

- introduce the use of social clauses in our tenders which will aim to give opportunities to access the labour market for the long term unemployed [and other disadvantaged and underrepresented groups such as young people, women (in construction), people who have a disability, or from a minority ethnic background];*
- look at how community benefit clauses can be secured in contracts – for example securing the use of facilities for community use; and*
- work with partners on the Belfast Social Clause Delivery Forum, ensuring that government contracts contain appropriate social clauses to support employment and apprenticeship opportunities that can be easily managed and monitored.*

Our Procurement Strategy aims to “manage and maximise the potential of the Council's procurement spend to support the local economy and environment.” It stresses the need to get best value from our purchasing and to develop formalised process for the inclusion of social clauses into our contracts.

In addition, Local Government Reform increases the powers available to the Council especially with regard to regeneration and planning. This presents further opportunities to incorporate social clauses into our procurement process.

On the 19<sup>th</sup> June 2014 the Council approved a motion to address economic hardship in our communities due to unemployment and welfare changes. The motion stated that Council would aim to increase the opportunities for real jobs and apprenticeships especially for the long-term (greater than 12 months) unemployed. This policy will support this motion and the Council's wider economic

strategy via appropriate social clauses that meet the necessary legal requirements for the duration of appropriate contracts.

Consequently, by means of this policy, we will exploit the potential of the Council's spending power to harness extra economic, social and environmental benefit for local people and communities by ensuring that appropriate social clauses are always considered in accordance within the agreed criteria.

## THE LEGISLATIVE FRAMEWORK

The Local Government Best Value (Exclusion of Non-commercial Considerations) Order (Northern Ireland) 2012<sup>1</sup> enabled district Councils to take account of certain matters in the award of public contracts that were previously considered to be non-commercial considerations. Such matters include the terms and conditions of employment of a contractor's workforce and the conduct of contractors or their workers in industrial disputes.

The relaxation represented by the Order potentially makes it easier for the Council to integrate social considerations and social clauses into its contracts. However, some constraints do remain because of the requirements of EU procurement law. There is an inherent tension between the desire to promote the *local* economy by boosting procurement spend with local businesses and the obligations deriving from EU procurement law, the aim of which is to open up the EU market so that contractors throughout the EU can freely access and compete for opportunities in other member states. Restricting opportunities so that only local contractors can bid for contracts, for example, would be illegal under EU procurement law.

***EU law was also amended through Article 20 of the new EU Public Contracts Directives (2014/24/EU). Article 20 allows contracting authorities to reserve the right to participate in tender competitions, for specified contracts, to specified groups such as mutuals and social enterprises which operate supported factories, businesses or employments programmes for the disabled and disadvantaged persons. This is a significant change in the approach to promoting opportunities for the disadvantaged and full guidance is yet to be issued (as of December 2015). However, the Council is committed to this approach and officers are expected and encouraged to identify contracts that would be suitable to be reserved for suitable organisations.***

In summary, EU procurement law permits the inclusion of social and environmental requirements as contract conditions, provided those conditions are compatible with EU law and are indicated in the contract notice and contract documents.<sup>2</sup>

## THE AIMS OF THE POLICY

The aims of this policy are as follows:

- To ensure that directors, commissioners, Council officers and all those engaged in procurement activity consider the opportunity to embed social considerations in a prospective purchase at the outset of the procurement process;
- To engage with the market and so encourage suppliers to include as much social value within contracts as possible;<sup>3</sup>

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<sup>1</sup> This 2012 Order was made by the DOE under powers conferred by Section 2 of the Local Government (Best Value) Act 2002. The Best Value Act 2002 will be repealed in April 2015 as its provisions have now been re-enacted within the Local Government Act 2014 and a new Order will be provided by the DOE.

<sup>2</sup> Regulation 39 of the Public Contracts Regulations 2006

<sup>3</sup> ***Please note, officers must still clearly state what they require as the outputs from contracts. The aim of this statement is to encourage suppliers to start to think of ways to add social value that are above and beyond what the Council directly requires and that officers may have thought of. In effect, we hope to encourage innovation.***

- To ensure that, wherever possible, appropriate social clauses are included in all Council contracts; and
- To ensure that every pound spent on public service provision and procuring goods, works and services reaps maximum economic, social and environmental value and benefit, ultimately resulting in an improved quality of life in Belfast and its communities.

More broadly, the policy is intended to provide a solid foundation for the inclusion of social clauses in all appropriate Council contracts. To inform staff across the Council, particularly those involved in commissioning, when and how to assess the suitability of, integrate (where appropriate), manage and monitor social clauses in Council contracts.

## **WHO IS THE POLICY AIMED AT?**

The policy is aimed at staff across the Council but particularly those with responsibility for making, influencing or sanctioning investment or spending decisions. It is aimed at directors, service commissioners, procurement managers, procurement officers, and contract managers. The policy is also intended to influence contractors so that they are better able to accommodate social clauses and to identify ways in which they can increase the economic, social and environmental value of their work.

A separate guidance note for staff on how to implement and monitor social clauses sits alongside this policy.

## **WHAT OUTPUTS ARE WE SEEKING TO ACHIEVE?**

We aim to provide additional outputs that are germane to the main contract. Examples include:

- Creating employment opportunities for disadvantaged and underrepresented groups such as the long term unemployed (defined as those being unemployed/economically inactive for a minimum of 12 months), young people, women, people who have a disability, or from a minority ethnic background
- Providing work placements and skills development for young people
- Sustaining/creating apprenticeships
- Promoting essential skills amongst suppliers existing workforce
- Providing paid placement opportunities for students on a University or College of Further and Higher course
- Delivering supply chain events to increase accessibility to supply chain opportunities for SMEs, micro-businesses and social enterprises
- engagement with local schools/community groups to promote enterprise or careers in key sectors;
- Delivering environmental improvements such as waste minimisation and/or recycling schemes, carbon reduction, CEEQUAL or BREEAM etc.
- Identifying and delivering relevant community focused projects.
- Identifying and delivering other contributory social benefits that are complementary to the main contract.

***When drafting a contract specification, officers should consider the above outputs as objectives of the contract.***

***In summary, our procurement activity needs to consider how we can better design contracts and use social clauses to achieve better outcomes in line with the Council's strategies, how we deliver long-term improvement in the effectiveness of services and other activities; and increase value for money and social value by placing social, environmental and economic outcomes at the heart of commissioning.***

## **WHAT TYPES OF CONTRACT ARE APPROPRIATE TO THE POLICY?**

The scope of this policy does not extend to leases or grants. Instead, it relates specifically to contracts let by the Council for goods, works and services. This includes a very broad range of contracts and will cover construction contracts, facility management contracts, and contracts for the purchase of goods. Every time the need for such a contract arises, an assessment of the potential to incorporate social clauses into that contract should be undertaken.

Factors to be considered include the nature of the purchase (goods/works/services) and the expertise of the potential providers/suppliers; the value of the contract; the size of the contract and the duration or term. Straightforward supply contracts, for example, ***may*** not be able to accommodate skills, training or employment opportunities but such requirements should be capable of being included in contracts for works ***and services***.

Examples are given in the accompanying guidance note for staff to help determine when a contract should be considered for the inclusion of social clauses.

## **WHAT TYPES OF CLAUSES ARE APPROPRIATE?**

There are constraints around the inclusion of social clauses in public contracts. These derive from EU procurement law. For example, it is not permissible to include in a public contract a clause obligating a contractor to employ only local labour. Nor is it permissible to confine the opportunity to bid for Council contracts to only local firms. ***When specifying the contract, officers should always be mindful of their other legal obligations for example, ensuring that there is not unlawful direct or indirect discrimination against any particular section of the community.***<sup>4</sup>

Some key points to remember are set out below:

- Don't include clauses that exclude non-local firms or labour as this is illegal under current European legislation. Instead, think of ways that you can encourage local firms and labour to apply for our contracts;
- ***Don't think of Social clauses as directly creating jobs (the overall contract is responsible for creating work and hence employment) but rather as a way of encouraging underrepresented groups to apply for job opportunities.***
- Do think about the use of social clauses early on and what the procurement process can achieve. You should try to weave social considerations into the investment decision, business case and procurement notices;
- Do calibrate the clauses to the contract - ***for example, there is generally no point in including employment-related clauses in contracts for the procurement of goods;***

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<sup>4</sup> See page 82 of the Equality Commission guidance and, more generally, Section 75 of the Northern Ireland Act 1998 and Article 75(1) of the Fair Employment and Treatment (NI) Order.

- Do refer to the accompanying guidance, the example clauses included in Appendix 2 and the Benefits Realisation model in Appendix 3 to identify clauses that may be appropriate;
- ***Do refer to the Equality Screening of this policy, which is contained in the guidance document, to gain a better understanding of how clauses could help underrepresented groups and consider equality screening your procurement contract;***
- Don't randomly employ social clauses in contracts unsuited to their inclusion, ***social clauses need to be practical and realistic;***
- Do get the message out to suppliers that sustainable procurement is important to the Council - there will be better buy-in from suppliers who will come to see the inclusion of social clauses in Council contracts as a matter of course;
- Don't include social clauses in the evaluation criteria, when included they should be a non-optional part of the specification;<sup>5</sup>
- ***Do ensure a level playing field for contractors bidding for contracts that include social clauses.***
- ***Do consider opportunities relating to Article 20 and the right to restrict participation in tender competitions to specified groups that operate supported factories, businesses or employments programmes for the disabled and disadvantaged persons.***
- Do seek further advice if you have any queries about the use of social clauses. ***In particular, talk to the Equality Unit and the Economic Development Unit about employability, apprenticeships and training clauses, and the Environmental Health team about environmental clauses. They will be able to arrange further support for example from DEL for employability clauses.***

***Also remember that the process must not become a box ticking exercise and should focus on outcomes. Social clauses need to be administratively efficient. It costs money to provide social and community benefits. This should be recognised.***

## **WHEN SHOULD THE POLICY BE CONSIDERED?**

The consideration of the opportunities for including social clauses in contracts must become embedded within the Council's purchasing process. A determination of what social benefits can be derived from a particular contract should be as much a part of the procurement process as drafting the specification.

In order to successfully secure social benefit through the commissioning and procurement process, social benefit needs to be thought about as early as possible in the process. Ideally it should form part of the decision to invest. There needs to be real internal buy-in from key stakeholders within the Council to driving additional social value out of the procurement process.

In short, this policy should be considered every time a decision is made to spend money on the procurement of goods, services or works. As a minimum, contracts with a minimum labour value of £250,000 and contract duration of at least 6 months are to be screened for the inclusion of social clauses, in line with the guidance produced by the Construction Industry Forum for Northern Ireland (CIFNI). ***Where appropriate, multiple contracts should be considered in terms of the totality of their combined value.***

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<sup>5</sup> ***Once the Council has gained more experience in the use of social clauses, it will review this decision and clauses may become part of the assessment criteria.***



## MONITORING SOCIAL CLAUSES

To ensure the use of social clauses is effective and delivering the desired outcomes, clauses need to be monitored and reported. Monitoring needs to be appropriate to the size of the contract and the type of social clause. Consideration needs to be given to how non-compliance will be addressed. Further details are included in the accompanying guidance for officers. The results will be reported through the Council's existing performance management framework.

***The non-delivery of social clauses should be considered a breach of contract. The officer responsible for the contract should first aim to manage the delivery of social clauses in the same way that they manage all other contract requirements. That is, the contract should be managed so that it delivers the agreed outputs. If a breach in contract does occur, then the officer managing the contract must seek advice from the Council's Legal experts as soon as possible.***

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### Appendix 3: Social Clauses by contract – live and completed projects

#### Live Projects

	Opportunities for the unemployed			Opportunities for Apprentices			Opportunities for Students			Opportunities for Trainees		
	Target weeks	Actual weeks	Actual number of people employed	Target %	Actual %	Actual number of apprentices	Target weeks	Actual weeks	Actual number of Students	Target Weeks	Actual Weeks	Actual number of Trainees
Connswater Community Greenway	305	194	6	5%	33.30%	19	160	356	15	120	56	2
Belfast Waterfront Conference and Exhibition Centre	364	322	9	5%	22%	10	120	119	9	96	64	11
Girdwood Community Hub	130	164	5	5%	6%	24	40	127	4	48	102	4
Cliftonville Pitch - Bunscoil Bheann Mhadagain	88	35	3	5%	5%	2	0	0	0	24	17	1
Olympia Regeneration (Phase A & B)	265	90	3	5%	3%	1	80	19	2	N/A	N/A	N/A

Forthriver Innovation Centre	156	128	4	5%	4.00%	9	40	286	11	48	0	0	
Roselawn Extension section Z2 - Z4	34	18	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Council Accommodation	416	9	1	5%	0	0	80	74	1	128	13	1	
North Foreshore infrastructure	146	32	2	5%	12.70%	28	40	96	5	45	6	1	
Tropical Ravine	26	0	0	5%	0%	0	40	0	0	45	0	0	
Kerbside Collection	48	29	3	N/A	N/A	N/A	40	25	1	N/A	N/A	N/A	
WFH Cleaning Contract	52	48	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Manned Guarding Security Services	Requirement 30% year 1 and 5% each year until 45% is reached of new recruits from LTU	52	2	N/A	N/A	3	N/A	N/A	N/A	24	24	3	Total number of opportunities created as a result of social clauses in contracts
Total	2030	1121	40			96	640	1102	48	578	282	23	207

## Completed projects

	Opportunities for the unemployed			Opportunities for Apprentices			Opportunities for Students			Opportunities for Trainees			
	Target weeks	Actual weeks	Actual number of people employed	Target %	Actual %	Actual number of apprentices	Target weeks	Actual weeks	Actual number of Students	Target Weeks	Actual Weeks	Actual number of Trainees	
Connswater Greenway / East Belfast Flood Alleviation Scheme – Phase 1	52	44	4	5% of workforce	14%	5	40	462	7	52			

### Woodvale Park regeneration

As part of our funding agreement with BRO there was a condition which stated: 'Unemployed (Contract Requirements) – For every £0.5million of labour value the Contractor shall provide 1 x 26 week placement opportunity of 2 x 13 week placement opportunities, either directly or through the supply chain, for the unemployed through the Department for Employment and Learning (DEL) Steps to Work or equivalent. These were not written into the contracts but an instruction was issued to the contractor requesting them to comply with the requirements of DEL and to make an effort to comply. DEL had agreed to provide the persons required however it would appear that communication had ceased and the contractor did not meet their requirements through the DEL approved scheme. They did however employ 6 local people through their own channels.

### Dunville Park Regeneration

As part of our funding agreement with BRO we have a condition which states: 'Unemployed (Contract Requirements) – For every £0.5million of labour value the Contractor shall provide 1 x 26 week placement opportunity of 2 x 13 week placement opportunities, either directly or through the supply chain, for the unemployed through the Department for Employment and Learning (DEL) Steps to Work or equivalent. These were not written into the contracts but an instruction was issued to the contractor requesting them to comply with the requirements of DEL to make an effort to comply. The contractor provided one local Belfast based trainee labourer on a part time basis.

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<b>Subject:</b>	Local Multiplier Model (LM3) – update on outcomes of 2014-2015 review
<b>Date:</b>	22 January 2016
<b>Reporting Officer:</b>	Gerry Millar, Director of Property and Projects Donal Durkan, Director of Development
<b>Contact Officer:</b>	Donal Rogan, Head of Contracts Lisa Toland, Head of Economic Initiatives and International Development

<b>Is this report restricted?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	<b>Purpose of Report</b>
1.1	<p>The purpose of this report is to:</p> <ul style="list-style-type: none"> <li>– Update members on the re-baseline of the local multiplier model (LM3) used to measure the economic impact of the Council's expenditure</li> <li>– Agree the recommendations of the study identifying approaches for increasing the council's economic impact, aligned to the Belfast Agenda.</li> </ul>
2.0	<b>Recommendation</b>
2.1	<p>It is recommended that Members:</p> <ul style="list-style-type: none"> <li>– Note the findings from the 2015 Economic Impact Study report</li> <li>– Give approval for the 2015 LM3 figure to be the Council's baseline position for future comparison</li> <li>– Agree to the development of a social value procurement framework</li> <li>– Agree that this work should be looked at in the context of a strategic and integrated</li> </ul>

	<p>approach to addressing issues of poverty and inequality within the economic growth context of the Belfast Agenda, to maximise our combined contributions to social outcomes.</p>
3.0	<p><b>Key issues</b></p>
3.1	<p>In order to review and further enhance the volume of expenditure by the Council in the local area, the Centre for Local Economic Strategies (CLES) was commissioned in 2013 to undertake a study of the Council's spending. The purpose of this work was to measure the economic impact of the Council's investment and to identify ways to maximise the economic, social and environmental benefit derived from the spending.</p>
3.2	<p>The CLES study measured the economic impact of the Council's expenditure using an economic multiplier model called LM3. This involved analysing employee, supplier and grant expenditure and also incorporated a survey amongst each of these groups to understand how they further impacted the local economy through their own spending decisions. Through this research, an expenditure baseline was created identifying where the Council's spend is going and how this expenditure is being spent within a number of geographical boundaries.</p>
3.3	<p>At the Strategic Policy and Resources Committee meeting in April 2015, members agreed that the Council should use LM3 as its preferred methodology to measure the economic impact of expenditure. Since 2013, an annual LM3 calculation has been undertaken to track the economic impact of Council expenditure. In September 2015, CLES were commissioned to re-baseline the LM3, to take into account the changes to the Council arising from Local Government Reform (LGR), principally the boundary changes and staffing increases.</p>
3.4	<p>The initial CLES study in 2013 created a baseline to measure the Council's economic impact across four geographic levels: Belfast boundary, Post-LGR Belfast, Greater Belfast and Northern Ireland using the LM3 model. These initial results were presented in November 2013, using 12/13 financial data and identified that for every £1 of council expenditure:</p> <ul style="list-style-type: none"> <li>– 76 pence was spent or re-spent in the Belfast economy</li> <li>– £1.02 was spent or re-spent in the Greater Belfast Area</li> <li>– £1.35 was spent or re-spent in the regional economy</li> </ul>

3.5	<p>The 2015 re-baseline of the LM3, using 14/15 financial data, has identified that for every £1 of council expenditure:</p> <ul style="list-style-type: none"> <li>– 70 pence is spent or re-spent in the Belfast economy</li> <li>– 96 pence is spent or re-spent in the Greater Belfast economy</li> <li>– £1.34 is spent or re-spent in the regional economy.</li> </ul>
3.6	<p>The above analysis highlights a small reduction in local economic impact from the initial baseline. There are a number of reasons for this and they include:</p> <ul style="list-style-type: none"> <li>– The proportion of spend with Belfast-based revenue and capital suppliers has decreased. The level of decrease is more significant amongst capital spend and this reflects market conditions where the majority of construction companies are located outside of the council boundary;</li> <li>– The re-spend of suppliers back into the Belfast economy has also decreased; however this in part is due to a lower level of engagement through the survey from Belfast suppliers</li> <li>– When analysing employee spend, the number of resident employees has increased, however their overall re-spend within the city has decreased. One of reasons behind this could be the fact that a higher proportion of employees are home owners than was the case in 2013, and spend on mortgages is automatically identified as non-Belfast spend (given that many of the banks are national chains).</li> </ul>
3.7	<p>Whilst the above findings indicate a decrease in the impact of the Council's expenditure in the local and regional economy, comparisons with the original baseline are problematic as this was developed on a pre-LGR position (in terms of geography and staffing numbers). Therefore it is proposed that the 2015 study will be the Council's baseline position on which future annual reviews will be based. Comparisons with other council areas suggest that, whilst a decrease has occurred, spending with local suppliers by Belfast City Council exceeds the benchmarks of other councils for local purchasing within Northern Ireland and the rest of the UK.</p>
3.8	<p>Over the past two years, a range of activities has been undertaken to increase the local impact of expenditure. The 2015 study reviewed these activities and acknowledged the positive work undertaken to develop progressive approaches to procurement, increase the accessibility of procurement opportunities and build the capacity of local suppliers. However the study also identified a number of gaps in the following areas:</p> <ul style="list-style-type: none"> <li>– Embedding social value into procurement and linking procurement to the Council's</li> </ul>

	<p>strategic priorities within the Belfast Agenda</p> <ul style="list-style-type: none"> <li>– Need to build a better understanding of the potential offer by companies from the Belfast and Greater Belfast area in relation to goods and service provision, in order to reduce leakage from the market</li> <li>– Influencing the activities of other anchor institutions aligned to the priorities of the Belfast Agenda e.g. boosting local employment, fostering business growth.</li> </ul>
3.9	<p>In order to improve the baseline in the coming year, it is proposed that the following activities are undertaken:</p> <ul style="list-style-type: none"> <li>– <b>Strengthening engagement with Belfast based organisations and market testing:</b> particularly in areas where there is significant expenditure leaking outside of the Belfast and regional economy. Specific areas of focus include expenditure on ICT and facilities management.</li> <li>– <b>Influencing existing suppliers:</b> this could be achieved on two levels, the first through the development of a Social Value Procurement Framework which will embed city priorities into the council's procurement decisions. Secondly it is recognised there are a number of key suppliers currently in contract with Council, where the potential exists to engage with these suppliers to look at how they can contribute towards the city's priorities</li> <li>– <b>Influencing anchor institutions:</b> The Council is engaged with a range of anchor institutions on the Belfast Agenda and in other areas. There are opportunities to work with them to encourage them to understand the existing impact of spend, look at how it could be enhanced and contribute towards the outcomes of the Belfast Agenda.</li> </ul>
3.10	<p>A key area for development is the proposal to look at procurement as a tool for creating social value, rather than just a purchasing transaction. This could be done by developing a Social Value Procurement Framework, set in the context of the emerging outcomes within the Belfast Agenda. Through this approach, the priorities of the Agenda could be embedded into the Council's procurement decisions, thereby providing a much greater capacity to stimulate and influence the activities of the supply chain. The broader strategic context for this work is set out in a separate report on the development of a strategic and integrated approach to addressing issues of poverty and inequality within the economic growth context of the Belfast Agenda, to maximise our combined contributions to social outcomes.</p>
4.0	<p><b>Resource Implications</b></p>

4.1	This work will be led by teams from the Corporate Procurement Service and the Economic Development Unit. Any financial implications of programme activity have been set aside within the Economic Development Unit estimates for the coming year, subject to council approval.
5.0	<b>Equality and Good Relations Implications</b>
5.1	No specific equality or good relations implications.
6.0	<b>Appendices- Documents Attached</b>
6.1	There are no appendices.

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<b>Subject:</b>	Coca-Cola Zero Belfast Bike scheme
<b>Date:</b>	22nd January 2016
<b>Reporting Officer:</b>	Donal Durkan, Director of Development
<b>Contact Officer(s):</b>	Anne Doherty, Planning & Transport Officer Eve Bremner, Programme Manager

<b>Is this report restricted?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report</b>
1.1	<p>This report asks Members to consider:</p> <ul style="list-style-type: none"> <li>– proposals to develop a strategic plan for the expansion of the Coca-Cola Zero Belfast Bikes scheme;</li> <li>– proposals to develop an annual marketing and promotions plan;</li> <li>– the process by which future requests for expansion should be managed until such time as a strategic plan is in place; and</li> <li>– the current requests by DSD and Belfast Trust for additional docking stations outside of the core city centre area.</li> </ul>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>The Committee is asked to:</p> <ol style="list-style-type: none"> <li>1. Agree that a strategic plan for the spatial expansion of the Coca-Cola Zero Belfast Bikes Scheme, supported by an annual marketing and promotional plan, be developed and brought back to Committee before the summer (paragraph 3.5).</li> <li>2. Note that the strategic review and proposed marketing plan will consider future running costs and proposals to increase income, membership, usage and benefits of the scheme.</li> <li>3. Agree that, until such time as a strategic plan is agreed, future proposals by 3<sup>rd</sup> parties to</li> </ol>



	<p>fund expansion of the Scheme be assessed by officers against the noted criteria and brought back to Committee for consideration as required (paragraph 3.9 &amp; 3.10).</p> <p>4. Approve the proposals made by Belfast Trust and agree that officers can engage with Belfast Trust to initiate delivery.</p> <p>5. Approve the proposals by DSD subject to final assessment by officers, approval of the relevant Building Successful Communities Fora and contracts for funding being agreed.</p>
<b>3.0</b>	<b>Main report</b>
3.1	Members will be aware that the capital costs of phase 1 of the Belfast Bikes scheme (300 bikes and 30 docking stations in the core city centre) were met by the DRD and that an additional 2 stations at Queen's University and 1 at Titanic Belfast were subsequently agreed by the SP&R committee in June 2015 and opened in November.
3.2	A six-year contract for operating and maintaining the current scheme was agreed with NSL in April 2015 and there is a related sponsorship agreement with Coca-Cola HBC for phase 1, initially for three years, which covers approximately 23% of the phase 1 operating costs.
	<b><u>Strategic Plan</u></b>
3.3	Belfast Bikes has proved extremely popular and the Council has received numerous requests for expansion. There may also be opportunities to work in partnership and secure funding from other bodies if the scheme were to expand beyond its current boundaries. At the SP&R Committee meeting in June 2015 SP&R Members therefore requested that officers explore options for expansion.
3.4	In order for growth to be sustainable it is essential that any decision to expand is made within the strategic context of the scheme and is also closely aligned with our corporate ambitions for the city. As such it is suggested that a strategic plan should be developed; informed by an evaluation of the existing scheme, user demand and experience from other schemes.
3.5	<p>This long-term strategy would consider a number of key areas:</p> <ul style="list-style-type: none"> <li>a. <b>Strategic aims and outcomes of spatial expansion</b></li> <li>b. <b>Demand and opportunities for expansion</b> - i.e. partnership working, user demand, funding opportunities, alignment with other capital/revenue projects</li> <li>c. <b>Existing cycle infrastructure and DRD Bicycle Strategy</b></li> <li>d. <b>Benefits and risks</b></li> <li>e. <b>Resource implications</b> - i.e. financial sustainability, income generation, sponsorship</li> </ul>

	<p>f. <b>Procurement approach</b></p> <p>g. <b>Proposals for phased expansion</b> - i.e. coverage &amp; timescales</p>
3.6	<p>It is proposed that this work would be undertaken by Council officers, involving consultation with elected members, users, key stakeholders and other local authority scheme operators. A draft report with initial findings would be brought back to Committee in April 2016 with a view to the final strategy being agreed by the summer.</p>
3.7	<p><b><u>Marketing Plan</u></b></p> <p>It is also suggested that the current scheme, and any future expansion, would benefit from proactive marketing and promotions and as such it is recommended that Council officers develop an annual marketing and promotions plan to grow membership, increase usage and promote the benefits of the scheme. The need to coordinate and develop procedures for managing the ongoing promotion, marketing and engagement activities in conjunction with the scheme partners (Department of Regional Development, the scheme sponsor Coca-cola HBC and the scheme operator NSL) would also be an important element of this approach.</p>
3.8	<p><b><u>Future Requests for expansion</u></b></p> <p>Until such time as a strategic plan is agreed it is suggested that the Council should put in place a process by which proposals from third parties to fund expansion are considered. Committee is therefore asked to endorse the following criteria against which proposals would be assessed by officers before a recommendation is brought to Committee.</p>
3.9	<p>Essential criteria would include:</p> <ol style="list-style-type: none"> <li>1. <b>Supporting Network</b> - Docking stations should be part of a supporting strategic network with each station between 300 to 500 metres apart.</li> <li>2. <b>Sustainable growth</b> - Docking stations should ideally be located in areas of high footfall that generate activity during the day and evening to ensure that the areas will generate sufficient subscriptions/income and can be operationally managed within the context of the wider scheme.</li> <li>3. <b>Resources</b> - Sufficient levels of capital and revenue resources should be in place.</li> </ol>
3.10	<p>Other factors that would inform assessment would include:</p> <ol style="list-style-type: none"> <li>a. <b>Income</b> - Expansion of the network should lead to an increase in income in the form of subscriptions and usage charges. Members should note that actual income for the first 6 months of Year 1 is £95,000 (35% of the annual target) and the monthly income (along</li> </ol>

	<p>with usage) is expected to decline over the winter months. Subsequently, although the membership (subscription) rates are on target, the income from usage charges is low due to a majority of journeys being under 30 minutes and thus free of charge. When considering requests for expansion therefore it should be considered whether new stations are likely to encourage increased membership and associated income.</p> <p>b. <b>Sponsorship</b> - The current sponsorship payment from Coca-Cola HBC is £100,000 per annum over a 3 year contract which covers 23% of Phase 1 costs. The income from sponsorship for Phase 2 is not yet confirmed however and the current contract requires that this is subject to negotiation.</p> <p>c. <b>Vandalism</b> - Elected members should note that the monthly management fee covers vandalism costs up to £1,000 and the Council is liable to cover costs for any vandalism above £1,000 per month. Experience from the Belfast and other schemes indicates that issues of vandalism can arise in areas that do not have regular usage and surveillance.</p> <p>d. <b>Current usage</b> - A review of the current use of Belfast Bikes (rentals / returns) indicates that the east and south sectors of the city experience the highest demand (Odyssey 1,700 rentals per month, Botanic Avenue 1,300 rentals per month). The current level of rentals/returns for stations in the north and west is low in comparison. Smithfield is consistently the least used station in the system with around 150 rentals per month followed by College Square East, Dunbar Link and Carrick Hill and Millfield. Maps are attached in Appendix 2 which illustrates average daily rentals for each station per month.</p> <p><b><u>Current requests for expansion</u></b></p>
3.11	<p>Finally, in keeping with the above recommendations the Committee is asked to consider a number of existing requests for expansion.</p>
3.12	<p><b><u>1. Belfast Trust</u></b></p> <p>Belfast Health and Social Care Trust has offered a grant of up to £100,000 to cover the capital costs to design and build 3 docking stations at three hospital sites (City, Royal Victoria and Mater Hospitals) and the first year's operating costs. Work is ongoing to identify appropriate site locations, size of stations and costings with the Belfast Trust Estates Department.</p>

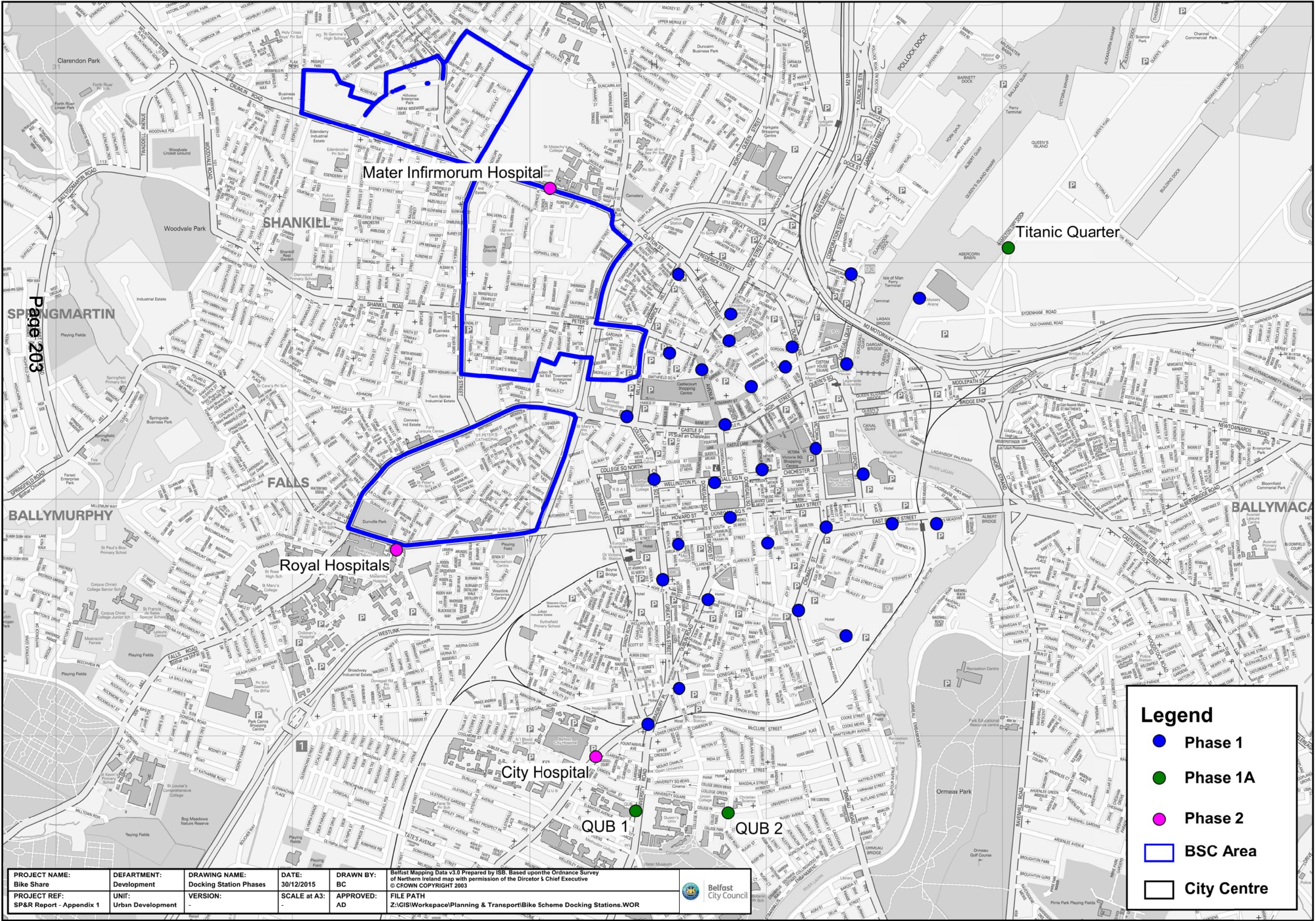
3.13	<p>Having considered the proposal it is noted that:</p> <ul style="list-style-type: none"> <li>– The hospital sites (see Appendix 1) are in areas of high footfall with large volumes of staff and students travelling between the sites on a regular basis. Therefore it is anticipated that the additional stations should attract a high number of users and additional subscriptions and generate better levels of income.</li> <li>– Work is ongoing to identify appropriate site locations, size of stations and costings with the Belfast Trust Estates Department and further work is required to confirm whether proposed areas can be carried out as part of a supporting network or if additional stations may be required to link into the existing network.</li> <li>– The Belfast Trust has committed £100,000 capital funding and one year's running costs which means there will be no impact upon 2016/17 financial estimates.</li> </ul>
3.14	<p>In light of the above findings it is recommended that the Committee approves this proposal and that highlighted running costs are incorporated in the medium term financial plans going forward. If agreed, officers will undertake to liaise with the Belfast Trust to confirm final sites and initiate delivery.</p>
3.15	<p><b><u>2. DSD Building Successful Communities programme</u></b></p> <p>DSD is proposing to fund the capital costs and the first year's maintenance costs of 8 docking stations within three of the Building Successful Communities (BSC) pilot areas (Appendix 1):</p> <ul style="list-style-type: none"> <li>• Lower Shankill &amp; Brown Square – 2 docking stations (contract for funding received and currently being reviewed by officers)</li> <li>• Lower Oldpark – 3 docking stations (subject to Forum approval)</li> <li>• Lower Falls - 3 docking stations (subject to Forum approval)</li> </ul>
3.16	<p>Having considered the proposal it is noted that:</p> <ul style="list-style-type: none"> <li>– The Lower Shankill and Lower Falls areas are adjacent to the core city centre Belfast Bikes network and could support the proposed hospital locations. As noted in previous reports the Lower Shankill proposal has been approved by the BSC Forum. The Lower Falls proposal though requires the approval of the BSC Forum for the area.</li> <li>– The proposal to locate 3 docking stations at Lower Oldpark area does not fit with the criteria for phased expansion. Following discussions DSD however has indicated that the docking stations could be located outside the BSC boundary at Lower Oldpark and service the Girdwood development. However further assessment would need to be carried out to ascertain if stations in the adjoining areas would be viable and additionally this proposal would require BSC Forum approval.</li> </ul>

3.17	<ul style="list-style-type: none"> <li>– It is not clear what the patterns of use of Belfast Bikes will be in the mainly residential BSC areas. It is anticipated that it may be more commuter based at morning and evening peak times and tidal i.e. will require redistribution of bikes at peak traffic times to ensure availability. This can be difficult to achieve and may affect the performance of the wider network.</li> <li>– DSD has committed to funding the capital costs and one year's running costs for the additional docking stations in Building Successful Communities pilot areas which means there will be no impact upon 2016/17 financial estimates .It is possible that the income generated from these additional docking stations will not cover running costs and as such it will be necessary to assess the impact in terms of the medium term financial planning process.</li> <li>– All proposals would be subject to a satisfactory contract of funding for the delivery of the projects being obtained and agreed between the Council and DSD.</li> </ul> <p>In light of the above findings it is recommended that the Committee approves this proposal and that highlighted running costs are incorporated in the medium term financial plans going forward. It should be noted however that final approval would be subject to further assessment of sites by officers, endorsement of BSC Fora and a satisfactory contract of funding being agreed.</p>
4.0	<b>Financial &amp; Resource Implications</b>
4.1	<p><b>Strategic Plan &amp; Marketing Plan</b> - None at present, this work would be undertaken by staff from the Development Department, Property &amp; Projects Department and Corporate Communications. Any future resource implications associated with recommendations would be highlighted in subsequent reports.</p>
4.2	<p><b>Belfast Trust &amp; DSD</b> - There will be no impact upon 2016/17 estimates. While it is anticipated that income from the docking stations at the hospital sites should cover costs those funded by DSD will have to be considered as part of the medium term financial planning process.</p>

<b>5.0</b>	<b>Equality or Good Relations Implications</b>
5.1	None.
<b>6.0</b>	<b>Appendices</b>
6.1	<b>Appendix 1</b> - Proposed docking stations locations at hospital sites and DSD BSC pilot areas <b>Appendix 2</b> - Average Daily Rental Statistics April to November 2015

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PROJECT NAME: Bike Share	DEFARTMENT: Development	DRAWING NAME: Docking Station Phases	DATE: 30/12/2015	DRAWN BY: BC	Belfast Mapping Data v3.0 Prepared by ISB. Based upon the Ordnance Survey of Northern Ireland map with permission of the Director & Chief Executive © CROWN COPYRIGHT 2003
PROJECT REF: SP&R Report - Appendix 1	UNIT: Urban Development	VERSION:	SCALE AT A3: -	APPROVED: AD	
FILE PATH Z:\GIS\Workspace\Planning & Transport\Bike Scheme Docking Stations.WOR					

**Legend**

Phase 1

Phase 1A

Phase 2

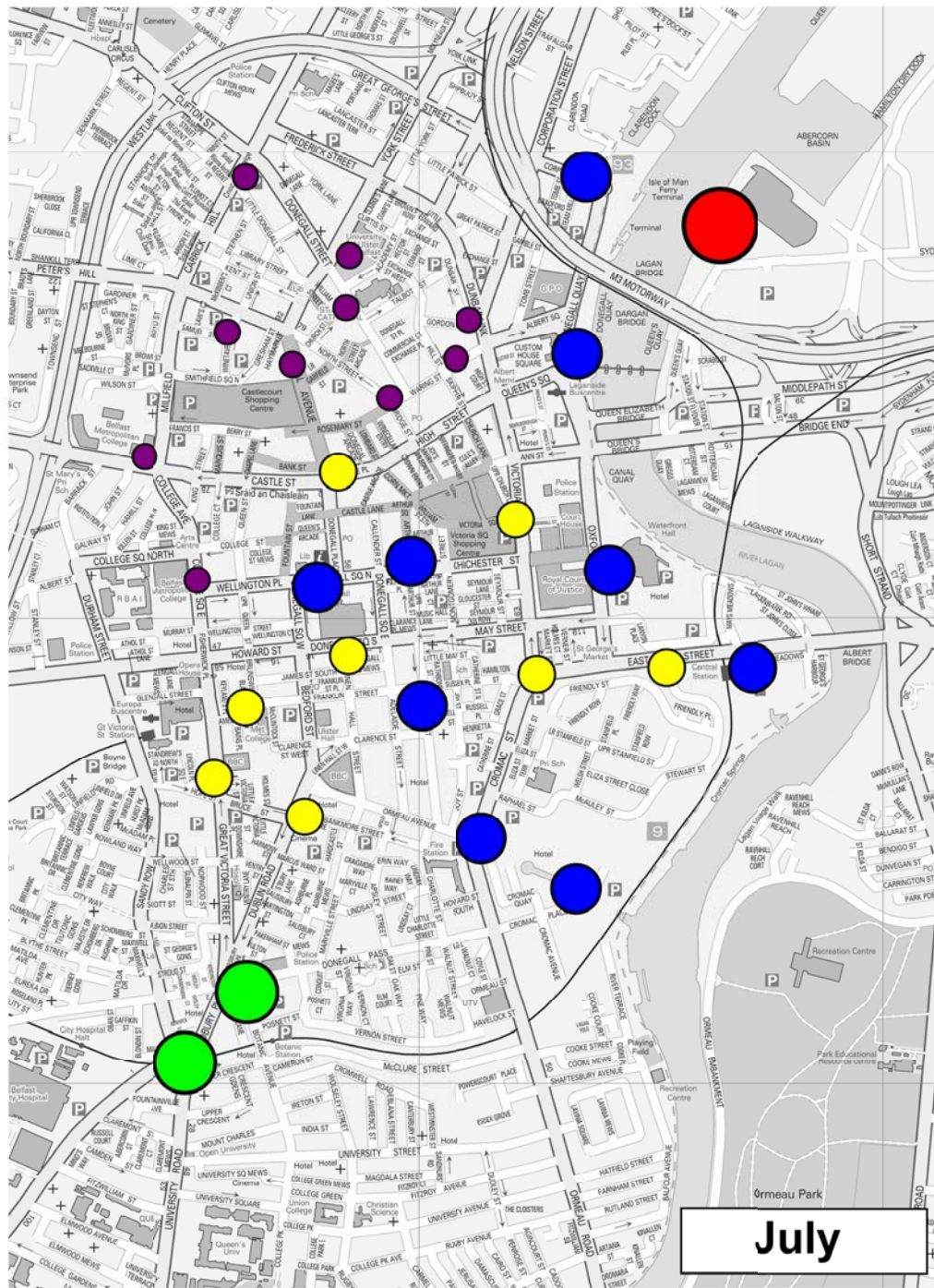
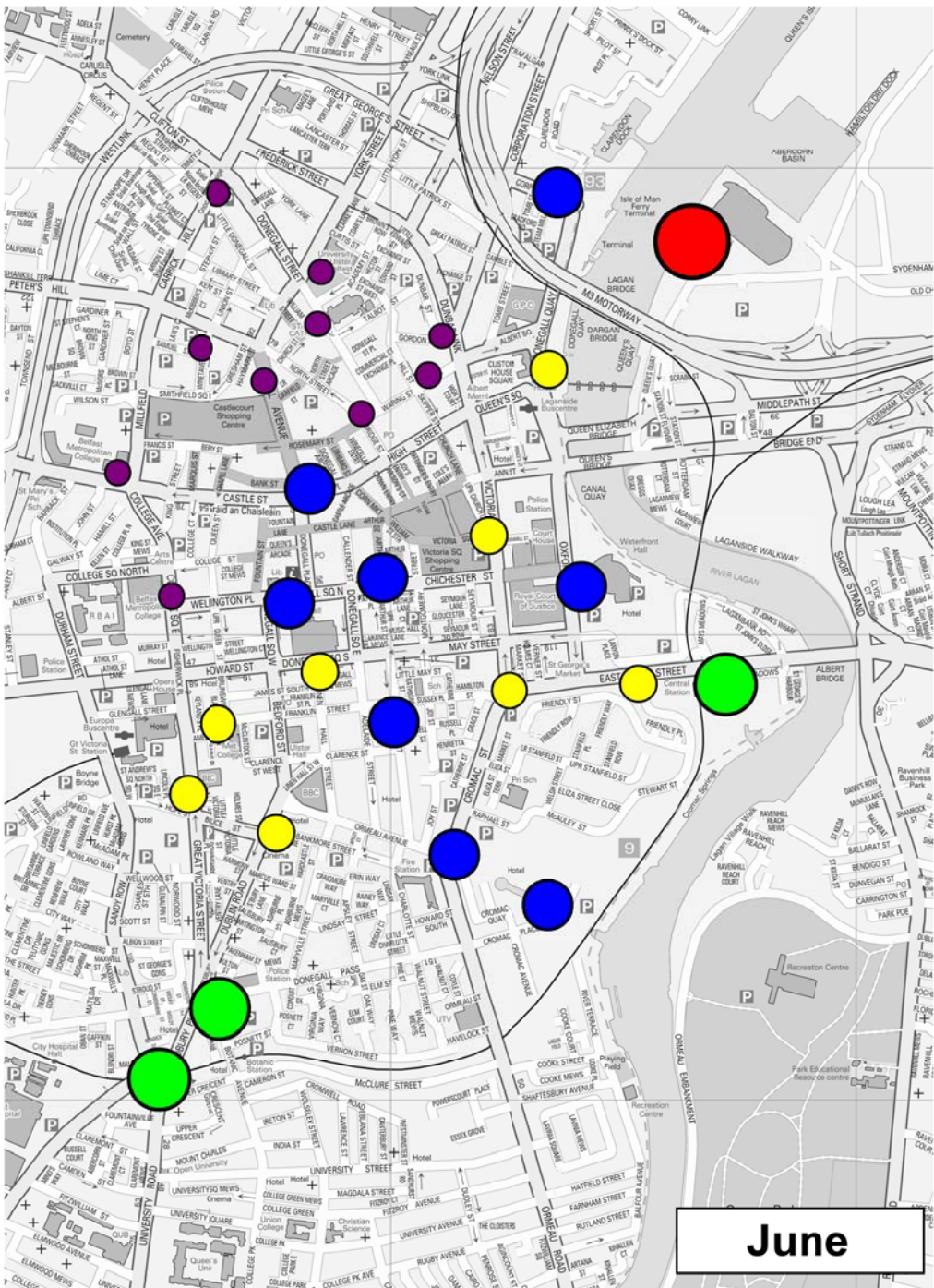
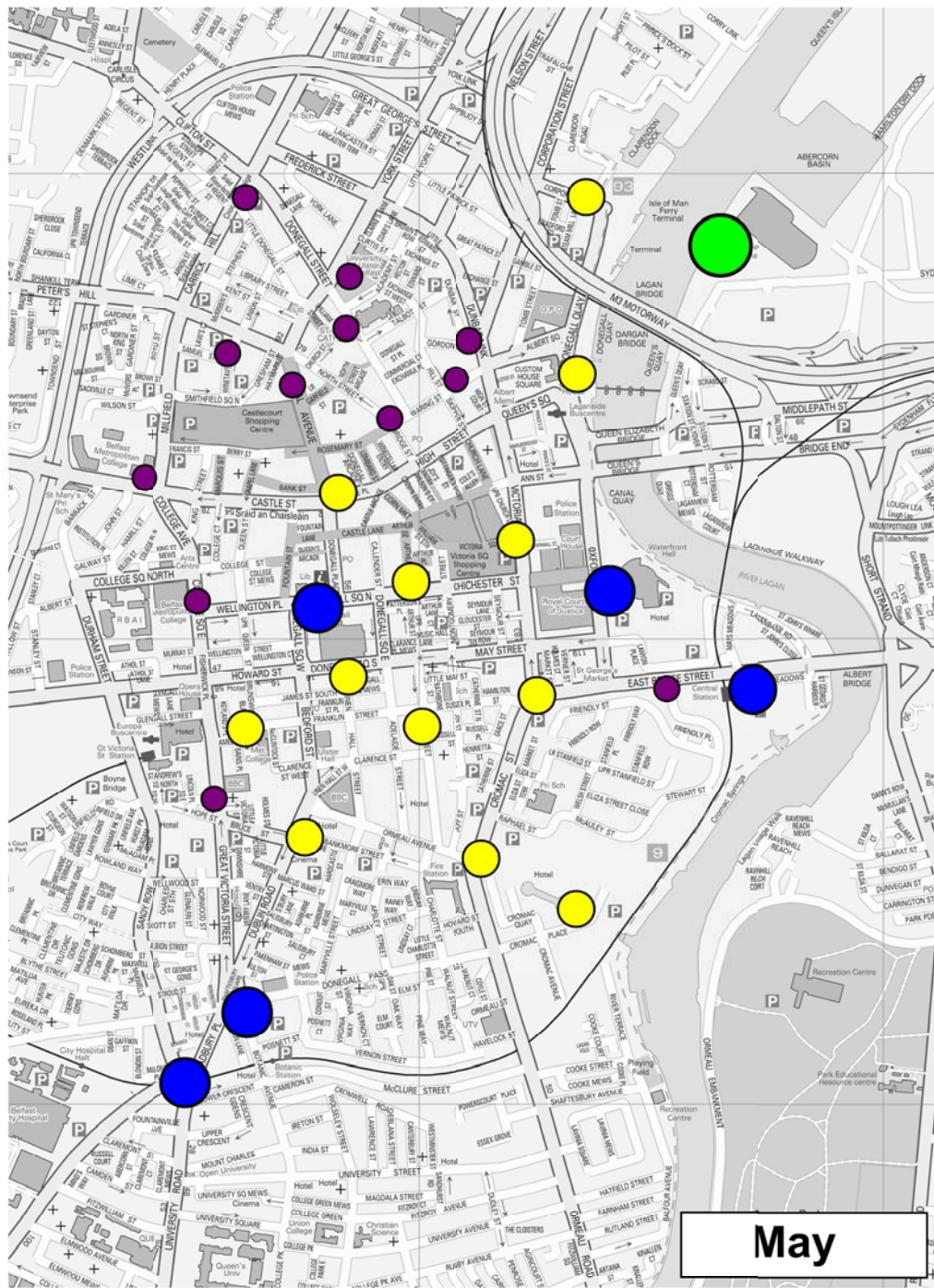
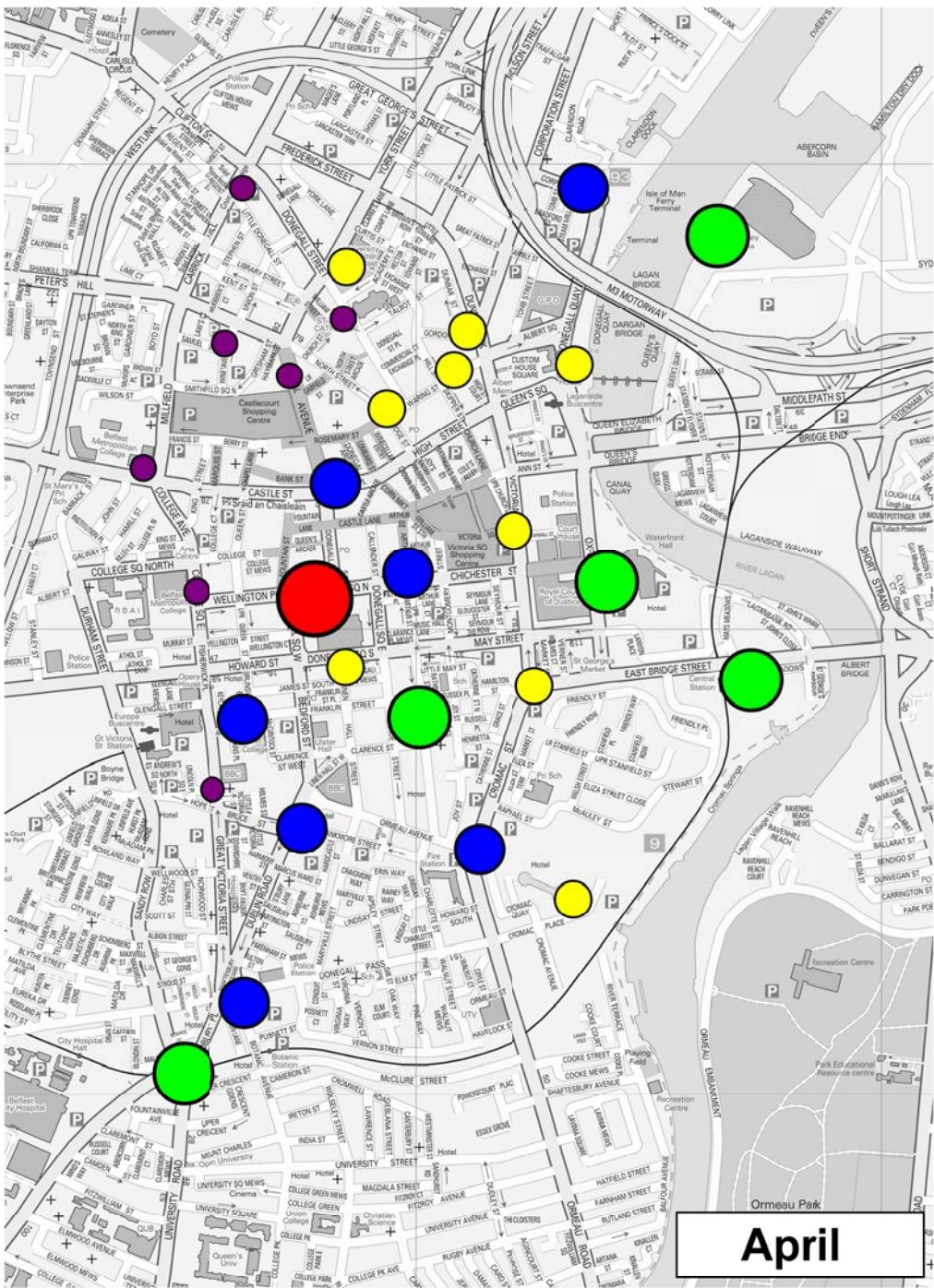
BSC Area

City Centre

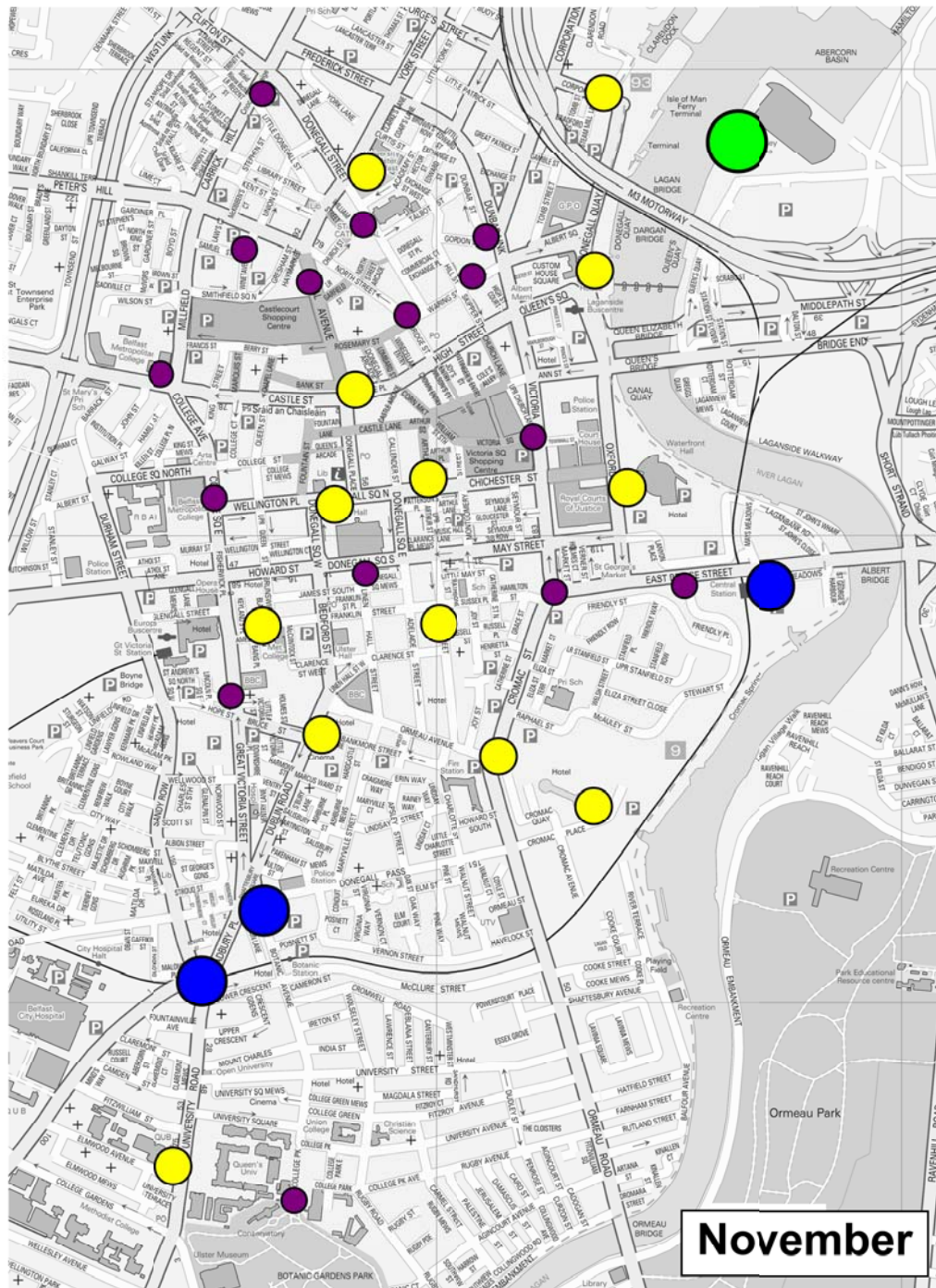
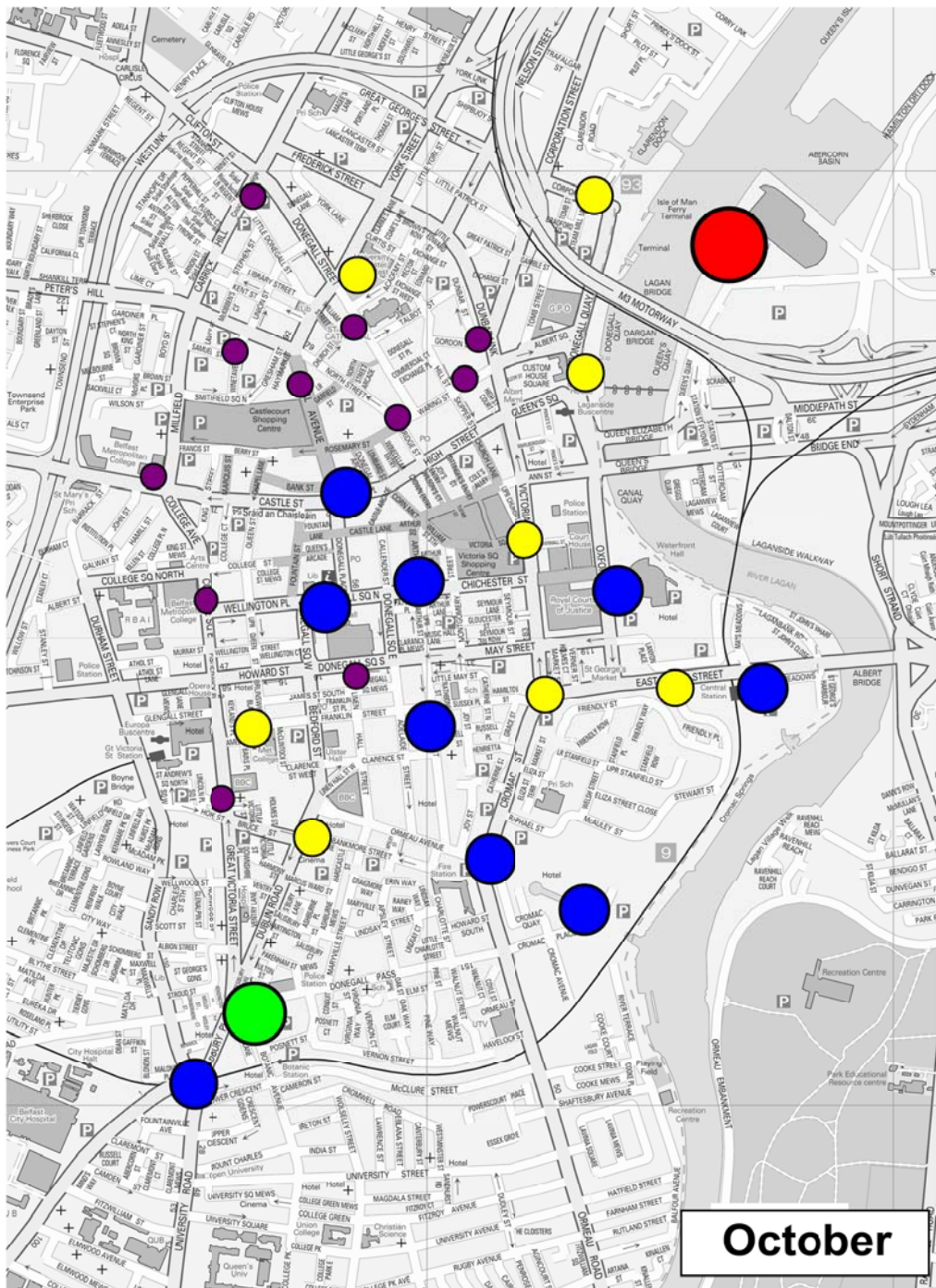
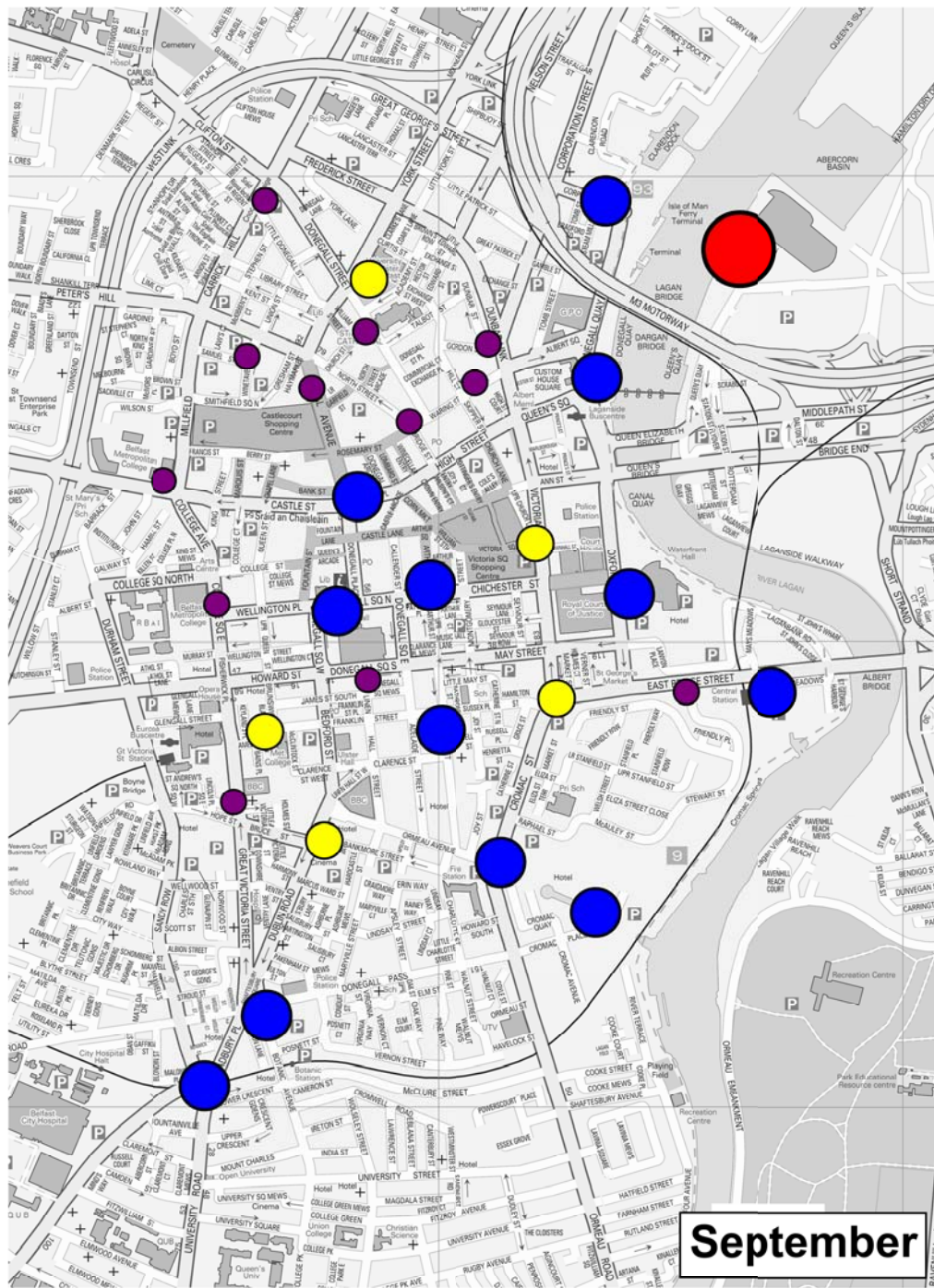
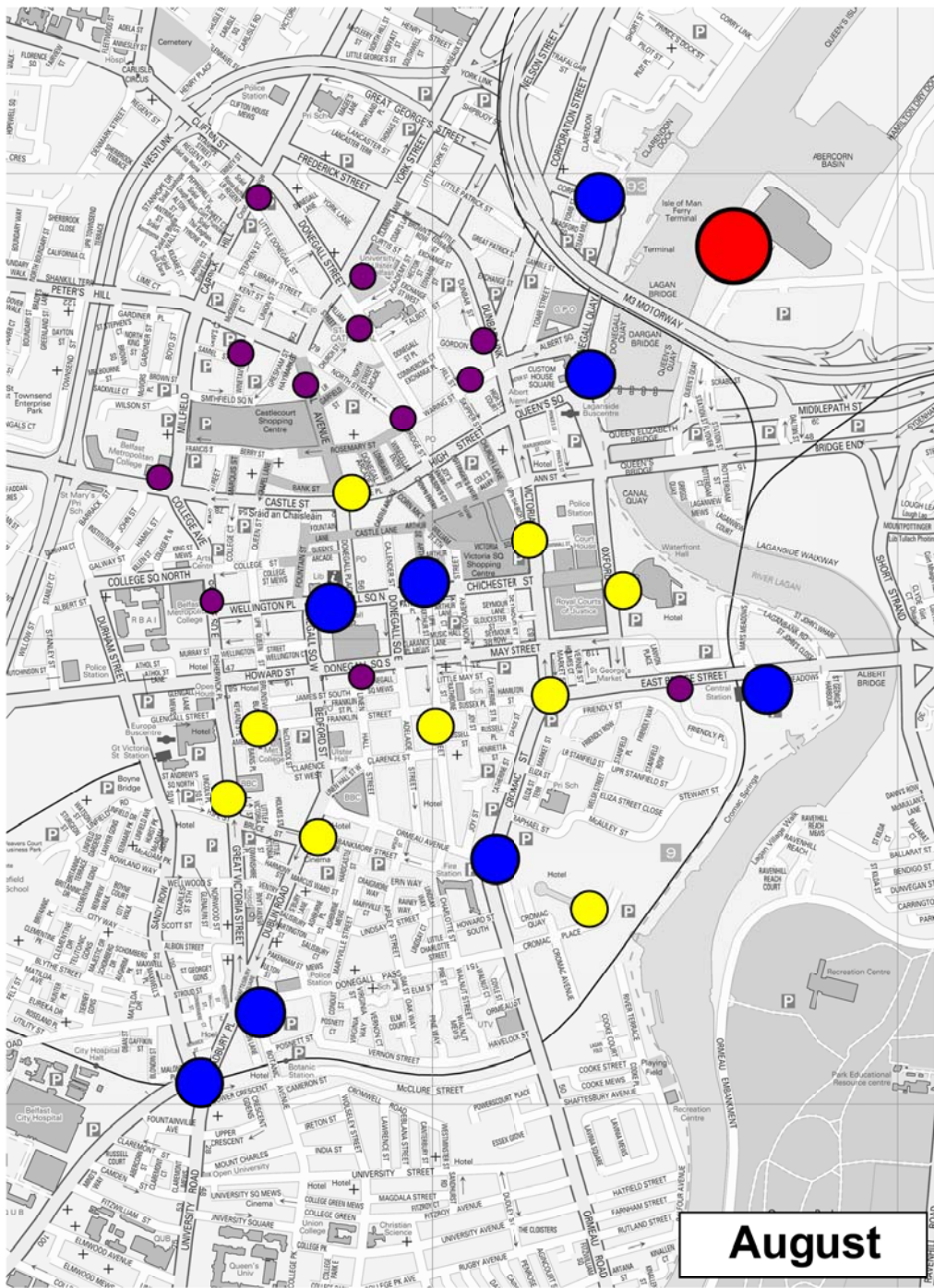


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<b>DRAWING NAME:</b> Appendix 2: Average Daily Eike Rentals	
<b>DATE:</b> 29/12/2015	<b>DRAWN BY:</b> BC
Belfast Mapping Data v3.0 Prepared by ISB. Based upon the Ordnance Survey of Northern Ireland map with permission of the Director & Chief Executive © CROWN COPYRIGHT 2003	
<b>FILE PATH</b> Z:\GIS\Workspace\Planning & Transport\Bike Rentals 2015\WOR	



**Belfast**  
City Council

Average Daily Rentals







<b>Subject:</b>	Good Relations Partnership Meeting – 11th January 2016
<b>Date:</b>	22 <sup>nd</sup> January 2016
<b>Reporting Officer:</b>	Nicola Lane, Good Relations Manager
<b>Contact Officer:</b>	Margaret Higgins, Senior Good Relations Officer

Is this report restricted?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of this report is to report to committee on the key issues discussed at the Good Relations Partnership meeting held on 11 <sup>th</sup> January 2016.
<b>2.0</b>	<b>Recommendations</b>
2.1	That the Strategic Policy and Resources Committee approve the minutes and the recommendations from the Good Relations Partnership Meeting held on 11 <sup>th</sup> January 2016.
<b>3.0</b>	<b>Main report</b>
	<u>Key Issues</u>
3.1	The Good Relations Partnership is a Working Group of the Strategic Policy and Resources Committee which consists of Elected members and representatives from various sectors across the city. The minutes from the Partnership are brought before the Committee for approval on a monthly basis.
3.2	The key issues on the agenda at the January meeting were: <ul style="list-style-type: none"> <li>• Presentation on the Belfast Agenda</li> <li>• Publication of the Racial Equality Strategy</li> </ul>

	<ul style="list-style-type: none"> <li>• Good Relations Conference -20<sup>th</sup> January 2016</li> <li>• Holocaust Memorial Day</li> <li>• District Council Good Relations Programme Budget</li> </ul>
3.3	More details regarding the above issues and recommendations are included in the minutes of the meeting
	<u>Financial &amp; Resource Implications</u>
3.4	All expenditure is contained within existing budgets.
	<u>Equality or Good Relations Implications</u>
3.5	The recommendations of the Partnership promote the work of the Council in promoting good relations and will enhance equality and good relations impacts.
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	Copy of the minutes of the Good Relations Partnership of 11 <sup>th</sup> January 2016.

## **GOOD RELATIONS PARTNERSHIP**

**MONDAY, 11th JANUARY 2016**

### **MEETING OF THE GOOD RELATIONS PARTNERSHIP**

Members present: Councillor Kyle (Chairperson); and  
Councillors Attwood, Johnston, Walsh and Sandford.

External Members: Ms. O. Barron, Belfast Health and Social Care Trust;  
Mr. S. Brennan, Voluntary/Community Sector;  
Ms. A. Chada, Voluntary/Community Sector;  
Mr. K. Gibson, Church of Ireland;  
Ms. J. Hawthorne, Northern Ireland Housing Executive; and  
Mr. P. Scott, Catholic Church.

In attendance: Ms. A. Deighan, Good Relations Officer;  
Mrs. M. Higgins, Senior Good Relations Officer;  
Ms. N. Lane, Good Relations Manager;  
Mrs. S. Toland, Lead Operations Officer/Head of  
Environmental Health;  
Mrs. S. Steele, Democratic Services Officer.

#### **Apologies**

Apologies were reported on behalf of Councillor Bradshaw, Rev. L. Carroll, Mr. P. Mackel, Mrs. M. Marken, Ms. C. Moore, Mr. M. O'Donnell and Mr. U. Tok.

#### **Minutes**

The minutes of the meeting of 14th December were taken as read and signed as correct.

#### **Declarations of Interest**

No declarations of interest were reported.

#### **Presentation – Building the Belfast Agenda**

(Mrs. S. McNicholl, Strategic Planning and Policy Manager and Mr. D. Cuthbert, Community Planning Project Officer attended in connection with this item.)

The Chairman welcomed the Officers to the meeting. He reminded the Partnership that it had agreed to receive an update presentation on the progress of the Belfast Agenda from a Good Relations perspective.

Mrs. S. McNicholl commenced the presentation by outlining the objective of the Community Planning Function, explaining that it is “a process which helps public agencies to work together with the community to plan and deliver better services which make a real difference to people’s lives.” She explained that the long term objective was to improve social, economic and environmental wellbeing.



**Good Relations Partnership,  
Monday 11th January, 2016**

The Members were advised that the Belfast Agenda was the Council's framework for progressing Community Planning and had been used as the basis for developing the City's first Community Plan, which had identified the:

- vision for Belfast;
- outcomes for residents and the city;
- priorities and actions (i.e. details on how to progress the outcomes over a four year period); and
- commitment from partners (getting firm agreements from the Council's city partners to deliver programmes, initiatives and resources that would address the priorities identified).

She reviewed the extent of the work which had been carried out and highlighted a number of activities which had been undertaken, which included the following achievements to date:

- completion of a Belfast City Council Residents' survey;
- a 'Plan on a Page';
- the Belfast Conversation; and
- a review of existing plans and strategies;

She then drew the Members' attention to the Belfast Profile, detailing the things the people who had been surveyed liked about Belfast; the City's vibrancy, its people, natural environment, built environment and its relatively compact size. She proceeded to detail where people would like to see improvements; its connectivity and transport; Good Relations issues, issues that limit city vibrancy, city governance issues and the built environment.

She summarised by reporting that some of the emerging areas for the development of outcomes for Belfast in 2030 were:

- a thriving and prosperous economy;
- a welcoming, safe, fair & inclusive city;
- people in Belfast fulfilling their potential;
- people in Belfast enjoying good health and wellbeing; and
- a vibrant, attractive, connected and environmentally friendly city.

Mr. D. Cuthbert concluded the presentation by detailed the proposed next steps, which included:

- wider engagement and consultation on the themes of the emerging framework (Spring/Summer 2016);
- governance developments and relationships with existing partnerships; and
- the medium/short term Priorities.

**Good Relations Partnership,  
Monday 11th January, 2016**

The Officers then answered a number of questions around implementation and monitoring of the Community Plan and the Belfast Agenda. They advised that the Community Plan was very much an evolving document and welcomed the Good Relations Partnership's input. It was therefore agreed that it would be beneficial for the Officers to periodically attend future meetings of the Partnership to continue to engage with the Members and to update them on the progress made.

At this stage in the proceedings Mrs. S. McNicholl and Mr. D. Cuthbert left the meeting.

**Racial Equality Strategy**

The Good Relations Manager advised the Partnership that the Northern Ireland Executive had recently published a Racial Equality Strategy for Northern Ireland (2015 – 2025). She reminded Members that a draft Strategy had been published for consultation in 2014 and that the Good Relations Partnership had, at that stage, submitted a response.

She advised the Members that the purpose of this strategy was to establish a framework for action by Government Departments (and others), to set out clearly how the Government Departments would create the conditions and circumstances to tackle racial inequalities, eradicate racism and hate crime and promote good race relations and social cohesion.

The Partnership noted the information which had been provided.

**Good Relations Conference**

The Good Relations Partnership noted that a Good Relations Conference would take place in the Girdwood Community Hub on 20th January, as part of a programme being organised to mark the opening of the facility.

**Holocaust Memorial Day**

The Good Relations Officer reminded the Members that the Council was hosting the Staged Reading of the Holocaust Play 'The Suitcase', to commemorate Holocaust Memorial Day in City Hall, on 25th January at 7.00 p.m. She reported that there had been great interest in attending this event and as a result there was a reserve list for those currently awaiting tickets.

**District Council Good Relations Programme Budget**

The Senior Good Relations Officer advised Members that some re-profiling was required in relation to the District Council Good Relations Programme (DCGRP) budget. She requested approval to reallocate £15,000 from the existing DCGRP budget underspend for the purchase of two new beacons and also sought permission for the reallocation of additional funds for the repair and maintenance of the existing beacons. She confirmed that there was adequate funding available within the existing budgets.

**Good Relations Partnership,  
Monday 11th January, 2016**

The Members agreed the reallocation of £15,000 from the DCGRP budget underspend for the purchase of two new beacons and further agreed the reallocation of additional funds to enable the repair and maintenance of the existing beacons.

Chairperson



<b>Subject:</b>	Belfast Statement on Mental Health & Deafness
<b>Date:</b>	22 January 2016
<b>Reporting Officer:</b>	Suzanne Wylie, Chief Executive
<b>Contact Officer:</b>	Stella Gilmartin, Equality Officer

Is this report restricted?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of this report is to seek Committee endorsement of the Belfast Statement on Mental Health and Deafness. This Statement was developed and agreed at the 6 <sup>th</sup> World Congress on Mental Health & Deafness in September 2014.
1.2	Since its agreement President, Brian Symington, has submitted a request to the Council seeking its endorsement of the Statement. Endorsement of the Statement will reinforce the Council's commitment to equality and to the aims and objectives of our Disability Strategy.
1.3	The World Federation of the Deaf is among the many other organisations wishing to endorse the final document.
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>Endorse and support the 'Belfast Statement on Mental Health &amp; Deafness' (attached at <b>Appendix 1</b>).</li> </ul>

<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Key Issues</u></p> <p>The 6<sup>th</sup> World Congress on Mental Health &amp; Deafness, comprising 300 delegates from around the world, met in Belfast from 16-19 September 2014. The objective of the Congress was to address issues around equal rights for deaf people in mental health care with the aim of agreeing a Pathway to Rights. The Belfast Statement is an outcome of that work.</p>
3.2	<p><u>Financial &amp; Resource Implications</u></p> <p>There are no financial or resource implications associated with this report.</p>
3.3	<p><u>Equality or Good Relations Implication</u></p> <p>The Statement reinforces the Council's commitment to equality and to the aims and objectives of our Disability Strategy.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	<b>Appendix 1 : The Belfast Statement on Mental Health &amp; Deafness</b>

MENTAL HEALTH & DEAFNESS, INCLUDING 300 DELEGATES FROM AROUND THE WORLD, MET IN 16-19 SEPTEMBER 2014 AND AGREED TO THE FOLLOWING:

THE 6<sup>th</sup> WORLD CONGRESS ON 300 DELEGATES BELFAST, NORTHERN IRELAND



BELFAST STATEMENT ON MENTAL HEALTH & DEAFNESS

Affirming the right of Deaf, Hard of Hearing, Late Deafened and Deaf-Blind individuals, including adults and children, as per the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD), to:

- Equality and non-discrimination;<sup>1</sup>
- Accessibility;<sup>2</sup>
- Equal recognition before the law;<sup>3</sup>
- Access to justice;<sup>4</sup>
- Liberty and security of the person;<sup>5</sup>
- Freedom from torture or cruel, inhuman or degrading treatment or punishment;<sup>6</sup>
- Freedom from exploitation, violence and abuse;<sup>7</sup>
- Integrity of the person;<sup>8</sup>
- Liberty of movement;<sup>9</sup>
- Independent living and inclusion in community life;<sup>10</sup>
- Personal mobility;<sup>11</sup>
- Freedom of expression and opinion, and access to information;<sup>12</sup>
- Respect for privacy;<sup>13</sup>

Affirming the right of Deaf, Hard of Hearing, Late Deafened and Deaf-Blind individuals, including adults and children, to meaningful, effective and equal access to:

- Education;<sup>14</sup>
- Health;<sup>15</sup>
- Habilitation & rehabilitation;<sup>16</sup>
- Work and employment;<sup>17</sup>
- Adequate standard of living and social protection;<sup>18</sup>
- Participation in political and public life;<sup>19</sup>
- Participation in cultural life, recreation, leisure & sport;<sup>20</sup>

RECALLING & REAFFIRMING

- The Worcester, South Africa Declaration of the 2005 World Congress on Mental Health and Deafness;
- The Bad Ischl, Austria Declaration of the 2003 European Society for Mental Health and Deafness; and,
- The Universal Declaration on Linguistic Rights, UNESCO World Conference on Linguistic Rights, Barcelona, Spain, 9 June 1996;

RECALLING & REAFFIRMING

- The United Nations Convention on the Rights of Persons with Disabilities and its Optional Protocol, particularly General Principles (Article 3) & General Obligations (Article 4); and,
- The United Nations Convention on the Rights of The Child;

The World Congress on Mental Health and Deafness proclaims that Deaf, Hard of Hearing, Late Deafened and Deaf-Blind people, including adults and children, have a right to:

- Dignity, respect and compassion for the linguistic identity of Deaf, Hard of Hearing, Late Deafened and Deaf-Blind people;
- Effective and timely health care, including equal and effective access to mental health services, that accounts for Deaf culture and linguistic identity;
- Equality under national legislation between people with mental health needs and people with physical health needs when it comes to consent and the refusal of consent to interventions;
- Periodic review of treatment;<sup>21</sup>
- Early assessment and treatment;

- Assessment by a qualified worker equipped with social, linguistic and cultural awareness of, and trained in, the needs of Deaf, Hard of Hearing, Late Deafened and Deaf-Blind people;
- Mental health services respecting the needs and wishes of the individual;
- Mental health services that recognise, accept and respect the individual's preferred means of communication including sign language and speech-to-text technology;
- Mental health services that are person-centred, transparent and accountable;
- Mental health services that recognize, accept and respect the role of carers, family and friends;
- Full, equal and effective participation by the individual in the planning of the programme of care; and,
- Communication between the parties in the health care setting in a language modality of the individual's preference.<sup>22</sup>

As stated in Section seven of the Congress Resolution at the XVI World Congress of the World Federation of the Deaf (July 2011), the WFD strongly urges the promotion and development of access to mental health services for deaf children, youth, adults and the elderly, and to initiate and encourage research into appropriate and effective mental health models for deaf populations.

The World Congress on Mental Health and Deafness thereby calls on governments, non-government organisations, mental health care providers and other interested stakeholders to:

- Prioritise and promote the right of Deaf, Hard of Hearing, Late Deafened and Deaf-Blind people to recognition of their linguistic and cultural identity as early as possible to preserve and protect their mental health;
- Prioritise and promote the accessibility of mental health services for Deaf, Hard of Hearing, Late Deafened and Deaf-Blind people;
- Prioritise and promote the right to effective communication access in the mental health care setting from an early age;
- Develop evidence-based standards in mental health care practice and early intervention for Deaf, Hard of Hearing, Late Deafened and Deaf-Blind people;
- Develop demonstration projects in the provision of mental health care services planned and directed by Deaf, Hard of Hearing, Late Deafened, and Deaf-Blind people;
- Encourage the sharing of best practices in mental health care services for Deaf, Hard of Hearing, Late Deafened and Deaf-Blind people;
- Repeal laws that discriminate against people with mental health needs by allowing only people with physical health needs to refuse treatment; and
- Promote the development of specialist mental health care services that are culturally and linguistically appropriate and accessible for Deaf, Hard of Hearing, Late Deafened and Deaf-Blind people.



  
MICHAEL SCHWARTZ

  
MICHAEL SCHWARTZ

  
MICHAEL SCHWARTZ

  
MICHAEL SCHWARTZ

ADOPTED BY ACCLAMATION

THIS DAY OF 2015

BELFAST, NORTHERN IRELAND

<sup>1</sup> UN CRPD Article 5

<sup>2</sup> UN CRPD Article 9

<sup>3</sup> UN CRPD Article 12

<sup>4</sup> UN CRPD Article 13

<sup>5</sup> UN CRPD Article 14

<sup>6</sup> UN CRPD Article 15

<sup>7</sup> UN CRPD Article 16;

UN Convention on the Rights of the Child (hereinafter UN CRC) Article 19

<sup>8</sup> UN CRPD Article 17

UN CRC Article 19

<sup>9</sup> UN CRPD Article 18

<sup>10</sup> UN CRPD Article 19

<sup>11</sup> UN CRPD Article 20

<sup>12</sup> UN CRPD Article 21

<sup>13</sup> UN CRPD Article 22

UN CRC Article 16

<sup>14</sup> UN CRPD Article 24

<sup>15</sup> UN CRPD Article 25

<sup>16</sup> UN CRPD Article 26

<sup>17</sup> UN CRPD Article 27

<sup>18</sup> UN CRPD Article 29

<sup>19</sup> UN CRPD Article 30

<sup>20</sup> UN CRPD Article 30

<sup>21</sup> UN CRC Article 24

<sup>22</sup> See the June 9, 1996 Universal Declaration

on Linguistic Rights, UNESCO World Congress on Linguistic Rights, Barcelona, Spain.

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<b>Subject:</b>	Members' Portal Update
<b>Date:</b>	22 <sup>nd</sup> January 2016
<b>Reporting Officer:</b>	John Walsh, Town Solicitor
<b>Contact Officer:</b>	Elizabeth Watts, Programme Support Officer

<b>Is this report restricted?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of this report is to update and seek the initial views of Members on the development and roll-out of a Members' Portal; an online information and knowledge tool. An update is also provided on the work underway to develop and launch a new version of the 'My Belfast' App.
<b>2.0</b>	<b>Recommendations</b>
2.1	Members are asked to: <ul style="list-style-type: none"> <li>(i) note progress to date on the development of the Members' Portal, including the suggested process and timeline for future roll-out;</li> <li>(ii) agree that the Members' Development Working Group, or their nominees, act as the forum for initial testing/ piloting and feedback on the Members' Portal, albeit any other Member who may wish to participate in the pilot can put themselves forward;</li> <li>(iii) highlight any initial views on the potential content and focus of the Portal;</li> <li>(iv) note the intention to launch a new version of the 'My Belfast' App which is a mobile application for accessing Council services and information about the City.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Key Issues</u></p> <p>The Council was awarded the Charter for Elected Member Development in 2011 and was successfully re-accredited in 2015. One of their recommendations based on best practice was the provision of an <b>information link for Members to support their capacity building</b>.</p>

3.2	<p>As part of Members' induction to the Shadow Council in 2014, a Handbook was developed and uploaded to a Members' document library on the council website, using the Modern.gov platform. Other supporting information was added to the document library at the time, such as guidance documents, officer contact details and an outline of capacity building activities.</p>
3.3	<p>Following the launch of the new council in 2015, officers from Human Resources and Organisational Development (HR&amp;OD) and Digital Services began the development of a dedicated Member's Portal using the document management tool, SharePoint. The aim of the Portal is:</p> <ul style="list-style-type: none"> <li>(i) To provide easy, on-the-move access to current information and data relevant to Members</li> <li>(ii) To sign-post Members to information held elsewhere on the BCC website, Interlink, or on external websites.</li> </ul>
3.4	<p>At the People and Communities Committee work planning session in June 2015, Members suggested that a Members' Portal could support committee working by providing status updates on local projects and events for example.</p>
3.5	<p>The Portal site has now been developed in prototype format and includes the following examples:</p> <ul style="list-style-type: none"> <li>- A homepage with quick links, news and announcements</li> <li>- Read-only access to information on Council Committees using Modern.gov</li> <li>- Space to upload capacity building and Member development materials (e.g. training module information, videos and training news)</li> <li>- Space for local information such as e.g. area working data, local statistics and physical project news</li> <li>- Frequently Asked Questions (F.A.Q.s)</li> <li>- Link to key forms and processes (e.g. mileage)</li> <li>- Links to relevant external websites</li> <li>- Links to strategic documents (e.g. Belfast Agenda, City Centre Regeneration and Investment Strategy, Corporate Plan)</li> <li>- Links to 'find a person/ find a location'</li> <li>- Links to City Hall events information</li> <li>- Link to 'My Belfast' App (the BCC GPS-enabled information App)</li> </ul>

3.6	<p><b>TIMELINE</b></p> <ul style="list-style-type: none"> <li>• <b><u>January:</u></b> The Portal should not duplicate existing information, and therefore a short period of content and layout refinement is now required in consultation with HR&amp;OD, Digital Services, Democratic Services, Corporate Communications and other applicable officers. Any initial views on the content and focus of the Portal are welcomed from Members at this time also.</li> <li>• <b><u>February/ March:</u></b> Once refined, it is proposed that a demonstration is provided to the <b>Members Development Working Group</b> in the first instance. It is anticipated that the Portal pilot will form part of wider capacity building task and finish action plan, and that the Working Group will nominate Members to participate in the pilot. The involvement of other interested Members during testing is welcomed. Nominated Members will have access (on PCs, iPads and Smartphones) to the emerging Members' Portal for an initial test period of 4 weeks</li> </ul> <p>Members should also note that a new version of the <b>'My Belfast' App</b> is currently being prepared with a more graphic interface and provide greater ease of navigation for Members and other users. It would be the intention that the new version of the 'My Belfast' App will be launched in the coming weeks and all Members will be briefed on the functionality and benefits of the new version.</p> <ul style="list-style-type: none"> <li>• <b><u>March/ April:</u></b> Following the pilot phase, Members will be asked for feedback on the content, benefits, ease of use, and layout, and further changes will be made.</li> <li>• <b><u>April/ May:</u></b> Wider roll-out, including demonstrations to all Members.</li> </ul>
3.7	<p>The timeline is subject to the establishment of the Members Development Working Group, the smooth roll-out of Office 365, and lead time to upgrade and launch the new version of the 'My Belfast' App.</p>
3.8	<p><b>ONGOING FEEDBACK &amp; SYSTEM MAINTENANCE</b></p> <p>The Portal will only be effective if the content remains relevant and current to Members. It will therefore require ongoing feedback from Members, and continual upkeep and maintenance from officers to ensure maximum benefit.</p>

3.9	<u>Financial &amp; Resource Implications</u> None
3.10	<u>Equality or Good Relations Implications</u> None
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	Appendix One: Members' Portal Screen Example

## Appendix 1 – Members Portal

The screenshot shows a web browser window with the URL <https://belfastcitycouncil.sharepoint.com/sites/dept/1/3/3/mp/SitePages/Home.aspx>. The page has a navigation bar with 'BROWSE' and 'PAGE' links. The main content area includes a welcome message, instructions on VPN access, and a list of quick links.

**WELCOME to the Members' Portal**

Click on any of the icons below to access information, relevant documents and updates.

Please connect to VPN to ensure full access to council systems within the portal.

To open instructions on how to connect to VPN please click [here](#).

Contact Human Resources/Democratic Services on ext. 6321 if you have any queries.

**Announcements**

**NEWS:** • The Members Portal is currently in development at the pilot stage

**Quick Links**

 "Yourself" system login	 Council and Committees	 Key External Links	 My Learning
 How Do I	 Find a Person	 Find a Location	 News
 What's on in the Hall	 Belfast City Stats	 Modern.gov - View Only	 myBelfast My Belfast

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<b>Subject:</b>	Information Governance – Draft policies and procedures for approval
<b>Date:</b>	22 <sup>nd</sup> January 2016
<b>Reporting Officer:</b>	John Walsh, Town Solicitor
<b>Contact Officer:</b>	Robert Corbett, Records Manager Sarah Williams, Programme Manager

<b>Is this report restricted?</b>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	<p>The purpose of this report is to:</p> <ul style="list-style-type: none"> <li>- Set out the draft data protection policy (<b>Appendix 1</b>) and procedures (<b>Appendix 2a-e</b>) for approval by Committee.</li> <li>- Outline the development, in the medium-term, of a corporate Information Governance Framework (<b>Appendix 3</b>).</li> </ul>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>• approve both the attached policy and procedures and</li> <li>• agree the development of a corporate Information Governance Framework.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Key Issues</u></p> <p>While the Council has had policies and procedures for the areas of data protection, freedom of information and records management since 2003, it is clear that these require to be updated in light of guidance from the Information Commissioners Office and recommendations by AGRS. Therefore, new policy and procedures have been developed to meet legal requirements and revised standards.</p>

3.2	<p>Members will be aware that non-compliance with legislation related to information governance is on the Corporate Risk Register due to the high financial and reputational risks. A breach of the Data Protection Act can result in a monetary penalty notice from the Information Commissioner of up to £500,000.</p>
3.3	<p>Since 2012, the Information Governance Unit has:</p> <ul style="list-style-type: none"> <li>• provided data protection awareness training to over 2,300 members of staff and more than 100 Decision-Makers and Record Liaison Officers;</li> <li>• created a video and booklet for non-office based staff;</li> <li>• developed the attached draft data protection policies; and</li> <li>• worked with Digital Services on scoping the development of the Council's Customer Relationship Management (CRM) software to record, monitor and report information queries;</li> </ul> <p>The Unit is now in the process of developing an e-learning refresher course with Human Resources to be ready in the next financial year.</p>
3.4	<p>The draft policy and procedures for approval are set out in <b>Appendices 1-3</b> of this report. The implementation of the policy will be through the ongoing staff programme and ad hoc assistance from the Information Governance Unit. The Information Governance Unit will liaise with Digital Services on taking forward the development and roll-out of the Council's CRM system to manage the Council's information queries.</p>
3.5	<p>Further actions from audits on the development of related policies, for example, Freedom of Information, Information Security and Retention and Disposal are currently underway.</p>
3.6	<p>While the staff training programme and attached draft policy and procedures help the Council mitigate the risks around information governance, it is suggested, in the medium term, that a refresh of the Council's 2008 Information Management Framework be carried out in the form of a corporate Information Governance Framework. This would provide an overall architecture for how the council captures, creates, accesses, secures, manages and shares its information both internally and externally. This would help to better manage the information the council holds, facilitate compliance with both legislation and general principles of good information governance. In this context it is important to note that following Local Government Reform, and in particular its role in relation to community planning, will result in the Council holding and sharing an even greater amount of sensitive information.</p>

3.7	<p>An information management framework would be structured around five main areas of Information Governance:</p> <ol style="list-style-type: none"> <li>1. Information governance management</li> <li>2. Records management</li> <li>3. Information compliance</li> <li>4. Information security</li> <li>5. Data quality and assurance</li> </ol> <p>With policies and procedures developed to ensure its implementation throughout the organisation. A draft outline of the framework is set out in <b>Appendix 3</b>.</p>
3.8	<p>A scoping exercise could be carried out as a first step to benchmark similar frameworks and identify the resource implications of developing and implementing an Information Governance Framework. It is proposed that a working group be established to take this forward.</p>
3.9	<p><u>Financial &amp; Resource Implications</u></p> <p>Each department already has staff in place to deal with information requests. Further training for staff who are responsible for deciding what information is released is available from the Information Governance Unit (Decision-Makers training course). Training will also be offered following the development of the CRM system.</p>
3.10	<p>The resource implications of the development and implementation of a corporate Information Governance Framework will emerge following an initial scoping exercise</p>
3.11	<p><u>Equality or Good Relations Implications</u></p> <p>None</p>
4.0	<p><b>Appendices – Documents Attached</b></p>
	<p><b>Appendix 1</b> - Draft Data Protection Policy</p> <p><b>Appendix 2 (a)-(e)</b> – Draft Data Protection Procedures</p> <p><b>Appendix 3</b> – Draft outline Information Governance Framework</p>

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## DATA PROTECTION POLICY

### 1. Policy Control

<b>Organisation</b>	Belfast City Council
<b>Title</b>	Data Protection Policy
<b>Author</b>	Robert Corbett, Records Manager
<b>Owner</b>	John Walsh, Town Solicitor
<b>Review date</b>	November 2016
<b>Location of document</b>	Interlink / website
<b>Approved by</b>	
<b>Approval date</b>	

### 2. Contents

Section 3	Introduction
Section 4	Scope
Section 5	Legislative Context and Regulation
Section 6	Corporate Risk
Section 7	Definitions
Section 8	Roles and Responsibilities
Section 9	Policy Statement
Section 10	Training
Section 11	Policy Compliance and Audit
Section 12	Equality Impact Assessment
Section 13	Policy Monitoring and Review
Section 14	Freedom of Information
Section 15	Appendices – Data Protection Procedures

### 3. Introduction

Information is a valuable asset. Like any other business asset it has a value and must be protected. This policy sets out the council's approach to processing personal data under the Data Protection Act 1998.

### 4. Scope

This policy applies to everyone who has access to the Council's information, information assets or IT equipment. This may include, but is not limited to, employees of the Council, elected Members of the Council, temporary workers, partners and contractual third parties.

All BCC staff that use or have access to Council information must understand and adopt this policy and are responsible for ensuring the security of the Council's information systems and the information that they use or handle.

The Act applies to **personal data** contained within:

- Electronic and paper based information systems
- Email
- Backup/archive systems
- CCTV recordings
- Microfiche
- Card indexes

## 5. Legislative Context and Regulation

The Data Protection Act (DPA) 1998 is based on a European Directive and was introduced to protect the personal privacy of individuals. It regulates the use of personal data processed on computers and in paper filing systems. It provides rights for individuals and places legal obligations on organisations as to how they gather, retain, use and protect personal data. It is essentially a rule book for the processing of personal data.

### Regulation

The Act is regulated by the Information Commissioner (ICO), which is an independently appointed post answerable directly to Parliament. A Deputy Information Commissioner for Northern Ireland and Scotland is responsible for compliance within this jurisdiction.

The ICO has the powers to:

- Carry out assessments (examine how a DPA matter was dealt with by BCC);
- Issue information notices (compel BCC to provide it with information);
- Issue enforcement notices (compel BCC to take a certain course of action);
- **Prosecute for criminal offences** committed under the DPA; and
- **Issue monetary fines** to an organisation of up to £500,000 for breaches of the Act.

### Notification

The Data Protection Act 1998 places a legal obligation on the Data Controller (BCC) to notify the Information Commissioner of the lawful purposes why it is processing personal data. This is completed annually by the Information Governance Unit, and failure to notify is a criminal offence.

The Information Commissioner has allocated BCC with a notification reference number – **ZA104779**. Details of this notification can be found and viewed by accessing the Information Commissioners' website at [www.ico.gov.uk](http://www.ico.gov.uk) and click on Register of Data Controllers and then search register.

Personal data is processed for the purposes listed within its notification to the ICO and for the use of BCC to fulfil its statutory obligations. **Personal data should not be used by any member of council staff for private or individual purposes, which is strictly forbidden.** Any inappropriate or unlawful use by council staff may leave that person liable to internal disciplinary action and or criminal proceedings.

The Act also places a high level of corporate responsibility on BCC who may be subject to enforcement action for any compliance failings. **Failure to meet the terms of any enforcement action may be a criminal offence.**



It is essential that all BCC staff who handle personal data are in a position to generally explain (if asked) to an individual the purpose or purposes of why their department / section / unit hold and use data.

#### **Rights available to a data subject**

The Data Protection Act 1998 provides a number of rights, relating to the following:

- Prevent damage or distress;
- Stop direct marketing;
- Provide the logic to automated decisions;
- Seek compensation; and
- Rectify, erase and block.

These must be referred in writing to the Data Controller (BCC) who has a legal obligation to address within a specified time frame.

## **6. Corporate Risk**

Compliance with the Data Protection Act and associated legislation has been identified as a key corporate risk and as such requires robust management. The Council will promote best practice by developing safe and secure data handling via documented procedures and guidance. Failure to properly manage the Data Protection obligations may leave the Council in breach of the Act and open to legal action by a data subject and / or the Information Commissioner.

## **7. Definitions**

Key definitions from the Data Protection Act which staff should be aware of:

<b>Term</b>	<b>Definition</b>	<b>Example</b>
<b>Personal data</b>	Data relating to a living individual who can be identified from that information or from that data or other information in the possession of the Data Controller	Includes name, address, national insurance number, personnel files, marriage records, complaints made to BCC etc
<b>Sensitive Personal Data</b>	Personal data consisting of information relating to racial or ethnic origin, political opinion, religious or other beliefs, trade union membership, physical or mental health or condition, sexual life or criminal proceedings or convictions	
<b>Data Controller</b>	A person who alone or jointly with others determines the purposes for which and the manner in which any personal data are or are to be processed	In this instance, BCC is the data controller
<b>Data Subject</b>	An individual who is the subject of personal data	Includes members of the public and internal staff

Term	Definition	Example
<b>Data Processor</b>	Any person (other than an employee of the data controller) who processes personal data on behalf of the Data Controller.  This will be carried out on BCC's behalf and under its instructions and control.	Could be an outside company performing a specific function for BCC e.g. a recruitment process or a consultant.
<b>Processing</b>	Obtaining, recording or holding the information or data or carrying out any operation or set of operations on the information or data. This includes organising, adapting, altering, retrieving, disclosing, and destroying	
<b>Relevant Filing System</b>	A set of information about individuals, structured either by reference to individual or by reference to criteria relating to individuals	
<b>Third Party</b>	An individual other than the Data Subject, Data Controller or Agents of the Controller	

#### Other definitions

Term	Definition	Example
<b>Records Liaison Officer (RLO)</b>	RLO will manage the administrative and liaison aspects involved in the processing of subject access requests submitted to the department.	
<b>Decision-makers</b>	Make decisions on the exact amount of personal data to release in relation to a subject access request. Apply exemptions if personal data is to be withheld and manage any complaints impacting on compliance with the Data Protection Act 1998.  These individuals will also take decisions relating to other aspects of compliance with the Data Protection Act 1998 focusing on Information Sharing, Data Processing and the application of Non-disclosure exemptions.	
<b>Subject Access Requests (SAR)</b>	Section 7 of the DPA provides a legal gateway for an individual to seek access to personal data. This is a fundamental right and is routinely referred to as a subject access	In practice, this can be done by an individual making a SAR, which can be received by any member of BCC. It is essential that Council staff recognise this type of request and inform their RLO as soon as possible as the legal time

Term	Definition	Example
	request. This gives individuals the right to be told what personal data BCC is holding about them and to have that data communicated to them in intelligible form, which is subject to any exemptions	frame for compliance is <b>40 calendar days</b> . The request must be <b>in writing</b> (including fax and email) but cannot be accepted by telephone.
<b>Data Sharing</b>	This involves the sharing of personal data between internal BCC departments and with outside partner organisations which can be vital to meet BCC's statutory responsibilities. The sharing of personal data can assist BCC by supporting its provision of services to members of the public and additionally work in partnerships to reduce and prevent criminal activity.	Sharing between statutory agencies to reduce Anti Social Behaviour within a specific area.
<b>Data breach</b>	When personal data held by BCC is lost, stolen, subjected to unauthorised or unlawful access, unlawful use, or disclosure.	<p>Data breaches can occur in a number of ways with some examples listed below:-</p> <ul style="list-style-type: none"> <li>• lost or stolen laptops, removable storage devices, or paper records containing personal information;</li> <li>• databases containing personal information being illegally accessed by individuals outside of the organisation;</li> <li>• employees accessing or disclosing personal information outside the requirements or authorisation of their employment;</li> <li>• paper records stolen from insecure recycling or waste bins and devices to be destroyed that have not been securely cleaned;</li> <li>• mistakenly providing personal information to the wrong person, e.g. by sending details out to the wrong address; and</li> <li>• an individual purposely deceiving BCC staff into improperly releasing personal data.</li> </ul>

## 8. Roles and Responsibilities

### **Town Solicitor**

The Town Solicitor has overall responsibility for preparing policies and strategies for approval, guidance and advice, notifications to and dealings with the Information Commissioner and monitoring and compliance in relation to matters within the scope of this policy.

### **Information Governance Unit**

The role of BCC's Information Governance Unit (IGU) is to assist the Council with its overall Data Protection compliance. This unit is responsible for providing advice, guidance and awareness training to all staff on matters covering the statutory obligations found with the Data Protection Act 1998.

The IGU is the first point of contact for all queries or matters from internal staff and members of the public relating to the Data Protection legislation. It will also be the central hub for the monitoring of subject access requests (SAR) made to BCC and provide a level of quality assurance to all SARs.

### **Directors**

Each BCC Department is responsible for the personal data that it processes and must take steps to make certain its data is fit for purpose and processed in line with the principles of the Act. The relevant Head of Service or Director has the responsibility to promote proper management, security and supervision of the personal data on which his / her department rely upon to perform their Council functions.

### **Departmental Record Liaison Officer(s)**

Each BCC Department Director will appoint staff who will act as Record Liaison Officer(s) (RLO). The person who assumes this role will receive appropriate training and must also be aware of the requirements of DPA and have specialist knowledge of information within their Department. The RLO will manage the administrative and liaison aspects involved in the processing of subject access requests submitted to the department. This will include the recording of comprehensive and accurate details onto CRM.

### **Departmental Decision Makers**

Each department will appoint members of staff to fulfil the role of Decision Makers (DM). The person who assumes this role will receive appropriate training and must also be aware of the requirements of DPA and have specialist knowledge of information within their Department. The DM is accountable in the decisions he or she makes and has two main functions as follows:

- a) Manage the actual processing of a SAR from submission to closure. This will include recovering and reviewing any personal data processed by BCC in relation to the request. Make a decision of the exact amount of personal data to release and apply exemptions if personal data is to be withheld.
- b) Manage any complaints received in relation to data subject's rights by providing comprehensive responses within the statutory time frames.

### **All staff**

All BCC staff are responsible for ensuring that any personal data is processed in a lawful manner. It is essential that full compliance with the Act is addressed and each staff member has a duty to maintain the integrity of the information and the confidence of the public who have an expectation their personal information is in safe hands. Staff must abide by the following obligations:

- Ensure proper care is taken when gathering, using or disclosing any personal data where it is necessary to meet your departmental functions;
- Take all necessary steps to keep personal information secure and only use it for the purposes intended;

- Personal comments and remarks on manual files or electronic records (including emails) must be appropriate and professional;
- Ensure the personal data recorded is accurate, clear and adequate;
- Avoid accidental unauthorised disclosure by fax, voice, email or other means by double checking and using call back procedures;
- Keep personal data confidential and do not disclose it to any other person unless you are authorised to do so (if in doubt ask your line manager);
- Ensure that any electronic data files or paper printouts containing personal data are disposed of safely and not removed from council premises without appropriate security measures or left in an unsecure area;
- Keep system passwords safe. Change regularly and do not disclose them to anyone;
- Comply with this and other related policies e.g. Records Management Policy, Computer use Policy and Information Security Policy; and
- Attend DPA Training, which is mandatory

**Note – It is imperative that all staff must check and seek the approval of their line manager / supervisor when necessary, before making any disclosure or release of personal data by letter, fax, telephone, email or other means.**

## 9. Policy Statement

Belfast City Council is legally obliged and fully committed to comply with the provisions of the Data Protection Act 1998. The Council must gather, retain and use personal data about living individuals to fulfil its statutory functions and provide council services.

BCC will follow lawful practices and procedures on how it manages personal data while respecting the rights, privacy and freedoms of individual members of the public, internal staff, contractors, suppliers of services, customers and grant recipients.

In keeping with the eight principles of the Data Protection Act, Belfast City Council will ensure that personal data:

1. Shall be **processed fairly and lawfully** and in particular, shall not be processed unless conditions within schedule 2 and in the case of sensitive personal data schedule 3 are met (see below)
2. Is obtained **only for one or more specified and lawful purposes**, and shall not be further processed in any manner incompatible with that purpose or those purposes
3. Shall be **adequate, relevant and not excessive**
4. Shall be **accurate**, and where necessary, **kept up to date**
5. Is **not kept longer** than necessary
6. Shall be processed **in accordance with the legal rights** of the data subjects
7. Shall be held **securely** with appropriate technical and organisational measures taken to guard against unauthorised or unlawful processing of personal data and against accidental loss, damage or destruction.

8. **Shall not be transferred to a country or territory outside the European Economic Area** (defined as EU Member states, plus Norway, Iceland and Liechtenstein) unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.

### **Lawful Processing**

BCC will ensure that all processing of personal data will be conducted fairly and lawfully and in compliance with the data protection principles listed above. In particular, shall not be processed unless – **(i)** At least one of the conditions in Schedule 2 is met, and **(ii)** In the case of sensitive personal data, at least one of the conditions in Schedule 3 is also met.

#### Summary of Schedule 2 Conditions:

- a) Consent has been given in general terms;
- b) Non-contractual legal obligations;
- c) Vital interests of the data subject;
- d) Administration of justice;
- e) The exercise of functions conferred by or under enactment;
- f) The exercise of any functions of the Crown, a Minister of the Crown, or a Government Department;
- g) The exercise of any other functions of a public nature exercised in the public interest;
- h) Processing that is necessary for the legitimate interests of the data controller or a third party, except where the processing would cause unwarranted prejudice to the rights and freedoms of the data subject.

#### Summary of Schedule 3 Conditions:

- a) Explicit consent to the specific processing;
- b) Vital interests of the data subject, where explicit consent cannot be obtained or has been withheld unreasonably;
- c) Processing is necessary for legal proceedings;
- d) Administration of justice;
- e) Exercise of any functions conferred on any person (including a constable) by or under enactment;
- f) The exercise of any functions of the Crown, a Minister of the Crown, or a Government Department;
- g) Further conditions have been enacted under statutory instruments – of particular significance to the police service is;
- h) Processing is necessary for the exercise of any functions conferred on a constable by any rule of law.

BCC will ensure that it has proper and legitimate grounds for collecting, handling and using personal data. The data will not be used in a manner that would have an adverse or detrimental impact on the individuals concerned unless the law permits. The Council will strive to be diligent and responsible as to how it processes personal data and handle it in a way that any individual would reasonably expect.

### **Security**

BCC will provide proper security management, robust access controls, business continuity planning, staff training, compliance auditing and measures to prevent and detect breaches of security. BCC takes this obligation very seriously and all departments work collectively and in conjunction with Digital Services to achieve a high level of information security.

### **Information-sharing**

BCC will only share personal data internally and externally when there is a legal basis to do so, while meeting the obligations found within the Data Protection Act 1998 and guidance found within the ICO Code of Practice on sharing personal data. Sharing can take place in the following formats:



- On an irregular ad hoc basis, when BCC may require access to personal data held by another organisation or when the other organisation may seek access to the personal data held by BCC.
- On a regular basis when the sharing of personal data is routinely required between BCC and other organisations to meet their statutory obligations. (e.g. National Fraud initiative, Anti social behaviour initiatives etc). BCC will ensure that suitable guarantees regarding security and appropriate data handling are applied and documented as part of a written agreement.
- When internal BCC departments need to share personal data between each other for a variety of lawful Council reasons.

### **Data-processors**

BCC will only engage organisations to act as a Data Processor who meet strict information governance standards. BCC will ensure that suitable guarantees regarding security and appropriate data handling are applied and documented as part of a written agreement.

A Data Processor will process personal data on behalf of BCC **but will not exercise responsibility** for or control over it. Data Processors will have limited responsibilities under the Data Protection Act and these address the necessity to keep personal data secure from unauthorised access, disclosure, destruction or accidental loss.

BCC as the Data Controller **will remain responsible** for the personal data held by a Data Processor and for ensuring compliance with the provisions of the Data Protection Act.

## **10. Training**

All staff will be made aware of their obligations to comply with the Data Protection Act 1998 through a rolling programme of awareness training by the staff from the Information Governance Unit and will receive e-learning refresher training every year.

All new full-time and temporary staff, including agency workers, will be provided with training as part of their induction training.

RLOs and DMs, nominated by each department, will receive enhanced Data Protection training from the Information Governance Unit. The content of this training will focus on the role they perform.

DPA awareness training is mandatory for all staff and attendance recorded by Corporate H.R.

## **11. Policy Compliance and Audit**

As previously mentioned, the Information Commissioner has wide powers of enforcement. A breach of the act can result fine of up to **£500,000 for the council** and staff should also be aware that in some circumstances, **unlawful access, misuse or being reckless** in the handling of personal data may constitute a **criminal offence**.

The Information Governance Unit will examine, by way of Data Protection compliance audits, personal data processed on electronic and manual information systems. The overriding purpose of an audit is to ensure that information processed is gathered, retained, used and disclosed in accordance with the Data Protection Act 1998. This will be in addition to any internal departmental checks and monitoring.

## 12. Equality Impact Assessment

The Data Protection Act 1998 provides legal rights to all individuals and there are no equality issues to be addressed regarding the issue of this policy

## 13. Policy Monitoring and Review

This policy will be reviewed annually by the Information Governance Unit, or as appropriate and in response to changes to legislation, council policies, technology, increased risks and new vulnerabilities or in response to security incidents.

## 14. Freedom of Information

The content of this policy in Sections 1 to 15 is suitable for public disclosure as part of BCC publication scheme under the Freedom of Information Act 2000. The accompanying appendices listed at 1 to 5 are for internal use only.

## 15. Appendices – Data Protection Procedures

Appendix	Procedures
1	How to deal with a request from an individual for their personal data (referred to as a 'subject access request')
2	Data Subjects Rights regarding the processing of personal data
3	How to share information internally or with partner organisations using an Information Sharing Agreement on a planned basis, or using a non-disclosure exemption on an ad hoc basis
4	How to set up a data processing agreement with a third party who will process data on behalf of the council
5	How to handle a significant data breach

## DATA PROTECTION PROCEDURES

### 1. How to deal with a request from an individual for access to their personal data (Referred to as a 'Subject Access Request')

#### What is a Subject Access Request?

Section 7 of the DPA provides a legal gateway for an individual to seek access to his or her personal data. This is a fundamental right and is routinely referred to as a subject access request. This gives individuals the right to be told what personal data BCC is holding about them and to have that data communicated to them in intelligible form, which is subject to any exemptions to the rights of access.

#### Who may make a Subject Access Request?

A request can either be made by a member of the public or by an member of Council staff.

#### How does someone make a Subject Access Request?

A subject access request (SAR) can be made directly to an internal BCC Department or to the Information Governance Unit (RMU). Each request for access must be submitted in writing and can either be via email, fax and letter or on a dedicated BCC subject access form which can be found on our website. Please find copy form at **Template 1** of this procedure.

BCC does not charge a fee for a subject access request.

In certain circumstances, BCC may require the individual making the request to supply two copy forms of identification to satisfy the Data Controller that it is dealing with the correct person. BCC must be content as to the identity of the requestor to avoid personal data about one individual being sent to another, either accidentally or as a result of deception. Sample ID is listed below:

- Passport
- UK Driving Licence
- Medical card
- Birth Certificate
- Marriage Certificate
- HM Forces ID card (UK)
- Utility Bill (electricity, gas, telephone)
- Child Benefit book

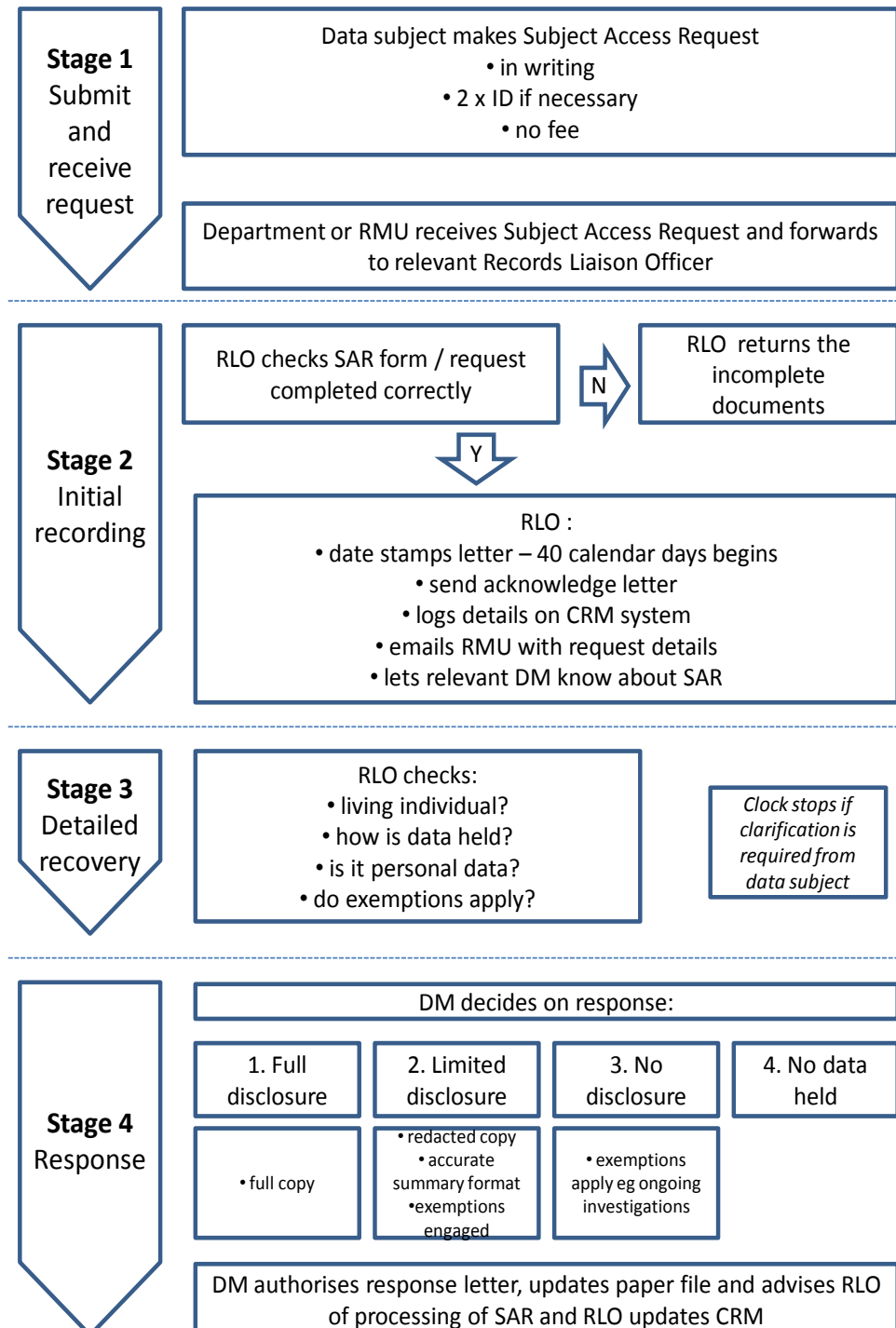
(The above documents must be current. Documents may not be required from serving BCC staff to prove identity).

BCC will also require the data subject to provide such information as is reasonably required to locate the information requested. In essence, this means the requestor must describe the data they are seeking and, if possible, identify the particular department in which it is held.

#### Another person acting on data subject's behalf

The DPA permits a data subject to use another person to act on their behalf when making a SAR. This could be performed by a solicitor or insurance company etc. If this type of request is received, the data subject may be required to provide written and signed authority for the named person to act on their behalf. The named person may also be required to provide proof of identification that will satisfy BCC.

## Review of the SAR process



## **Introduction**

The contents of this procedure set out the process that must be followed by Belfast City Council (BCC) when it receives a subject access request (SAR) made under Section 7 of the Data Protection Act 1998, Rights of Access. A request can either be made by a member of the public or by a member of staff.

Section 7 (1) of the Data Protection Act 1998 provides a right of access to personal data processed by the BCC. It firstly, places certain legal obligations on the individual making the request (data subject) and secondly, on the Data Controller (Belfast City Council) who must process the request.

The Act also provides a number of exemptions to the rights of access, which may be relevant to personal data processed by the council.

### **Stage 1 – Submit and Receive Request**

Once a SAR is received, the RLO will check the details to establish if all the elements have been fully completed by the data subject and it should be date stamped on the day it arrives. An acknowledgement email or letter should be sent to the data subject.

If all the elements have not been provided by the data subject, the SAR should not be processed. The RLO will return all submitted details to the data subject for his / her attention along with an explanation as to why.

The date the request was received and stamped is the commencement of the 40 day legal time period. BCC has a lawful duty to process the SAR promptly and no later than 40 calendar days from the date received.

If the SAR is made directly to the Information Governance Unit, it will be date stamped on the day it arrives. The request will be forwarded immediately to the RLO within the relevant department who has the responsibility to log it on CRM.

### **Stage 2 – Initial Recording**

If the SAR is made directly to the department, the RLO must log full details onto CRM and open a paper file. Details should be forwarded immediately by email to the Information Governance Unit for information and monitoring. CRM and the paper file will be used for processing, monitoring and review purposes. This will provide a full and accurate record of how the SAR was dealt with from submission to final completion.

The RLO must inform the departmental decision maker (DM) of the SAR by email as soon as possible after receipt of the request and record on CRM and paper file when this was completed.

The RLO will liaise with the DM throughout the period of the SAR and provide administrative assistance. The RLO will also ensure that CRM and paper file is regularly and accurately updated during all stages of the SAR.

### Stage 3 – Detailed Recovery

The DM will be accountable for the processing of the SAR. He or she must take immediate steps to recover any data for initial review and this will confirm if the data is actually held and is personal as defined within the Act. This process may involve searching electronic and manual information systems to establish exactly what personal data is held. The RLO will assist with this process.

#### How is the data held?

For personal data to fall within the provisions of the Act it must be held in a certain manner listed within Section 1 (1) DPA and listed below. This is the first test the DM must consider e.g. how is the data held?

- a) Processed electronically (held on a computer)
- b) Recorded with the intention that it should be processed electronically, (held on a tape, disk, pen drive or similar device)
- c) Recorded as part of a relevant filing system, which must be highly structured
- d) Is an accessible record and it does not matter how the data is held if it relates to health, education and accessible public record
- e) All other recorded manual personal data held in an unstructured manner.

**Explanatory Note if the data is held in the format of category (e), the following advice must be considered.**

Electronic records can routinely be searched by the use of automatic search tools, but searching for manually held records can be time consuming and not as straight forward. There is an onus on the requestor to provide Belfast City Council with as much detail as possible indicating where they believe the information sought maybe held. If paper records can be located and are held in an unstructured fashion, there will be a level of searching and examination required.

Therefore, the fees regulations found within the Freedom of Information Act 2000 can be applied to Cat 'e' data, which includes the cost of locating and reviewing the information. The figure is set at £450, which equates to 18 hours work. If this is exceeded, then the request will sit outside the right of access.

#### Is it personal data?

The DM must then consider whether the data held is actually the personal data of the applicant. The DM must only focus on personal data of the applicant and any other information contained within documents that is not the applicant's personal data should not be released. The following points are not definitive but can be used as a general rule of thumb when making a decision on this matter:

- Does the data relate and focus on the person or is the person just named within a document;
- Is it biographical in its content and obviously about the person;
- When you read the data held, will you learn something about the person and does it inform you about that individual;
- Will it have some impact on them in a personal, family, private or professional capacity;
- Is the data used, or is it to be used, to inform or influence actions or decisions affecting an individual;
- Consider if any personal data is included about another person(3<sup>rd</sup> party) other than the requestor; and
- Is there any personal data held, which relates to the physical or mental health of a person.

The DM must carry out a full review of the personal data held to confirm the exact amount that can be released or withheld. The overall thrust of the Act is to provide as much data as possible.



### Do exemptions apply?

It is essential at this stage to establish and consider any ongoing matters that may have an impact on release. The DM should liaise with other internal departments to address this aspect, e.g. H.R etc. If none is identified, then it can be assumed there is nothing prejudicial or detrimental that will impact on release and the DM can therefore make a lawful and informed decision.

The DM can only withhold personal data if an exemption to the rights of access applies. The Act provides a number of exemptions to the rights of access (set out below), which are relevant to BCC purposes. Exemptions cannot be used in a blanket fashion to withhold personal data and each SAR must be dealt with on a case by case basis and judged on its merits.

#### Main relevant Rights of Access Exemptions

- Section 28 (1) - Crime & Taxation (prevention and detection of crime / apprehension & prosecution of offenders the assessment or collection of any tax or duty etc.

#### Main relevant Schedule 7, Miscellaneous Relevant Rights of Access Exemptions

- No 1 - Confidential references given by the Data controller regarding employment.
- No 5 – Management Forecasting and planning. To assist the Data Controller in the conduct of any business, but only applies while the forecasting / planning are ongoing.
- No 7 – Negotiations. Consisting of records of the intentions of the Data Controller in relation to any negotiations with the data subject to which these may be prejudiced. (Useful in personnel related requests as BCC maybe in detailed negotiations with a data subject in employment / personnel issues).
- No 8 – Examination Marks. To ensure that exam marks are not released via subject access before they are officially announced.
- No 9 – Examination Scripts. No test of prejudice. (although it does not exempt comments recorded by the examiner in the margins of the scripts).
- No 10 – Legal Professional Privilege. Exempt if the data consists of information between client (BCC) and professional legal adviser.

The Freedom of Information Act 2000 contains a criminal offence under Section 77 FOIA – which is relevant to the Data Protection Act as follows:

It is an offence to:- Alter, Deface, Block, Erase, Destroy or Conceal any record held by a public authority with the intention of preventing the disclosure by that authority of all, or any part, of the information to which an applicant would have been entitled under the FOIA or the DPA is an offence.

**Note - Do not destroy or conceal any data relevant to a subject access request!**

#### Stage 4 – Response

The DM must send a closure response to the requestor enclosing a full copy, a partial disclosure, advising that no disclosure can be made or that no information is held. There are four main closure formats to be used:

1. **Full disclosure** is made - where the Data Controller has decided that all the personal data relevant to the request can be released;
2. **Partial - disclosure** is made - where the Data Controller has decided to release some personal data relevant to the request and to withhold other personal data by virtue of an exemption/s. (redaction or summary);

3. **No disclosure** is made - where the Data Controller has decided to withhold all the personal data relevant to the request by virtue of an exemption(s);
4. **No personal data held.** After a full review it was established that no personal data is actually held by the Data Controller.

Note – If an exemption to withhold personal data is applied, there is **No** obligation to provide an explanation or reference to the exemption within a closure response. This is different from the FOI response whereby the exemption must be stated.

Personal data can be provided to the applicant either by way of a –

- a) full copy;
- b) redacted; copy or
- c) accurate summary format.

The Act does not place an obligation on the Data Controller to disclose actual documents but it does place an obligation to have personal data communicated to the applicant in intelligible form. In some instances it is safe and appropriate to release copies of documents, but in other instances it may not and an extract or summary can be provided. If this method is to be adopted, it is vital that any extract or summary is an accurate account of what is held.

Documents can be redacted to remove third party data and other non-personal information before release. Any redactions must be securely performed and to a standard that cannot be manually or electronically undone.

The content, confidentiality and sensitivity of the personal data to be released will dictate the method by which it should be sent to the applicant. The DM should consider following options:-

- Recorded delivery mail
- Email (only with the consent of the applicant)
- Collected or delivered by hand.

The DM must judge each request on a case by case basis and if there is any doubt as to the correct process to follow, then further advice can be obtained from the Information Governance Unit.

The DM must retain a full and detailed audit log of how they dealt with each element of the SAR in the event of a request being made to the Information Commissioner (ICO) for an assessment under Section 42 of the Act. The ICO has the power to examine how BCC dealt with all aspects from submission to final completion including the decisions made and reasons behind them.

**Note - If the 40 day time limit cannot be met by the failure of an internal department to recover and copy personal data in response to a SAR, it will be held responsible if a complaint is made by the data subject and any subsequent follow up action taken by the ICO. If the 40 day time period cannot be met, the DM should advise the applicant.**

## Complaints

If the applicant advises the Council that he / she is dissatisfied with the Council's response or if the Information Commissioner's office contacts the department directly about the handling of a request, you should contact immediately the Information Governance Unit.

## **Retention and Disposal**

Once the request has been closed, the DM must date mark for retention and weeding in line with Belfast City Councils retention and disposal schedule.

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**Belfast  
City Council**

## **Belfast City Council Data Protection Subject Access Request Form**

**Form SAR / 1 – Application for access to your personal data processed on Belfast City Council Information systems.**

**Section 7(1)(a) & 7(1)(b)(i) & 7(1)(c)(i) of the Data Protection Act 1998**

### **Data Subjects / Data Controllers Rights**

You have a right to be told whether any information is held about you and a right to a copy of that information, unless certain exemptions apply. This form should help you to provide the Council with all of the details needed to seek the information you are looking for.

The Data Controller does not have to give you any information identifying someone else, unless that person agrees.

#### **Fee**

No fee is required

### **Proof of identity**

Belfast City Council must be satisfied as to your identity and may require you to provide at least two copies of identification. These must be official documents:

- Passport
- UK Driving Licence
- Medical card
- Birth Certificate
- Marriage Certificate
- HM Forces ID card (UK)
- Utility Bill (electricity, gas, telephone)
- Child Benefit book

The above documents must be current

### **Returning Form**

The completed form, together with proof of identity, date of birth and address documents if required should be returned to Belfast City Council, Information Governance Unit, Legal Services Section, Belfast City Hall, Belfast BT1 5GS.

### **Section 1 - About yourself**

The information requested below is to help the Data Controller, (a) satisfy him as to your identity and (b) find any data held about you.

Title (tick as appropriate) Mr ☐ Mrs ☐ Miss ☐ Ms ☐

Other title (Dr, Rev, Etc) .....

Surname/ Family Name .....

First Names .....

Maiden/ Former names .....

Sex ..... Male ..... Female..... (delete as appropriate)

Date of Birth .....

Present/ Home address.....

.....

.....

Post Code ..... Contact Telephone No .....

Email address.....

If you have lived at the above address for less than 10 years please give your previous address for that period below. Continue on another piece of paper needed.

Are you the person named in 1 above?

Yes

☐

No

☐

If "No" you **must** provide **written** evidence that you have the Data Subject's authority to ask for the information on their behalf, e.g. a letter written by them, evidence of Power of Attorney, etc.

If you are not the person about whom the council is holding the data, please give your:-

Full Name:.....

Date of Birth:.....

Current Address:.....  
.....

Postcode:.....

Tel No:.....

Email:.....

What is your relationship to the data subject:-.....  
.....

Please provide evidence of your identity and the identity of the data subject.

Please describe below the information you are seeking together with any relevant information.

If you are seeking personal data from CCTV footage you need to provide the following:

- the exact location of where you were and your direction of travel
- the approximate time (to the nearest 15 minutes)☐
- a description of what you were wearing any distinctive/colourful clothing☐
- whether the images of any other people are likely to appear in the same footage
- In addition to other proofs of ID, you may need to supply a recent photo of yourself

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**BCC staff only:** please provide:

Your current job title (and any previous positions with Belfast City Council)

.....

Your staff number.....

Your current location (and any previous locations where you have worked)

.....

.....

.....

.....

How long have you been employed by Belfast City Council .....

**Declaration** - To be signed by all applicants.

Please note any attempt to mislead may result in prosecution.

I.....

Certify that the information I have given on this form to Belfast City Council is true. I understand the council needs to be satisfied about my identity. I also understand the council might need to ask me for more details in order to locate the information I am seeking.

Signed :.....

Date :.....

*Note - the council must respond to your request within 40 days. However, this period does not start until the council is satisfied about your identity, and has enough detail to locate the information you are seeking.*

**Return this completed form to the Belfast City Council, Information Governance Unit, Legal Services Section, Belfast City Hall, Belfast BT1 5GS.**

**For Official Use Only**

To be completed by the Belfast City Council staff member on receipt.

Date fully received in Belfast City Council .....

Check evidence of applicant's identity (if required)..... Yes / No

Name of documents submitted	Serial numbers	Current within the last 12 months

Take photocopies of ID material..... Yes / No

Written authority supplied (if not the Data Subject)..... Yes / No

Signature of receiving staff member .....

Date received .....

Council Department .....

## DATA PROTECTION PROCEDURES

### 2. Data Subjects Rights regarding the processing of personal data

The Data Protection Act 1998 provides a number of rights, which can be engaged by a data subject. These must be engaged in writing to the Data Controller and as follows:

**Section 10 - Right to prevent processing likely to cause damage or distress.**

An individual is entitled to submit a notice in writing to the Data Controller if he/she believes the processing of their data has caused substantial unwarranted damage or distress to that person. The individual concerned can ask BCC to stop processing his or her personal data within a reasonable period.

**Section 11 - Right to prevent processing for the purposes of direct marketing.**

A data subject is entitled to write asking a BCC to cease or not to begin processing their personal data for direct marketing and this should be completed within a reasonable period.

**Section 12 - Right in relation to automated decision taking.**

A data subject has the right to prevent BCC from taking decisions concerning him/her based on automated means alone. This right must be exercised in writing to BCC stating that no decision should be taken that significantly affects that individual based on processing by automated means.

**Section 13 - Right to compensation.**

A data subject who suffers damage or distress as a result of any contravention of the requirements of the Act by BCC is entitled to compensation. It will be a defence for BCC to prove that he had taken such care as in all the circumstances and was reasonably required to comply.

**Section 14 - Right to rectify, block, erase and destroy.**

A data subject may apply to the Court for an order required BCC to rectify, erase or destroy such data relating to the data subject as are inaccurate together with any other personal data relating to the data subject which contain an expression of opinion which the Court finds is based on the inaccurate data.

**Non compliance matters**

If the data subject wishes to invoke any of the above rights they must do so in writing. The DPA does not provide a legislative means to seek an internal review similar to the FOIA but any complaints submitted in relation to the above rights will be carefully examined and processed in line with the specific right.

If a complaint is submitted directly to the internal department, the details must be brought to the attention of the RLO immediately. The RLO will acknowledge receipt of the complaint and record the details on CRM and paper file.

The RLO will inform the DM and RMU by providing the exact details of the complaint within one calendar day and by email. RMU will examine and consider the substance of the complaint and provide advice and guidance on how to proceed. The RLO will also record and update the details on CRM and paper file. It will be the responsibility of the DM to review all aspects of the complaint and liaise with RMU.

Once this process has been completed, the DM will provide a closure reply to the data subject based on all the relevant considerations.

If a complaint is submitted directly to the RMU, the details will be brought to the attention of the relevant RLO immediately. The RLO will acknowledge receipt of the complaint and record the details on CRM and paper file the same procedure followed as above.

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### **3. How to share information internally or with partner organisations using an Information Sharing Agreement on a planned basis, or using a non-disclosure exemption on an ad hoc basis.**

#### **Introduction**

This guidance must be used when Belfast City Council (BCC) is considering sharing personal data internally between departments or with external partner organisations on a planned basis. It also contains guidance on how to obtain and disclose personal data on an ad hoc basis using the non disclosure exemptions.

BCC is required, to share and obtain personal data when there is a necessity and a pressing need to do so. Sharing will involve personal data and for the purposes of this guidance document personal data will be referred to as information.

Information is an extremely valuable and a vital asset to BCC in managing its day to day obligations. By working closely internally and with external organisations, BCC can enhance the service it provides and increase public safety. Achieving this will often involve the sharing of information.

BCC must comply with the rules and obligations specified within the Data Protection Act 1998 and this should not be seen as a barrier to sharing of information, but that it provides a framework to ensure personal data is shared properly and lawfully.

#### **Purpose of guidance**

This guidance will set out the rules and pathway for information sharing. It is important that departments understand when, why and how they should share information confidently and lawfully. The following points address the reasons for this guidance.

- To guide BCC on how to share personal information lawfully with internal departments and partner agencies.
- To explain to staff involved the security and confidentiality issues together with the principles of information sharing.
- To increase awareness and understanding of the key issues.
- To emphasise the need to develop and use Information Sharing Agreements.
- To support a process that will monitor and review all information sharing.
- To encourage the sharing of information.
- To protect BCC and any partner agencies from wrongful use of personal data.
- To identify the legal basis for information sharing.

Sharing of personal data is restricted solely by the Data Protection Act 1998 and includes that held in electronic and manual format including, CCTV.

The guidance will also explain how to address security and confidentiality, together with the main elements of information sharing. Staff will be in a position to understand the key points involved and manage the proper transfer of information while protecting against unlawful or excessive sharing.

BCC will promote staff awareness in this area, which will be delivered by the Information Governance Unit as part of an overall Data Protection training programme.

There are three main areas in which sharing will take place as follows:-

- Internal sharing between Belfast City Council Departments / Sections / Units
- External sharing with partner organisations either statutory or non-statutory
- Disclosing and obtaining information on an ad hoc basis from other organisations

## General Principles

The principles outlined in this document are recommended as good standards of practice and legal requirements that should be adhered to by BCC. This sets the core standards applicable to the council and should form the basis of all Information Sharing Agreements.

BCC and partner organisations are responsible for ensuring that organisational measures are in place to protect the security and integrity of personal information and their staff are properly trained to understand their responsibilities and comply with the law.

## Internal Sharing

Internal BCC departments / sections / units will process personal data in electronic and paper format for a number of different purposes to meet their specific needs. In certain circumstances there will be a requirement to share personal data between each other and this must be carried out in a safe and proper manner. Only proportionate and relevant information should be shared and on a need to know basis.

Common sense should be applied when internal sharing is considered as there will always be a need for regular contact between departments / sections / units to discuss a common case, complaint, and customer or to confirm basic personal data e.g. address and DOB details. This can be described as low level sharing, which is mainly carried out to ensure accuracy, relevancy and the updating of information. If routine interaction and contact was not permitted for this type of sharing there would be an obvious impact on the delivery of Council business. However, the following process should be used when **detailed copy** personal data is being sought between departments / sections / units. Necessity is the key in these instances and each sharing request should be carefully examined.

In most instances, internal departments / sections / units will not have direct access to each other's specific electronic or manual information systems. Therefore, it is important the department / section / unit seeking the information should provide a record of the request for access to the information they require. It is also essential to provide the reason why the information is needed and state the purpose for which they intend to use it.

This can be carried out by completing the internal personal data sharing request form Template 3.1.

The form will provide appropriate background information, therefore allowing the department / section / unit who hold the data to make an informed decision on whether to share it or not. Page 1 of this form will be completed by a member of staff seeking the information. Page 2 of this form must be completed by a member of staff holding the information. Both parts must be authorised by a line manager or deputy.

The use of this form will provide reassurance between departments / sections / units that any requests for access to the information they hold are legitimate and valid.

If the sharing involves providing a staff member direct access to an electronic or manual information system, then suitable access levels must be agreed by the holding department / section / unit to ensure only the appropriate amount of information is available.

The completed original form must be retained by the requesting department, and a copy held by the receiving department.

## **External Sharing**

BCC must share information for a variety of important reasons between statutory and non-statutory organisations when the need arises. This is usually carried out when regular sharing is planned and under a formal structure.

This type of sharing carries additional risks as BCC information will be handed over to an outside body, albeit for a lawful purpose. Despite this, there has to be a necessity to share the information and the process carefully documented and controlled within a formal information sharing agreement (ISA).

The balance between the need to share information, while protecting the confidentiality of BCC data can be difficult to meet. Confusion can occur as to the level of protection BCC must apply to the information they retain and use. This can lead to important information being withheld from partner organisations who have a valid and urgent need to know while conversely, excessive and non relevant information is released.

If a BCC department is approached or identifies a need to share information with a partner organisation, the generic BCC Information Sharing Agreement form should be completed. This template will cover all the main points involved by providing a level of security and formality to the process. The template information sharing document is held by Information Governance Unit and a copy can be obtained together with advice and guidance on its completion.

## **Proportionality**

The information that BCC share must be proportionate and should be the minimum amount needed to achieve the purpose of any agreement. It may be possible after consultation with the partner organisation to use information that does not identify individuals (anonymised data). This can be decided on a case by case basis.

## **Legislation / Lawful basis for processing**

The principal legislation concerning the protection and use of information is as follows:-

- Human Rights Act 1998 (article 8)
- The Freedom of Information Act 2000
- Data Protection Act 1998
- The Common Law Duty of Confidence
- Computer Misuse Act

The Data Protection Act demands a lawful basis for disclosure to ensure the main objective of the sharing can be achieved.



All ISAs must clearly identify the legal basis being relied upon and this may vary on the nature of the actual information to be shared, however it is essential BCC do not operate beyond its powers. No one piece of legislation will cover every situation but if in doubt, further advice can be provided by Legal Services or the Information Governance Unit.

### Information covered by this procedure

All personal data and sensitive personal data as defined within the Data Protection Act 1998.

The term 'personal data' refers to **any** data held as either manual or electronic records, or records held by means of audio and/or visual technology, about an individual who can be personally identified from that data. The term is further defined in the DPA as:

- Data relating to a living individual who can be identified from those data;
- Any other information, which is in the possession of, or is likely to come into the possession of the data controller (person or organisation collecting that information).

The DPA also defines certain classes of personal information as 'sensitive data' and the Act places additional conditions on the data controller with specific reference to how it processes that information.

- Race or ethnic origin of the data subject
- Political opinions
- Religious beliefs or other beliefs of a similar nature
- Membership of a Trade Union
- Physical or mental health or condition
- Sexual life
- Commission or alleged commission of any offence
- Proceedings for any offence committed or alleged to have been committed.

### Schedules

The schedules 2 & 3 mentioned within the DPA are lists of conditions that **must** be met when BCC is processing personal and sensitive personal data. Advice and guidance on the relevant conditions to apply in each case should be obtained from IGU.

### Consent

Consent can be an overriding factor when personal data is considered for sharing, which should be explored at the very outset to consider if it is appropriate for the purpose of the agreement. If consent is sought, it must be freely given and fully understood by the person involved and must be explicit if the data is sensitive. Consent has to be signified by some communication between the organisation and the data subject.

Where an organisation has a statutory obligation to disclose personal data, then the consent of the data subject is not required, but the data subject should be informed that such an obligation exists.

After initial consideration, it may be identified that seeking consent is not an option and by doing so will prejudice the purpose of the sharing. If an assessment is made by the core organisations involved that consent is not an option nor should be sought, then background decisions must be documented.

It is also possible that a data subject may object or withdraw consent to the processing of their personal information. In this case, the processing can only continue where an applicable Data Protection Act If the sharing is reliant upon consent as the sole condition for processing personal data within the agreement, then withdrawal means that the condition for processing will no longer apply. Withdrawal of consent should be communicated to each organisation involved and processing cease as soon as possible.

### **Corporate and individual responsibilities when sharing**

The need to share information will usually commence after a certain issue arises or an area of mutual concern between partner organisations is identified. Initial discussions will take place and an agreed manner on how to proceed will be developed. However, the overall responsibility to maintain the security and confidentiality of information, either in manual or electronic format is vital.

It will be the responsibility of each Head of Service / Director to ensure that any current and future sharing arrangements are properly managed within their area of responsibility and this guidance / procedure followed. Before a Department signs off an information sharing agreement, the Head of Department must forward a copy to the Information Governance Unit for review and approval.

BCC must identify and list within each agreement the designated staff that will be responsible on a day-to-day basis for the information sharing. It is also essential that details of the actual information shared are retained by the department involved. It is not acceptable to share information without keeping a record of what was handed over.

**BCC has an overall responsibility to audit the compliance of any Information Sharing Agreements they are part of.** This can be completed either independently or in co-operation with the other organisations on an annual basis by the department involved and / or by the Information Governance Unit.

If a breach of confidentiality or security occurs, **each party involved must be informed immediately.** This must be carried out by the designated officers. BCC Information Governance Unit must also be informed as soon as possible to establish the nature of the breach and any follow up action required. (See procedures on what to do in the event of a Data Breach).

Staff must uphold the general principles of confidentiality, follow the guide-lines set out in the agreement and seek advice when necessary. Every individual should be aware that any violation of privacy or breach of confidentiality maybe unlawful and a disciplinary matter that could lead to investigation. **Criminal proceedings might also be brought against that individual.**

### **Constraints / Restrictions on further use**

All information contained within an ISA, either personal or non-personal, must only be used for the purpose specified at the time of disclosure and will be defined in a relevant agreement.

Any further use made of this data will not be lawful or covered by the ISA unless obliged under statute or under the instructions of a court. Restrictions may also apply to any further use of non-personal information, such as commercial sensitivity. If in doubt, the information's original owner should be consulted.

The information shared as part of an agreement should not be disclosed to any other third party without the written consent of Belfast City Council or core partner organisations listed within the agreement.

In certain circumstances it may be necessary to engage the services of a designated organisation that sits outside the core partners. If this is identified and necessary, then a decision must be made on the extent of information that can be shared with them.

Full agreement between all partner organisations involved is vital and the template from must be used. This will be forwarded and signed by a nominated person within the designated organisation, which places security and confidentiality obligations on them. Details of this addition will be added to the ISA if required.

### **Security / Information Exchange**

BCC works to the principles of the British Standard ISO 27001, the Standard for Information Security Management. Compliance or a similar level of compatible security should be sought from any partner organisation involved to confirm a suitable level of security is in place to process BCC information. There may be instances whereby a partner organisation will not have a specific security classification in place. If this is identified, **then BCC must carefully consider whether to proceed or not.**

In most instances information sharing agreements will involve the transfer of information between the partner organisations. This should be performed by way of secure electronic transfer or hand copy delivery.

A process must be agreed between the organisations involved and must be completed with due regard to the seventh principle of the DPA. *“That appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data”.*

### **Ad hoc disclosures under the non-disclosure exemptions**

Ad hoc disclosures of personal data to external organisations are not compulsory except in cases where BCC is served with a Court direction requiring it to disclose the information requested or when a specific piece of legislation obliges BCC to disclose. However, the two main exemptions that apply to the Council enabling it to voluntarily disclose information are Section 29(3) and 35(2) of the Data Protection Act 1998 (prevention & detection of crime and in connection with legal proceedings).

The disclosures work in two ways:-

- 1) When an outside organisation is seeking information held by BCC

Such disclosures should only be made if the requesting organisation requires personal data relating to a specific matter and they must provide suitable information to satisfy BCC that failure to release will harm their purpose and necessity is the key.

The request must be in writing and if any member of staff receives a telephone call from the external organisation, they are not obliged to release information by this means. Most requesting organisations have a dedicated request form, which will include:

- a statement confirming that the information requested is required for the purposes covered in Section 29 or 35;
- a brief outline of the nature of an investigation or reason for seeking the information;
- the data subject's role in that investigation or purpose;

- the signature of the investigating officer.

There is no such thing as a Data Protection emergency (except where someone's life or health may be at risk or the police require the data urgently to intervene in a crime). If life is endangered and it is vital that police or another organisation obtain the personal data immediately, the telephone can be used. If in doubt, seek immediate guidance and advice from a line manager.

## 2) When BBC is seeking information held by an external organisation

Such disclosures should only be made when BCC requires personal data relating to a specific matter and they must provide suitable information to satisfy the external organisation that failure to release will harm its purpose and necessity is the key.

The request must be in writing and BCC has a dedicated request form for this purpose, which will include:

- a statement confirming that the information requested is required for the purposes covered in Section 29 or 35;
- a brief outline of the nature of an investigation or reason for seeking the information;
- the data subject's role in that investigation or purpose;
- the signature of the investigating officer.

Template non-disclosure request form can be obtained from RMU, along with advice and guidance on its completion.

## Quality of Information

BCC must ensure that any Information shared is of high quality and needs to be fit for the purpose it is to be used. It must be complete, accurate, up to date and without this, any decision made on the information shared may be flawed leading to inappropriate actions taken as a result. All organisations are expected to give undertakings that information meets a reasonable quality level for the proposed purposes for which it is being shared. In essence BCC must be able to stand over any information that it will share.

## Training

BCC staff who are involved in the sharing of information are expected to receive a level of training in the use and management of the agreement. This will enable them to undertake their duties in a confident, efficient and lawful manner. This can be provided by the Head of Department and in conjunction with Information Governance Unit.

## Template 3.1 – Internal Information Sharing Agreement

Template 3.1

### **Internal Belfast City Council Personal Data Request Form** **(To be used when sharing between Department / Section)**

To –

*(List the name of person within the department / section)*

Department & Address –

*(List address of internal department / section)*

This is a request for access to personal data processed on Belfast City Council's internal information systems where the requesting department / section does not have direct access.

**The personal data required will relate to the following individual:-**

*(Include name, address, DOB and any other identifying details).*

**Details of the personal data that I require are as follows:-**

*(Describe the data sought)*

**I require the personal data for the following purpose:-**

*(State exactly why this data is required and provide as much details as possible, provide details of prejudice or harm caused if the information is not disclosed and any legislative powers you are relying upon)*

Signature of requesting member .....

Date..... Department.....

Signature of authorising member .....

Date..... Department.....

To be completed by the receiving department / section.

State if the personal data is to be released to the above department / section. If the data is to be withheld, an explanation must be provided as to the reasons for this decision. If direct access is provided for staff to use an information system, please provide details.

*(State if the data can be released or not. If released, list the details. If not, then include the reason why it is withheld.*

The personal data has been approved for release

Yes / No

Signature of reviewing member .....

Date..... Department.....

Signature of authorising member .....

Date..... Department.....

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## DATA PROTECTION PROCEDURES

### 4. How to set up a Data Processing Agreement with a third party who will process personal data on behalf of the council

#### Introduction

The contents of this document set out the following procedures to be followed by Belfast City Council (BCC) when entering into a contract with a company or supplier who will process personal data on behalf of the Council. Procurement documentation includes supplier requirements.

A 'Data Processor' is defined as any person (other than an employee of the data controller) who processes the data on behalf of the Data Controller. E.g. this could be in the form of a recruitment company who will manage this area of work or an outside medical company who will provide occupational health and welfare services.

A Data Processor will hold or process personal data, but will not exercise responsibility for or control over the personal data. Data Processors have limited responsibilities under the Data Protection Act and these address the necessity to keep personal data secure from unauthorised access, disclosure, destruction or accidental loss.

**BCC as the Data Controller will remain responsible for the personal data held by a Data Processor and for ensuring compliance with the provisions of the Data Protection Act.**

BCC must carefully examine any organisation they are considering to use as a Data Processor. The organisation must provide suitable guarantees in relation to security and this must be documented as part of any contract.

#### Template forms

Template documents listed below must be used by Belfast City Council departments when considering using the services of a Data Processor. This will ensure all necessary and lawful elements are addressed. The template documents can be obtained from Information Governance Unit who will provide advice and guidance on their completion.

- Generic Data Processor template
- Belfast City Council Pre Data Processor Agreement Security requirements.
- Data Processor Agreement Undertaking of confidentiality
- Data Processor Breach of Security Report Form

A senior member of the department who is seeking to use a Data Processor must be appointed to manage this process and ensure the necessary elements and documents are comprehensively completed.

The original signed agreement should be retained by the department who is seeking the services of the Data Processor and a copy presented to the Data Processor.

A copy of the final signed agreement must also be forwarded to the Information Governance Unit, Legal Services Section, Belfast City Hall for information and monitoring purposes.

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## DATA PROTECTION PROCEDURES

### 5. How to handle a significant data breach

#### Introduction

Belfast City Council (BCC) will gather and retain a large volume of personal data, some of which is sensitive as defined within the Act. This data is lawfully processed to ensure BCC meets its statutory obligations with proper technical / organisational measures put in place to protect it.

Unfortunately there may be an occasion when data is lost or inappropriately released. It is therefore essential BCC have a procedure in place whereby quick and necessary action is invoked to minimise any risk or damage to an individual and the Council.

The lack of a data breach procedure creates a risk for BCC, data subjects and any organisation with whom it interacts. A breach may result in reduced trust, reputational damage, lost revenue and substantial costs associated with resolving the matter.

#### Purpose

This guidance sets out the procedure to be followed by all BCC Staff in the event of a significant Data Protection Breach. All data breaches must be reported to Information Governance Unit to allow an assessment of the significance of the breach to be made and to determine whether it is necessary to report it to the Information Commissioner's Office.

#### Legal Background

The Data Protection Act 1998 regulates the processing of personal data relating to a living individual. It provides a set of rules within the principles of the Act pertaining to the obtaining, holding, use and disclosure of data.

Principle 7 of the Act states that organisations who process personal data must take "appropriate technical and organisational measures against the unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data".

A breach of this principle can occur in many forms e.g.

- The loss or theft of data
- Equipment failure
- Professional hacking attempt
- Professional "blagging" whereby data is obtained by deceit.
- Human error by accidental disclosure. An organisation mistakenly providing personal information to the wrong person, for example by sending details out to the wrong address,

#### Steps to follow upon the discovery of a Data Breach

There are four key steps to consider when responding to a breach or suspected breach:

Step 1: Contain the breach and carryout a preliminary assessment

Step 2: Evaluate the risks associated with the breach

Step 3: Consider who to notify either data subjects and or the ICO

Step 4: Prevent future breaches

As soon as a data breach is discovered or occurs, the staff member concerned should report the available details to his/her line manager, who in turn will escalate the report to the Head of Department. Full and comprehensive details must be presented at this stage to RMU.

If a breach occurs outside normal working hours, the line managers and departmental heads must be informed as soon as possible thereafter. A full data breach incident log should be commenced to provide a documented record of the sequence of events together with actions taken and by whom. See Template 5.1.

If a significant breach occurs, a response team should be immediately organised by the Town Solicitor involving key Council staff. The following individuals within BCC must be informed immediately and one person from this team should be identified to lead on the investigation;

Head of Digital Services  
Records Manager  
Corporate Communications Manager  
Town Solicitor  
Appropriate Head of Section  
Minute taker / Log keeper

Consideration must be given at an early stage to inform the Police Service of Northern Ireland (PSNI) if the data has been lost / stolen or if the data may pose a risk or impact on the safety of any individual concerned. This maybe very relevant if BCC owned electronic devices including Laptops, tablets, mobile phones etc are involved and confidential data is held within them.

Each data breach will be considered on a case by case basis and on the specific circumstances. An assessment must be made by the above persons to determine what course of action must be taken and the following points reviewed:

- The nature of the data involved
- The sensitivity of the data e.g. health, finance, security etc
- Has the data been lost or stolen?
- Is there any encryption or protection afforded to the data?
- What use could the data be to anyone?
- Could the data be used to harm, damage or cause distress to any individual concerned
- The number of data subjects involved
- Who are the data subjects e.g. staff, councillors, members of the public, clients and suppliers
- Are there risks to their safety or reputation or financial loss
- Is there a wider risk to public health or confidence in any service provided by the Council?
- Do any Council information systems require immediate closure?
- Can the data involved be replicated?

At this stage, BCC must consider whether to inform those persons affected by the breach. The seriousness of the situation will obviously have a bearing on how quickly this should be done. A response should be compiled covering how and when the breach occurred and also to provide reassurance and advice to the individuals affected.

A decision must then be made (based on the circumstances) as to how each individual is informed, either face to face, by telephone or in writing. A detailed record must be kept if and when this is done.

This initial contact should be carried out by a senior officer who has knowledge of the breach. Questions will be asked by those contacted and the above person must be in a position properly answer these and respond appropriately. This will be carried out to also enable the individuals concerned to take protective measures and take necessary action if credit cards or banking data require cancelling or passwords and PIN numbers need changed.

The lead person investigating the breach should now consider whether the Information Commissioner's Office (ICO) should be informed. Not every breach will require ICO notification and the following points will assist in deciding:

- The number of persons affected
- The nature of the personal data
- The potential impact that could have on the individuals
- Has any data been recovered or likely to be recovered?
- Is legal action required via the Court?
- Is the media aware of the breach?

If a decision is made to inform the ICO, the Template 5.2 form must be used.

The report will include:-

- The type of information and number of records;
- The circumstances of the loss / release / corruption;
- Action taken to minimise / mitigate effect on individuals involved including whether they have been informed;
- Details of how the breach is being investigated;
- Whether any other regulatory body has been informed and their response;
- Remedial action taken to prevent future occurrence;
- Any other information you feel may assist us in making an assessment.

BCC will always treat any breach as a serious matter and the lead person will carry out a full and detailed investigation. Once that has been completed, the reason for the data breach together with any recommended remedial action will be identified and reported to senior management.

Any recommendations or directions from the ICO will be considered and acted upon if required.

## **Implementation**

It is the responsibility of Heads of Service/Directors to ensure their staff are made aware of this procedure and the obligations contained within it. This procedure will be highlighted as part of the overall Data Protection awareness training delivered to all Belfast City Council staff. Further advice and guidance can be obtained from the Information Governance Unit.

## **Monitoring & Review**

This procedure will be subject to internal review one year from its implementation and annually thereafter.

Template 5.1 – Data Breach Communications Log

Data Breach Communications Log			
Date	Time	Who	Description / Outcome

## Template 5.2 – Data Breach Notification to ICO

### Data Breach Notification Form to the Information Commissioner

Please provide as much information as possible. If you don't know the answer, or you are waiting on completion of an internal investigation, please tell us. In addition to completing the form below, we welcome other relevant information, e.g. incident reports.

1	What is the name of your organisation (the data controller)?	
2	Who should we contact if we require further details concerning the incident? (Name and job title, email address, contact telephone number and postal address)	
3	Have you notified as a data controller? If so please provide your registration number.	
4	Have you reported any previous incidents to the ICO? If so, please provide brief details and reference numbers, where known.	
5	When did this incident occur?	
6	Briefly describe the incident.	
7	Has any personal data been placed at risk? If so, please give us an outline of what this data consists of.	
8	Approximately how many data subjects have been affected?	
9	Have you informed the data subjects that this incident has occurred?	
10	Has there been any media coverage of the incident?	
11	Have you taken any action to minimise/mitigate the effect on the data subjects involved? If so please	



	provide brief details.	
12	Are you carrying out an investigation into the incident - If so when will you complete it and what format will it take?	
13	Have you informed any other regulatory body of the matter? If so please provide their details and an outline of their response.	
14	What action have you taken to prevent similar incidents in the future?	
15	Is there any other information you feel would be helpful to the ICO's assessment of this incident?	

### **Sending this form**

Send your completed form to [casework@ico.gsi.gov.uk](mailto:casework@ico.gsi.gov.uk), with 'Security breach notification form' in the subject field, or by post to: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF. Please note that we cannot guarantee security of forms sent by email.

### **What happens next?**

When the ICO receives this form, they will contact BCC within seven calendar days to provide:

- a case reference number; and
- an explanation of what to expect during their investigation of the incident.

If you need any help in completing this form, please contact Belfast City Council Information Governance Unit.

### Appendix 3 – Draft outline Information Governance Framework

	Key area	What is it	Key policies/procedures	In existence? ✓ / ✗
1	Information governance management	Overall management of information governance at corporate and operational level	<ul style="list-style-type: none"> <li>• Information Governance Framework</li> </ul>	✗
2	Records management	The process of creating, describing, using, storing, archiving and disposing of organisational records according to a defined set of standards	<ul style="list-style-type: none"> <li>• Records Management Policy</li> <li>• Retentions &amp; Disposal Policy / Schedule</li> </ul>	Underway Being updated
3	Information compliance	The legal framework and standards to ensure that information management is within the law	<ul style="list-style-type: none"> <li>• Data Protection Policy</li> <li>• Data Protection Procedures</li> <li>• Guidance for Staff on Data Protection</li> <li>• Information Sharing Policy</li> <li>• Information Sharing Procedures</li> <li>• Freedom of Information (FOI) Policy</li> <li>• FOI Procedures</li> <li>• Guidance for Staff on FOI</li> <li>• Environmental Information Regulations (EIR) Policy</li> <li>• EIR Procedures</li> </ul>	✓ ✓ ✓  ✓ ✓  Underway Underway ✓  Underway  Underway
4	Information security	The policies and procedures to protect information and information systems from unauthorised access, use, disclosure, disruption, modification or destruction / protecting the confidentiality, integrity and availability of information	<ul style="list-style-type: none"> <li>• Information Security Policy</li> <li>• Information Asset Register</li> </ul>	Underway Underway
5	Data quality and assurance	Covers the need to ensure the quality, accuracy, currency and other characteristics of information products	<ul style="list-style-type: none"> <li>• Data Quality Policy</li> </ul>	✗

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## **Minutes of Budget and Transformation Panel Meeting 14<sup>th</sup> January 2016**

### **Attendance**

#### Members:

Councillor Declan Boyle (chair)  
Alderman Pat Convery  
Councillor Billy Hutchinson  
Councillor Deirdre Hargey (for Cllr McVeigh)  
Alderman Brian Kingston  
Councillor Nuala McAllister (for Cllr Long)  
Alderman J Rodgers (for Alderman D Browne)

#### Apologies:

Councillor J McVeigh,  
Alderman D Browne  
Councillor M Long

#### Officers:

Suzanne Wylie, Chief Executive  
Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources  
Jill Minne, Director of Organisational Development  
Phil Williams, Director of Planning and Place  
Mark McBride, Head of Finance and Performance  
Emer Husbands, Strategic Performance Manager

### **1. Peace IV**

The Chief Executive informed the Panel that the deadline for submission of applications to the new Peace Programme (capital) had been extended to June. This has therefore allowed officers more time to review potential projects to assess their feasibility and fit with SEUPB's criteria. This information would then be submitted to a future SP&R meeting for agreement on the Council's preferred projects. Members asked that information on the various proposed projects are brought to the relevant area working group and also party group briefings so that they could be appraised of all the available information. The Chief Executive also updated the panel that the available revenue spend had been increased and the previously agreed Peace Plan was being revised to take account of this. The updated plan would also be brought to members for approval.

### **2. Revenue Estimates 2016/17**

The Chief Executive updated the panel on the proposed revenue estimate figures which were still being considered through party group briefings. She highlighted the additional financing requirements (including uncontrollable costs) and a number of additional savings

that had been identified through the process. The Director of Finance and Resources also outlined the position in relation to the regional rate (1.7% increase in line with the GDP deflator). He also outlined for the panel the elements for a proposed efficiency programme which would be presented to SP&R and the Director of Organisational Development discussed some of the key areas of work in relation to OD that would contribute to the overall programme.

### **3. Waterfront**

The panel was updated on the ongoing work in relation to the Waterfront Hall, in particular the progress on the establishment of the Board and the new staffing structure. A progress report had been drafted for January SP&R Committee which included key dates in relation to preparations for the opening of the new Convention Centre.

### **4. Anti Poverty / Social Value**

The Director of Organisational Development circulated a draft paper outlining the key areas of work the council and its partners are involved in to address aspects of poverty, which would be presented to the January SP&R meeting. The members welcomed the proposal to work with partners, including the Joseph Rowntree Foundation, to develop a joint approach to tackling poverty in the city.

### **5. Update on Planning Improvement Programme**

The Director of Planning and Place outlined to the members a programme of improvement work that was underway in relation to elected member engagement and customer care. In particular he highlighted the need to look at response times to queries, the role of NI Direct and the need to review engagement processes and timeframes with both internal and external consultees. A report and subsequent improvement plan was being developed to cover all of these areas which would be completed by the end of January. The members noted the issues in relation to statutory consultees response times to planning applications and raised concerns that the ongoing redundancy scheme across all the government departments could make these response times more problematic. It was suggested that possibly a letter should be written, from the Chair of the Planning Committee, to the head of the reform programme outlining these concerns.

### **6. Planning applications**

The Chief Executive informed the panel of the applications that were being presented to the Planning Committee in October.

## **7. AOB**

### **City Deals**

The Chief Executive circulated a briefing note on City Deals to the Panel and said that future reports on the Council's proposals in relation to this would be brought to Members for consideration.

### **Somme Commemoration 2016**

The members agreed to the proposal to allocate the previously agreed £125,000 to the Ulster History Hub to develop and deliver a Council led civic programme to celebrate the centenary of the Battle of Somme.

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## Audit and Risk Panel

Tuesday, 12th January, 2016

### SPECIAL MEETING OF AUDIT AND RISK PANEL

Members present: Alderman Rodgers (Chairperson);  
Councillors Haire, Jones, Mullan, Ó Donnghaile,  
and Mr. R. Cox.

In attendance: Mr. R. Cregan, Director of Finance and Resources;  
Mrs. R. Crozier, Assistant Director of Parks and Leisure;  
Mr. A. Harrison, Head of Audit, Governance  
and Risk Services;  
Mrs. J. Minne, Director of Organisational Development;  
Mrs. S. Toland, Lead Operations Officer/Head of  
Environmental Health;  
Mrs. S. Steele, Democratic Services Officer.

### **Declarations of Interest**

No declarations of interest were reported.

### **Update Presentation on Absenteeism 2015/2016**

The Director of Organisational Development commenced her presentation by referring to the ongoing management of attendance. She advised that in 2006/07 there had been approximately 15.08 days of absence per employee and she proceeded to outline for the Members the steps which had been taken to improve the management of sickness absence. This had included the introduction of a new attendance policy which was implemented using the attendance management framework.

The Director reported that a recent review of those policies had been undertaken and that the vast majority of the proposed changes had been agreed with the Council's Trade Unions. She advised that, at its meeting on 18th December, the Members of the Strategic Policy and Resources Committee had agreed to implement the revised Attendance Management Policy and Guidance and Disciplinary Procedure, in full, incorporating management proposals on those areas where agreement had not been reached with the Council's Trade Unions.

The Panel was advised of the following facts and figures:

- sickness absence had reduced considerably over the last ten years with a now overall reduction of 4.92 days;
- at the end of Quarter three the absence rate was 7.57 days;
- there had been a slight increase from last year in the number of absences which had been classified as long term (i.e., twenty days or more) increasing from 64.11% to 65.53% this year;
- there had been a slight decrease in the percentage of staff with no absence from 32.6% last year to 35.94% this year;

**Special Audit and Risk Panel,  
Tuesday, 12th January, 2016**

- stress and musculo-skeletal were the two highest causes for sickness absence;
- four of the Departments were currently on target, with the City and Neighbourhood Services Department being the only Department not on target.

The Director concluded her presentation by outlining to the Members the monitoring procedures taken to manage sickness absence on a corporate basis throughout the Council, which included the following measures:

- fortnightly compliance meetings between Departments and Human Resources;
- Department and Human Resources case reviews;
- Occupational Health and Human Resources meetings for sensitive cases;
- individual Department action plans;
- annual targets set at Departmental and Sectional Level;
- reports to the Corporate Management Team, Audit Panel and Strategic Policy and Resources Committee;
- flu vaccinations offered;
- immediate referrals to employee counselling for stress and to the nurse for musculo-skeletal;
- health and wellbeing initiatives including stress audits, stress awareness and stress management training;

The Chairman thanked the Director of Organisational Development for her presentation.

Members noted the information which had been provided.

Chairperson



<b>Subject:</b>	Requests for the use of the City Hall and the provision of Hospitality
<b>Date:</b>	Friday, 22nd January, 2016
<b>Reporting Officer:</b>	Mr. Stephen McCrory, Democratic Services Manager
<b>Contact Officer:</b>	Mr. Stephen McCrory, Democratic Services Manager

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	Members will recall that the Committee, at its meeting on 26th September, 2003, agreed to the criteria which would be used to assess requests from external organisations for the use of the City Hall and the provision of hospitality. Subsequently the Committee at its meeting on 7th August, 2009, further amended the criteria so as to incorporate the new Key Themes as identified in the Council's Corporate Plan.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to approve the recommendations as set out in the Appendix.
<b>3.0</b>	<b>Main report</b>
3.1	<b><u>Key Issues</u></b>
3.1.1	The revised criteria have been applied to each of the requests contained within the appendix and recommendations have been made to the Committee on this basis.
3.2	<b><u>Financial and Resource Implications</u></b>
3.2.1	Provision has been made in the revenue estimates for hospitality.
3.3	<b><u>Equality or Good Relations Implications</u></b>
3.3.1	Not applicable
4.0	Appendices – Documents Attached – Schedule of Applications

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Organisation/ Body	Event/Date - Number of Delegates/Guests	Request	Comments	Recommendation
Common Purpose	Meridian Course Final Day and Award Ceremony 4th August, 2016 Approximately 40 attending	The use of the City Hall and the provision of hospitality in the form of tea/coffee and biscuits.	<p>'Meridian' is a leadership programme that brings together a diverse group of leaders from the private, public, voluntary and community sectors. The participants learn how to improve their capacity to lead, effect change and expand their networks through the investigation of real-life challenges.</p> <p>This event will recognise the achievements of those individuals who have successfully completed the Meridian Programme.</p> <p>This event would contribute to the Council's Key Themes of 'City Leadership - strong, fair, together' and 'Better opportunities for success across the city'.</p>	<p>The use of the City Hall and the provision of hospitality in the form of tea/coffee and biscuits.</p> <p>Approximate cost £100</p>
Street Soccer NI	Home Nations Homeless Cup Celebration 8th September, 2016 Approximately 130 attending	The use of the City Hall and the provision of hospitality in the form of tea/coffee and biscuits.	<p>This event will bring together teams from the home countries and will aim to highlight the problem of homelessness in Northern Ireland. It is hoped this event will raise awareness of the problems faced by homelessness and show how people can gain vital support. The event will celebrate the achievements of people who have been helped through the Street Soccer project</p> <p>This event would contribute to the Council's Key Themes of 'City Leadership - strong, fair, together' and 'Better Support for People and Communities'.</p>	<p>The use of the City Hall and the provision of hospitality in the form of tea/coffee and biscuits.</p> <p>Approximate cost £325</p>
Flax Trust	Inter-Community School Choirs Awards (FISCA) 15th December, 2016 Approximately 550 attending	The use of the City Hall and the provision of hospitality in the form of tea, coffee and biscuits	<p>This event will provide schools across North Belfast the opportunity to showcase their intercommunity choirs and to promote music and song as a neutral means of communication, and its ability to change perceptions and eliminate community tensions and religious prejudices. This event will culminate in the presentation of the award for best choir.</p> <p>This event would contribute to the Council's Key Theme of 'Better Support for People and Communities'.</p>	<p>The use of the City Hall and the provision of hospitality in the form of tea, coffee and biscuits</p> <p>Approximate cost £1,375</p>

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Subject:	Use of the Council Chamber – Spring Into Easter Festival
Date:	22 January, 2016
Reporting Officer:	Stephen McCrory, Democratic Services Manager
Contact Officer:	Stephen McCrory, Democratic Services Manager

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	To consider a request for the use of the Council Chamber during the Council's Spring Into Easter Festival in March.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is recommended to grant the use of the Council Chamber for the "Nearly True Tours" and children's' theatre shows during the Spring Into Easter Festival in March.
<b>3.0</b>	<b>Main report</b>
3.1	<u>Key Issues</u>
3.1.1	The Council's Spring Into Easter Festival will take place in the City Hall from 26th until 29th March. Last year the Festival attracted 23,000 visitors to the City Hall and grounds.
3.1.2	This year, the Council's Events Team has requested, as part of the Festival, the use of the Council Chamber over the period of the Festival both as part of the "Nearly True Tours" and also for three children's' theatre shows.



3.1.3	The Council Chamber will not be in use on these dates as the Council will be closed for the Easter Holidays.
3.2	<u>Financial &amp; Resource Implications</u>
3.2.1	None associated with this report.
3.3	<u>Equality or Good Relations Implications</u>
3.3.1	None associated with this report.
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	None



Subject:	Commemoration of the Centenary of the Battle of the Somme
Date:	22nd January, 2016
Reporting Officer:	Stephen McCrory, Democratic Services Manager (Ext 6314)
Contact Officer:	As Above

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
<b>1.1</b>	To consider appointing Members to attend the commemoration of the centenary of the Battle of the Somme.
<b>2.0</b>	<b>Recommendations</b>
<b>2.1</b>	The Committee is recommended to authorise the attendance of one Member from each of the 6 Parties represented on the Council, together with the Chief Executive (or her nominee) on the commemoration of the centenary of the Battle of the Somme visit to France in 2016.
<b>3.0</b>	<b>Main report</b>
<b>3.1</b>	<u>Key Issues</u>
<b>3.1.1</b>	The Committee will be aware that the Council has for many years been represented at the annual commemoration of the Battle of the Somme events held in France.
<b>3.1.2</b>	This year will be the centenary of that battle and the Somme Association has requested that Councils wishing to participate in the event in 2016 make reservations by 31st January, given the anticipated high demand for places.
<b>3.1.3</b>	The Council normally reserves 7 places on the annual visit, one for each Party represented on the Council and for the Chief Executive (or her nominee). The same recommendation is made for the 2016 visit, subject to availability.

<b>3.1.4</b>	Members are asked to note that those attending the ceremony in France will not be able to attend the Council's own Somme Commemoration event to be held at the City Hall on 1st July.
<b>3.2</b>	<u>Financial &amp; Resource Implications</u>
<b>3.2.1</b>	The cost is estimated to be approximately £830 - £1,000 per person and these costs can be met from within established budgets.
<b>3.3</b>	<u>Equality or Good Relations Implications</u>
<b>3.3.1</b>	None associated with this report.
<b>4.0</b>	<b>Appendices – Documents Attached</b>
<b>4.1</b>	None