

# Public Document Pack

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



**Belfast  
City Council**

16<sup>th</sup> January, 2017

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

Dear Alderman/Councillor,

The above-named Committee will meet in the Lavery Room - City Hall on Friday, 20th January, 2017 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) Revenue Estimates and District Rate (Pages 1 - 10)
- (b) Leisure Transformation Programme- Assets Update (Pages 11 - 18)
- (c) Asset Management (Pages 19 - 36)

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

- (a) Notice of Motion on Outcomes Based Accountability and update on Area Events (Pages 37 - 40)
- (b) Notice of Motion - Transfer of Regeneration Powers (Pages 41 - 46)

4. **Belfast Agenda**
  - (a) NI Executive and Ministerial Engagement (Pages 47 - 56)
5. **Physical Programme and Asset Management**
  - (a) Area Working Update (Pages 57 - 68)
6. **Finance, Procurement and Performance**
  - (a) Corporate Risk Management Update (Pages 69 - 112)
  - (b) Contracts for award (Pages 113 - 116)
  - (c) Scheme of Allowances (Pages 117 - 164)
7. **Equality and Good Relations**
  - (a) Shared City Partnership Meeting – 9th January 2017 (Pages 165 - 174)
8. **Operational Issues**
  - (a) Rates Consultation Response (Pages 175 - 242)
  - (b) Minutes of Budget and Transformation Panel January 2017 (Pages 243 - 246)
  - (c) Requests for the use of the City Hall and the provision of Hospitality (Pages 247 - 250)

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By virtue of paragraph(s) 3 of Part 1 of Schedule 6  
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<b>Subject:</b>	Belfast Agenda – Notice of Motion on Outcomes Based Accountability and update on Area Events
<b>Date:</b>	20 January 2017
<b>Reporting Officer:</b>	Suzanne Wylie, Chief Executive
<b>Contact Officer:</b>	Sharon McNicholl, Strategic Planning and 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	Following the Notice of Motion moved by Alderman Convery at the council meeting on 3 January, this report provides Members with an update on how use of the Outcomes Based Accountability methodology has developed within the council to date and plans for its on-going use.
1.2	The report also provides Members with a brief update on proposed area engagement events taking place over the coming weeks to support consultations on the Belfast Agenda and Local Development Plan (Preferred Options Paper).
<b>2.0</b>	<b>Recommendations</b>
2.1	Members are asked to: <ul style="list-style-type: none"> <li>a) note the OBA methodology developments being explored within the council as part of the emerging Belfast Agenda, Corporate Planning and partnership development processes; and</li> <li>b) note the proposed area engagement events</li> </ul>

<b>3.0</b>	<b>Main report</b>
<p data-bbox="164 264 209 293">3.1</p> <p data-bbox="164 517 209 546">3.2</p> <p data-bbox="164 972 209 1001">3.3</p> <p data-bbox="164 1576 209 1606">3.4</p>	<p data-bbox="272 215 448 244"><b>Background</b></p> <p data-bbox="272 264 507 293"><b>Notice of motion</b></p> <p data-bbox="272 315 1465 445">As Members are aware the undernoted motion, which was moved by Alderman Convery (&amp; seconded by Cllr Attwood) at council on Tuesday 03 January has been referred to the Committee for consideration:</p> <p data-bbox="272 517 1465 600">“Belfast City Council notes that the Programme for Government has been developed under the Outcome Based Accountability (OBA) principles.</p> <p data-bbox="272 618 1465 701">Belfast City Council notes that two Outcome Based Accountability (OBA) pilots have been taken forward in Whiterock and Inner East, as part of the Belfast Agenda.</p> <p data-bbox="272 719 1465 848">Belfast City Council agrees to embed the OBA principles in all Council decision making processes in the Council to make sure we achieve outcomes which show measurable improvements for people and communities in every part of the city.”</p> <p data-bbox="272 972 1310 1001"><b>Outcomes Based Accountability (OBA) in the Programme for Government</b></p> <p data-bbox="272 1021 1465 1104">As the motion above notes the new Programme for Government has been developed using the Outcomes Based Accountability methodology. This has resulted in:</p> <ul data-bbox="320 1178 1465 1509" style="list-style-type: none"> <li>– A set of outcomes identifying the quality of wellbeing conditions the Northern Ireland Executive would like to see improved across the region. Alongside this, a set of population indicators is being proposed to enable the measurement of the achievement of the outcomes.</li> <li>– Emerging programmes of work being designed cross-departmentally and with partners that will result in improving these measures and improve the quality of life of residents.</li> </ul> <p data-bbox="272 1576 775 1606"><b>Work to date on OBA in the Council</b></p> <p data-bbox="272 1626 1465 1756">Members will also recall that the Council has been exploring the use of the Outcomes Based Accountability methodology in a variety of ways over the past two years. Activities have included:</p> <ul data-bbox="320 1830 1465 1912" style="list-style-type: none"> <li>– Workshop Mark Friedman (developer of the OBA methodology) with Members and partners (Sept 2014)</li> </ul>



- OBA Capacity building programme with officers and partners (Spring 2015)
- Briefings for Area Working Groups on the OBA approach and discussion of outcomes for local areas as part of AWG workshops;
- Locality planning: testing the use of OBA across the city in locality settings with communities and partners to help local people shape targeted interventions and test the process with a view to further roll-out.
- Belfast Agenda: as the lead partner for community planning in Belfast the council has supported the drafting of the Belfast Agenda for consultation to include:
  - development of a long-term citywide outcomes framework seeking to improve the quality of life over the next 20 years and align with Programme for Government population outcomes and indicators;
  - development of a citywide performance framework in line with the principles of OBA (a City Dashboard);
  - working with partners to develop the proposed broad work-streams in the Belfast Agenda into specific programmes which will include performance frameworks in line with OBA methodology.

**Next steps**

3.5

Since it is intended that the Belfast Agenda will form the framework for the council's future plans and key strategies, including the corporate plan it is inevitable that these will have a focus on delivering the long-term outcomes that have been set for the city as well as the targets that have been set for the next four years.

3.6

As Members are aware the council's new Corporate Plan is under development, following a workshop with the SP&R Committee on 28 October to which all Members were invited. The corporate plan will reflect and evidence the council's contribution to the Belfast Agenda programmes of work and population outcomes as well the specific programmes of work that the council will be delivering.

3.7

In the months ahead, the outcomes in the Belfast Agenda will continue to shape the councils emerging plans and strategies at both a city and local level. As ever, Members will lead and shape this process through a series of workshops, including the Committee workshops planned for February, through discussion at Area Working Groups and through the committee decision making processes themselves. The partnership work that Members play a leading role in will also help ensure alignment to our long-term goals with partnerships such as the Belfast Strategic Partnership on life inequalities, the Shared City

3.8	<p>Partnership, the PCSP and others playing a key role in the on-going development and roll-out of implementation plans. Regular reports on the work of these partnerships and the process of alignment will be brought to Members.</p> <p><b>Area engagement events</b></p> <p>To support the ongoing public consultation on the draft Belfast Agenda, and the upcoming consultation Local Development Plan (Preferred Options Paper), a series of area based engagement events are planned to take place in late January/early February 2017. These events are as follows:</p> <table border="1" data-bbox="274 669 1426 956"> <tr> <td data-bbox="274 669 561 763">North: Girdwood Community Hub</td> <td data-bbox="561 669 849 763">South: Olympia Leisure Centre</td> <td data-bbox="849 669 1136 763">East: Skainos Centre</td> <td data-bbox="1136 669 1426 763">West: Innovation Factory</td> </tr> <tr> <td data-bbox="274 763 561 956">Monday 30 January 2017, 2.00-4.00pm</td> <td data-bbox="561 763 849 956">Thursday 2 February 2017, 6.30-8.30pm</td> <td data-bbox="849 763 1136 956">Thursday 9 February 2017, 6.30-8.30pm</td> <td data-bbox="1136 763 1426 956">Monday 13 February 2017, 2.00-4.00pm</td> </tr> </table> <p>These events will provide an opportunity for members of the public to hear about the key plans affecting the future of Belfast and how to give their views, together with opportunities to provide some initial feedback.</p>	North: Girdwood Community Hub	South: Olympia Leisure Centre	East: Skainos Centre	West: Innovation Factory	Monday 30 January 2017, 2.00-4.00pm	Thursday 2 February 2017, 6.30-8.30pm	Thursday 9 February 2017, 6.30-8.30pm	Monday 13 February 2017, 2.00-4.00pm
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3.9	<p><u>Financial &amp; Resource Implications</u></p> <p>There are no additional resource implications as a result of this report. Alignment of resources to the delivery of the Belfast Agenda will be part of the on-going organisational and financial planning processes</p>								
3.10	<p><u>Equality or Good Relations Implications</u></p> <p>The Belfast Agenda includes outcomes related to improving equality and good relations in the city.</p>								
4.0	<p><b>Appendices – Documents Attached</b></p>								
	<p>None.</p>								



<b>Subject:</b>	Notice of Motion : Transfer of Regeneration Powers
<b>Date:</b>	20 <sup>th</sup> January, 2017
<b>Reporting Officer:</b>	Stephen McCrory, Democratic Services Manager
<b>Contact Officer:</b>	Jim Hanna, Senior Democratic Services 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/Summary of Main Issues</b>
1.1	To consider the response from the Minister for Communities in relation to the Council's motion on the Transfer of Regeneration Powers.
<b>2.0</b>	<b>Recommendation</b>
2.1	The Committee is asked to; <ul style="list-style-type: none"> <li>• Note the response and take any such action as may be determined.</li> </ul>
<b>3.0</b>	<b>Main Report</b>
	<b><u>Key Issues</u></b>
3.1	Members will recall that, at the Council meeting on 1st December, Councillor McDonough-Brown proposed the following motion:  “This Council expresses its profound disappointment in the decision of the Minister for Communities not to proceed with the Regeneration Bill and devolution of regeneration powers to local government.

The Council:

- i. recognises that these powers would strengthen and enhance our ability to drive strategic regeneration activity, when used alongside community and land use planning;
- ii. believes this decision to be in conflict with the entire direction and ethos of local government reform and to be a significant missed opportunity; and
- iii. reiterates our support for the devolution of regeneration powers to local government; and calls for the Minister for Communities to meet with the Council with a view to reversing his decision and proceeding with the Bill.”

The motioned was seconded by Councillor Howard.

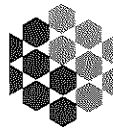
3.2 Members will recall also that, at the request of Councillor McDonough-Brown, the Council had agreed, with all forty-eight Members present and voting in support of the proposal, to suspend Standing Order 13(f) to enable the Council to debate point (iii) of the motion. Subsequently, the Council had agreed to adopt point (iii) and, in accordance with Standing Order 13(f), had referred points (i) and (ii), without discussion, to the Strategic Policy and Resources Committee. Those points were noted by the Committee, at its meeting on 16th December.

3.3 A response to point (iii) of the motion has now been received on behalf Minister Givan, a copy of which is attached. The response confirms that the Minister will not be reconsidering his position not to proceed with the Regeneration Bill and devolve regeneration powers to local government. The response did, however, stress that, irrespective of where the legislative responsibility lies, local government plays and will continue to play a significant role in ensuring the successful implementation of regeneration programmes. The response concluded by highlighting the importance of the Partnership Panel as a means of engagement between the Northern Ireland Executive and councils.

3.4 Members should be aware that council officers continue to work alongside senior officials within the Department for Communities and Belfast Regeneration Directorate with a view to unlocking prioritised regeneration and development schemes with a view to supporting delivery. This relationship is underpinned by a Memorandum of Understanding which has

	<p>been established between the Council and Department for Communities which supports a joined up approach to be taken to progressing key schemes. This is currently being revised and a list of jointly agreed priority projects is being developed.</p>
3.5	<p><u>Financial and Resource Implications</u></p> <p>None</p>
3.6	<p><u>Equality or Good Relations Implications</u></p> <p>None</p>
<b>4.0</b>	<b>Appendices - Documents Attached</b>
	Appendix 1 - Response from the Minister for Communities.

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Department for

**Communities**

[www.communities-ni.gov.uk](http://www.communities-ni.gov.uk)

**From: The Private Secretary**

9<sup>th</sup> Floor  
Causeway Exchange  
1-7 Bedbord Street  
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BT2 7EG

e-mail: [Private.Office@communities-ni.gov.uk](mailto:Private.Office@communities-ni.gov.uk)

Tel: (028) 90829034

Henry Downey  
Chief Executive's Department  
Belfast City Council  
City Hall  
BELFAST BT1 5GS

Our ref: INV/1926/2016  
4 January 2017

Dear Mr Downey

Thank you for your letter of 14 December to the Minister seeking a meeting to discuss the decision not to proceed with the Regeneration Bill and the devolution of regeneration powers to local government. The Minister has asked me to respond.

The Minister has indicated that he will not be reconsidering his position on this matter. In making his statement to the Assembly, he has however stressed that, regardless of where legislative responsibility lies, local government does and will continue to play a significant role in ensuring the successful implementation of our regeneration programmes.

He also stressed the importance of the Partnership Panel and the connection it affords between the Executive and local government and he sees this as the vehicle by which he will want to engage with councils.

Yours sincerely

PP **PAMELA BAXTER**  
Private Secretary

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<b>Subject:</b>	NI Executive and Ministerial Engagement
<b>Date:</b>	Friday 20 January 2017
<b>Reporting Officer</b>	Suzanne Wylie, Chief Executive
<b>Contact Officer:</b>	Kevin Heaney, 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	To update Members on the continued engagement with the NI Assembly and Executive Ministers.														
<b>2.0</b>	<b>Recommendations</b>														
2.1	<p>The Committee is asked to;</p> <ul style="list-style-type: none"> <li>• Note the contents of this report and that engagement will continue with the NI Executive, Ministers and Senior Departmental officials over coming weeks and months.</li> </ul>														
<b>3.0</b>	<b>Main Report</b>														
3.1	In the context of the development of the Belfast Agenda (and identification of the key ambitions and priorities for the city), as well as seeking to influence and shape the emerging Programme for Government and key Executive delivery frameworks such as the Investment, Economic and Social Strategies, there has been intensive political engagement by the Council and Members over recent months. This included, for example, the recent series of Ministerial meetings, the representation at Westminster and Stormont and focused briefings to specific Executive Committees including the Committee for Infrastructure on 7 November 2016.														
3.2	<p>To date, a Council deputation has meet with six out of the nine Executive Ministerial offices as set out below (a summary of the key outcomes from these meetings is attached at <b>Appendix 1</b>).</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #0070C0; color: white;"> <th style="text-align: left;">Ministerial Meetings to date</th> <th style="width: 20%;"></th> </tr> </thead> <tbody> <tr> <td><b>Education Minister</b> Peter Weir MLA</td> <td style="text-align: right;">9 Aug. 16</td> </tr> <tr> <td><b>Justice Minister</b> Claire Sugden MLA</td> <td style="text-align: right;">22 Aug. 16</td> </tr> <tr> <td><b>Finance Minister</b> Máirtín Ó Muilleoir MLA</td> <td style="text-align: right;">26 Aug. 16</td> </tr> <tr> <td><b>Communities Minister</b> Paul Givan MLA</td> <td style="text-align: right;">13 Sept. 16</td> </tr> <tr> <td><b>Executive Office</b> - First Minister Arlene Foster MLA, and Deputy First Minister, Martin McGuinness MLA</td> <td style="text-align: right;">28 Sept 16</td> </tr> <tr> <td><b>Infrastructure Minister</b> Chris Hazzard MLA</td> <td style="text-align: right;">20 Nov 16</td> </tr> </tbody> </table> <p>The Council is actively seeking to confirm meetings with the other Ministers with responsibility for the</p>	Ministerial Meetings to date		<b>Education Minister</b> Peter Weir MLA	9 Aug. 16	<b>Justice Minister</b> Claire Sugden MLA	22 Aug. 16	<b>Finance Minister</b> Máirtín Ó Muilleoir MLA	26 Aug. 16	<b>Communities Minister</b> Paul Givan MLA	13 Sept. 16	<b>Executive Office</b> - First Minister Arlene Foster MLA, and Deputy First Minister, Martin McGuinness MLA	28 Sept 16	<b>Infrastructure Minister</b> Chris Hazzard MLA	20 Nov 16
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3.3	<p>Department for Economy, Department for Health and Department for Agriculture, Environment and Rural Affairs. Attached at Appendix 2 for Members information is recent correspondence received from the Health Minister's Office in response to requests to meet.</p>
3.4	<p>Members should be aware that Council officers will continue to engage and work alongside senior central government officials with a view to identifying the key challenges, priorities and opportunities for the city which need to be progressed as well as informing/shaping the emerging Programme for Government (and associated delivery plans) as well as the development of the Investment, Economic and Social Strategies referred to above. Where possible we need to work with central government and other partners to better align our energy, activities and resources to deliver shared priorities and outcomes and maximise opportunities around co-design and co-delivery.</p>
4.0	<p><b>Appendices – Documents Attached</b></p>
	<p>Appendix 1 – Summary of outcomes from recent Executive Ministerial meetings Appendix 2 – Correspondence received from the Health Minister</p>

## APPENDIX 1: Summary of key outcomes emerging from Executive Ministerial Meetings

### Education Minister, Peter Weir (9/8/16)

- **Employability & Skills** – Departmental participation on Economic Forum and willingness to work alongside Council and other partners to co-design new local interventions and programmes which seek to address the educational inequalities including Belfast Works Employability Pathway.
- **Careers Advice Service and Guidance** – commitment to work with council, the Education Authority and educational providers in delivering the new Careers Advice & Guidance Strategy NI. Potential role for council to liaise with employers and schools to increase access to work experience/internships, developing employability advice and mentoring support.
- **Education Curriculum** – Department intends to undertake a review of the current educational curriculum and is keen to better match education and skills development to employer demands.
- **Special needs** – Members highlighted the need to take an integrated (whole system) approach to addressing the current length of time it takes for diagnosis of autism and the associated delay in provision of necessary support. Engagement to take place with the Dept of Health.

**Local Development Plan** – Belfast CC to engage with the Education Authority to inform the work they are taking forward to develop local area plans. Need to take account of emerging population growth projections and impact on future demand for education/schools – including City Centre.

**Capital Build** – Dept commitment to engage with council around its future build programme and explore alignment with our own capital investment plans and wider city developments, including opportunities around shared facilities.

- **Nursery Provision** - Members highlighted the desire to work with DoE and Education Authority and private providers to ensure adequate provision in city.
- **Smart Cities and Data Sharing** – willingness to explore opportunities to better co-ordinate and share information/data to inform future planning and decision-making processes at a city level.

### Justice Minister, Claire Sugden MLA (22/8/16)

- **Alignment and Strategic Planning** – recognition of the need to seek to rationalise/integrate the raft of plans and strategies in place around community safety.
- **Policing and Community Safety Partnerships** – whilst recognising the need for a more sustainable and longer-term funding model to be put in place for PCSPs (e.g 3-4 years), Minister highlighted the inability to do this with the current NI Executive annual budget allocation process linked to TBUC.
- **Re-generation** – recognition of council role in supporting physical, economic and social regeneration of the city and its neighbourhoods and the potential impact that such activity could have in addressing crime and anti-social behaviour – e.g. designing out crime.

- **Local Interventions** – commitment for Dept officials to work with council to identify & develop proposals for localised interventions – particular linked to interface areas. Specific reference made by Minister to success of the Alley-gating Scheme and the potential to expand this.
- **Funding Opportunities (Fresh Start)** – acknowledgement of the joint Bid being submitted by council and Probation Board NI to consider the social issues behind why many young people get involved with paramilitaries, criminality and organised crime.
- **Interfaces** – Minister highlighted the political desire within the NI Executive to remove interface barriers by 2023. Whilst aware that there are clearly local challenges/ concerns/ fears around this, not familiar with the detail. Desire to get a fuller understanding of this and would be keen to undertake site visit(s).
- Again, reference made to the short-term nature (annual) of Executive funding around TBUC and the impact on the sustainability of interventions and funding to councils.
- **Alcohol Controls & Legislation** – Members highlighted need to undertake a review of existing in place to tackle on-street and anti-social consumption of alcohol. Group established (including Dept of Justice, Dept for Communities and council officials) to under review and bring forward recommendations. An area of concern raised by Members was the gap in legislation around carrying and consumption of alcohol on buses for all events. Ministerial support sought in bringing forward any proposed legislative changes which may emerge.
- **Anti-Social Behaviour** – Minister highlighted current legislative constrains ‘anti-social behaviour’ and the inability to prosecute on its own – leads to repetitive behaviour. Special Advisor currently looking at this.
- **Off-Road Vehicles** – Members highlighted the need to bring forward legislation for a registration scheme for off-road vehicles. Responsibility for this would be DfI but sought support of Minister.
- **Ministerial priorities** – Minister outlined her priorities as being: Domestic Violence; Mental Health; Restorative Justice; Children and Young People.

## Finance Minister, Minister Máirtín Ó Mulleoir MLA (26/8/16)

- **Infrastructure Investment** – proposal to consider the establishment of a Joint Group (with reps from DfC and DfI) to develop proposals on how prioritised infrastructure and regeneration schemes can be progressed within the city.
- **Infrastructure Plan and Finance** - co-commission with central government two specific pieces of work (i) creation of a Strategic infrastructure Plan for the City-Region and Eastern Corridor and (ii) identifying viable alternative funding mechanisms to deliver infrastructure and regeneration schemes including potential funding from European Investment Bank. Minister support and commitment to be involved in such work.
- **Office Accommodation** – £300m investment planned. Work with officials to explore potential investment opportunities for Belfast including joint developments.
- **Employability and Skills** – commitment that senior officials will participate in Economic Forum

- **Rating Policy & Incentivising Growth** – work underway to examine how the rating system can better incentivise investment and growth and to develop specific proposals on how this may be brought forward (e.g. rate relief/holidays linked to new investment and jobs creation; derelict land tax)
- **Smart Cities** – commitment to explore opportunities to better co-ordinate and share information and data to inform future planning and decision-making processes at a city level. We also welcome the commitment to engage in any emerging innovative initiatives which are of mutual benefit.
- **Fuel Poverty** – commitment that officials will explore with DfC how a more sustainable funding model can be put in place to support fuel poverty – including Affordable Warmth scheme.

## Communities Minister, Paul Givan MLA (13/9/16)

- **Transfer of Regeneration Powers** – Discussions ongoing within Executive with no definitive decision. Minister keen to reach a conclusion ASAP.
- **MOU** – Minister confirmed MOU in place between DfC and council which supports a collaborative approach to regeneration activity. Keen to continue to work alongside council to progress key flagship schemes.
- **Community Development** – Council sought assurances from the Minister that Community Development Grant funding received from DfC be protected as part of any review undertaken of the support provided by the Dept to the Voluntary and Community Sector.
- **Asset Utilisation** – Minister supports the concept of community assets transfer and recognises the need for a more holistic approach to be taken to maximising the potential of community based assets. Willing to work with council to identify specific asset related proposals and linked to regeneration schemes.
- **Stadia Funding** – Members highlighted the Council’s desire to bring forward proposals around centres for excellence (e.g. Boxing, Athletics, rowing, potential national training centre for soccer) and the desire to work with DfC to identify potential synergies and bring forward joint schemes. Minister indicated that whilst he intends to roll-out the £36m soccer stadia funding application programme later this year, Minister is keen to bring forward proposals for a major capital scheme. Willing to explore the potential opportunity to partner with council and other stakeholders to bring this forward (non-committal).
- **Local Development Plan** – Members highlighted the ambitions plans emerging for the city including potential higher population growth targets. Seek early engagement with DfC and NIHE regarding future demand for housing and associated planning.
- **Physical Transformation of city** - Members highlighted the importance of key schemes such as Streets Ahead Phase III; Royal Exchange (2); Transport Hub; New Visitor Attraction) and need to work with DfC and central government to maximise the wider regeneration and social impact of these. Ministerial

commitment to work (partner) with council to seek to bring forward key schemes which will help regenerate the city – albeit this will be with the caveat around affordability.

- **Streets Ahead Phase III** – DfC are working with utility providers to ensure that this scheme is future proofed from a utility planning perspective.
- **Infrastructure Plan** – informed Minister of intention to develop infrastructure plan for wider city-region and seek involvement of DfC. Wish to connect physical investment with social side and employability and skills agenda.
- **Social Inclusion** – Minister stated that draft Social Strategy to be issued shortly for consultation. At its heart will be addressing poverty and social inclusion. During discussions with officials (Minister had to leave meeting for Executive business), it was pointed out that the council seeks to deliver the same outcomes as the Dept and would seek opportunity to co-design with DfC the approach to achieving this. Also important to recognise the scale/concentration of social issues within the city and the potential scale which we may affect change. Council should not be seen as just another consultation stakeholder.
- **Employability and Skills** - DfC officials confirmed that the approach and proposals being prepared by Belfast CC are likely to find expression in the draft Social Strategy including the development of local employability/work schemes and delivery forums (e.g. Belfast Works Employability Pathway model being considered for Belfast).

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**Welfare Reform** – DfC officials confirmed that mitigation programme will be rolled-out in-line with the welfare reforms coming on stream. Confirmed that elected Members will be part of any training/awareness programme delivered. Also confirmed that negotiations are nearly completed and contracts being entered into for provision of regional support services such as telephony service, additional face-to-face support services and an information sign-posting network. Recognises the important role of advice services.

- **Legislative Reform** – draft Liquor Licencing Bill to be introduced to the Assembly and Executive by w/c 26 September. Will seek evidence as part of the committee stage consideration process. Key proposal will be to align Entertainment licencing and Liquor licensing which would allow licenced premises to sell alcohol up until 2am, with drinking up by 3pm.

**Off-Sales Licencing Laws** – whilst DfC officials has been considering and developing viable proposals for a controlled approach to be taken to enable key events to sell promotional alcohol for off-site consumption, this is not currently included in the draft Bill and will likely be brought forward as proposed amendments as part of consideration of Bill. Noted that this legislation is unlikely to be in place to mid-2017 if passes through process.

**Sunday Trading Laws** – DfC officials indicated that review undertaken in 2011 and no political appetite at that stage to change these. Officials noted that at this stage there had been no strong economic case put forward to support change.

**Gambling & Betting Legislation (Casino)** – potential need to review existing legislation to bring forward enabling legislation permitting the issuing of a casino licence to secure investment in a new ‘destination attraction’ – unlocking major investment, enhancing tourism, economic growth, employment creation etc.

DfC officials indicated that this would require significant legislation change and the need to put in place a new regulation regime (commissioner), to ensure fairness. Officials also indicated that there has been no previous Ministerial appetite to bring this forward within Northern Ireland.

Belfast CC to undertake a specific piece of work to develop a proposal, for political and Ministerial consideration, on how such a scheme could be brought forward in a very restricted way and the business case around this.

## Executive Office, First Minister Arlene Foster MLA & Deputy First Minister Martin McGuinness MLA (28/9/16)

- **Transfer of Regeneration** – Support for the early transfer of regeneration powers to Council and explore the potential of Council acting under the authority of the Communities Minister to use delegated regeneration powers to deliver specific prioritised schemes within the city.
- **Infrastructure Investment** – commitment to work alongside the Council and other partners to explore how prioritised infrastructure and regeneration schemes (e.g. Transport Hub, York Street Interchange, Belfast Rapid Transit) can be brought forward and funding.

Willingness to work alongside the Council and Department of Infrastructure to consider options around specific schemes and to bring forward the development of an Infrastructure Plan for Belfast City-Region and Eastern Corridor – exploring alternative forms of financing such infrastructure including private sector involvement.

Belfast CC to undertake a specific piece of work to develop a proposal, for political and Ministerial consideration, on how such a scheme could be brought forward in a very restricted way and the business case around this.

- **Incentivising Growth and Rating Policy** – willingness to work alongside Department for Finance and Council to explore how the rating system can better incentivise investment and growth and to develop specific proposals on how this may be brought forward (e.g. rate relief linked to new investment and job creation; derelict land taxation etc).

Council also wishes to explore the potential to retain greater proportion of growth in rates income as a result of commercial development – which could be ring-fenced by Council to borrow against to deliver important and necessary city infrastructure schemes.

- **Employability and Skills** – willingness for senior departmental officials to work with Council and other partners to establish an Economic Forum for the City.
- **Legislative Reform** – Council outlined its desire to work with Dept for Communities and NI Executive in regards to an exploratory review of both the existing Sunday trading laws and the gambling and betting laws in Northern Ireland in order to make them more responsive to the current social and economic environment, particularly focused on tourism.

## Infrastructure Minister, Chris Hassard MLA (20/11/16)

- **Local Development Plan** – willingness to work alongside Council to ensure better alignment between the emerging Belfast Agenda and Local Development Plan – which will set out growth targets for the city – and regional land-use and transportation planning including the new Belfast Metropolitan Transport Plan.

**Planning** – desire of Council to work closely with Department for Infrastructure to ensure all planning applications (including regional significant schemes) are progressed in an appropriate and timely way. Also to work in partnership in developing future planning policy and guidance which will have a direct impact on the local planning process e.g. Guidance on Section 76 Planning Agreements.

- **Infrastructure Investment** – commitment to work alongside the Council and other partners to explore how prioritised infrastructure and regeneration schemes (e.g. Transport Hub, York Street Interchange, Belfast Rapid Transit) can be brought forward and funding. Commitment to work with Council to develop an Infrastructure Plan for Belfast City-Region and Eastern Corridor – exploring alternative forms of financing such infrastructure including private sector involvement.

Council raised specific concerns regarding the delay in the York Street Interchange Scheme and the need to look at alternative financial models to fund this and other infrastructure schemes within the city.

Page 54 Council also sought the involvement of the DfI in undertaking a feasibility study on high-speed rail connection between Belfast and Dublin which had been proposed in a recent Notion of Motion to Council.

**Urban Resilience** – commitment that Departmental officials will attend the City Resilience Workshop to be held on Tuesday 15 Nov by Council and Rockefeller Foundation 100 Resilient Cities.

- **Routine Maintenance** – willingness to work with Council to explore how a more sustainable approach can be developed for grass cutting within the city and how problem areas can be addressed to avoid safety concerns for road users and adverse impact on the aesthetic appeal of parts of the city.



FROM THE MINISTER OF HEALTH



Department of  
**Health**

An Roinn Sláinte

Máinystrie O Poustie

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Suzanne Wylie  
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Our Ref: INV/1241/2016

Date: / November 2016

Suzanne, a chara

Thank you for your letter of the 24 June, outlining how the Belfast City Council envisages its role of as it seeks to work in partnership with central government.

The provision of Health and Social Care throughout the north is of vital importance to everyone. I therefore very much appreciate the Council's interest in, and willingness to be involved in, ensuring that our citizens get the best care possible.

I would expect to visit all Council areas during my tenure as Minister and have already attended a number of health and social care events and initiatives throughout the North, meeting those providing services, those benefiting from those services and a wide range of interested public representatives from right across the political spectrum.

I have found these meetings very helpful as I continue keep myself abreast of the many health and social care issues for which I have responsibility.

Is mise le meas

**MICHELLE O'NEILL MLA**  
Minister of Health



FROM THE MINISTER OF HEALTH



Department of  
**Health**

An Roinn Sláinte  
Máinnstríe O Poustie  
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Our Ref: INV/1703/2016

Date: 20 December 2016

Vicki, a chara

Thank you for your invitation to meet with the Chief Executive to discuss mental health and waiting lists. I appreciate your ongoing interest in these matters.

I have already visited the Belfast area several times during my current tenure and will no doubt do so again. One of my recent visits was to cut the first sod for the new acute mental health inpatient unit at the Belfast City Hospital site. This modern facility will offer high standards of treatment and evidence-based interventions for the people of Belfast, working with individuals and their families towards recovery in a specially designed, therapeutic environment and is a further step on the road to a fully modernised mental health service here.

I look forward to your ongoing support as I strive to improve health and social care services throughout the North of Ireland.

Is mise le meas

**MICHELLE O'NEILL MLA**  
Minister of Health



<b>Subject:</b>	Area Working Update
<b>Date:</b>	20 January 2017
<b>Reporting Officer:</b>	Gerry Millar; Director of Property & Projects
<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>The Committee is asked to –</p> <p><b>AWG minutes</b></p> <ul style="list-style-type: none"> <li>• approve the most recent round AWG Minutes (<i>South – 19 December and East – 5<sup>th</sup> January</i>) as attached at Appendix 1.</li> </ul> <p><b>Local Investment Fund</b></p> <ul style="list-style-type: none"> <li>• note the two LIF projects (Section 3.3) which have previously been approved in principle have been scored and have met the minimum threshold. Members are asked to agree that these are progressed to due-diligence (Appendix 2)</li> </ul> <p><b>Belfast Investment Fund</b></p> <ul style="list-style-type: none"> <li>• note the agreement from the East AWG that the Lagan Village Youth and Community Group BIF project should be considered first if any funding becomes available under the East BIF allocation</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u><b>KEY ISSUES</b></u></p> <p><b>AREA WORKING GROUP UPDATES</b></p>

	<p>Members agreed in June 2016 that the Area Working Group minutes would be taken into the SP&amp;R Committee for approval going forward in line with the Council's commitment to openness and transparency and to ensure a consistency in approach to the other Member-led Working Groups. Members are asked to approve the most recent round AWG Minutes (<i>South – 19<sup>th</sup> December and East – 5<sup>th</sup> January</i>) as attached at Appendix 1.</p> <p><b>LOCAL INVESTMENT FUND UPDATE</b></p>
3.2	<p><b>EAST AWG</b> – The East AWG at its meeting on 5 January requested officers to follow up with a number of Groups in relation to emerging proposals for their unallocated LIF with details to be brought back to a future AWG.</p> <p><b>Projects recommended to proceed to due-diligence</b></p>
3.3	<p>Members are asked to note that 2 LIF2 projects which had previously been agreed for in principle funding (<i>WLIF2 –08- Berlin Swifts Football Club and SLIF2-07 – Holylands Area Improvement</i>) have now been scored by officers (see Appendix 2) and have successfully met the minimum threshold. It is recommended that these now proceed to the Due Diligence stage of the LIF process</p> <p><b>BELFAST INVESTMENT FUND</b></p>
3.4	<p><b>EAST AWG</b> - The East AWG at its meeting on 5<sup>th</sup> January, agreed that the Lagan Village Youth and Community Group BIF project, which is currently a Stage 2- Uncommitted project, should be considered first if any funding became available under BIF</p>
3.5	<p>The South and East AWGs also requested officers to follow up with a number of Groups in relation to emerging proposals for the Outer South and Outer East with details to be brought back to the next round of AWGs</p>
3.6	<p><b>FINANCIAL &amp; RESOURCE IMPLICATIONS</b></p> <ul style="list-style-type: none"> <li>• Financial – No financial implications</li> <li>• Resource - Officers time to deliver projects.</li> </ul>
3.7	<p><u>Equality or Good Relations Implications</u></p> <p>No implications</p>
<b>4.0</b>	<p><b>Appendices – Documents attached</b></p>
	<p>Appendix 1 – Minutes of the Area Working Groups (<i>South – 19 December and East – 5<sup>th</sup> January</i>)</p> <p>Appendix 2 – LIF RAG status</p>

# East Belfast Area Working Group

Thursday, 5th January, 2017

## MEETING OF EAST BELFAST AREA WORKING GROUP

Members present: Alderman Haire (Chairperson);  
Aldermen McGimpsey, Rodgers and Sandford; and  
Councillors Armitage, Dorrian, Graham, Howard,  
Hussey, Johnston, Jones, Kyle, Long,  
Mullan, Milne, Newton and O'Donnell.

In attendance: Mr. G. Millar, Director of Property and Projects;  
Mr. D. Rogan, Head of Contracts;  
Ms. N. Lane, Good Relations Manager;  
Mrs. M. Hand, Good Relations Officer; and  
Mrs L. McLornan, Democratic Services Officer.

### **Apologies**

Apologies for inability to attend were reported from Councillors Copeland and O'Neill.

### **Minutes**

The Working Group agreed that the minutes of the meeting of 8<sup>th</sup> December, 2016, were an accurate record of proceedings.

### **Welcome**

The Chairperson welcomed Councillor Milne to her first meeting of the Area Working Group.

### **Declarations of Interest**

Alderman Sandford and Councillor Long declared an interest in the ring-fenced Belfast Investment Fund, in that they were Members of the Board of Governors of Cregagh Primary School and Leadhill Primary School respectively.

Alderman Rodgers and Councillors Copeland and Newton declared an interest in the Lagan Village Youth and Community Group, in that they were Board members.

### **Good Relations – Together: Building a United Community**

The Good Relations Manager advised the Working Group that the Executive had given the Department of Justice some funding towards the physical removal of barriers at interface sites. She highlighted that there were a number of key partners in relation to this work, including the International Fund for Ireland programme. She advised the Working Group that £28,000 had been made available to the Good Relations Unit in the Council for small pieces of work to take place throughout the city.

The Working Group was advised that, while a number of the sites were in the north and west of the city, one priority site for removal of an interface was on Bryson Street/Madrid Street. A number of Members asked that officers would engage with residents in Cluan Place, and suggested that the Tension Monitoring Group and those responsible for the Inner East Locality Plan should also be contacted in relation to the site.

The Members were advised that an event on interfaces in Belfast would take place on 19th January, 2017 at 2 p.m. in the Reception Room in the City Hall, with all Members invited to attend.

### **Belfast Investment Fund**

#### **Ring-fenced Belfast Investment Fund for Outer East**

The Working Group requested that an update be provided at the next meeting on the three projects which were listed to be funded through the additional £2million BIF for the outer east area, namely, the Hanwood Trust, TAGIT Boxing Club and Branial Church.

A Member advised the Working Group that the Members which represented the Lisnasharragh area were developing a proposal which involved working with six primary schools in the area. The Working Group noted that the proposal would be brought to the Working Group for its consideration at a future meeting.

#### **Lagan Village Youth and Community Group**

Alderman Rodgers, Councillor Kyle and Councillor Newton declared an interest in the item, in that they were Board members, and they retired from the meeting while the matter was under discussion.

After discussion, the Working Group noted that the Lagan Village Youth and Community Group was now at Stage 2, and agreed that it should be considered first, if any funding became available through the outer east Belfast Investment Fund.

The Director of Property and Projects confirmed to the Working Group that the Council would, as a matter of course, encourage the Community Group to seek other sources of funding as well.

### **Local Investment Fund**

#### **Our Lady and St. Patrick's College Knock**

The Working Group was advised that the Chairperson had recently received correspondence from Our Lady and St. Patrick's College Knock with updated costings for its LIF request, and that it would be circulated next month.

#### **Dock Titanic Quarter Project**

The Director of Property and Projects advised the Working Group that there had been no further development on the Dock Titanic Quarter project and that an update would be brought to a future meeting.

#### **St. Christopher's Church**

At the request of a Member, the Director of Property and Projects agreed to provide an update on the St. Christopher's Church proposal to the next meeting.

The Chairperson advised the Working Group that a letter had been received from Castlereagh Presbyterian Church, which was seeking funding under the Belfast Investment Fund, but that no costings had been included.

After discussion, the Working Group agreed that officers should engage with the Church regarding their proposal, with an update provided at a future meeting.

**Date of next meeting**

The Working Group noted that the next meeting would take place on Thursday, 2nd February at 5pm.

Chairperson

# South Belfast Area Working Group

Monday, 19th December, 2016

## MEETING OF SOUTH BELFAST AREA WORKING GROUP

Members present: Councillor Dudgeon (Chairperson); and  
Councillors Boyle, Craig, Hargey, Nicholl and  
Reynolds.

In attendance: Mr. G. Millar, Director of Property and Projects;  
Mr. D. Rogan, Head of Contracts; and  
Mr. H. Downey, Democratic Services Officer.

### Minutes

The minutes of the meeting of 28th November were approved.

### Matters Arising

#### South Belfast Partnership Board/ Local Development Plan Seminar

The Working Group was informed that the Planning and Place Department had since indicated that it had no specific budget to allocate towards activities such as the Local Development Plan Seminar. However, it would assist the Lord Mayor in his preparation for the event.

Noted.

#### Moonstone Street/Mowhan Street

It was reported that residents of the above-mentioned streets had met recently with Councillors McAteer and Nicholl and with Council officers to discuss their concerns around antisocial behaviour and the potential for alleygates to be installed.

The Working Group agreed that representatives of the residents be invited to attend its meeting in January and noted that the Council's Safer City Co-ordinator would provide at that meeting an update on Phase IV of the Alleygating scheme.

### Declarations of Interest

Councillor Boyle declared an interest in that he owned a number of properties within the Botanic District Electoral Area, which he represented on the Council.



## **City Centre Regeneration and Investment Strategy**

The Working Group was reminded that, at its meeting on 28th November, it had agreed that Ms. N. Gallagher, Director of City Centre Development, be invited to attend its next meeting in order to provide an update on the City Centre Regeneration and Investment Strategy.

The Director provided a brief overview of the Strategy, which set out the Council's framework for the continued growth and regeneration of the City core and its surrounding areas till 2030. She outlined the regeneration work which was being undertaken or being planned within each of the five designated City Centre Special Action Areas, which included the Transport Hub and South Centre (Linen Quarter) in the South of the City. In terms of the Transport Hub, a pre-planning application consultation exercise, which had closed on 2nd December, had generated in the region of 1,800 responses. She reviewed the main issues which had been raised by the Council within its response and confirmed that it would have a further opportunity to comment, as part of a further consultation exercise which was planned for February.

The Director reminded the Working Group that, in June, 2016, the Council had approved a Vision and Guidance document to assist in the regeneration of the City's Linen Quarter. She explained that the document recognised the need for new public spaces to be created within the quarter and drew the Members' attention to proposals for the remodelling of Blackstaff Square, which acted as a primary transition space on the route through to the Transport Hub. She concluded by highlighting the need for intervention work across the City centre generally, to increase connectivity, promote safer streets, address social challenges, and support local businesses and tourism and provided examples of such work which had been undertaken in other cities.

After discussion, the Working Group noted the information which had been provided and agreed that it should receive regular updates on the Transport Hub and South Centre (Linen Quarter).

## **Belfast Investment Fund**

The Director of Property and Projects reported that the Council had, earlier in the year, agreed to make available an additional £5million of BIF funding for projects in those areas which had been transferred in from Lisburn and Castlereagh under Local Government Reform, £500,000 of which had been allocated to South Belfast.

He reminded the Working Group that, at its meeting on 31st October, it had agreed to allocate up to £250,000 of the additional funding towards a joint project being undertaken by Linfield FC, the Belfast Battalion of the Boys' Brigade and Belvoir FC to develop a community sports hub within the Belvoir Park. It had agreed also that representatives of Knockbreda Parish and of the Edenderry Residents' Association be invited to attend a future meeting in order to provide details of their respective projects, which might qualify for funding under the additional BIF allocation. Representatives of Knockbreda Parish had attended the meeting on 28th November and had outlined proposals for the upgrading of their church hall.

He confirmed that representatives of the Edenderry Residents' Association were in attendance at this meeting in order to provide information around the Edenderry Village

Renewal Scheme. Accordingly, Mr. S. Malone, Mr. G. Millington and Mr. P. Mullan were welcomed by the Chairperson.

The representatives informed the Working Group that Edenderry Village had close historic links to the linen industry and that it still retained its strong character and sense of community. They explained that, whilst some work had been undertaken in recent years to enhance the village through, for example, the provision of planters and allotments, it was still lacking in terms of public transport services, infrastructure and community and retail facilities. They reminded the Members that the Council had contributed funding towards the formulation of a Village Renewal Plan for Edenderry Village and that Arup Consultants had been appointed to facilitate the delivery of that plan. Following initial consultation with local residents and stakeholders, Arup had produced a draft plan, which had identified a number of projects and initiatives, including the provision of a purpose built community facility, all of which could have a real impact upon the village. Further consultation would be required before a final renewal plan, including an action plan, would be developed. The representatives concluded by requesting the Council to make available BIF funding to assist with the Edenderry Village renewal scheme and to designate an officer to assist them with land ownership and other issues which required to be addressed.

The representatives were thanked by the Chairperson and they retired from the meeting.

After discussion, the Working Group agreed, in the first instance, that officers should meet with the Edenderry Residents' Association and with the representatives of Knockbreda Parish in order to assess the extent of the work which had been undertaken to date on their respective projects and that it receive at its next meeting an update in that regard.

#### **River Terrace Land Licence Agreement**

The Working Group agreed to defer until its next meeting a report on a former proposal to develop a community garden at River Terrace to enable an officer from the City and Neighbourhood Services Department to attend.

#### **Restoration of Tropical Ravine**

The Working Group agreed to undertake in the spring a visit to the Botanic Gardens to view the work being undertaken to restore the Tropical Ravine building.

#### **Update on Local Investment Fund Projects**

The Working Group considered the following report:

“1 **Local Investment Fund**

**Through the Local Investment Fund (LIF) members committed their allocation of £1,127,500 initially to 12 projects. Of this total, seven projects have been completed (Stage 5). Of the remaining five projects, two (Taughmonagh Community Forum and Finaghy Bridge) remain at stage 1, Annadale/Haywood Residents Association) are at stage 3, Belfast South Community Resources have progressed to**

stage 4 and is currently being delivered. The Women's Aid project is also at stage 4 but is almost complete – the final invoice has been received and needs processing; normal monitoring processes will follow before the project is complete. A more detailed progress update on all projects has been circulated to the Working Group.

TOTAL LIF ALLOCATION	AMOUNT ALLOCATED TO DATE	AMOUNT REMAINING
£1,127,500	£1,083,600	£43,900*

## 2 Local Investment Fund 2

Given the success of the original LIF, it was agreed in March 2015 that a £4m LIF2 would be established and allocated to Area Working Groups (AWGs) on a proportional basis. The South Belfast AWG, consisting of two District Electoral Areas (Balmoral and Botanic) was allocated a total of £0.8m. The table below shows the total allocation to date and the remaining balance.

TOTAL LIF2 ALLOCATION	AMOUNT ALLOCATED TO DATE	AMOUNT REMAINING
£800,000	£796,000	£4,000*

3 Members have committed their allocation thus far to 11 projects. Two of the projects currently remain at stage 1, one project is at stage 2, six projects are at stage 3, one project is at stage 4 and one project has completed and is at stage 5. Since the last meeting, the project at Sandy Row Orange Hall has progressed to stage 3 and the organisation has received their funding agreement. In addition, the Surestart project at Belvoir has progressed to stage 4 and the procured contractor is due on site in mid-December.

\* Members agreed to make no further LIF decisions until the exact prices for the additional alley-gates are known in the New Year and, therefore, how much of the remaining balance would need to be decommitted.

## 3 Recommendation

The Working Group is requested to note the update on all LIF and LIF2 projects being delivered in South Belfast.”

After discussion, the Working Group noted the information which had been provided.

### **Action Cancer**

The Working Group was informed that the Chief Executive of Action Cancer had written to the Council seeking funding from the Belfast Investment Fund towards the establishment of a Clinic and Therapeutic Centre of Excellence within a property which it had acquired in Windsor Avenue.

The Director of Property and Projects reported that he had, subsequently, written to the Chief Executive of the charity explaining that the South Belfast Area Working Group had committed all of its BIF funding and that no further projects were being considered. The Chief Executive, in response, had thanked the Director for clarifying the current funding situation and had confirmed that he would continue to seek to engage with the Working Group, with a view to advancing his request.

The Working Group noted the information which had been provided.

### **Future Meetings**

The Working Group agreed that its meetings on 23rd January, 27th February, 20th March and 24th April should commence at the earlier time of 4.30 p.m., in order to prevent them from overlapping with a meeting which had been scheduled for 5.30 p.m. on those dates.

Chairperson

<b>Theme RAG Scores / Projects</b>		
	Berlin Swifts Football Club <b>WLIF2-08</b>	Holylands Area Improvement <b>SLIF2-07</b>
Affordability	-	-
Feasibility	-	-
Deliverability	-	-
Sustainability	-	-
<b>Overall RAG / Score</b>	-	-

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<b>Subject:</b>	Corporate Risk Management Update
<b>Date:</b>	20 January 2017
<b>Reporting Officer:</b>	Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources Jill Minne, Director of Organisational Development Gerry Millar, Director of Property and Projects John Walsh, Town Solicitor Sharon McNicholl, Strategic Planning and Policy Manager
<b>Contact Officers:</b>	Mark McBride, Head of Finance and Performance Karen Russell, HR and Organisational Development Manager Sinead Grimes, Programme Office Manager Sarah Williams, Programme Manager

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of this report is to provide Members with an update on the progress being made to manage the corporate risks that are of direct relevance to the Strategic Policy and Resources Committee.
<b>2.0</b>	<b>Recommendation</b>
2.1	The Committee is asked to; <ul style="list-style-type: none"> <li>Note the progress being made to manage the corporate risks and the proposed six monthly process for reporting. These are summarised at section 3.3 below and appended.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<b>The new corporate risk management process</b>  Members will recall that the corporate risk register and related processes were subject to a fundamental review in 2015-16. This included a review and re-score of all the corporate

risks, including target risk scores. For each corporate risk a “Risk information form” was produced, detailing relevant controls, proposed actions (including timescales) and responsible officers. It was also agreed that management would begin to report to the relevant committees on the progress being made to manage these key risks.

3.2

**Managing Corporate Risks to an Acceptable Level**

CMT have reviewed and, where appropriate, have updated the assessment of the corporate risks, the results of which are plotted on to the corporate risk map (see Appendix 1). The corporate risk map shows the progress that is being made to manage the corporate risks.

The risks of particular relevance to the Strategic Policy and Resources Committee are as follows:

Ref.	Risks
1	ERDF projects - ERDF claw backs and financial penalties lead to BCC cost increases. In addition, failure to deliver project outcomes also presents a financial risk in addition to the reputational damage to the Council.
2	Information governance - Poor information governance results in non-compliance with legislation and best practice standards.
6	H&S - Failure to protect the Health and Safety of employees and others and ensure compliance with Health and Safety legislation.
7	Physical Investment Programme - Failure to deliver the Physical Investment Programme within the affordability limits of the Council
8	Asset maintenance - Fail to resource, plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers value for money.
9	Agreement / delivery of Community Plan - 1. Fail to secure agreement and buy in from key partners for the Community Plan / Belfast Agenda 2. Failure to implement and deliver targets for the Community Plan / Belfast



		Agenda
	10	Change management - If we do not manage change effectively then we will not deliver the Belfast Agenda / Community Plan.
	11	Strategic Planning / Corporate Frameworks - We don't have corporate frameworks in place to deliver the Belfast Agenda and Corporate Plan.
	14	Leisure estates programme - Fail to deliver the Leisure Estates Programme
	15	Financial position of the Council - Failure to secure the financial position of the council in a sustainable way
3.3		<p>Management have now prepared progress update reports on the above corporate risks and these are attached in appendices 2 to 9 of this report.</p> <p><b>Issues emerging from the progress update reports</b></p> <p>Some of the key issues arising from the progress updates are drawn out below.</p> <p>a) Of the sixteen corporate risks, reports have been produced for fifteen risks. The 1 exception relates to the <b>Strategic Planning and Corporate Frameworks</b> risk. With regard to this risk, the Deputy Chief Executive and Director of Finance and Resources has indicated that this involves an extensive piece of work. It therefore needs to be properly scoped and planned before the actions can be put in place to manage the risk.</p> <p>b) Management has indicated that the <b>Leisure Estates Programme</b> risk has reduced and moved closer to its target risk rating. The risk reduction has been attributed to ongoing controls which are in place to manage this risk, including the establishment of a Programme Office and the assignment of dedicated internal resources to the Leisure Programme and also the progress made to date. Through the ongoing improvement programme, management are working towards achieving the target risk rating.</p> <p>c) Management have indicated that the <b>Community Planning</b> risk has also reduced</p>

and moved closer towards its target risk rating. The reduced risk rating takes account of the recent agreement and launch of the draft Belfast Agenda, with focus now turning to establishing systems and processes to ensure that the targets are delivered.

- d) Members will be aware that the **ERDF project risk** was related to four key projects – Girdwood Community Hub, the Innovation Factory, the Waterfront Exhibition and Conference Centre and the infrastructure at the North Foreshore. All delivery on all of these projects has now completed and the assets have been handed over to the relevant departments/Standing committees and are all now operational. The risk level in relation to the ERDF Projects has not reduced yet, which recognises that the focus until recently has been on delivery of the physical buildings, and that further work is required to shift the focus to monitoring the delivery of the agreed outcomes. However this risk should reduce, once these new arrangements are fully implemented.
- e) Management have amended the risk description in relation to **Asset Maintenance** from “Failure to plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers compliant assets fit for purpose while offering value for money” to “A failure *to resource*, plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers compliant assets fit for purpose while offering value for money” recognising that the additional assets that have been taken on will require additional resources, both financial and resources. Reflecting this, the risk assessment remains the same
- f) Members will be aware that the Council continues to deliver a substantial **Physical Investment Programme** and the risk assessment level for this risk has therefore not been reduced. However Members will be aware that over £100m of projects have been completed within the past year and it is key that the outcomes from this investment are delivered. Management are therefore looking at how ensuring that the benefits from the Council’s overall physical programme are maximised and how this is encapsulated within the risk framework
- g) The risks relating to **Strategic Planning and Corporate Frameworks** and **Change Management** either relate to new areas of work for the Council that are at quite an

<p>3.4</p> <p>3.5</p> <p>3.6</p>	<p>early stage or relate to existing areas that require major programmes of work.</p> <p>h) The risks relating to <b>Information Governance</b> and the <b>Financial Position of the Council</b> relate to established areas of work for the Council but further work is required before the risk assessment can be reduced.</p> <p>i) The Health &amp; Safety risk, at the request of members, was reported to SP&amp;R Committee in September 2016 and is not included here.</p> <p><b>Progress Updates to Committee</b></p> <p>In order to ensure that members have an understanding of the corporate risks and have clear information on how they are being managed, we propose that the Strategic Policy and Resources Committee is provided with progress update reports on a six monthly basis, unless of course reports are required more urgently.</p> <p><b><u>Financial &amp; Resource Implications</u></b></p> <p>None.</p> <p><b><u>Equality or Good Relations Implications</u></b></p> <p>None.</p>
<p>4.0</p>	<p><b>Appendices – Documents Attached</b></p> <p>Appendix 1 – Corporate Risk Map – Current Risk Assessment</p> <p>Appendix 2 – ERDF Projects</p> <p>Appendix 3 – Information Governance</p> <p>Appendix 4 – Physical Investment Programme</p> <p>Appendix 5 – Asset Maintenance</p> <p>Appendix 6 – Agreement and Delivery of Community Plan / Belfast Agenda</p> <p>Appendix 7 – Change Management</p> <p>Appendix 8 – Leisure Estates Programme</p> <p>Appendix 9 – Financial Position of the Council</p>

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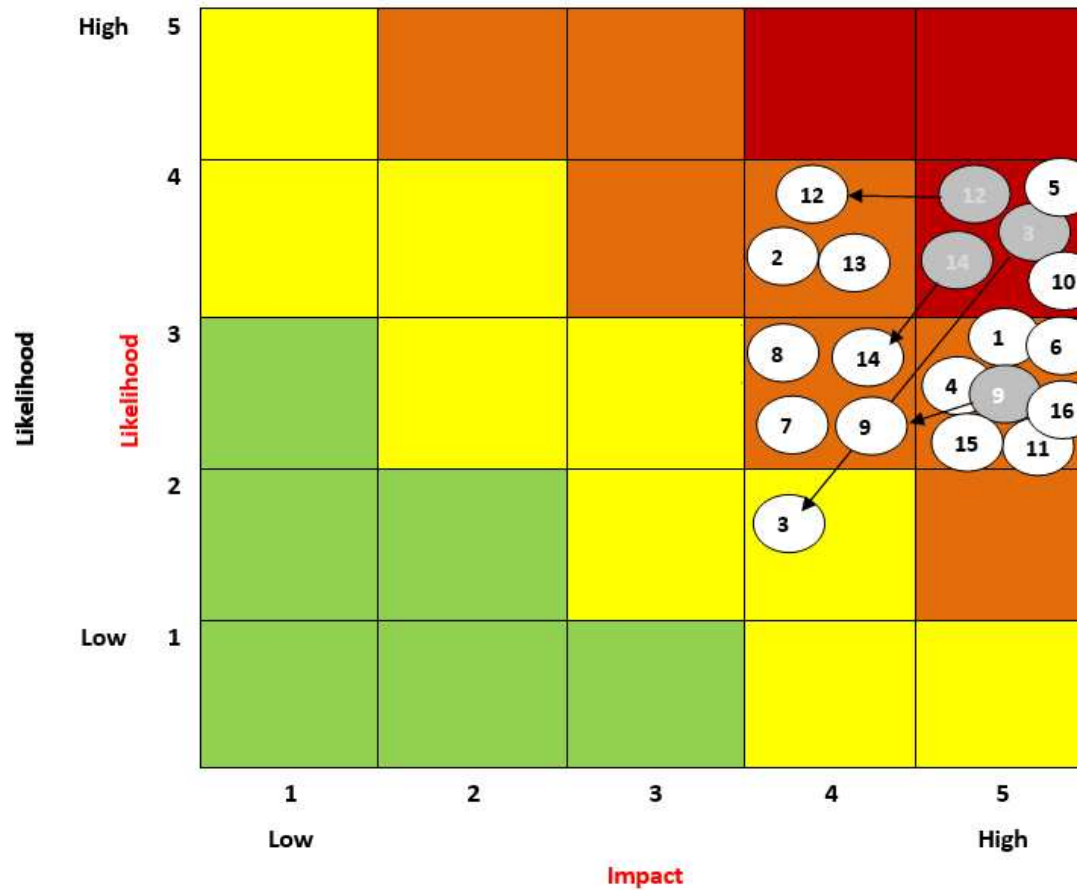


# Appendix 1

# Corporate Risk Register



# Corporate Risk Map – Current Risk Assessment



Ref.	Risk
1	ERDF projects
2	Information governance
3	GLL
4	Managing Performance at BWUH
5	Waste management
6	H&S
7	Physical Investment Programme
8	Asset maintenance
9	Agreement / delivery of Community Plan
10	Change management
11	Strategic Planning / Corporate frameworks
12	Local development plan
13	City Centre regeneration strategy
14	Leisure estates programme
15	Financial position of the Council
16	Safeguard all ages

# Risk Assessment Guidance

Likelihood

5	Significant	Major	High	Severe	Severe
4	Moderate	Significant	Major	High	Severe
3	Low	Moderate	Significant	Major	High
2	Trivial	Low	Moderate	Significant	Major
1	Trivial	Trivial	Low	Moderate	Significant
	1	2	3	4	5
	Impact				

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IMPACT	1. Insignificant	2. Minor	3. Moderate	4. Major	5. Severe
Objectives / Service Delivery	The risk will not substantively impede the achievement of the objective.	Some impact on objectives resulting in slight but redeemable deviation.	The risk will cause some elements of the objective to be delayed or not be achieved.	The risk will cause several elements of the objective to be delayed or not achieved.	The risk will cause the objective to not be achieved
Financial	Minimal financial implications	Minor financial implications (e.g. within agreed year-end budget variance tolerance levels for Departments of 2% underspend and 0.5% overspend)	Moderate financial implications (e.g. within agreed in-year budget variance tolerance levels of 2% underspend and 1% overspend)	Major financial implications (e.g. outside the agreed budget variance tolerance levels by up to 5%)	Severe financial implications (e.g. outside the agreed budget variance tolerance levels by more than 5%)
H&S	Minimal injury requiring no/minimal intervention; informal investigation; very low level impact on staffing / service delivery impact; minimal financial loss; potential for rumours / public concern	Minor injury / illness requiring medical intervention and little time off; low level impact on staffing / service delivery; risk of short term loss of public confidence; small financial loss	Moderate injury requiring medical intervention and time off; formal complaint and investigation likely; moderate impact on staff / service delivery; local public / media interest; moderate financial loss	Major injury leading to longer term incapacity / disability; multiple complaints / external agency investigation; major impact on staffing and service delivery; national public / media interest; major financial loss	Major injuries leading to death and irreversible health effects; high profile investigation and enforcement; significant impact on staff and service delivery; sustained national public / media interest; significant financial losses
Reputation	Little interest	Some interest possible but likely to be localised and short term	Adverse coverage, probably on a one off basis	Significant adverse coverage, likely to recur on several occasions	Very significant adverse coverage, sustained over a considerable period.
LIKELIHOOD	1. Very Low	2. Low	3. Possible	4. Likely	5. Almost Certain
	<5%	5% - 20%	20%-50%	50%-75%	>75%
	Has not occurred before or has happened rarely.	Although unlikely, there is a chance that the risk may materialise.	The outcome is in the balance, and is almost as likely to occur as not	More likely to occur than not occur	Significantly more likely to occur than not occur

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<b>Appendix 2 – ERDF Projects</b>	
<b>Reporting Officer:</b>	Gerry Millar, Director of Property and Projects
<b>Contact Officers:</b>	Sinead Grimes, Programme Office Manager

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of this report is to provide a management update to the Committee on the progress being made to manage the ‘ERDF projects’, one of the key corporate risks relating to the Committee’s sphere of work.
<b>2.0</b>	<b>Recommendation</b>
2.1	<p>That the Committee notes the arrangements in place to manage this risk and the progress being made to implement additional controls / measures to reduce the level of risk further.</p> <p>Members are asked to note that the impact of BREXIT in relation to ERDF projects and the ongoing requirements has not yet been quantified or assessed and that this will be kept under review going forward.</p>
<b>3.0</b>	<b>Main report</b>
<b>3.1</b>	<b>Description of risk</b>
3.1.1	<p>The ERDF projects risk, as captured in the Council’s Corporate risk register is phrased as follows:</p> <p><b>ERDF Clawbacks and Financial penalties lead to BCC cost increases. In addition, failure to deliver project outcomes also presents a financial risk in addition to the reputational damage to the Council.</b></p>
<b>3.2</b>	<b>Risk Owner</b>
3.2.1	Accountability for the management of this corporate risk has been assigned to the Director of Property & Projects.
<b>3.3</b>	<b>Risk assessment</b>
3.3.1	Following detailed review of the corporate risks, this risk was assessed in terms of ‘impact’ and ‘likelihood’ (using the Council’s risk scoring system, see Appendix 1) as follows:

	<p>Impact – 5 (severe) Likelihood – 3 (possible)</p> <p>3.3.2 Members will be aware that the Council received over £41m of EU funding for a range of projects including the extension to the Belfast Waterfront to provide dedicated conference and exhibition facilities; the Girdwood Community Hub; the Innovation Factory; the North Foreshore; the Belfast Welcome Centre and the Adventurers Learning Centre at Belfast Zoo.</p> <p>3.3.3 The delivery of all these projects has now been completed however the projects continue to provide risk to the Council in terms of potential clawbacks and financial penalties to the Council in terms of non-delivery in relation to the project outcomes which the Council has signed up to as part of the Letter of Offer for each project. This presents both a significant financial and reputational risk to the Council and the current risk assessment level of High reflects this. The Council is however committed to doing all we can to reduce the potential impact and likelihood of the risk occurring. Members are asked to note that under the current letters of offer all EU funded projects will continue to be audited up to 2025.</p> <p><b>3.4 Current measures in place to manage the risk</b></p> <p>3.4.1 The Council has an established framework, policies and procedures to manage the ERDF projects. These include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>- A claims database which is managed and maintained and which sets out all details including the performance indicators and outcomes identified within each letter of offer</li> <li>- Letter of offer checklist in place</li> <li>- Standard files in place for all projects</li> <li>- Reporting to SP&amp;R - Levered Monies report which includes amount agreed &amp; amounts delivered</li> <li>- Regular reports to SP&amp;R Committee on the progress of the delivery of projects.</li> <li>- Claims Team in place with roles and responsibilities defined</li> <li>- Process maps in place for each ERDF project</li> </ul> <p>In addition benefits workshops have been undertaken for each ERDF project.</p> <p>To date the focus of effort in relation to the ERDF funded projects has been on ensuring their successful delivery within the strict timescales required. The focus is now on ensuring that this is shifted to ensuring that the outcomes which the Council has signed up to for each project as part of the letter of offer are now achieved.</p> <p><b>3.5 Council performance</b></p> <p>3.5.1 Each of the Council’s EU funded projects have now been successfully delivered as below.</p> <table border="1" data-bbox="279 2027 1428 2060"> <thead> <tr> <th data-bbox="279 2027 699 2060">PROJECT</th> <th data-bbox="699 2027 1005 2060">FUNDING RECEIVED</th> <th data-bbox="1005 2027 1428 2060">COMMENTS</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	PROJECT	FUNDING RECEIVED	COMMENTS			
PROJECT	FUNDING RECEIVED	COMMENTS					

Belfast Waterfront - Exhibition and Conference facilities	£18,564,400 (ERDF and TourismNI)	First major conference held in May 2016 Already secured <b>50 conferences</b> for 2016-2021 generating <b>94,000 delegate days</b>
Girdwood Community Hub	£9,597,354 (Peace III)	Formally opened in January 16 Catalyst project – works now completed on the 3G pitch and 60 units of housing
Innovation Factory	£6,153,255 (ERDF and Invest NI)	Formally opened in October 16 Accommodation space for up to <b>382 employees</b> Capable of housing <b>100+ small businesses</b> .
North Foreshore – Infrastructure to support the development of a clean tech park	£6,000,000 (ERDF and InvestNI)	Cleantech Hub / Environmental Resource Park – currently seeking investors, developers, occupiers £20m Film Studio Investment – completed Dec '16 Expressions of interest to be sought for a private sector lead commercial leisure / mixed use scheme.
Belfast Welcome Centre	£747,311(ERDF)	Opened December 2013
Adventures Learning Centre at Belfast Zoo	£215,160 (ERDF)	Opened August 2014

### Areas for improvement

#### 3.6

##### 3.6.1

As outlined above all the ERDF projects have now been successfully delivered however now the Council must ensure that the conditions within the letters of offer which have been signed are achieved in order to minimise the risks of any clawback or financial penalties to the Council. A number of areas for improvement have been identified and captured in the risk action plan for the ERDF projects. These actions reflect that the focus for the ERDF projects has shifted from delivery to ensuring ongoing successful management and achieving the outcomes set out within the LOOs (see table below – focused on the most recent LOOs) -

PROJECT	LOO conditions (examples only)	Committee/ Client Dept.
Belfast Waterfront	<ul style="list-style-type: none"> <li>- to attract 50,000 annual conference delegates to the City by 2020</li> <li>- to attract 35,000 (of the 50,000) out-of-state conference delegates by 2020</li> <li>- to host an average of 6 National Large Association conferences per annum from 2020</li> <li>- to host an average of 6 International/European</li> </ul>	Waterfront Development

		Association conferences per annum from 2020	
Innovation Factory	- To achieve 55% occupancy at the site by December 2018 - To achieve 71% occupancy at the site by December 2020		City & Growth Development
Girdwood	- A high-quality, state of the art Girdwood Community Hub for North Belfast and beyond with 151,000 usages per annum. The intention is that the split of users will reflect the local demographics, which is approximately 50:50 CNR to PUL backgrounds - Facilitate the removal of at least three physical interface barriers in the immediate vicinity of the Girdwood site in partnership with the relevant government departments and the Hub Forum - An initial shared space two-year action plan (to be repeated on an annual basis) to ensure that the site is promoted and managed as shared, open and welcoming to all with a public shared space charter		People & Communities City & Neighbourhood Services
North Foreshore	- To let 3 acres of the prepared 25 acres at the site by 31 March 2019 - To let 7 acres at the site by 31 March 2020 - To create at least 333 green collar job at the site by Dec 2024		SP&R Property & Projects

### Actions

3.6.2

1. Roles and responsibilities for handover of projects to clients to be developed and agreed.
2. A protocol for formal handover of projects to be developed and implemented so that Clients are fully aware of their responsibility.
3. Agree the protocol for reporting corporately on the meeting of PI's and performance outcomes as per LOO. To cover:
  - Role of PMO as a `monitoring hub`
  - Governance arrangements in terms of reporting to SP&R and the other standing committees as required
4. Agree a process for receiving assurance on ongoing compliance with terms and conditions of funding.
5. Programme level Lesson's Learned to be captured. Where appropriate, systems and processes should be updated to prevent reoccurrence of similar issues in future programmes.

Progress against these actions will be monitored and reported. Through these improvement programmes, we are working towards reducing the risk rating in terms of likelihood to **2** (low). However, ensuring the ongoing successful delivery of the ERDF projects will continue to be a priority area during the timescale for the ongoing audits (up to 2025)



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<b>Appendix 3 – Information Governance</b>	
<b>Reporting Officer:</b>	John Walsh, Town Solicitor
<b>Contact Officers:</b>	Sarah Williams, Programme Manager

<b>3.0</b>	<b>Main report</b>
<b>3.1</b>	<p><b>Description of risk</b> The Information Governance risk, as captured in the Council's Corporate risk register is phrased as follows:</p> <p><b>'Poor Information governance results in non-compliance with legislation and best practice standards.'</b></p>
<b>3.2</b>	<p><b>Risk Owner</b> Accountability for the management of this corporate risk has been assigned to John Walsh, Town Solicitor.</p>
<b>3.3</b>	<p><b>Risk assessment</b> Following detailed review of the corporate risks, this risk was assessed in terms of 'impact' and 'likelihood' (using the Council's risk scoring system, see Appendix 1) as follows:</p> <p>Impact – 4 (major) Likelihood – 4 (likely)</p> <p>If the Council does not effectively manage personal data there is a risk of a financial penalty of up to £0.5m being levied by the Information Commissioner (which has the potential to increase to 4% of annual turnover if the UK follows the proposed EU approach from 2018). If the Council does not effectively manage information security, there is a risk of cyber attacks or intentional or unintentional data breaches. The impact of these would be 'major' from a financial and reputational perspective. The likelihood is currently assessed as 'likely' as while there has been progress in this area in relation to the delivery of awareness training for officers and Members and the development of policies and procedures in relation to Data Protection, further work is required to mitigate the risk.</p> <p>The target risk rating is: Impact – 4 Likelihood – 3 (possible)</p>
<b>3.4</b>	<p><b>Current measures in place to manage the risk</b> The key controls that are in place to manage this risk are:</p> <ul style="list-style-type: none"> <li>▪ Dedicated Information Governance Unit (formerly called Records Management</li> </ul>

	<p>Unit) in place</p> <ul style="list-style-type: none"> <li>▪ Data Protection Policies and Procedures approved by Council in February 2016</li> <li>▪ Data Protection Training has been provided to 2300 staff, 100 decision-makers including the Corporate Management Team, with video and booklet versions provided to non-office staff</li> <li>▪ There is a central logging system which is used to record and manage requests for information</li> <li>▪ Following a high-profile data breach in 2012, an Information Governance Group was established with officers from Information Governance, Legal Services, AGRS and Digital Services, which is chaired by the Town Solicitor, and meets every two months. This group has developed, prioritised and is in the process of implementing a work plan of policies/procedures, reporting processes, staff training, communications and audit/compliance.</li> </ul>
<p><b>3.5</b></p>	<p><b>Performance</b></p> <p>The Information Governance Group (IGG) has developed a work plan to prioritise and develop policies and procedures for:</p> <ul style="list-style-type: none"> <li>A. <b>Information management</b> (how information is created, described, used, stored, archived and disposed of)</li> <li>B. <b>Information compliance</b> (the legal framework and standards to ensure that information management is within the law)</li> <li>C. <b>Information security</b> (the confidentiality, integrity and availability of information within the organisation and when sharing with partners)</li> <li>D. <b>Information assurance</b> (the practice of assuring and managing information risk)</li> </ul> <p>The IGG has in the last year:</p> <ul style="list-style-type: none"> <li>• developed and rolled out policies and procedures for data protection;</li> <li>• continued to provide data protection training to staff;</li> <li>• continued to communicate to staff particularly on the protection of data during the planned accommodation move;</li> <li>• developed a Freedom of Information (Fol) protocol to staff to ensure that Chief Officers are made aware of any relevant Fol requests</li> </ul> <p>The IGG is currently developing:</p> <ul style="list-style-type: none"> <li>• a corporate CCTV policy to ensure uniformity and compliance with the relevant laws and codes of practice;</li> <li>• an approach for planning for the impact of the new European General Data Protection Regulation whose approach may also be implemented in the UK by the Information Commissioner's Office;</li> <li>• an Information Security Policy</li> </ul>
<p><b>3.6</b></p>	<p><b>Areas for improvement</b></p> <p>The Group over the next year also plans to develop an updated Retention and Disposal Policy and Procedures; an updated Information/Records Management Policy; an approach to introducing Privacy Impact Assessments; and also a longer-term approach to corporate Information Assurance including the consideration of the implementation of</p>



	an Electronic Document and Records Management System.
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## Appendix 4 – Physical Investment Programme

<b>Reporting Officer:</b>	Gerry Millar, Director of Property and Projects
<b>Contact Officers:</b>	Sinead Grimes, Programme Office Manager

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of this report is to provide a management update to the Committee on the progress being made to manage the 'Physical Programme, one of the key corporate risks relating to the Committee's sphere of work.
<b>2.0</b>	<b>Recommendation</b>
2.1	That the Committee notes the arrangements in place to manage this risk and the progress being made to implement additional controls / measures to reduce the level of risk further.
<b>3.0</b>	<b>Main report</b>
<b>3.1</b>	<b>Description of risk</b>
3.1.1	The Physical Programme risk, as captured in the Council's Corporate risk register is phrased as follows:  <b>Failure to effectively deliver the Physical Investment Programme within the affordability limits of the Council</b>
<b>3.2</b>	<b>Risk Owner</b>
3.2.1	Accountability for the management of this corporate risk has been assigned to the Director of Property & Projects.
<b>3.3</b>	<b>Risk assessment</b>
3.3.1	Following detailed review of the corporate risks, this risk was assessed in terms of 'impact' and 'likelihood' (using the Council's risk scoring system, see Appendix 1) as follows:  Impact – 4 (major) Likelihood – 3 (possible)
3.3.2	Given the strategic importance of the Physical Programme, both to the Council and to the city, it is crucial that the Programme is well managed to ensure the ongoing credibility of the Council and to minimise both financial and reputational risk. The

current assessment reflects this level of risk. The Council is however committed to doing all we can to reduce the potential impact and likelihood of the risk occurring.

### 3.4 **Current measures in place to manage the risk**

3.4.1 The Council has an established framework, policies and procedures to manage the physical programme. These include, but are not limited to, the following:

- **Resourcing** – a dedicated temporary Programme Office has been established for the physical programme with a programme office manager appointed. A resourcing plan has been put in place to monitor the resource requirements and current resources on the physical Programme which is now monitored at regular meetings by the senior management in the P&P Department.
- **Three Stage Approval process** – in November 2012 the SP&R Committee agreed a decision making process for all physical projects which confirms the role of the SP&R Committee as the Council’s investment decision maker
  - **Committed projects (Stage 3)** - projects which have completed a Full Business Case (FBC) and where approval has been obtained by SP&R to proceed to tender.
  - **Uncommitted projects (Stage 2)** –projects where a Strategic Outline Case (SOC) has been agreed by Committee and work is being progressed through the development of an Outline Business Case (OBC), but they have not yet been developed to a stage where permission could be sought from SP&R to proceed to tender.
  - **Emerging proposals (Stage 1)** –proposals which require completion of an SOC before they could be considered further by SP&R Committee.
- **Reporting** – There is detailed reporting on the progress of the delivery of the overall Physical Programme to the Strategic Policy & Resources Committee, the Budget Panel, Area Working Groups and the Corporate Management Team helping to ensure that Members and management have a means receiving assurance as to the timely delivery of the overall Physical Programme, in terms of key milestones, expenditure, deliverables etc. A monthly update report on the capital programme is taken to SP&R Committee, along with specific updates on capital projects (as required). The Committee is also kept updated on at least a monthly basis on area working including the implementation of Local Investment Fund projects, Belfast Investment Fund projects and the emerging projects being delivered on behalf of other agencies (SIF, Urban Villages and BSC).
- **Governance** – Updates on the Physical Programme, including financial reports are taken to the monthly Property and Projects/Finance Working Group and the Property and Projects/Finance Oversight Group
- **Monitoring** – A range of monitoring arrangements are in place for physical projects across the programme including:
  - Project Health Checks by independent experts when required, reports on

results of audits undertaken by external funders.

- Periodic internal audit of the physical programme including the capital programme and projects, LIF programme etc. as per agreed audit plan

### **Council performance**

3.5

The above measures have ensured the ongoing successful delivery of the Council's **substantial £400m physical programme** which is made of up **over 350 projects which are all at different stages and are different in terms of size and scale** – ranging from minor maintenance projects to the £40million Connswater Community Greenway project including -

3.5.1

#### **Physical projects funded under the Council's own funding streams including -**

- the **£150million Capital Programme** - Recent projects which have been successfully completed include the £30m extension to the Waterfront, the £11.7m Girdwood Hub, the £9.1m Innovation Factory, the £8m work on the North Foreshore with work currently underway finishing on the £40million Connswater Community Greenway, the £27m new office accommodation, the £21.7m Olympia Leisure Centre and new pitch facilities at Musgrave and Victoria.
- the **£105million leisure asset programme** to deliver new facilities at Robinson, Brook, Templemore, Avoniel, Andersonstown and Phase 2 of Girdwood and continued delivery of the new Olympia
- the **£5m Local Investment Fund** and the **£4m Local Investment Fund 2** where over 50 projects have already been completed across the city.
- the **£27million Belfast Investment Fund** – investment decisions are recently been taken in respect of
- **£2m of projects in the LGR transferring in areas**
- managing a **£250,000 Feasibility Fund**
- a **£6million ongoing programme of maintenance** across the Council's estate

3.5.2

In addition the Council's physical programme is a key mechanism of leveraging monies into the city. Under the Investment Programme the Council set an ambitious target of leveraging in £50m over the course of the programme. This target was doubled with approx. £100m levered in with more continued to be levered for the funding of projects.

3.5.3

**Projects that the Council is delivering on behalf of other agencies** - the Council is **now regularly requested to act as a delivery agent on behalf of a number of other agencies to deliver projects for the benefit of the city**. 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. Projects the Council is delivering include -

- **Social Investment Fund** projects on behalf of the Executive Office – managing the delivery of over £11m of SIF projects across the city. The gross value of

	<p>these projects is higher as some projects have multiple funding. These range from £7m major regeneration projects to local community refurbishments</p> <ul style="list-style-type: none"> <li>• <b>Urban Villages</b> on behalf of the Executive Office – proposed to be the delivery for over £11m of UV funded projects across the 4 UV areas– Colin, Ballysillan, Eastside and South – the scope of these projects is currently being agreed</li> <li>• <b>Building Successful Communities (BSC)</b> initiative on behalf of the Department for Communities (DfC) – 14 projects worth nearly £1m. These project range from environmental improvements to community refurbishments to the installation of a number of other bike share scheme docking stations</li> <li>• <b>Department for Communities</b> – the Council has recently been requested to be the delivery agent for a number of Restore/Revitalisation upgrade schemes in the city centre and surrounding areas</li> </ul> <p><b>Areas for improvement</b></p>
<p>3.6</p> <p>3.6.1</p>	<p>Even though the above arrangements are in place, we are always looking at ways to continually enhance the physical programme to ensure the major capital investment helps to deliver on the outcomes under the Belfast Agenda. The following areas for improvement have been identified and captured in the risk action plan -</p>
<p>3.6.2</p>	<ol style="list-style-type: none"> <li>1. Ensure that all physical projects are connected with client departments and the corporate centre to ensure that the benefits of projects are maximised for the city and that the physical programme helps to deliver on the objectives set out in the Belfast Agenda.</li> <li>2. Development of detailed processes and governance framework for all physical projects</li> <li>3. Finalisation and implementation of Project Management methodology and Handbook including all related templates</li> <li>4. Development of a strategy for transition to a new project delivery process</li> <li>5. Ensure that the appropriate level of resources are secured to ensure the ongoing successful delivery of the Physical Programme</li> <li>6. Review of the financial system and links to capital project control and delivery with reconfiguration where appropriate.</li> <li>7. Roles and responsibilities to be defined and training put in place around this.</li> <li>8. Agree governance framework for projects delivered under Externally Funded Initiatives (reporting, LOO checklist, claims database).</li> <li>9. Agree assurance framework for physical investment programme.</li> </ol> <p>Progress against these actions is monitored and reported. Through these improvement programmes, we are working towards reducing the risk rating in terms of likelihood to <b>2</b> (low). However, ensuring the ongoing successful delivery of the physical programme will continue to be a priority area for as long as the Council continues to deliver capital projects.</p>

<b>Appendix 5 – Asset Maintenance</b>	
<b>Reporting Officer:</b>	Gerry Millar, Director of Property and Projects
<b>Contact Officers:</b>	Sinead Grimes, Programme Office Manager

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of this report is to provide a management update to the Committee on the progress being made to manage the 'Asset Maintenance', one of the key corporate risks relating to the Committee's sphere of work.
<b>2.0</b>	<b>Recommendation</b>
2.1	That the Committee notes <ul style="list-style-type: none"> <li>- the arrangements in place to manage this risk and the progress being made to implement additional controls / measures to reduce the level of risk further</li> <li>- notes the proposed revised risk description.</li> </ul>
<b>3.0</b>	<b>Main report</b>
<b>3.1</b>	<b>Description of risk</b>
3.1.1	<p>The Asset Maintenance risk, as captured in the Council's Corporate risk register is phrased as follows:</p> <p><b>Fail to plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers compliant assets fit for purpose while offering value for money.</b></p> <p>Management have reviewed this risk and recommended that the description should be reviewed as follows</p> <p><b>“Fail to resource, plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers compliant assets fit for purpose while offering value for money”</b> – this revised description reflects the need to also look at the resourcing of this area, both financial and people, to ensure that the Council can continue to effectively deliver.</p>
<b>3.2</b>	<b>Risk Owner</b>
3.2.1	Accountability for the management of this corporate risk has been assigned to the Director of Property & Projects.

<b>3.3</b>	<b>Risk assessment</b>
3.3.1	<p>Following detailed review of the corporate risks, this risk was assessed in terms of 'impact' and 'likelihood' (using the Council's risk scoring system, see Appendix 1) as follows:</p> <p>Impact – 4 (major) Likelihood – 3 (possible)</p>
3.3.2	<p>The impact is assessed as major in terms of the medium to long-term maintenance of council assets. It is considered "possible" that this risk will happen in 16-17 because while the asset base of the Council has increased, the property maintenance budget has remained the same.</p>
<b>3.4</b>	<b>Current measures in place to manage the risk</b>
3.4.1	<p>The Council has an established framework, policies and procedures in relation to asset maintenance. These include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>- Maintenance plan - Maintenance plan for 2016/17 includes requirements for assets transferred under LGR, newly built asset, assets operated by GLL and BWUH.</li> <li>- Maintenance Processes - Implementation of revised operational systems, processes and procedures as per internal audit recommendations</li> <li>- Maintenance Protocol - A methodology for the maintenance of Council Buildings as agreed by CMT</li> </ul>
<b>3.5</b>	<b>Council performance</b>
3.5.1	<p>The above measures have ensured the ongoing successful delivery of the Council's rolling £6m asset maintenance programme. In addition to the ongoing cyclical maintenance a number of major upgrades to Council assets have been undertaken over the past year including</p> <ul style="list-style-type: none"> <li>• ATP Memorial Park Changing Pavilion</li> <li>• Henry Jones Changing Pavilion</li> <li>• Blanchflower Changing Pavilion</li> <li>• New Roof at Templemore</li> <li>• On-going refurbishment at the new Prince Regent Road mustering station</li> <li>• On-going refurbishment of the CWB toilets</li> </ul>
3.5.2	<p>An internal audit has recently been undertaken in relation to maintenance. The actions arising from this audit are currently being implemented.</p>
<b>3.6</b>	<b>Areas for improvement</b>



3.6.1	<p>Even though the above arrangements are in place, we are always looking at ways to continually enhance the asset maintenance programme. The following areas for improvement have been identified and captured in the risk action plan -</p> <ul style="list-style-type: none"> <li>- Determine what work is required to ensure a corporate approach to maintenance, including governance, review of budget allocation and establishment of a sinking fund.</li> <li>- Ensure that sufficient early consideration of the maintenance implications of design / specification decisions is taken on board as part of the capital project process</li> <li>- Ensure that the maintenance requirements and costs of new buildings are estimated at an early stage and incorporated into the business case; the maintenance programme and the medium term financial plan as part of the capital project process</li> <li>- Implementation of Property Maintenance Unit structure</li> <li>- Undertake a review of the Fleet Management Unit to determine the structure that will meet business needs and deliver VFM.</li> <li>- Handover of new buildings</li> <li>- Develop a handover and implementation protocol for the proper hand over of new buildings to the Property Maintenance Unit.</li> <li>- Progress the procurement of a new IT system for asset management incorporating property maintenance.</li> <li>- Develop and agree a City Energy Strategy (within the context of the ongoing work on resilient cities)</li> <li>- Undertake a review of the maintenance requirements for assets such as parks, open space, fences, pathways, community operated council buildings etc.</li> <li>- Plan for replacement of assets such as 3G pitches, public art etc.</li> <li>- Work in conjunction with holding departments to ensure effective stewardship of buildings to minimise any unnecessary maintenance requirements</li> </ul>
3.6.2	<p>Progress against these actions is monitored and reported through SPR as appropriate. Through these improvement programmes, we are working towards reducing the risk rating in terms of likelihood to <b>1</b> (very low). However, ensuring the ongoing maintenance of assets will continue to be a priority area for the Council due to the size of the Council's asset base.</p>

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## Appendix 6 – Community Planning

<b>Reporting Officer:</b>	Suzanne Wylie, Chief Executive
<b>Contact Officers:</b>	Sharon McNicholl, Strategic Planning and Policy Manager

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of this report is to provide a management update to the Committee on the progress being made to manage the 'Community Planning' risk, one of the key corporate risks relating to the Committee's sphere of work.
<b>2.0</b>	<b>Recommendation</b>
2.1	That the Committee notes the arrangements in place to manage this risk and the progress being made to implement additional controls / measures to reduce the level of risk further.
<b>3.0</b>	<b>Main report</b>
<b>3.1</b>	<b>Description of risk</b>
3.1.1	The Community Planning risk, as captured in the Council's Corporate risk register, is phrased as follows:  <b>'1. Agreement – Fail to secure agreement and buy in from key partners for the Community Plan / Belfast Agenda 2. Delivery – Failure to implement and deliver targets for the Community Plan / Belfast Agenda.'</b>
<b>3.2</b>	<b>Risk assessment</b>
3.2.1	Following detailed review, this corporate risk has now been assessed in terms of 'impact' and 'likelihood' (using the Council's risk scoring system, see Appendix 1) as follows: <ul style="list-style-type: none"> <li>▪ Impact – 5 (severe)</li> <li>▪ Likelihood – 3 (possible)</li> </ul>
3.2.2	It is proposed that the risk is down-graded to Impact 4 – (moderate) and Likelihood 3 (possible). The reduced risk rating takes account of the recent agreement and launch of the draft Belfast Agenda, with focus now turning to establishing systems and processes to ensure that the targets are delivered.

3.3	<p><b>Current measures in pace to manage risk 1 “Agreement – Fail to secure agreement and buy in from key partners for the Community Plan / Belfast Agenda”</b></p>
3.3.1	<p>This risk has been significantly addressed. The draft Belfast Agenda was agreed by all community planning partners and by SP&amp;R Committee, ratified by full council and was launched for a 12 week consultation period on 15 December. In order to maintain partner buy-in a full programme of engagement has been planned which will ensure all partners continue to be involved in the on-going development of action plans, including assigning lead responsibility. Partners are taking joint responsibility for the consultation and engagement plan which will be rolled out over the coming months. Further meetings of the Community Planning Board have been arranged in order to ensure momentum continues and to feed through revisions that are proposed as a result of consultation and agree implementation plans.</p>
3.3.2	<p><b>Current measures in pace to manage risk 2 “Delivery – Failure to implement and deliver targets for the Community Plan / Belfast Agenda.”</b></p>
3.3.3	<p>In order to mitigate the risk on an on-going basis, the council continues to have:</p> <ul style="list-style-type: none"> <li>▪ Regular Community Planning Board meetings at a senior level;</li> <li>▪ Regular meetings between relevant staff involved in strategic and organisational planning across partner organizations;</li> <li>▪ A comprehensive engagement plan;</li> <li>▪ Dedicated community planning staff</li> <li>▪ BCC internal reporting</li> <li>▪ Regional Community Planning Officers’ network</li> <li>▪ Corporate Policy and Strategic Planning team meetings</li> </ul>
3.3.4	<p>All controls previously presented to Members are in place and operating.</p>
3.4	<p><b>Areas for further action</b></p>
3.4.1	<p>The Belfast Agenda has a set of stretch targets against each of the priority areas for the next four years. A number of actions are planned to mitigate the risk that these will not be achieved.</p> <ul style="list-style-type: none"> <li>a) <b>Belfast City Council Corporate Plan</b> – the council is producing a new corporate plan aligned to the priorities set out in the Belfast Agenda. This process will allow resources to be aligned to the delivery of those priorities for which the council is responsible, underpinned by the council’s programme and performance management frameworks. Responsibility for delivery within the council will be expressly stated in Committee Plans and departmental and service plans. The budget estimating process has included consideration of resources required to deliver the Belfast Agenda.</li> <li>b) <b>Governance</b> – the Community Planning Board will oversee implementation of</li> </ul>

the Belfast Agenda at a city level and partners will ensure that the Agenda's priorities are connected to organisational plans and strategies. The Agenda has achieved endorsement at the most senior executive level across all the organisations involved. The population indicators in the Belfast Agenda have been aligned to those in the programme for Government and there is significant complementarity between the two documents. It is intended that this will ameliorate implementation where this involves Ni Executive departments. New and existing partnerships are also in place, which have committed themselves to assisting with the implementation of the Agenda; these include the Belfast Strategic Partnership, the Shared City partnership and the Policing and Community Safety Partnership, and the Belfast Economic Forum.

Work will be undertaken in the coming months to align current and new partnerships to the delivery of the Belfast Agenda. Updates will be brought to SP&R on a regular basis. A specific piece of work will be carried out to progress the representation of the Community and Voluntary Sectors on the Board.

- c) **Monitoring and review** – a city dashboard will be commissioned to provide a shared platform through which progress against the stretch goals and population indicators of the Agenda can be managed. This will support timely review of performance data to allow for intervention to take place when progress is not on target.
- d) **On-going consultation and engagement** – the consultation and engagement programme will allow partners to identify any issues or further risks to implementation. This will form part of the specific engagement sessions which will be held with partners.
- e) **SMART Actions** – Further detail on the work streams contained within the Belfast Agenda will be created as part of the engagement process during the next three months and as part of organisational planning processes, including the council's corporate planning process.
- f) **Performance framework and reporting process** – the initial performance framework is contained within the draft document, which includes stretch targets and population indicators. The intended review of the council's performance management and programme management frameworks will support the roll-out of performance management arrangements, as will the development of the city dashboard.
- g) **Dedicated resources** – work is underway to ensure necessary dedicated resources are in place to support ongoing implementation and governance processes.

Progress in being made across all these actions which means that assurance can be given that actions to mitigate risk, will be in place by March 2017.

3.4.2

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<b>Appendix 7 – Change Management</b>	
<b>Reporting Officer:</b>	Jill Minne, Director of Organisational Development
<b>Contact Officers:</b>	Karen Russell, HR and Organisational Development Manager

<b>3.0</b>	<b>Main report</b>
<b>3.1</b>	<b>Description of risk</b>
3.1.1	The Change Management risk, as captured in the Council's Corporate risk register is as follows:
<b>3.2</b>	“If we do not manage change effectively then we will not deliver the Belfast Agenda/Community Plan.”
3.2.1	<b>Risk Owner</b>
	Accountability for the management of this corporate risk has been assigned to Jill Minne, Director of Organisational Development (OD).
<b>3.3</b>	<b>Risk assessment</b>
3.3.1	Following detailed review of the corporate risks, this risk was assessed in terms of 'impact' and 'likelihood' (using the Council's risk scoring system, see Appendix 1) as follows:  Impact – 5 (severe) Likelihood – 4 (possible)
3.3.2	This assessment reflects the potential impact of not managing change effectively. <ul style="list-style-type: none"> <li>• The Council's organisational structure does not change to meet the new priorities of the Council</li> <li>• The Council's systems, policies and processes become out of sync with the changing structure / new priorities</li> <li>• Managers are not equipped to deliver the new priorities (skills and behaviours)</li> <li>• Staff become disengaged</li> <li>• Behaviours undermine delivery</li> <li>• Outcomes are not achieved to the detriment of the city and communities and the satisfaction of members</li> </ul>

	We are committed to doing all we can to reduce the likelihood of the risk occurring
<b>3.4</b>	<b>Current measures in place to manage the risk</b>
3.4.1	<p>The council currently has a range of organisational development initiatives in place to support change. These include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>- Agreed corporate OD strategy</li> <li>- Peer Review completed</li> <li>- Significant benchmarking completed regarding structures</li> <li>- Decision Making Analysis review undertaken across the organisation</li> <li>- Director of OD chairs the Council’s agreed consultation and negotiating committee - Joint Negotiating and Consultative Committee (JNCC) and organisational change and development is a standing item on the committee’s agenda with specific subgroups of the JNCC having been established to negotiate the new service delivery models for Leisure and the Waterfront and ulster Halls. Departmental Management and TU forums are in place.</li> <li>- Draft OD programme of work developed</li> <li>- HR policies (attendance, disciplinary, unfair treatment and grievance) reviewed and changes implemented</li> <li>- Employee Health and wellbeing strategy in place, with a focus on emotional resilience , and including BCC being first public sector organisation in NI to sign up to the Mental Health Charter</li> <li>- Staff support networks established – Women’s Network, Disability Network and LGB&amp;T Network</li> <li>- Procurement of the new HR / Payroll system is being finalised with a view to full implementation in the next 18-24 months</li> <li>- Increased internal communications and engagement activities (staff briefings, workshops, focus groups, staff surgeries)</li> <li>- Capacity building programmes for elected members and staff</li> <li>- Change management development programme in place for managers and staff</li> <li>- Governance board established to oversee the procurement and implementation of the new HR / Payroll system</li> <li>- OD lead officers identified for C&amp;NS departmental work streams</li> <li>- Regular review meetings between Director of OD and senior departmental Business Support Managers</li> <li>- Regular departmental project review meetings in place</li> </ul>
<b>3.5</b>	<b>Performance</b>
3.5.1	Regular updates are provided at Strategic Policy and Resources Committee and Budget Panel and reported on the CORVU and MK Insight system.
3.5.2	<p>A number of corporate organisational design and development actions have been completed. These are:</p> <ul style="list-style-type: none"> <li>- New committee structure</li> </ul>



	<ul style="list-style-type: none"> <li>- New service delivery model for provision of Leisure</li> <li>- New service delivery model for Waterfront and Ulster Halls</li> <li>- Creation of City and Neighbourhoods department</li> <li>- Creation of City Centre Development function</li> <li>- 45 Planning staff transferred from Planning Service and entire Building Control section badged to new Planning and Place department under newly created Director of Planning and Place</li> <li>- Community Services staff badged from Development Department to new City and Neighbourhoods department</li> <li>- Staff from Urban Development Team realigned from Development Department to City Centre Development Team, Property and Projects department and Planning and Place department</li> <li>- Director of City and Neighbourhood Services recruited</li> <li>- Director of City Centre Regeneration recruited</li> <li>- Waterfront and Ulster Hall staff transferred to new Council owned company;</li> <li>- new Managing Director and board recruited</li> <li>- 2 corporate VR tranches</li> <li>- Overall organisational model agreed by committee.</li> <li>- Consultants have been appointed to work with corporate management team (CMT) to further develop and prioritise OD implementation plan, with a view to ensuring collective agreement, understanding and ownership of priorities, actions and dependencies and the resources and behaviours required for effective delivery of the agreed planned change.</li> </ul>
<b>3.6</b>	<b>Areas for improvement</b>
3.6.1	<p>The main improvement action, having now agreed the overall organisation model is to agree a prioritised and resourced OD programme to ensure effective delivery of high quality, vfm services and the elected members' ambitions set out in the Belfast Agenda. To that end independent, external consultants have been appointed to work with the corporate management team (CMT) to further develop and prioritise the OD implementation plan, with a view to ensuring collective agreement, understanding and ownership of priorities, actions and dependencies and the resources and behaviours required for effective delivery of the agreed planned change.</p>
3.6.2	<p>In addition to developing this main piece of work implementation and improvement will continue and will include:</p> <ul style="list-style-type: none"> <li>- A further tranche of voluntary redundancy</li> <li>- Further organisation restructuring ( in the context of overall agreed organisational model; the need to review corporate support models; the need for efficiencies; and the need for additional significant resourcing in some agreed priority areas</li> <li>- Carry out full pay and grading and equal pay review</li> <li>- Review and further refinement of employee performance management and accountability frameworks</li> <li>- Review of contracts such as agency, recruitment assessment and occupational health with a view to streamlining processes and achieving efficiencies</li> </ul>

- |  |  |
|--|--|
|  | <ul style="list-style-type: none"><li>- Agree and implement competence framework for development, performance management and recruitment purposes</li><li>- Continue to develop and implement capacity building plan for elected members and staff</li><li>- Develop strategic and planned approach to internal communications and employee engagement</li></ul> |
|--|--|

## Appendix 8 – Leisure Estates Programme

<b>Reporting Officer:</b>	Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources
<b>Contact Officers:</b>	Sinead Grimes, Programme Office Manager

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of this report is to provide a management update to the Committee on the progress being made to manage the 'Leisure Estates Programme', one of the key corporate risks relating to the Committee's sphere of work.
<b>2.0</b>	<b>Recommendation</b>
2.1	<p>Committee is asked to -</p> <ul style="list-style-type: none"> <li>- note the arrangements in place to manage this risk and the progress to date to reduce the level of risk</li> <li>- agree that given the progress to date and the controls which are in place to manage this risk that the risk level is reduced to <ul style="list-style-type: none"> <li>- Impact – 4 (Major)</li> <li>- Likelihood – 3 (Possible)</li> </ul> </li> </ul>
	<b>Main report</b>
<b>3.1</b>	<b>Description of risk</b>
3.1.1	<p>The 'Leisure Estates Programme' risk, as captured in the Council's Corporate risk register is phrased as follows:</p> <p style="text-align: center;"><b>Fail to deliver the Leisure Estates Programme</b></p>
<b>3.2</b>	<b>Risk Owner</b>
3.2.1	Accountability for the management of this corporate risk has been assigned to the Director of Finance and Resources.
<b>3.3</b>	<b>Risk assessment</b>
3.3.1	<p>Following detailed review of the corporate risks, this risk was assessed in April in terms of 'impact' and 'likelihood' (using the Council's risk scoring system, see Appendix 1) as follows:</p> <ul style="list-style-type: none"> <li>- Impact – 5 (severe)</li> <li>- Likelihood – 4 (major)</li> </ul>

3.3.2 Members will be aware that a £105m leisure estates programme has been agreed which will see the redevelopment of 7 leisure facilities across the city at Andersonstown, Brook, Robinson, Avoniel, Templemore, Olympia and Girdwood. The impact of not effectively delivering this programme was assessed as severe in terms of (a) Financial, in that if the programme is not properly managed and the costs are not controlled effectively then there will not be enough finance available to complete the whole programme and; (b) Political, in that the principles approved by members for the Leisure Transformation Programme may not be realised. The Council is however committed to doing all we can to reduce the potential impact and likelihood of the risk occurring.

**3.4 Current measures in place to manage the risk**

3.4.1 The Council has established a framework, policies and procedures to manage the leisure estates programme. This has included, but is not limited to, the following:

- The £105m programme has been agreed and affordability limits for each centre were agreed by Committee in April 2015
- A USP map for the city was agreed in April 2016 which set out the following USPs for each of the new centres

CENTRE	USP
Olympia	Sports Village
Andersonstown	Family fun leisure water
Brook	Outdoor Centre of Excellence
Robinson	Aquatic Centre
Avoniel	Outdoor Centre of Excellence
Templemore	Spa and heritage

- Facilities mixes were agreed for Andersonstown, Robinson and Brook and concept designs developed from these
- A three stage approach to consultation and engagement was agreed by Committee and has already been used for Robinson, Andersonstown and Brook
- Robust governance in place for the leisure programme with a Leisure Transformation Board, Client Delivery Group and Capital Delivery Group
- Programme Office has been established for the physical programme to co-ordinate all physical projects which will include the Leisure Programme
- Dedicated internal resources have been assigned to the Leisure Programme including a Project Manager, Assistant Project Managers, Project Sponsors and a Programme Support Assistant
- Consultants have been appointed to lead on project management including management of the cost manager, construction design and management consultant and the integrated design team
- A delivery model was agreed following engagement with companies, GLL and procurement specialists in September 2015
- Implementation and Sequencing Plan in place together with programme and project risk registers, issues log etc.

<b>3.5</b>	<b>Council performance</b>																										
3.5.1	<p>The above measures have ensured the ongoing successful delivery of the leisure estates programme which has made significant progress since the affordability limits were agreed in April 2015 – the current status of each project is outlined below. It is anticipated that Olympia will be open next year (2017) with Robinson, Brook and Andersonstown going on ground.</p>																										
<table border="1"> <tr> <td data-bbox="277 533 608 566">PROGRAMME LEVEL</td> <td data-bbox="608 533 1414 566"></td> </tr> <tr> <td data-bbox="277 566 608 645">Procurement</td> <td data-bbox="608 566 1414 645">Contractor appointed for the construction of Robinson, Andersonstown and Brook</td> </tr> <tr> <td data-bbox="277 645 608 824">Engagement and consultation</td> <td data-bbox="608 645 1414 824">Detailed consultation on the concept designs for Brook, Robinson and Andersonstown undertaken including 18 consultations sessions and a range of focused sessions with individual stakeholders. The Council's Equality Forum is also kept up to date on a regular basis.</td> </tr> <tr> <td data-bbox="277 824 608 969">Business continuity</td> <td data-bbox="608 824 1414 969">£2m Leisure Mobilisation Budget established to ensure business continuity while centres are closed during redevelopment and to support communication and engagement activity</td> </tr> <tr> <td data-bbox="277 969 608 1070">Social and community benefit clauses</td> <td data-bbox="608 969 1414 1070">Social and community benefits clauses will be an integral part of the contract and were an evaluation criteria in terms of the scoring for the new contractor</td> </tr> <tr> <td data-bbox="277 1070 608 1104">PROJECT</td> <td data-bbox="608 1070 1414 1104">UPDATE</td> </tr> <tr> <td data-bbox="277 1104 608 1182">Olympia</td> <td data-bbox="608 1104 1414 1182">Building works on centre completes. Handed over the GLL last week of November. Due to open in January</td> </tr> <tr> <td data-bbox="277 1182 608 1249">Brook</td> <td data-bbox="608 1182 1414 1249">Agreed facilities mix and concept design. Planning application submitted in November. Due to go on ground in Summer 2017</td> </tr> <tr> <td data-bbox="277 1249 608 1395">Robinson</td> <td data-bbox="608 1249 1414 1395">Agreed facilities mix and concept design. Planning application submitted in November. Demolition works to commence in January. Due to go on ground in Summer 2017. Legal proceedings now resolved</td> </tr> <tr> <td data-bbox="277 1395 608 1496">Andersonstown</td> <td data-bbox="608 1395 1414 1496">Agreed facilities mix and concept design. Planning application due to be submitted in the New Year. Due to go on ground in summer 2017</td> </tr> <tr> <td data-bbox="277 1496 608 1529">Avoniel</td> <td data-bbox="608 1496 1414 1529">Moved to Stage 2 – concept designs</td> </tr> <tr> <td data-bbox="277 1529 608 1608">Templemore</td> <td data-bbox="608 1529 1414 1608">Received £5m funding from HLF in September. Now moving into Stage 2</td> </tr> <tr> <td data-bbox="277 1608 608 1641">Girdwood Phase 2</td> <td data-bbox="608 1608 1414 1641">Continued discussions with DfC re match funding</td> </tr> </table>		PROGRAMME LEVEL		Procurement	Contractor appointed for the construction of Robinson, Andersonstown and Brook	Engagement and consultation	Detailed consultation on the concept designs for Brook, Robinson and Andersonstown undertaken including 18 consultations sessions and a range of focused sessions with individual stakeholders. The Council's Equality Forum is also kept up to date on a regular basis.	Business continuity	£2m Leisure Mobilisation Budget established to ensure business continuity while centres are closed during redevelopment and to support communication and engagement activity	Social and community benefit clauses	Social and community benefits clauses will be an integral part of the contract and were an evaluation criteria in terms of the scoring for the new contractor	PROJECT	UPDATE	Olympia	Building works on centre completes. Handed over the GLL last week of November. Due to open in January	Brook	Agreed facilities mix and concept design. Planning application submitted in November. Due to go on ground in Summer 2017	Robinson	Agreed facilities mix and concept design. Planning application submitted in November. Demolition works to commence in January. Due to go on ground in Summer 2017. Legal proceedings now resolved	Andersonstown	Agreed facilities mix and concept design. Planning application due to be submitted in the New Year. Due to go on ground in summer 2017	Avoniel	Moved to Stage 2 – concept designs	Templemore	Received £5m funding from HLF in September. Now moving into Stage 2	Girdwood Phase 2	Continued discussions with DfC re match funding
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<b>3.6</b>	<b>Areas for improvement</b>																										
3.6.1	<p>A number of areas for improvement have been identified and captured in the risk action plan for the leisure estates programme.</p> <ol style="list-style-type: none"> <li data-bbox="277 1910 1414 1989">1. Develop plans to ensure that delivery of Leisure Services remain unaffected during construction.</li> <li data-bbox="277 1989 1414 2060">2. Ensure the leisure projects are aligned with other strategic city initiatives to ensure regeneration opportunities are maximised and disruption is limited – e.g.</li> </ol>																										

	Andersonstown and the proposed redevelopment of Casement and the implementation of the Belfast Rapid Transit System
3.6.2	Progress against these actions will be monitored and reported through the Leisure board and SP&R Committee.
3.6.3	Given the ongoing controls which are in place to manage this risk and the performance to date it is proposed that the risk level is reduced to <ul style="list-style-type: none"> <li>- Impact – 4 (Major)</li> <li>- Likelihood – 3 (Possible)</li> </ul>
3.6.4	Through the ongoing improvement programmes, we are working towards reducing the risk rating in terms of likelihood to <b>2</b> (low). However, ensuring the ongoing successful delivery of the leisure estate programme will continue to be a priority area during the timescale of the delivery of the programme (next ten years)

## Appendix 9 – Financial Position of the Council

<b>Reporting Officer</b>	<b>Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources</b>
<b>Contact Officer</b>	<b>Mark McBride, Head of Finance and Performance</b>
<b>3.0</b>	<b>Main report</b>
<b>3.1</b>	<b>Description of risk</b>
3.1.1	<p>The Financial Position risk, as captured in the Council’s Corporate risk register is phrased as follows:</p> <p>‘Failure to secure the financial position of the council in a sustainable way.’</p>
<b>3.2</b>	<b>Risk Owner</b>
3.2.1	Accountability for the management of this corporate risk has been assigned to Ronan Cregan, Director of Finance and Resources and Deputy Chief Executive.
<b>3.3</b>	<b>Risk assessment</b>
3.3.1	<p>Following detailed review of the corporate risks, this risk was assessed in terms of ‘impact’ and ‘likelihood’ (using the Council’s risk scoring system, see Appendix 1) as follows:</p> <p>Impact – 5 (Major) Likelihood – 3 (Possible)</p> <p>This represents no change to the previous assessment of likelihood and risk. The key reason for the risk assessment is the fact that the District Rate provides 75% of the Council’s income and many of the determinants of the level of rates income are outside the control of the Council.</p>
<b>3.4</b>	<b>Current measures in place to manage the risk</b>
3.4.1	The Council’s Medium Term Financial Strategy assesses the external pressures likely to affect the Council and includes resources to support City Centre Regeneration linked to the growth of the City Centre rate base and an Efficiency Programme to minimise the impact of uncontrollable revenue cost increases on the level of District rate.
3.4.2	<p>Although the Council has well established financial procedures and financial systems, additional detailed action plans have been put in place and these are monitored through the departmental performance process. These plans include:</p> <ul style="list-style-type: none"> <li>• The Financial Improvement Programme</li> <li>• The Capital Finance Improvement Programme</li> </ul>

	<ul style="list-style-type: none"> <li>• The Efficiency Programme</li> <li>• The City Investment Fund</li> <li>• Management of the key financial risks (EPP, Waste, GLL, BW/UH, Belfast Agenda, City and Neighbourhoods.)</li> </ul>
3.4.3	The Council is working with Future Cities Catapult to develop a rates maximisation tool and a rates forecaster to support maximisation of the collectible rate and better information to forecast potential rates income over the short to medium term. The latter will also support better assessment of the impact of regeneration of the city centre on the rates base.
3.3.4	Council officers are also working with DFP officials to find ways to maximise the potential of finance for regeneration projects in the city centre.
<b>3.5</b>	<b>Performance</b>
3.5.1	<u>Financial Improvement Programme:</u> This programme has 22 specific improvement actions relating to Treasury Management, Accounts Payable, Accounts Receivable, Payroll and the Local Government Finance Act (NI) 2011. Work is progressing on each of these areas with completion targeted for March 2017.
3.5.2	<u>Capital Finance Improvement Programme:</u> This is a significant programme of work which will improve the processes and management information available for planning and monitoring of the Council's Capital Expenditure programmes and the integration of capital processes within the Property and Projects and Finance and Resources Departments.
3.5.3	A high level implementation plan has been prepared and the project governance structure established. The detailed programme, resources requirements and timelines will be agreed by the Project Oversight Board in January 2017 with the major process work also commencing in January 2017.
3.5.4	<u>The Efficiency Programme:</u> An annual target of £2.0m for efficiencies in each of the years 2017/18, 2018/19 and 2019/20 has been agreed by the Strategic Policy and Resources Committee. The corporate efficiency programme, together with additional departmental savings have generated £2.75m of efficiencies as part of the 2017/18 rate setting process.
3.5.5	<u>The City Investment Fund:</u> A City Centre Investment Fund of £18.77m has been established by the Council to support physical regeneration in the City Centre and improve the City's Rate Base and hence the financial sustainability of the Council as part of the Belfast Agenda.
3.5.6	The high level Investment Principles for the CCIF have been agreed by the Strategic Policy and Resources Committee and one major joint development project has already commenced with the support of the fund.



3.5.7	A dedicated finance manager who will provide specialist investment and technical financial support as part of the City Centre Regeneration Team is currently being recruited on a permanent basis.
3.5.8	<u>Management of the Key Financial Risks:</u> The main action which oversees the management of the key financial risks is the Council's agreed rate setting process.
3.5.9	The Strategic Policy and Resources Committee agreed the key milestones and actions for the 2017/18 rate setting process at its meeting in June 2016. This included the delivery of £2m of cash savings as part of the corporate efficiency programme for 2017/18 and reporting against the milestones to Committee.
3.5.10	Performance against this agreed timetable and is well on course to enable political decisions on the 2017/18 district rate, based on robust revenue estimates, to be made by the statutory deadline of the 15 February 2017. The efficiency programme has delivered efficiencies in excess of the £2m target for 2017/18.
3.5.11	The 2016/17 rates settlement is forecast to require a clawback by LPS due to decline in the rate base, as major existing properties are removed during the period of redevelopment. The timeline for new developments in the City Centre mean that the 2017/18 rate base will also be negatively affected.
<b>3.6</b>	<b>Areas for improvement</b>
3.6.1	The establishment of the City Centre Investment Team is essential to supporting the City Centre Regeneration strand of the Council's Medium Term Financial Strategy. The Finance and Resources Department will support the Director of City Centre Regeneration in establishing financial skills within the team to enable management of the City Centre Investment Fund until this team is fully recruited.

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<b>Subject:</b>	Contracts for award
<b>Date:</b>	20 January 2017
<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

<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	The purpose of this report is to: 1. Seek approval from Members to the advancement and award of the tenders as outlined in Appendix 1 in accordance with the Scheme of Delegation.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to: 1. Approve the public advertisement and acceptance of tenders as listed in Appendix 1, table 1, through the Council's electronic procurement system 2. Grant delegated authority to the appropriate Director, using pre-agreed criteria the most economically advantageous tender, and allow extensions where contracts are under review as per table 2.
<b>3.0</b>	<b>Main report</b>
	<u>Key Issues</u>
3.1	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.
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>
3.7	<p><u>Equality or Good Relations Implications</u></p> <p>No specific equality or good relations implications.</p>
<b>4.0</b>	<b>Appendices - Documents Attached</b>
	Appendix 1 – Contracts For Award, Schedule of tenders for consideration

## Appendix 1 - Schedule of tenders for consideration

**Table 1 – New tenders**

Title of tender	Senior Responsible Officer	Proposed contract duration
Employee counselling services	Jill Minne	1 year plus 1
Occupational health physician services	Jill Minne	1 year plus 1
Cleaning service at St George's Market	Donal Durkan	1 year plus one plus one
Specialist heavy goods vehicle hire	Gerry Millar	2 years plus one*
Standard light goods vehicle hire	Gerry Millar	2 years plus one*
Vehicle breakdown recovery services	Gerry Millar	2 years plus one

\* To be completed as two lots on one tender exercise

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Subject:	Scheme of Allowances
Date:	20 <sup>th</sup> January, 2017
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 approve amendments to the Council's Scheme of Allowances.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to <ul style="list-style-type: none"> <li>Approve the amended Scheme of Allowances.</li> </ul>
<b>3.0</b>	<b>Main report</b>
	<u>Key Issues</u>
3.1	The Department for Communities has published consolidated guidance on Councillors' Allowances (copy attached at Appendix 1). The Council is required to agree and publish its own Scheme of Allowances.
3.2	The amendments to the existing guidance on Councillors' allowances focus on the issue of Dependent Carers' Allowances. In the new guidance, the rules on this allowance have been revised to make it more easily accessible to councillors who require to use the facility in order to attend Committee meetings or other approved duties.

3.3	The Council's Scheme of Allowances have been amended to reflect this change. A copy of the revised Scheme is attached at Appendix 2 with the changes highlighted in yellow.
3.4	<p><u>Financial &amp; Resource Implications</u></p> <p>There may be some additional costs to the Council if more Members make use of the Dependant Carers' Allowance but this can be accommodated within existing budgets.</p>
3.5	<p><u>Equality or Good Relations Implications</u></p> <p>None associated with this report.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	Appendix 1 – Consolidated Councillor Allowance Guidance from the Department for Communities
4.2	Appendix 2 – Revised Scheme of Allowances



## **Local Government Circular 23/2016**

# **Consolidated Guidance on Councillors' Allowances for District Councils in Northern Ireland**

**Department for Communities  
14 December 2016**

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## **1. Introduction**

This guidance is issued under Section 31(5) of the Local Government Finance Act (Northern Ireland) 2011. This is the first consolidated version of the guidance on councillors' allowances which is based on the February 2015 guidance and Local Government Circular 4/2015, incorporating all addenda.

This guidance supplements the consolidated circular on councillor allowances. At the time of issuing this guidance the current consolidated circular on councillor allowances is Local Government Circular 14/2016 which was issued on 6<sup>th</sup> July 2016. [Link to Local Government Circular 14/2016](#) or the circular can be found under local government circulars within [www.communities-ni.gov.uk](http://www.communities-ni.gov.uk)

In setting the maximum level of allowances and producing this guidance the recommendations of the independent Councillors' Remuneration Panel of 1 November 2013, which considered councillors allowances post the Reform of Local Government, have been taken into consideration.

## **2. Details of Allowances Payable to Councillors**

Allowances are payable by councils to councillors and committee members under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012. Throughout this guidance the Act will be referred to as the 2011 Act and the Regulations as the 2012 Regulations. The definitions provided in the legislation carry forward to this guidance.

The main allowances which may be payable to a councillor are:

- Basic Allowance;
- Special Responsibility Allowance (SRA);
- Chairperson/Vice Chairperson Allowance;
- Dependants' Carers' Allowance (standard/specialised care rates);  
and
- Travel and Subsistence Allowance (also payable to committee members).

### 3. Scheme of Allowances

<b>At a glance - Key information</b>
<ul style="list-style-type: none"><li>• Legislation – Regulations 3 &amp; 11 of the 2012 Regulations</li></ul>
<ul style="list-style-type: none"><li>• Each council must have a scheme for the payment of all allowances it makes to councillors each year; travel &amp; subsistence rates also apply to committee members</li></ul>
<ul style="list-style-type: none"><li>• Scheme must be agreed and commenced prior to payment of any allowances</li></ul>
<ul style="list-style-type: none"><li>• The Scheme must be published as soon as practicable on the council's website</li></ul>

- i. The 2012 Regulations provide that each council must have in place a scheme for the payment of any allowance it intends to make to its councillors or committee members in respect of each year.
- ii. Before a scheme becomes effective, a council must approve the contents and the commencement date. Payments to councillors should not be made in advance of the scheme approval and commencement date. A scheme can be amended or revoked at any time but there must be no intervening period of time between one scheme ending and a further scheme commencing.
- iii. The council should as soon as practicable publish the approved scheme on the council's website, and make any other arrangements for publishing the scheme it considers appropriate.
- iv. For councils ease a generic scheme template is attached at Annex A, although it is not compulsory to use this layout.

#### 4. Basic Allowance

<b>At a glance - Key information</b>
<ul style="list-style-type: none"><li>• Legislation – Regulation 4 of the 2012 Regulations</li></ul>
<ul style="list-style-type: none"><li>• Basic allowance should be the same for each councillor and is intended to cover incidental and consumable costs incurred by councillors</li></ul>



- i. The 2012 Regulations provide that a council must make provision in its scheme of allowances for a basic allowance, with the same rate applicable to each councillor. Where applicable this is payable on a pro-rata basis.
- ii. Each council must determine the amount of basic allowance it will pay, which must be within the maximum rate set by the Department.
- iii. No council may pay more than one basic allowance to a councillor.
- iv. Basic allowance is intended to recognise all the time commitment of councillors, including such inevitable calls on their time as meetings with council officers and constituents.
- v. The basic allowance includes an element for incidental and consumable costs incurred by councillors in their official capacity, such as the use of their homes, office consumables and the cost of landline and mobile phone calls. In 2015/16 the basic allowance was increased by £1,000 to cover these incidental/ consumable costs and each year this amount is uplifted in line with the increase applied to the basic allowance.

- vi. Aside from an IT connectivity package which includes telephone calls councils should not cover the cost of councillor telephone calls.
- vii. On request, councils have discretion to provide councillors with 1 black ink cartridge per year.
- viii. Where councils have provided portable IT readable devices they should not provide councillors with hard copies of electronic documents.
- ix. It is for the council to decide at what intervals payment of basic allowance should be made. The Department suggests payment on a monthly or quarterly basis, but under no circumstances should payment be made in advance.

## 5. Special Responsibility Allowance (SRA)

<b>At a glance - Key information</b>
<ul style="list-style-type: none"><li>• Legislation – Regulation 5 of the 2012 Regulations</li></ul>
<ul style="list-style-type: none"><li>• Subject to a total maximum rate determined by size of council population</li></ul>
<ul style="list-style-type: none"><li>• Subject to maximum individual SRA councillor payment of <math>\frac{1}{5}</math><sup>th</sup> of council maximum SRA amount</li></ul>
<ul style="list-style-type: none"><li>• Restricted to 50% of councillors in council</li></ul>
<ul style="list-style-type: none"><li>• Restricted to one SRA per councillor</li></ul>

- i. A council may make provision in its scheme for the payments of SRAs. A SRA is in addition to the basic allowance.
- ii. A councillor can only receive one SRA.
- iii. As elected representatives, councillors are expected to undertake responsibilities in the course of their duties which may include representation on a number of external bodies. SRA should only be paid to those councillors who have significant additional responsibilities, over and above the generally accepted duties of a councillor.
- iv. The amount a council may spend on SRA is subject to a maximum rate as determined by the Department, banded by the size of the council population. Each council's population figures are updated each year by the Northern Ireland Statistics and Research Agency and it is the duty of each council to operate within the total maximum rate appropriate to its population band.
- v. The population banded maximum rates for SRA are stated in the consolidated Local Government Circular on Councillor Allowances.



A web link to that circular is provided at the start of this guidance document.

- vi. Payment of SRA is limited to 50% of a council's councillors; based on the total number of seats on a council. Where this results in a fraction the figure may be rounded up to the next whole number.

Total Number of Seats in Council	Maximum Number of SRA Allowances Payable
40	20
41	21
60	30

- vii. In exceptional circumstances a council can apply to the Department for flexibility in this 50% restriction. This will not affect the maximum amount of SRA available to a council, only its distribution among the councillors of that council. In order for the Department to make a decision the council would need to submit all relevant information which should include:

- reasons for wishing to distribute SRA allocation to more than half the council;
- the period involved;
- details of the additional number of councillors to receive SRA; and
- the resulting percentage of councillors to receive SRA.

- viii. Payment of SRA to an individual councillor is limited to  $\frac{1}{5}$ <sup>th</sup> of the SRA maximum rate applicable for that council.

- ix. It is a matter for each council to decide which significant additional responsibilities attract SRA. The special responsibility and associated SRA rate payable must be clearly stated in the scheme.
- x. Councils should consider, very carefully, the additional roles of councillors and the significance of those roles, both in terms of responsibility and time commitment, before deciding which will warrant the payment of an SRA.
- xi. To achieve consistency in SRA levels, where councillors from different councils will be part of a body for which a SRA is considered applicable, the councils involved may wish to discuss the appropriate remuneration level, e.g. involvement with individual local government organisations or joint committees. In certain circumstances the body concerned may wish to provide a steer.
- xii. It is for each council to decide the SRA payment intervals. The Department would suggest payment on a monthly or quarterly basis, but under no circumstances should payment be made in advance.
- xiii. A council may wish to retain a portion of its SRA allocation to allocate later in the year; as unpredicted responsibilities may arise during the year.
- xiv. Where applicable a SRA should be paid on a pro-rata basis.

## 6. Chairperson/Vice Chairperson Allowances

<b>At a glance - Key information</b>
<ul style="list-style-type: none"><li>• Legislation – Section 32 of the Finance Act<ul style="list-style-type: none"><li>○ Chairperson/Vice Chairperson Allowances are completely separate from Special Responsibility Allowance (SRA) arrangements</li></ul></li></ul>



- i. Section 32 of the Finance Act provides that a council may pay to the chairperson and vice chairperson of the council such allowances as it considers reasonable to meet the expenses of those offices.
- ii. Where the district of a council has been designated as a borough, the chairperson and the vice chairperson are known as the mayor and deputy mayor of the borough.
- iii. The Department advises that any Chairperson/Vice Chairperson Allowance should be considered totally separate from SRA arrangements. Further, these allowances should not be taken into account when considering SRA limits. This follows the policy intent of the primary legislation in Section 32.
- iv. The Department advises that any Travel & Subsistence expenses for these offices/roles should be viewed and treated as normal Section 31 expenses.
- v. The template of councillor allowances return, as issued by the Department at the end of each financial year for councils to complete and publish, records details of these allowances thus providing transparency of the amount councillors receive for carrying out these roles.

- vi. The councillor allowances return records the Chairperson/Vice Chairperson Allowance separate from SRA.
- vii. Section 6 and Part 3 of Schedule 1 of the Local Government (Northern Ireland) 2014 Act means that it will be unusual for a councillor receiving a Chairperson/Vice Chairperson Allowance to also be in receipt of a SRA. However this may occur if the Chairperson/Vice Chairperson is a member of a committee where all members of the committee attract a SRA rather than just the Chair of the committee.
- viii. Where applicable a Chairperson/Vice Chairperson Allowance should be paid on a pro-rata basis.

## 7. Dependants' Carers' Allowance

<b>At a glance - Key information</b>
• Legislation – Regulation 6 of the 2012 Regulations
• Open to all councillors who are the main carer of a dependant
• Subject to a maximum rate per hour of care
• Subject to a maximum amount payable per month
• Claims must be made within 3 months

- i. Each council may make provision in its scheme of allowances for the payment of a Dependants' Carers' Allowance ("DCA"). This is an allowance open to all councillors who are the main carers of a dependant where care is required to enable the councillor to perform an approved duty.
- ii. The allowance may only be paid for a dependant who requires full-time care and who resides with the councillor as part of that household.
- iii. A dependant is defined as:
  - a child under 16 years old;
  - a child 16 years old or more, where there is medical or social work evidence that full-time care is required;
  - an adult with a recognised physical or mental disability where there is medical or social work evidence that full-time care is required; or
  - an elderly relative requiring full-time care.
- iv. For the purposes of this allowance, a carer is defined as a responsible person over 16 years old who does not normally live with the councillor as part of that household; and is not a parent/guardian of the dependant child.

- v. A specialist carer is defined as a qualified person who is needed where it is essential to have professional assistance. In these circumstances a receipt must be attached to the claim.
- vi. The Department determines maximum hourly rates of DCA for both standard care and specialised care. The rate for standard care is based on the hourly national living wage for age 25 or over, and the rate for specialised care is double the rate for standard care. In addition the Department sets maximum monthly amounts for standard care and specialised care, capped at the equivalent of 52 hours per month.
- vii. It is not intended that DCA will reflect the actual costs that may be incurred by a councillor, but will provide a reasonable amount towards the care of dependants.
- viii. Councillors may claim only one DCA in respect of each occurrence of approved duty. Only one DCA rate is payable even if there are 2 or more children/ dependants being cared for.
- ix. Councils should ensure that they have a robust system in place for councillors to claim the relevant DCA applicable to their circumstances. Councillors wishing to claim DCA should be asked to complete a claim form and sign a declaration. Annex B provides suggested template forms for claiming DCA standard / specialised care.
- x. The process should include flexibility to allow for care for the period of essential travel time, councillors may claim for a period starting

up to a maximum of one hour before the approved duty starts and ending up to one hour after it finishes. In exceptional cases, with the prior approval of the council, a greater travel time may be considered.

- xi. Councillors must disclose any financial support provided under DCA when applying for other care services offered by another public body.
- xii. Councils are encouraged to provide councillors with information as to where they might access advice on caring facilities and services. Councils should also review whether their family-friendly policies and practices cater for the needs of councillors, as well as staff.
- xiii. Councils must ensure they have a robust system in place for DCA claims which must be submitted within three months. In exceptional circumstances a council has discretion to consider claims outside this period.

**8. Travel And Subsistence Allowances; Expenses for Official and Courtesy Visits etc; Expenses Incurred in Attending Meetings and Conferences**

<b>At a glance - Key information</b>
<ul style="list-style-type: none"><li>• Legislation – Regulation 7 the 2012 Regulations; Sections 31,33 &amp; 34 of the Finance Act</li></ul>
<ul style="list-style-type: none"><li>• Travel and subsistence rates are determined by the council</li></ul>
<ul style="list-style-type: none"><li>• Claims must be made within 3 months</li></ul>

- i. Each council may make provision in its scheme of allowances for the payment of travel allowance and subsistence allowance; within the maximum rates as determined by the Department. These are open to all councillors and committee members who incur expenditure for travel and subsistence in relation to any approved duties.
- ii. The consolidated Local Government circular 14/2016 states the maximum rates of travel and subsistence. The subsistence rates were set in 2006 and there is flexibility for councils to increase those 2006 rates where necessary by applying a suitable price inflation measure.
- iii. The maximum rates of travel and subsistence are determined by the Department following consultation with the Northern Ireland Joint Council for Local Government Services.
- iv. The rate claimed for travel by public transport should be at economy/2<sup>nd</sup> class. It is at a council's discretion to reimburse for seat reservation where considered necessary.



- v. Where no public transport is available, or where the council deems it applicable, a councillor or committee member may be reimbursed the receipted cost of travel by taxi. Where a councillor or committee member travels by taxi in preference to public transport the amount reimbursed will be limited to what would have been the cost of the equivalent public transport.
- vi. Where the council deems a hired car is necessary a councillor or committee member may be reimbursed the receipted cost of the hired car along with the applicable mileage rate.
- vii. Where the council deems air travel is necessary the cost of the air travel inclusive of reasonable luggage allowance and seat allocation may be reimbursed.
- viii. Councils must ensure they have a robust receipted system in place for any travel or subsistence allowance claims other than mileage-based or overseas rate claims.
- ix. All claims for travel or subsistence should be submitted within three months. In exceptional circumstances a council has discretion to consider claims outside this period.
- x. The amount claimed for travel or subsistence must not exceed the actual amount paid. A claim for subsistence should not be made where a relevant meal has been provided free of charge.

- xi. The rates paid for travel by car must not exceed the amount that would result from using an alternative mode of transport; e.g. public transport or air fare, unless previously agreed by the council.
- xii. In addition to the mileage rate for car travel a councillor or committee member may claim the passenger rate for each passenger who is on council business.
- xiii. In submitting the claim the claimant is declaring that no other body will be covering, part or all, of the costs claimed.
- xiv. Where the mode of transport limits availability of meal options, such as via airplane or train, the reasonable cost of a meal taken, including VAT, may be reimbursed in full. This is in place of the relevant meal allowance.
- xv. It is at the discretion of the council to cover expenditure incurred by councillors in making or receiving official/ courtesy visits or attending conferences, on behalf of the council, which are outside of the standard travel and subsistence arrangements. This type of expenditure may arise due to hosting guests to the council, or representing the council at an event or attending a conference. However, where applicable the rates and rules for general travel and subsistence should be followed.
- xvi. For subsistence outside the British Isles, it is recommended that councils adopt the Overseas Subsistence Rates produced by Her Majesty's Revenue & Customs (HMRC). Where these rates are applied receipts are not necessary. However, all other restrictions outlined in this section still apply.

[Link to HMRC overseas travel rates](https://www.gov.uk/government/publications/scale-rate-expenses-payments-employee-travelling-outside-the-uk) which can be accessed via  
<https://www.gov.uk/government/publications/scale-rate-expenses-payments-employee-travelling-outside-the-uk>

## **9. Councillors' Support Services**

- i. The Basic Allowance was increased in April 2015, in part, to cover office consumables and incidental costs incurred by councillors in their official capacity.
- ii. It is for each council to decide if it should provide councillors with:
  - (a) any IT or mobile hardware, such as laptops or printers;  
and/or
  - (b) broadband and mobile data, or cover all or part of the cost of these services;  
as required to carry out council duties.
- iii. A decision to provide or cover any of these costs must be supported by a robust business case.
- iv. Whilst the Basic Allowance is intended to cover the cost of landline and mobile telephone calls, where telephone calls, required for council business, form an integral part of a council's broadband and mobile data communications package these can be provided by the council.
- v. It is for each council to decide on the level of support services that it provides such as general secretarial services, council business cards and headed paper. However, councils should not provide councillors with hard copies of electronic documents where the council has provided an IT portable readable device.

## **10. Renunciations**

Councillors may, if they wish, renounce their entitlement to basic, chairperson, vice chairperson or special responsibility allowances. They can do this by writing to the Chief Executive. A councillor can subsequently withdraw the renunciation. They can also amend a renunciation (for example, to limit it to one kind of allowance only). The withdrawal or amendment cannot have retrospective effect.

## **11. Councillors' Pensions And Tax Implications**

It is for councils and councillors to satisfy themselves that their tax, pension and insurance arrangements are in order; where necessary consulting with advisers as required. When issuing this circular useful information on treatment of tax for councillors could be found at Her Majesty's Revenue and Customs website: [Link to HMRC website](#) or accessed via <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim65900>.

## 12. Publication of Allowances Paid to Councillors

<b>At a glance - Key information</b>
<ul style="list-style-type: none"><li>• Legislation – Regulation 11 the 2012 Regulations</li><li>• Generic template for publishing details of allowances paid</li></ul>





- i. As soon as possible after the end of a financial year, and before 30 June, a council must arrange for the amounts of basic allowance, SRA, Chairperson/Vice Chairperson allowance and dependants' carers' allowance it has paid to each councillor, and the amounts of travel and subsistence allowances paid to each councillor and committee member, to be published on its website.
  
- ii. Each year the Department will provide councils with a template for completion to publish details of allowances paid to councillors. This must be adhered to. This generic approach aids transparency and allows for comparisons to be made between councils. A template for completion and instructions will be issued towards the end of each financial year and will be available on the Department for Communities website [www.communities-ni.gov.uk](http://www.communities-ni.gov.uk).

### **13. Increases to Allowance Rates**

- i. The amount of the maximum basic allowance (inclusive of the incidental/ consumables element), SRAs and Chairperson/Vice Chairperson allowances will be updated in line with pay increases for council officers.
  
- ii. The amount of Dependants' Carer's Allowance will be updated in line with the national living wage for those aged 25 year and over.

### **14. Administration**

Councils should retain, for their own records, the bank detail instructions from each councillor and committee member on where their allowances are to be paid.

### **15. Amendments to Regulations**

A revised set of Regulations, which will replace the 2012 Regulations, has recently been consulted on. It is anticipated these new Regulations will be made early in 2017. This guidance will be updated to reflect the new Regulations in due course.

[NAME OF COUNCIL]

[Council to complete/consider colour font]

## SCHEME OF ALLOWANCES PAYABLE TO COUNCILLORS

This Scheme is made under the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2016.

### 1. Definitions

In this scheme 'approved duty' and committee member are as defined in the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2016.

### 2. Commencement Date

This scheme of allowances shall be operational from 1 April 2016.

### 3. Basic Allowance

An annual basic allowance of (amount) shall be paid to each councillor. Where applicable this will be paid pro-rata.

### 4. Special Responsibility Allowance

- 4.1. A special responsibility allowance shall be paid to those councillors who hold the special responsibilities specified in Schedule 1.
- 4.2. The amount of allowance shall be the amount specified against that special responsibility in the Schedule. The allowance is only payable whilst the councillor is carrying out that duty.



4.3. At any time, only one special responsibility allowance will be paid to a councillor.

4.4. Where applicable any special responsibility allowances will be paid pro-rata.

## 5. Chairperson/Vice Chairperson Allowance

5.1. An allowance of (amount) will be payable to the Chairperson/Mayor of the council. Where applicable this allowance will be paid pro-rata.

5.2. An allowance of (amount) will be payable to the Vice Chairperson/Mayor of the council. Where applicable this allowance will be paid pro-rata.

## 6. Dependants' Carers' Allowance

6.1. Councillors are entitled to claim a dependants' carers' allowance towards reimbursement of actual reasonable costs necessarily incurred in providing care for an eligible dependant, while carrying out an approved duty.

6.2. A dependants' carers' allowance shall be payable based upon actual receipted costs or at the appropriate hourly rate, whichever is the lower; up to the monthly maximum.

6.3. The hourly rate of dependants' carers' allowance for standard care shall be (amount), and for specialised care (amount). The monthly maximum for standard care payable is (amount), and the monthly maximum for specialised care is (amount).

Councillors may claim only one DCA in respect of each occurrence of approved duty. Only one DCA rate is payable even if there are 2 or more children/ dependants being cared for.

## **7. Travel and Subsistence Allowances**

**7.1.** A councillor or committee member shall be entitled to claim travel and subsistence allowances where expenditure on travelling or subsistence has been necessarily incurred. The amount claimed should not exceed expense incurred.

**7.2.** The rates of travel allowance for travel by private vehicle shall be as shown in the table below. [Where council rates are set below maximum, or maximum increased, these figures should be amended.]

<b>Type of Vehicle</b>	<b>Rate per Mile</b>
A pedal cycle	20.0p
A solo motor cycle of cylinder capacity not exceeding 149cc	11.4p
A solo motor cycle of cylinder capacity exceeding 149cc but not exceeding 499cc	16.5p
A solo motor cycle of cylinder capacity exceeding 499cc or a motor cycle with side car	22.0p
A motor car of cylinder capacity not exceeding 450cc	22.0p
A motor car of cylinder capacity exceeding 450cc but not exceeding 999cc	46.9p *13.7p
A motor car of cylinder capacity exceeding 999cc but not exceeding 1,199cc	52.2p *14.4p

A motor car of cylinder capacity exceeding 1,199cc	65.0p *16.4p
An electric car	45.0p **25.0p
Passenger rate	5.0p

\*For mileage above 8,500 miles

\*\*For mileage above 10,000 miles

7.3. The rates of subsistence shall be as shown in the table below.

[Where councils have increased the set rates due to insufficiency, or where the default set rates have increased, the council rates should be input]

PERIOD/MEAL	RATES	
	British Isles £	London £
<b>Accommodation allowance</b> - An absence involving an overnight stay, away from the normal place of residence. This rate does not include any meal allowance.	100.70	122.45
<b>Breakfast allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period before 11 am)	11.50	
<b>Lunch allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period including the period between 12 noon and 2pm)	13.50	
<b>Tea allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period including the period between 3pm and 6pm)	4.70	

<b>Evening meal allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period ending after 7pm)	20.95
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## 8. General

- 8.1. This scheme may be revoked or amended at any time.
- 8.2. The amounts stated in paragraphs 3-5 will be subject to any indexing increase during the year. [Where councils do not wish this to automatically be the case this wording should be amended/removed].
- 8.3. The amounts stated in paragraph 6 will be subject to any increase to the national living wage for age 25+. [Where councils do not wish this to automatically be the case this wording should be removed].

## 9. Claims and Payment

- 9.1. Payments regarding basic allowance and special responsibility allowance shall be made (insert frequency, for example monthly).
- 9.2. Claims for dependants' carers' allowance, travelling allowance or subsistence allowance should be made in writing within three months, and should be accompanied by receipts, where appropriate.

**SCHEDULE 1 to the Scheme of Allowances**

The following table provides details of the council's duties which attract a Special Responsibility Allowance and the associated allowance amount.

Special Responsibility	Special Responsibility Allowance Rate (£)
Insert the role and details of the significant additional responsibility that is over and above the generally accepted duties of a councillor	Insert amount attached to this special responsibility

DEPENDANTS' CARERS' ALLOWANCE  
(SAMPLE) CLAIM FORM – STANDARD CARE

Date care provided: .....

Approved duty covered: .....

(expand as necessary) .....

.....

Time from ..... Time to .....

Total travel time within above hours .....

Total hours: .....

Cost per hour: £..... Total amount paid: £.....

Total amount claimed £.....

*(Claim amount is subject to agreed travel time, hourly and monthly rate limits)*

Name of dependant(s): .....

Relationship(s) to councillor: .....

Name of carer: .....

National Insurance Number of Carer .....

**Declaration:**

*I declare that the above named provided a childcare/carers service to me as detailed above, in order that I could perform the approved duty stated.*

Name of claimant: .....

Signature of claimant: .....

Date of claim: .....

*NB – A claim form should be completed and submitted for each relevant occurrence of approved duty -*

DEPENDANTS' CARERS' ALLOWANCE  
(SAMPLE) CLAIM FORM – SPECIALISED CARE

Date care provided: .....

Approved duty covered: .....

(expand as necessary) .....

.....

Time from ..... Time to .....

Total travel time within above hours .....

Total hours: .....

Cost per hour: £..... Total amount paid: £.....

Total amount claimed £.....

*(Claim amount is subject to agreed travel time, hourly and monthly rate limits)*

Name of dependant(s): .....

Relationship(s) to councillor: .....

Name of carer: .....

National Insurance Number of carer: .....

**Declaration:**

*I declare that the above named provided a childcare/carer service to me as detailed above, in order that I could perform the approved duty stated.*

Name of claimant: .....

Signature of claimant: .....

Date of claim: .....

**NB – A claim form should be completed and submitted for each relevant occurrence of approved duty. – an original invoice from the carer must be presented with this claim form**

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This Scheme is made under the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2016.

**Councillors' allowances**

Councillors' allowances are governed by statute.

Provision is made for the following types of payments:

**(a) Allowances:**

- (i) Basic Allowance
- (ii) Special Responsibility Allowance
- (iii) Civic Dignitaries Allowance
- (iv) Dependants' Carers' Allowance
- (v) District Policing and Community Safety Partnership Allowances (DPCSP)

**(b) Expenses**

- (i) Travel
- (ii) Subsistence

In issuing the payment of allowances to elected members from 1st April 2015, the Council will follow the instructions set out by the Department of Environment in 'Guidance on Councillor Allowances' March 2012 and further circular updates.<sup>1</sup>

Information regarding the other provisions for Councillors is also included in this report:

**(c) Additional Information**

- (i) IT/Phone Package
- (ii) Councillors' Support Services

**(a) Allowances**

- (i) Basic Allowances

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<sup>1</sup> Further details are available within the DOE Circular No. LG 04/2015 (24 February, 2015), LG 09/2014 (20 March 2014), LG 14/2016 (6 July 16) and LG 23/2016 (14 December 2016).

A basic allowance is intended to recognise the time commitment of all Councillors, including such inevitable calls on their time as meetings with officers and constituents, including approved duties. Basic allowance is also intended to cover incidental costs incurred by Councillors in their official capacity, such as the use of their homes and the cost of any telephone calls, including mobile phone calls.

The annual allowance with effect from 1st April, 2015 will be £14,200 payable monthly.

These allowances will all be paid in equal monthly instalments via the Council's Payroll section and are subject to both tax, National Insurance and pension deductions where applicable.

If a Councillor ceases to be a Councillor before the end of his or her term of office, payment of the allowance ceases and a pro rata calculation is made to ensure that the Councillor receives the correct amount of allowance. If necessary, an adjustment for under or over payment may have to be made to ensure that the correct final payment is made, and the Council reserves the right to recover any overpayments of basic allowance.

#### (ii) Special Responsibility Allowances

The Council also pays Special Responsibility Allowances to those Councillors it considers to have significant, additional responsibilities over and above the generally accepted duties of a Councillor. These special responsibilities are related to the discharge of the Council's functions.

The maximum rate of Special Responsibility Allowance is determined by the Department of the Environment. The division of the Special Responsibility Allowance is based upon the positions held by individual Councillors as agreed.

- There Council agreed a special responsibility allowance threshold of £108,000 which the Council may pay to positions of responsibility. No more than 50% of the Councillors can receive a special responsibility payment and no individual member can receive more than one special responsibility payment from this overall budget.<sup>2</sup>

Special Responsibility Allowance is paid in equal, monthly instalments. Special Responsibility Allowances are liable for tax, National Insurance and pension deductions where applicable

In the event of a Councillor ceasing to hold an office which entitled him or her to receive a Special Responsibility Allowance before the term of office is completed, payment of the Allowance ceases, If necessary, an adjustment for under or overpayment may have to be made to ensure that the correct final payment is made, and the Council reserves the right to recover any overpayments of Special Responsibility Allowance.

#### (iii) Civic Dignitaries Allowance

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<sup>2</sup> DOE Circular LG04/2015. See also Council Minutes of September, 2016.

Section 32 of the Finance Act provides that a council may pay to the Civic such allowances as it considers reasonable to meet the expenses of those offices and they should be considered totally separate from SRA arrangements.

The Civic Dignitary Personal Allowances are paid in equal, monthly instalments and are also liable for tax, National Insurance and pension deductions where applicable

The entitlement for the financial year 2015/2016<sup>3</sup> per annum was as follows:-

- Lord Mayor £34,800
- Deputy Lord Mayor £6,250
- High Sherriff £6,250

(iv) Dependants' Carers' Allowance

This allowance is open to all Councillors who are the main carers of a dependant where care is required to enable the Member to perform an Approved Duty. The allowance may be paid for a dependant who requires full-time care and who resides with the Councillor as part of their family. Councillors may claim this Allowance for periods when they are carrying out any 'Approved Duties'. This includes travel time associated with the Approved Duties. The list of Approved Duties forms part of this scheme and is detailed below.

The rates of Allowances are determined by the Department of the Environment.

Dependants' Carers' Allowances are liable for tax and National Insurance deductions.

A dependant is defined as:-

- a child 16-years-old or under
- a child over 16-years-old, where there is medical / social work evidence that full-time care is required
- an adult with recognised physical/mental disability where there is medical / social work evidence that full-time care is required
- an elderly relative requiring full-time care.

For the purposes of this allowance, a carer is defined as a responsible person over 16-years-old who does not normally live with the councillor as part of that household; and is not a parent/guardian of the dependant child.

A specialist carer is defined as a qualified person who is needed where it is essential to have professional assistance. Receipts must be obtained from specialist carers and must accompany the claim form.

Councillors may claim only one DCA in respect of each occurrence of approved duty. Only one DCA rate is payable even if there are 2 or more children/dependants being cared for.

The rates of Allowances are determined by the Department for Communities and are currently:

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<sup>3</sup> Any changes to the Civic Dignitary Personal Allowances for the financial year 2016/2017 will be updated in June 2016.

- Standard Care £7.20 per hour<sup>4</sup>
- Specialist Care £14.40 per hour

Claims are subject also to the undernoted limits (capped at the equivalent of 52 hours per month):

- Standard Care £375 per month
- Specialist Care £749 per month

The process includes flexibility to allow for care for the period of essential travel time, councillors may claim for a period starting up to a maximum of one hour before the approved duty starts and ending up to one hour after it finishes.

Councillors must disclose any financial support provided under DCA, when applying for other care services offered by another public body.

To claim Dependants' Carers' Allowance, Councillors must complete the relevant form which is available from the Council's Democratic Services Section (City Hall).

#### (v) District Policing and Community Safety Partnership Allowances (DPCSP)

This allowance is paid to councillors who are members of the District Policing and Community Safety Partnership. Each councillor is allowed to claim £60 per attendance at each meeting and can only claim for up to 20 meetings a year. Each member can also claim for mileage for attending each meeting directly from DPCSP.

Chairpersons of each DPCSPs are entitled to claim for an additional 10 meetings per year of the DPCSP. In addition the Chairperson of the 4 DPCSPs also sit on the Belfast Policing and Community Safety Partnership (PCSP) and are entitled to claim for up to 20 meetings per year of this partnership.

### Renunciations

Councillors may, if they wish, renounce their entitlement to basic, chairperson, vice chairperson or special responsibility allowances. They can do this by writing to the Chief Executive. A councillor can subsequently withdraw the renunciation. They can also amend a renunciation (for example, to limit it to one kind of allowance only). The withdrawal or amendment cannot have retrospective effect.

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<sup>4</sup> Based on national living wage for 21+ as per Circular LG 10/2016

**(b) Expenses**

**Travel and Subsistence Allowances**

All claims for travel and subsistence should be submitted within three months. Any claims made outside of this time limit cannot be processed.

(i) Travel

- **Motor Mileage Claims**

The rates of Travel and Subsistence Allowances, including motor mileage and pedal cycle rates, are reviewed annually by the Department for Communities, following consultation with the Northern Ireland Joint Council for Local Government Services.

Claims can only be made where expenditure is incurred in relation to the Councillors undertaking Approved Duties.

Travel claim forms are prepared and circulated for Councillors' attention at the beginning of each month and include details of all Council and Committee meetings attended during the previous month. These are available to submit via hard copy or online via the Expenses app. It is a matter for each individual Councillor to ensure that the details are accurate and amend the claim form to include any other Approved Duties in respect of which they may be entitled to make a travel claim.

In some instances mileage claims may be liable for tax and National Insurance deductions. An awareness session will be held for Members on taxation issues relating to expenses and mileage claims.

The following rates are currently in use, with most Councillors getting the maximum amount of 65.0p per mile:

**Casual Users**

	450-999cc	1000-1199cc	1199 + cc	Electric Car
0-8,500 miles	46.9p	52.2p	65.0p	45.0p
After 8,500 miles	13.7p	14.4p	16.4p	25.0p

- **Other Mileage Claims**

Please contact Democratic Services for public transport, pedal cycle, motor cycle or passenger travel allowance rates.

## (ii) Subsistence

If Councillors attend conferences or undertake visits as representatives of the Council they are entitled to receive appropriate subsistence allowances.

Before a Councillor attends an event, they must obtain Committee approval or they may also attend events as part of their Personal Development Plan (PDP).

Any hotel and flight arrangements for conferences are made by the Council departments concerned.

Councillors should take a careful note and keep receipts for any expenses they incur while they are away on Council business because they may be able to claim for these as part of their subsistence allowances or as incidental expenses. This relates to such things as meals, bus and taxi fares, necessary telephone calls, etc.

***Within the UK***

The following table shows the rates of subsistence that should be adhered to:-

<b>Maximum Subsistence Rates</b>		
	<b>BRITISH ISLES</b>	<b>LONDON</b>
<b>Accommodation Allowance</b>	<b>£100.70</b>	<b>£122.45</b>
<b>Meal Allowance</b>		
Breakfast	£11.50	
Lunch	£13.50	
Tea	£4.70	
Dinner	£20.95	
<b>Total Meal Allowance</b>	<b>£50.65</b>	

Departments will assist Councillors in the completion of claim forms and Councillors should make contact with an appropriate officer immediately upon returning from the conference to give details of additional expenses incurred and to sign the necessary claim forms.

The rates for subsistence allowance are determined by the Department for Communities. There are differences in the subsistence arrangements for conference which take place outside the United Kingdom.

Claims without receipts should rarely happen, however, Councillors must use the 'Lost or Unobtainable Receipt Voucher' to claim reimbursement for expenditure they have incurred when no receipt is available.

## **Outside the UK**

For subsistence outside the British Isles, the Councils will pay the Overseas Subsistence Rates produced by Her Majesty's Revenue & Customs (HMRC). Where these rates are applied receipts are not necessary. However, all other restrictions outlined in this section still apply.

HMRC overseas travel rates can be accessed via the following link:

<https://www.gov.uk/government/publications/scale-rate-expenses-payments-employee-travelling-outside-the-uk>

## **Approved Duties**

Under the existing Regulations Councillors are entitled to claim expenses in relation to an approved duty. An approved duty may be defined as:-

- (a) attendance at a meeting of the Council or of any of its Committees

Or

- (b) attendance approved by the Council for the purpose of, or in connection with, the discharge of the functions of the Council.

No real problems arise under (a), but it should be pointed out that Councillors would normally only be paid expenses (travelling allowance) for attending Committees to which they have been appointed. A Councillor, however, will be paid for attending a meeting of a Committee to which he or she has not been appointed if he or she is attending at the invitation of the Committee concerned or has been sent by another Committee to state a particular case.

Such difficulties as have arisen have mainly been concerned with the interpretation of the term "approved duty". The Department for Communities has issued guidance on what duties, apart from attendance at Council or Committee meetings, should be considered as approved duties. These include the following activities:-

- attendance by appointed Councillors at meetings of Advisory/Liaison Committees Steering Groups/ Working Groups;
- attendance at approved conferences, courses, study visits or seminars as a representative of the Council;
- attendance by appointed Councillors at meetings of PCSP's and DPCSP's;
- attendance by appointed Councillors at meetings of community centre committees ;
- attendance on a Council or Committee deputation relevant to the functions of the Council; and
- attendance by appointed Councillors at meetings of outside bodies.

This list is by no means exhaustive and the Council has also agreed that training courses and general briefing sessions should also be considered as approved duties. In addition, the Council's Chief Executive can authorise as approved duties certain miscellaneous functions.

In relation to the attendance of Councillors at meetings of outside bodies, the question of whether or not payment of expenses (travel/subsistence) are appropriate is determined by the functions exercised by the bodies concerned. If these relate to the statutory functions of the Council, expenses would be paid.

If they do not, no payments would be made. In addition, expenses cannot be claimed where remuneration is made to the Councillor from the outside body to which he or she has been appointed.

### **Councillors' Pension Scheme**

From May, 2009 Councillors are enabled to participate in the Northern Ireland Local Government Officers Superannuation Scheme. The main purpose of the scheme is to provide a pension in retirement for Councillors. The benefits paid under the Scheme are based on length of membership of the Scheme and career average pensionable pay.

The pensionable pay of a councillor consists of the Basic Allowance and Special Responsibility Allowance payments only. The contribution rate depends on how much each Councillor is paid but will be between 5.5% and 7.5% of the pensionable allowances received.

Useful information on treatment of tax for councillors could be found at Her Majesty's Revenue and Customs website via <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim65900>.



(c) Additional Information

(i) IT /Phone Package

Personal computer equipment can be provided by the Council to each Councillor on the basis that the Council owns the equipment and lends it to those Councillors who request it.

Councillors IT Package currently consists of the following;-

- Desktop or laptop (with case )
- Docking station (provided with laptop only)
- Keyboard
- Mouse
- All-in-one printer (printer, fax and scanner)
- Smartphone

Councillors have the choice of borrowing IT packages. Mobile phones are also provided to Councillors under the terms of a Council contract.

- **iPad**

Each Councillor is entitled to receive an iPad for the duration as a Member of Belfast City Council. The iPad device is provided by the Council to assist Councillors in undertaking their role more effectively. The main benefits are having online access to the council minutes system and other Council apps wherever they are and to engage more effectively with their constituents.

Belfast City Council will cover the cost of line rental which includes 5GB of mobile data per month. Any mobile data costs incurred above the monthly 5GB data allowance will be the personal responsibility of the Councillor and are deducted, at source, on a monthly basis from their basic allowance.

- **Broadband Internet Access**

In order to encourage Councillors to use the Council's IT system remotely (from home or office), Councillors may claim part of their broadband internet rental costs (maximum £25 per month).

As with phone line rental reimbursement, Councillors are required to pay the cost of the broadband in the first instance and, having submitted the appropriate bill, will then be reimbursed for this amount, subject to any tax deductions being applied through the Council's payroll.

Access to the Council's systems is provided by means of a virtual private network. Councillors should speak to officers in Democratic Services to arrange to have a virtual private network installed on their computer.

- **Mobile Telephone costs**

Each Councillor is entitled to receive a mobile phone for the duration as a Councillor of Belfast City Council. The device is available for upgrade every 24 months in accordance with the Council's mobile phone contract.

Belfast City Council will cover the cost of line rental which includes;-

- a. the cost of all phone calls to UK landlines or UK mobile phones whilst within the UK;
- b. the cost of all text messages to UK landlines or UK mobile phones whilst within the UK and
- c. 2GB (iPhones) of data usage per month.\*

All costs associated with calls, texts or data usage, outside of that detailed above are met by the Councillor and are deducted, at source, on a monthly basis from their basic allowance.

Hands free mobile phone equipment – The Council will contribute towards the cost of purchase and installation of hands free mobile phone equipment on the following basis;-

- Reimbursement will be made in respect of the costs of installation of the equipment in the Councillor's own private vehicle and shall be subject to the submission of appropriate receipts
- Councillors may claim such reimbursement twice per Council term
- The maximum amount of reimbursement on each occasion to be £250.00.

\*Please note the model of mobile phone offered by the Council is subject to change.

- **Home Telephone**

The Council may meet the costs of basic monthly/quarterly line rental of the home telephone of each Councillor. Councillors are required to pay the rental cost in the first instance and, having submitted the telephone bill, will then be reimbursed this amount, subject to any tax deductions being applied through the Council's payroll system.

The Department for Communities has determined that the Councillor's Basic Allowance covers incidental expenses involved in being a Councillor, such as the use of a home telephone, it is therefore not possible to reimburse the cost of telephone calls made on a landline.

- **Key contacts include:**

Help Desk		Ext 4444
Head of Digital Services	Paul Gribben	Ext 4237
ICT Portfolio Manager for Information & Systems	Deborah Colville	Ext 4453
ICT Portfolio Manager for Infrastructure & Customer Services	David Kelly	Ext 4350

- **Modern.gov System**

The modern.gov system is accessible on the Council's website as well as the corporate intranet. The purpose of the system is to have a range of information relating to councillors and the Council's decision-making process in one place.

The system allows Councillors and members of the public to:-

- View the schedule of meetings;
- Access agendae, reports and minutes of Council, Committees, and Working Group Meetings; and
- Search for historical decisions.

The system is also used to alert Councillors that Committee summonses, agenda, minutes and reports have been published and also any amendments or changes have taken place which Councillors can then access electronically.

If Councillors would like a demonstration of the system and how it can be of benefit and provide support in undertaking their Council related business please contact a staff member in Democratic Services.

## (ii) Councillors' Support Services

The Council provides Councillors with a wide range of support services to assist them in carrying out their work as Councillors. Support services include typing of correspondence, post, message and enquiry services, council stationery, research service, room bookings, Councillors training, travel arrangements, expenses and subsistence payments and general enquiries.

### • **Members' Common Room**

The Members' Common Room is located at the reception area of the City Hall, adjacent to the Committee Rooms. Individual mail boxes are located here and fruit, tea and coffee and daily papers are provided for Councillors. The Members' Attendant is responsible during office hours for facilities in this area and will take messages and provide general assistance to Councillors.

### • **Party Rooms**

In addition to the Members' Common Room, the Council provides Party Rooms for each of the main political party groups within the Council. These may be used for meetings, work or discussions with constituents.

All accommodation and facilities provided are for use in connection with Council or constituency business only.

In addition to a conference table, fax machine, printer, scanner, television, tea/coffee machine and filing space, each Party Room has computer facilities which are supplied with standard office software and has access to the Council's modern.gov system.

### • **Correspondence**

Items for typing may be left with Democratic Services, where a confidential secretarial service is available for letters, reports and all other correspondence related to Council or constituency work.

After typing, letters will be left either in the appropriate mail box or retained for collection in the office.

### • **Post**

A postal service is available for correspondence which relates to Council or constituency work.

Letters must be addressed to individuals living within the City boundary although letters to public bodies and government Departments with addresses outside the City will also be accepted.

Please note circularised mail will not be accepted.

Councillors can also be provided with prepaid envelopes for use in their routine correspondence to constituents etc. Please speak to Kate McCafferty, Democratic Services Assistant to request an allocation of prepaid envelopes.

Postal facilities are not available for party political issues.

Outgoing post, internal and external, may be left in Democratic Services or the Members' Common Room.

- **Message and Inquiry Service**

Democratic Services staff act as a point of contact for all enquiries and telephone messages concerning Councillors from the general public, constituents and Council officers.

The telephones in the party rooms are set to divert to staff on no reply and telephone messages for Councillors will be taken by staff. Urgent messages will be relayed immediately to Councillors, if contact is possible, and other messages will be emailed or left in their mail boxes.

- **Council Stationery**

Personalised headed paper, compliment slips and business cards with the Council logo will be provided for each Councillor during their term of office. Standard Council stationery items are also available in the Members' Common Room.

- **Civic Gifts**

A limited range of Belfast City Council branded gifts is available for use by Councillors. The gifts are designed for VIP guests to City Hall or for special individuals or groups which a Councillor wishes to recognise. Councillors may also request civic gifts when visiting special individuals or groups when on Council business in other countries. When requesting Civic Gifts, the Councillor must sign a receipt of goods and a database of what gifts have been issued is also kept.

- **Research and Information Service**

Democratic Services staff will be available to assist Councillors in obtaining information and carrying out research on items related to Council and constituency business.

- **Receiving Constituents**

Councillors often make arrangements to receive constituents or visitors. If a Councillor is not in attendance to receive such persons the receptionists will ask them to wait in the reception area at the main entrance hall. Visitors will not be permitted access to party rooms unless accompanied by a Councillor.

- **Car parking**

Councillors have access to the City Hall car park. A pass for display in Councillors' vehicles will be provided by Democratic Services.

Car parking for guests of Councillors is limited, however, if this is required, please contact Democratic Services staff. The visitors name, make and model of vehicle and registration number will be required for the purposes of admittance by Security staff.

- **Restaurant Facilities**

The Atrium Restaurant in the Cecil Ward Building, 4/10 Linenhall Street is available for Councillors to use. Councillors may bring a small number of guests with them when dining in the Restaurant.

**Key Contacts in Democratic Services**

	Staff Member	Extension / Direct Dial	Location
<b>Members' Services</b>	<b>Kate McCafferty</b> (Democratic Services Assistant)	6308 / 028 9027 0553	Room 123d, City Hall
	<b>Aaron McMullan</b> (Democratic Services Support Assistant)	6468 / 028 9027 0497	Room 123d, City Hall
	<b>Jill Thompson</b> (Business Support Clerk)	6319 / 028 9091 8739	Room 123d, City Hall
<b>Members' Common Room</b>	<b>Mary Houston</b> (Members' Attendant)	6318 / 028 9027 0253	Room G04, City Hall
<b>Members' Development</b>	<b>Julie McCormick</b> (Democratic Services Officer)	6321 / 028 9027 0607	9 Adelaide

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<b>Subject:</b>	Shared City Partnership Meeting – 9 <sup>th</sup> January 2017
<b>Date:</b>	20 <sup>th</sup> January 2017
<b>Reporting Officer:</b>	Nicola Lane, Good Relations Manager
<b>Contact Officer:</b>	Margaret Higgins, Senior Good Relations 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 report to committee on the key issues discussed at the Shared City Partnership meeting held on 9 <sup>th</sup> January 2017.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to; <ul style="list-style-type: none"> <li>Approve the minutes from the Shared City Partnership Meeting held on 9<sup>th</sup> January 2017.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Key Issues</u></p> <p>The Shared City Partnership (formerly known as 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.</p>
3.2	<p>The key issues on the agenda at the January meeting were:</p> <ul style="list-style-type: none"> <li>Presentation by the Community Relations in Schools on the Unity Project;</li> <li>Update on findings of the Good Relations Audit;</li> <li>Invitation to Youth Forum to attend a future Partnership meeting;</li> <li>Report on Christmas Goodwill Events;</li> </ul>

<p>3.3</p> <p>3.4</p> <p>3.5</p>	<ul style="list-style-type: none"> <li>• Consultation on the Belfast Agenda;</li> <li>• Request for a presentation on the Local Development Plan;</li> <li>• Forthcoming Events.</li> </ul> <p>More details regarding the above issues and recommendations are included in the minutes of the meeting on 9<sup>th</sup> January attached to this report.</p> <p><u>Financial &amp; Resource Implications</u> The financial implications of all recommendations are contained within existing budgets.</p> <p><u>Equality or Good Relations Implications</u> The recommendations of the Partnership promote the work of the Council in promoting good relations and will enhance equality and good relations impacts.</p>
<p><b>4.0</b></p>	<p><b>Appendices – Documents Attached</b></p>
	<p>Copy of the minutes of the Shared City Partnership of 9<sup>th</sup> January 2017.</p>



## **SHARED CITY PARTNERSHIP**

**MONDAY, 9th JANUARY 2017**

### **MEETING OF SHARED CITY PARTNERSHIP**

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

External Members: Ms. A. Chada, Voluntary/Community Sector;  
Mr. K. Gibson, Church of Ireland;  
Mrs. G. Duggan, Belfast City Centre Management; and  
Mr. P. Scott, Catholic Church.

In attendance: Mr. N. Grimshaw, Director of City and  
Neighbourhood Services;  
Mrs. R. Crozier, Assistant Director;  
Mrs. S. Toland, Assistant Director;  
Ms. N. Lane, Good Relations Manager;  
Mrs. M. Higgins, Senior Good Relations Officer; and  
Mrs. S. Steele, Democratic Services Officer.

#### **Apologies**

Apologies were reported on behalf of Councillor Nicholl and Ms. O. Barron, Mrs. M. Marken, Mr. P. Mackel, Mr. M. O'Donnell and Mr. S. Brennan.

#### **Minutes**

The minutes of the meeting of 5th December were taken as read and signed as correct.

#### **Declarations of Interest**

No declarations of interest were reported.

#### **Presentation by the Community Relations in Schools on the Unity Project**

The Chairperson reminded the Partnership that it had agreed to receive a presentation from the Community Relations in Schools (CRIS) on its Unity Project which had been funded through the Good Relations Programme.

The Chairperson welcomed to the meeting Mrs. C Creed (CRIS) and Mrs. A. Kerrigan (Ashfield Boys' High School).

Mrs. C. Creed thanked the Partnership for the opportunity to present and she commenced the presentation by advising that CRIS was a multi-disciplinary, education charity that had been specifically established to support and promote greater sharing.

The representative then referred specifically to the work of the Unity Project. She advised that it was a proven, highly effective programme that provided support to young

**Shared City Partnership,  
Monday, 9th January, 2017**

people to help them explore and achieve their potential as ‘upstanders’ and to try and influence positive shifts in culture through the safe challenging of degrading and derogatory language and behaviour.

She explained that:

- the Project attempted to address the differences between the intention behind and impact of routine use of “hate speak”;
- it also aimed to provide support to peer leaders to investigate their own roles in challenging bullying language and behaviour, with a focus on homophobia, sectarianism, racism, body image and disability; and
- it was a hard-hitting programme that was ideally suited to young people aged 14 and over and that it closely supported the objective of the Northern Ireland curriculum.

The representative then provided the Partnership with the following information that had been collected from recent Climate Assessments. She explained that 8 schools had participated in the programme and that the following information had been collected from 181 young people who had participated in the climate assessments:

- 87% of focus group participants heard ‘slagging’ linked to appearance (more than one per day);
- the most common reason for harassment was appearance and body image;
- skin colour and Nationality – 47% about once per day and 33% more than once a day;
- sexuality and gender – 32% about once per day and 47% more than once a day;
- religion and beliefs – 27% about once per day and 27% more than once a day;
- 64% know somebody who had become depressed or down because of harassment and bullying;
- 57% know of somebody who had thought about ending their own life because of bullying and harassment; and
- 48% know of somebody who had skipped days off school because of language and harassment.

The representative highlighted to the Members some of the events that had been held with the 8 schools and she concluded her presentation by introducing Mrs. A. Kerrigan who was representing Ashfield Boy’s High School.

Mrs. A. Kerrigan provided the Partnership with a testament on the hugely positive impact that the Programme had made to student life and thinking within the school.

The representatives then addressed a number of questions following which they left the meeting.

**Update on the findings of the Good Relations Audit**

(Miss S. McCarthy, SJC Consultancy, attended in connection with this item.)

The Partnership received a presentation from the representative of SJC Consultancy in respect of an audit which it had undertaken on the Council's Good Relations remit and requirements. The Partnership was reminded that the audit was required by the Executive Office to assist in the formulation of the Action Plans which Councils submitted for funding under the District Council Good Relations Programme (DCGRP).

Miss McCarthy advised that the audit had employed the following range of methods to engage with stakeholders and identify the key good relations needs in Belfast:

- online survey – 92 responses received;
- stakeholder interviews and focus groups – 39 individuals participated;
- public engagement event – 46 individuals attended; and
- a co-design workshop – 20 individuals attended.

The representative then drew the Members' attention to the key findings under the following headings:

1. The top 3 actions that contribute to good relations:
  - improving understanding and awareness through education/dialogue;
  - use of cultural activities to bring people together; and
  - targeted cross community activities.
2. The top 3 issues that caused poor relations and created tensions between communities:
  - unresolved issues (the past, marches, flags and emblems);
  - negative political environment/lack of political leadership; and
  - segregated working and living.
3. Main barriers to developing good relations:
  - fear of intimidation or attack;
  - social deprivation and poverty;
  - lack of groups wishing to engage; and
  - largely segregated schools.

Miss McCarthy advised the Partnership of the primary recommendations as follows:

1. develop a communication strategy that communicates good relations messages to internal and external audiences. This should include definition, terminology, impact and best practice;
2. consider the development of the identity of the Shared City Partnership as a body that promotes good relations across the city. The Partnership should review its membership and operation to ensure that it maximises its role in developing

**Shared City Partnership,  
Monday, 9th January, 2017**

responses to contentious issues. This should include a renewed emphasis on the role of the Chairperson and Deputy Chairperson as good relations 'champions' across Belfast;

3. consider mechanisms, in partnership with other relevant organisations, to deliver good relations programmes that highlight the role of civic leadership in fostering relationships between people of different backgrounds and the benefits of good relations to the city of Belfast;
4. consider longer term, strategic funding approaches which move away from the current model of four funds administered every six months;
5. consider mechanisms to maximise the good relations outcomes of any capital projects that are being developed by the Council and enhance links with good relations staff;
6. consider 'flagship' projects that would have maximum impact in terms of raising awareness of good relations across the city;
7. consider targeted engagement with P/U/L community that would promote inclusion and develop relationships within that community and with others from different backgrounds;
8. deliver projects that would develop shared space in identified areas. Consider opportunities for the Good Relations Unit to link with other council services to measure and increase the perception of council leisure and community centres as shared spaces;
9. continue to support the integration of new communities into Belfast and develop their capacity to respond to emerging issues; and
10. prioritise engagement with communities living at interfaces /peacewalls to support the development of cross community relationships and networks

She then concluded the presentation by outlining the key recommendations under each of the following headings:

- Strategic/Council wide Issues;
- Children and Young People;
- Shared Community; and
- Safe Community and Cultural Expression.

A Member stated that any new Action Plan developed should be shared with as many people as possible. Another Member concurred and asked the officers to ensure that the results of the audit were progressed and actioned.

The Good Relation Manager advised the Partnership that the outcomes and recommendations of the audit were for a 3 year period and, given that a number of the recommendations were of a strategic/corporate nature, they would be fed into the Belfast Agenda and/or other appropriate networks. In addition, given the volume of key recommendations and the budget available, it would not be possible for all of them to be implemented in the short term but she advised that many of them would be progressed.

The Partnership noted that the completed Action Plan would be submitted to the Partnership's meeting in February for the Members' consideration.

### Youth Forum

The Partnership agreed to invite representatives from the Youth Forum to a future meeting to make a presentation on the Council's Youth Forum and to discuss good relations outcomes.

### Update on the Christmas Goodwill Events

The Good Relations Manager reminded the Partnership that, at its meeting on 7th November 2016, the Members had made a recommendation to the Strategic Policy and Resources Committee that, up to £500 would be made available, under the scheme of delegated authority, for a maximum of six local interface groups to deliver cross community Christmas Goodwill Events.

The officer reported that in total five community groups had accessed the funding and the events had been held in the run up to Christmas. She then detailed these groups as follows:

- Forthspring Inter-Community Group;
- Greater Whitewell Community Surgery;
- North Belfast Interface Network;
- Suffolk/Lenadoon Interface Group; and
- Duncairn Community Partnership

The Partnership noted that all costs had been included within the District Council Good Relations Programme and that the Executive Office provide 75% of the funding towards these costs.

### Consultation on the Belfast Agenda

The Partnership considered the undernoted report:

**“1.0 Purpose of Report or Summary of main Issues**

**1.1 This report provides Members with an update on the draft Belfast Agenda (public consultation phase).**

**2.0 Recommendations**

**2.1 Members are asked to note that**

- **A 12 week public consultation period on the draft Belfast Agenda opened on 15 December 2016, closing on 9 March 2017; and**
- **Members of the Shared City Partnership will have opportunity to provide feedback via a consultation workshop focusing on the Living Here priorities of**

the Belfast Agenda in late February/early March  
2017 (date TBC).

**3.0 Main report**

**Update on draft Belfast Agenda**

**3.1** Members will recall that an update on development of the Belfast Agenda, Belfast's Community Plan, was recently presented at the Shared City Partnership meeting on 7th November 2016. Since that update, the draft Belfast Agenda was subsequently agreed by the Strategic Policy and Resources Committee on 18 November 2016 (and ratified by Council) as a draft for public consultation.

**3.2** Members will be aware that the draft Belfast Agenda highlights the role of good relations in the city, reflecting this within the draft vision, outcomes for 2035, and in relation to the 'Living Here' priorities for the next 4 years (improve community relations), stretch goals (including reducing number of interface barriers, 4000 young people participating in shared city programmes) and workstreams (including Shared space, Peace IV and Interface programmes).

**Public consultation on the draft Belfast Agenda**

**3.3** A 12 week public consultation period on the draft Belfast Agenda document was launched in City Hall on 15th December 2016, and is now open for feedback and comments until 9 March 2017. The purpose of the consultation is to allow the public and other stakeholders to further improve and refine the framework in advance of its adoption and publication in Spring 2017.

**3.4** A consultation plan is being implemented which includes a series of consultation information events around the city in late January/early February 2017, as well as targeted briefings and engagement activity with key stakeholders and seldom heard groups. An online questionnaire is available for individuals and organisations to provide feedback on the key elements and proposals within the draft Belfast Agenda on the Council website at: [www.belfastcity.gov.uk/belfastagenda](http://www.belfastcity.gov.uk/belfastagenda). The Belfast Agenda document and a 4 page summary version can also be found on the website.

**3.5** Taking into account the recent Belfast Agenda briefing provided to the Shared City Partnership (7th November 2016) and the fact that a significant number of other briefings are

planned for the agenda of the next Shared City Partnership meeting on 6th February 2017, it is not proposed to provide a further briefing on the Belfast Agenda at that meeting. However, to further develop the 'Living Here' priorities within the draft Belfast Agenda, a focused consultation workshop with key stakeholders is planned as part of the consultation programme. This is anticipated to take place in late February/early March (date TBC shortly) and there will be an opportunity for Members of the Shared City Partnership to provide feedback via this engagement. Further information on the proposed 'Living Here' consultation workshop (including date and time) will be available shortly and will be circulated when it is confirmed.

- 3.6** Members are requested to note that the public consultation period on the draft Belfast Agenda is now open until 9 March 2017, and that information on the proposed 'Living Here' consultation workshop will be circulated to Members in the near future.

**3.7** **Financial & Resource Implications**

This next programme phase of the Belfast Agenda is included within current Council resources. Given the significant workload associated with supporting delivery of the Belfast Agenda consideration is being given, as part of the ongoing organisational development programme to the necessary alignment and organisation of staff to ensure effective delivery.

**3.8** **Equality or Good Relations Implications**

Equality and good relations implications are being considered in liaison with the Equality and Diversity Officer. A draft Equality Impact Assessment on the draft Belfast Agenda has been produced and is also being subject to a 12 week consultation period (closing 9 March 2017)."

The Partnership noted the contents of the report and requested officers to investigate if a separate consultation workshop could be organised for the Shared City Partnership, to enable it to consider exclusively good relations issues rather than these being considered as part of the proposed generic focused consultation workshop.

**Request for Presentation regarding the Local Development Plan**

The Partnership agreed to receive an update presentation on the Local Development Plan at the February meeting.

**Shared City Partnership,  
Monday, 9th January, 2017**

**Upcoming Events**

The Members were reminded that they had been invited to attend an event entitled 'Living on the Peacewalls'. This event was being held at the University of Ulster Jordanstown on 19th January from 12.00 noon – 2.00 p.m. and she encouraged attendance at the event.

She also reminded the Members that the Partnership had previously agreed to hold a workshop on interfaces and that Members had been asked to indicate dates which suited them in a previous email. The Good Relations Manager agreed to reissue the information indicating the time required and urged the Members to respond as soon as possible to ensure arrangements could be confirmed.

Noted.

Chairperson





<b>Subject:</b>	Reforming the Rating System - Rates: Rethink Consultation
<b>Date:</b>	20 January 2017
<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

<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 report provides a draft Council response to the Department of Finance consultation paper on “Reforming the Rating System, Rates: Rethink, Spurring Economic Growth”</p> <p>The consultation paper was issued on the 16 December 2016 and the consultation period ends on the 16 February 2017.</p>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>The Committee is asked to;</p> <ul style="list-style-type: none"> <li>• Agree the draft Council response included as Appendix 2.</li> </ul>
<b>3.0</b>	<b>Main report</b>
	<b>Review of the Business Rates System</b>
3.1	<p>In November 2015 the (then) Department of Finance and personnel launched a public consultation seeking responses to a review of the non-domestic rating system. The Strategic Policy and Resources Committee agreed a response to this major consultation, together with a further consultation in March 2016 on the Review of rate liability in the Domestic Rental Sector.</p>
3.2	<p>The current consultation document “Rates: Rethink” (Appendix 1) further develops and broadens the issues previously considered and makes policy proposals which aim to deliver a fitter and more acceptable rating system for citizens and businesses and which spur economic growth.</p>

	<b>Overview of the Consultation Paper</b>
3.3	<p>The consultation paper includes the following proposed measures:</p> <ul style="list-style-type: none"> <li>• A new £22m a year Rates Investment Scheme for smaller retail and hospitality business.</li> <li>• Piloting Business Empowerment Zones in two areas (Lower Newtownards Road and Lower Falls Road).</li> <li>• Increasing rates on empty commercial premises.</li> <li>• Charity shops to make a contribution.</li> <li>• Charging the highest value homes more.</li> <li>• Removing the early payment discount.</li> <li>• Reducing landlord allowances.</li> <li>• Student halls of residence to start paying rates.</li> <li>• A 3 year rates holiday for first residents of new energy efficient homes.</li> </ul>
3.4	The following paragraphs provide a brief summary of the policy proposals in each area and the proposed Council response as detailed in Appendix 2.
	<b>Investment in Small Business</b>
3.5	Proposal to replace the existing Small Business Rates Relief Scheme (SBRR) with a new scheme targeting retail and hospitality. A commitment to provide £22m to fund the scheme which should double average awards. The proposals include two options for allocating relief, one of which favours lower Net Annual Values (NAV's)
3.6	The Council has previously responded supporting the replacement of the SBRR Scheme with a scheme which would include a focus on new start-ups and expanding SME's.
	<b>Small Business Empowerment Zones</b>
3.7	Proposal for two pilot Zones (Lower Falls and Lower Newtownards Road). Zone reliefs to be in place for 3 years, with automatic 50% relief within zone regardless of NAV (unless already receiving higher) and Back in Business Scheme (occupation of vacant properties) to be enhanced (75% Yr1 Relief and 50% years 2 and 3)
3.8	The Council is not in a position to comment on the specific proposals as the financial implications in relation to the potential rates income losses and whether local government will be reimbursed for additional reliefs is unknown.
	<b>Revitalising our High Streets</b>
3.9	Proposal based on Living over the Shops (LOTS) and Town Centre Living initiatives. Proposed 100% rates exemption for converted property, with exemption not transferrable.
3.10	The Council has previously responded in support of revitalising High Streets, but emphasised that interventions to encourage city centre living should include the wider

	private rented sector and not just for converted properties. City Centre Regeneration also requires the flexibility for temporary targeted business case relief for developments such as Grade A office accommodation and hotels.
	<b>Charity Shops</b>
3.11	Proposals that charity shops should pay 20% rates (currently exempt) and that an upper threshold for relief of NAV £25k (same as SBRR Replacement Proposals) should be applied to discourage charities occupying prime retail sites and to reduce relief on planned new charity superstores.
3.12	The Council has responded previously with the view that charity shops should pay some rates.
	<b>Non-Domestic Empty Property Relief</b>
3.13	Proposals to end the current 3 month 100% vacancy exemption and to reduce the current relief from 50% to 25%.
3.14	The Council would strongly object to the removal of the 3 month 100% exemption as this could have a negative impact on city centre development projects. The council would support the reduction in relief after the 3 month period from 50% to 25% to more align with Britain. N.B. Relief would still be more favourable than in England Nil after 3 months, Scotland 10% after 3 months.
	<b>Halls of Residence</b>
3.15	Proposal to remove existing 100% exemption for University Halls of Residence.
3.16	The Council has already argued for this exemption to be removed as it is unfair to those students in private accommodation who pay rates and citizens who pay for services which will be required for new accommodation. New student accommodation in Belfast is an important outcome of the City Centre Regeneration Strategy and Growing the Rate Base.
	<b>Hardship Relief</b>
3.17	Proposal to review the definition of the scheme and widen the decision making beyond LPS.
3.18	The Council would support a review of the definition and the input of local government.
	<b>Sports &amp; Recreation Relief</b>
3.19	Proposal to include spectator stands that do not generate income in sports and recreation assessment. Also proposal to review the non sporting area 20% disregard "de minimus" anomaly.
3.20	On a principle of fairness the Council would support the spectator stands and de minimus proposals.
	<b>Domestic Rates Cap</b>
3.21	Proposal to remove the existing Domestic Capital Value Rates Cap of £400,000 for the

	regional rate element of the rates bill.
3.22	Responses to be considered by individual political parties, however if any change is made it should benefit local government and not just central government.
	<b>Early Payment Discount</b>
3.23	Proposal to remove existing 4% domestic rates discount for up-front payment.
3.24	The Council currently incur a loss of 45% (district rate element) of the 4% discount, with no benefit, as rates payments are made to the Council based on 1/12 <sup>th</sup> of estimated income.
	<b>Landlord Allowance</b>
3.25	Proposal to reduce the current allowance from 10% to 5%. This applies to Landlords who are responsible for paying rates (rather than tenant) i.e. Mandatory if Capital value under £150,000 or Voluntary option by the Landlord. This includes Social Landlords e.g. NIHE. Reduce current 10% allowance to 5%.
3.26	Council position is that allowance should remain. The Council would support a reduction in the allowance, although there is no information available on the likely impact of voluntary registrations of allowance being reduced.
	<b>Energy Efficient New Homes</b>
3.27	Proposal for a 3 year domestic rates holiday for first occupants of newly constructed energy efficient homes.
3.28	The proposal is supported.
3.29	<b><u>Financial &amp; Resource Implications</u></b> There are no finance implications at this point.
3.30	<b><u>Equality or Good Relations Implications</u></b> There are no Equality or Good Relations Implications at this point.
<b>4.0</b>	<b>Appendices – Documents Attached</b>
	Appendix 1: Rates: Rethink Consultation Document Appendix 2: Draft Council response to the consultation questions



## **Department of Finance**

### **Reforming the Rating System**

#### **#Rates: Rethink**

### **Spurring Economic Growth**

## **Consultation Document**

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## **ANNEXES**

## Ministerial Foreword

Tá áthas orm na moltaí uailmhianacha seo a chur roimh an phobal agus tá mé ag súil le díospóireacht bhríomhar ar a bhfuil curtha chun tosaigh agam.

The package of measures set out in this paper will help us deliver a fitter and more acceptable rating system for the citizens and the businesses who contribute to the funding of our essential public services – helping us to build a modern, inclusive and exemplary society.

The changes I wish to take forward have fairness at their heart with everyone contributing according to their ability. They have three underlying objectives. Firstly to spread the burden wider, secondly, to be more discerning with the application of exemptions and allowances and finally to use the rating system as a lever of social and economic development.

The proposed measures include:

- ✓ A new £22m a year Rates Investment Scheme for smaller retail and hospitality business
- ✓ Piloting Business Empowerment Zones in two areas (Lower Newtownards and Lower Falls Roads)
- ✓ Increasing rates on empty commercial properties
- ✓ Charity shops to make a contribution
- ✓ Charging the highest value homes more
- ✓ Removing the early payment discount
- ✓ Reducing landlord allowances
- ✓ Student halls of residence to start paying rates
- ✓ A 3 year rates holiday for first residents of new energy efficient homes

This consultation will give everyone the opportunity for their voice to be heard on these important issues. It is taking place as early as possible in response to the enthusiastic response to the proposals put to the Assembly last month. I would strongly encourage people to respond to this consultation so that collectively, we can ensure that we have a rating system that is effective, fit for purpose and one that is responsive to both the views of ratepayers and the needs of our public finances in paying for our public services.

Soláthróidh an comhairliúchán deis labhartha do gach duine le go gcloisfí a dtuairimí maidir leis na saincheistanna tábhachtacha seo. Reáchtálfar é a luaithe agus is féidir mar gheall ar an fhreagra díograiseach a fuarthas ar na moltaí a cuireadh os comhair an Tionóil an mhí seo caite. Mholfainn go láidir do dhaoine freagra a thabhairt ar an chomhairliúchán seo, d'fhonn gur féidir linn a chinntiú go bhfuil córas rátála againn atá éifeachtach, oiriúnach don fheidhm agus a thagraíonn do thuairimí na n-íocóirí rátaí agus riachtanais ár n-airgeadas poiblí araon maidir le hÍoc as ár seirbhísí poiblí.

**Máirtín Ó Muilleoir MLA**  
**Minister of Finance**  
**December 2016**

## Introduction

1. On 26 October 2015 the (then) Department of Finance and Personnel launched a public consultation seeking responses on a review of the non-domestic rating system i.e. commercial rates. The consultation lasted for a period of 12 weeks and formally ended in early February 2016, with 113 written responses being received.
2. The proposals outlined in this document however, are broader than the wide-ranging matters covered in that consultation. They include reforms to the system of domestic rates and small business rate relief.
3. The changes proposed for the domestic rating system are informed by a series of public consultations undertaken in 2012/2013 about domestic rates support; in particular the continued affordability of and necessity for the various exemptions and allowances in the context of significant funding reductions imposed by the British Government in 2013 for Housing Benefit 'rate rebate'. Circumstances have not changed since then and the findings from that earlier consultation are still relevant.
4. Changes to Small Business Rate relief were also informed by the consultation associated with the full policy evaluation undertaken by the Economic Policy Unit at the University of Ulster, completed in December 2014. On the 21 March 2016, the Department also published a discussion paper examining potential alternatives to the current Small Business Rate Relief Scheme, generating 14 responses from representative groups within the business community.
5. There was also a full public consultation undertaken earlier this year on landlord liability in the domestic sector, covering, amongst other matters, the level of allowances and the Halls of Residence exemption.
6. Finally, changes proposed for empty property relief and hardship relief have been further informed by policy evaluations undertaken by this Department in 2009 and 2013 respectively.
7. It is this broader evidence base, along with ideas emerging from the new political mandate established in May 2016 that forms the basis of the proposals being presented in this paper. Indeed, this previous work has allowed the Department to present a favoured option, or preferred way forward, for many of the policy measures outlined in this paper.



## Layout of paper

8. Given the broad nature of the proposed reforms, this paper is set out in standalone sections for ease of reference, by subject area. This will allow groups and individual ratepayers to focus their attention on policy areas that are of most interest to them.
9. However, ratepayers must bear in mind that the rating system is unlike other systems of taxation. The total amount to be raised in any one year is decided in advance and remains fairly constant. That total is then divided up amongst individual ratepayers on the basis of the rating policy in place. So, every gain can be a loss for someone else and vice versa.
10. Consultations on rating policy tend to be dominated by those who may be directly affected but it is also important to gather the views and opinions of the wider body of ratepayers. For this reason, the Department welcomes views from organisations and individuals on the wider package.
11. 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.
12. Should you wish to contact us by e-mail, any queries and consultation responses should be sent to: [ratingpolicy.cfg@finance-ni.gov.uk](mailto:ratingpolicy.cfg@finance-ni.gov.uk).

Written responses to this consultation should be sent to:

**Rating Policy Division**  
**FinTru House**  
**1 Cromac Avenue**  
**Gasworks Business Park**  
**BELFAST**  
**BT7 2JA**

13. The consultation period is 9 weeks, which affords another week due to the Christmas 2016 break. The final deadline for responses is **16<sup>th</sup> February 2017**

## Way forward

14. Virtually all the changes proposed in this paper require changes to legislation, to be approved by the NI Assembly. For this reason the earliest the measures can start to be introduced is the start of the financial year after next: 1 April 2018.

15. There are other reasons why these matters cannot be rushed through. Land and Property Services will need sufficient time to set up and prepare their systems and processes and of course, ratepayers need time to be made aware of those changes and given time to adjust. Furthermore, there are the responses of this consultation to consider, the Committee process to engage with, and Executive approval to secure for the overall package. Regulatory Impact Assessment work will be undertaken as required once the policies have been finalised.
16. Many of these measures can be brought in, in a few months, through changing Statutory Rules. These are pieces of subordinate legislation for which legislative powers already exist. Other reforms need new powers to be taken through the Assembly through Primary Legislation which takes longer and timings will be subject to timetabling by the Assembly. Rating legislation usually needs to be in place for 1st April in a given financial year to coincide with Turn of Year rates bills issuing.
17. For example, changes to Small Business Rate Relief and Empty Property Relief can be given effect by Statutory Rule, whereas Regional Rate Levy and changes to the treatment of charity shops will need new primary legislation.
18. In the meantime, for the financial year 2017/18, the current arrangements will continue and where necessary powers are being taken forward to extend reliefs, such as Small Business Rate Relief for another year. Although subject to the formal agreement of the Executive through the budget process, for the reasons stated above and to minimise impact on ratepayers there is little option but to proceed on this basis.
19. Finally, it is worth noting that the question of future non-domestic (i.e. commercial sector) rates revaluations has already been widely consulted upon in some detail and there is already a consensus of opinion on the issue. Therefore, this matter is not being further consulted on. A formal announcement will be made in the New Year.

## Part 1: Commercial Rates Reform

### Investment in Small Business

#### Background

20. The Small Business Rate Relief (SBRR) scheme was introduced in 2010 as a temporary measure to support small businesses at a time of economic downturn. Annually, some 26,000 properties receive relief under the scheme at a cost of around £18m. The level of relief provided varied depending on the NAV of a property. This is summarised in the following table:

Post Offices		Other non-domestic properties	
NAV	Level of Relief	NAV	Level of Relief
£9,000 or less	100%	£2,000 or less	50%
£9,001 - £12,000	50%	£2,001 - £5,000	25%
£12,001 - £15,000	20%	£5,001 - £15,000	20%

21. In order to assess its continuing relevance and effectiveness as a policy intervention, the Ulster University's Economic Policy Centre (UUEPC) was commissioned in 2014 to undertake an evaluation of the scheme. The report concluded that despite the scheme's popularity, it provided little economic benefit in terms of increased employment or additional investment. In essence awards were too low to affect behaviour and did not lead to any discernible investment outcome, for individual firms or the local economy. Consequently UUEPC recommended that the scheme should be phased out as economic conditions improve. In addition, it was recommended that if a replacement scheme was to be considered it should take a more targeted approach focusing on economic growth, to ensure value for money was maximised.
22. Following this, on 21 March 2016 the Department launched a discussion paper seeking views on alternatives to the Small Business Rate Relief Scheme. The discussion period lasted for 8 weeks and ended on 13 May 2016.
23. The discussion paper had a strong focus on examining whether Business Improvement Districts (BIDs) could be used as a means for applying rating measures in a more targeted way. However, while there was support for developing a more targeted scheme, there appeared to be less support for using BIDs as a means for targeting these resources. This was due to a variety of reasons such as the fact that BIDs are at an early stage of development here and a focus on such areas would also exclude many areas here, especially rural areas.

## Policy Proposal

24. The Department considers that the replacement for this scheme should have a sectoral focus, targeting resources specifically at the retail and hospitality sectors. It is considered that this will assist many small independent businesses in a more meaningful way and help to alleviate some of the pressures facing the high street in towns and villages throughout the region. It is also intended that this scheme will provide an economic boost to many businesses operating within the tourism sector.
25. In relation to the retail sector, evidence suggests that although the retail sector is the third largest industry group accounting for 9% of businesses, the sector has experienced the second largest decrease with 65 retail businesses closing since 2014<sup>1</sup>. Indeed according to this source, the retail sector is now 10% or 680 businesses smaller than in 2009. The declining nature of retail can also be evidenced by the fact that vacancy rates locally continue to be worse than Britain with the results from a recent survey suggesting that the shop vacancy rate was higher than anywhere in Britain at 14.5%.
26. In relation to the hospitality sector, it is considered that this sector forms a key part of our tourism product and consequently more should be done to assist this sector, (especially in areas outside of Belfast). Indeed tourism contributes significantly to the local economy; constituting almost seven percent of total GVA and supporting one in every 15 jobs across the region. However tourism still has potential to contribute further in the region and this is demonstrated most clearly with comparisons to other locations. Total tourism contributed to 6.6% of total GVA here in 2013, whereas the total tourism contribution for here and Britain equalled almost twice that share (11.4%).
27. Equally, our total tourism contribution to jobs was found to be five percentage points smaller than that of the share of here and Britain combined (6.5% compared to 11.7%). These patterns are also evident at the world level and show that our tourism sector has a great deal of potential remaining. Given that the prospects of the hospitality sector are linked with that of tourism, it is likely that the hospitality growth would be required to service further growth within tourism<sup>2</sup>.
28. Assisting the hospitality sector in this way may also help to alleviate at least some of the pressures experienced by the sector from having a reduced

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<sup>1</sup> DFE Inter Departmental Business Register

<sup>2</sup> Oxford Economics – Economic Impact Assessment of NI's Hospitality Sector

VAT rate of 9% for tourism related activities in the south of Ireland. VAT here is currently set at 20%, relatively high in comparison to a European average of 10.8% and the Southern Irish rate of 9%.

29. A further consideration is the reliance of retail and hospitality businesses on property, which is more location sensitive than other commercial sectors. This means that relatively speaking rates costs are likely to have a greater significance. Rate relief therefore should help stimulate enterprise in these sectors as well as maintain the viability of many small and marginal businesses.
30. Another factor is the issue of low pay. Retail and hospitality tend to be amongst the lowest paid sectors<sup>3</sup>. Tying rate relief to 'pay improvement' would help create the conditions to encourage employers to invest in employment and secure productivity gains in the process.
31. This policy proposal draws from suggestions made by the Northern Ireland Independent Retailers Association and Hospitality Ulster, in response to this year's (2016) discussion paper. However given ongoing financial pressures and the constraints that exist in raising revenue from other sectors of the rating system, it is considered that the budget for this scheme should be limited to around £22m a year. This level of resource is around £2m above the existing budget allocation of the current SBRR scheme but is regarded as affordable within the context of the overall package of rating reform.
32. This relief will target more resources at fewer businesses and represents a step increase in the level of support provided under the current SBRR scheme. This broadly aligns with the recommendations of the UUEPC evaluation i.e. more targeted support and focused on economic growth. Furthermore, one of the shortcomings identified for the current scheme is the low level of average award, which currently is around £700 a year; insufficient to stimulate investment in the business or increase employment . **The proposed scheme would seek to more than double average awards.**
33. Other issues with the current scheme include significant deadweight (many firms do not need the subsidy) and a total absence of any outcome based measures.

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<sup>3</sup> According to the Resolution Foundation Report – Low Pay Britain 2015 “*There are wide variations in the prevalence of low pay across industrial sectors, ranging from more than two-in-three (68 per cent) employees in the hotels and restaurants sector to just 2 per cent in the public administration and defence sector*” . While statistics published by the ONS cover here and Britain, the microdata in the report refers to Britain only, the position here is not expected to differ significantly.

34. To benefit from this proposed scheme, hospitality and retail businesses must apply for the rate relief online and submit details or receipts of expenditure incurred that demonstrates specific investment in e.g. new equipment, skills training or the employment of additional staff. In addition it is proposed that accreditation with the Living Wage Foundation<sup>4</sup> would provide sufficient justification for granting this relief. This will increase the number of employers paying the Living Wage, who can then display the 'Living Wage Employer Mark' accreditation badge, thus raising the profile of the Living Wage movement.
35. It is not envisaged that submitting an application will be an onerous process (a single page), however it should ensure that the relief broadly aligns with the additional investment needed to assist business growth. The minimum amount of investment necessary to make a business eligible for relief has to be decided but current thinking is that it will be pitched at a level below budget allocation over a proceeding period of a year or two. Perhaps relief could be granted where investment is demonstrated to be at least 50% of the eligible relief available. Whatever minimum level is decided upon it needs to be kept as simple as possible, for businesses who will have to apply and for Land and Property Services who will be managing the scheme.
36. As this policy is intended to 'stimulate' investment in cities, towns and villages it will be important to ensure that it is not regarded as an ongoing entitlement and eventually become capitalised into higher rents. Consequently it is proposed that the scheme will be operated for a period of three years before being phased out over a further two year period. An evaluation will then take place after this five-year period to judge the effectiveness of the policy.
37. There are a variety of ways in which this allowance can be allocated in terms of qualifying NAVs as well as the specific percentage level of relief awarded. The main policy consideration in relation to this issue will be to what extent resources should be targeted at higher NAV properties that are more likely to be located on the main high streets within our towns and villages. The Department is open to alternative views on what is considered to be the most appropriate, however it is suggested that the following two options represent the most appropriate framework for allocating the resources being set aside:

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<sup>4</sup> For more information visit: <http://www.livingwage.org.uk/>

### Option 1

NAV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<£10k	50%	50%	50%	40%	20%	0%
£10k-£15k	30%	30%	30%	20%	10%	0%
£15k-£25k	20%	20%	20%	15%	10%	0%

### Option 2

NAV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<£10k	40%	40%	40%	20%	10%	0%
£10k-£15k	35%	35%	35%	20%	10%	0%
£15k-£25k	30%	30%	30%	20%	10%	0%

38. The overall cost of these options is estimated to be around £22m. However the percentage relief that can be awarded within this budget figure will ultimately depend on what criteria will be used to determine entitlement i.e. how to define what is a retail or hospitality business.
39. Hospitality properties are relatively straightforward to define but the same cannot be said about retail. It is important to note, therefore, that a very liberal definition of retail will inevitably 'water down' the amount to relief that can be awarded within the scheme budget and if taken too far this will inevitably give rise to some of the shortcomings of the existing scheme, as explained above.
40. The data underlying the analysis in this paper is based on property descriptions used for compiling and maintaining the Rating Valuation List.; in essence, it covers buildings described as shops. Some properties occupied by business providing retail services may be described as shops but many will not. A key question in this consultation is where should the line be drawn?
41. At present it is thought that the list of properties in **Annex A** would represent the type of businesses that would be able to avail of relief under this scheme. However it should be noted that as with the previous SBRR scheme, it would be the intention to exclude those businesses that would operate in multiple locations (i.e. more than three).
42. Additionally, when considering those affected by the change from the current SBRR scheme to the new Retail and Hospitality scheme, it is estimated that approximately 45% of those businesses that currently qualify for SBRR will be eligible to apply for the new scheme. Furthermore, an analysis of those affected suggests that it will be mainly those properties occupying offices as well as stores and workshops/garages, with 75% of total properties affected occupying these primary property classes.

43. Claims that rate bills will double for some of those losing entitlement, fail to explain that 50% relief is only available to ratepayers occupying very low value properties, mostly small offices. There are around 4,500 of these getting 50% relief on an average gross rates bill of £750 a year.
44. Post Offices are currently awarded enhanced SBRR relief under a distinct provision within the legislation and it is considered that entitlement to this automatic relief should be maintained. Smaller Post offices have a valuable role to play in supporting local communities particularly in disadvantaged and rural areas (just over 70 percent of Post Offices are located in rural areas) and across the board in terms of delivering services to vulnerable people including the elderly and disabled.
45. It is also the view of the Department that Post Offices with a higher NAV should be eligible to apply for the new retail and hospitality scheme.

#### **Questions for Consultees**

- Do you agree that retail should be the subject of any SBRR Replacement scheme?
- Do you agree that hospitality should be the subject of any SBRR Replacement scheme?
- Will the policy proposal address the issue of helping to regenerate our towns and cities?
- What uses should be considered retail and hospitality (and what should be excluded)?
- Do you agree with the proposed conditions for entitlement?
- Should the balance of available relief be targeted at lower value or higher value properties?



## Small Business Empowerment Zones

### Policy Proposal

46. The Department wishes to undertake a pilot study to assess whether the rating system can be used to help regenerate areas that are suffering from disadvantage and decline. It is proposed that the two areas to benefit from this scheme should be located in Belfast as it is the region's largest urban area. This will centre upon two of Belfast's main arterial routes; the 180 properties located directly on the Lower Falls (the main road through the Gaeltacht Quarter development area) and 332 properties located on the Lower Newtownards Road (building on the EastSide Arts initiatives to encourage arts activities along this road/corridor). If successful the proposals can be rolled out to other areas including rural areas. Details of the properties earmarked to benefit from this scheme can be accessed using the following link:

<https://apps.spatialni.gov.uk/LPS/ProposedRatesEmpowermentZones/index.html>

47. It is proposed that all business ratepayers occupying premises within the defined areas, irrespective of NAV or description, will receive an automatic entitlement to 50% relief on their rates. Where an existing relief is more generous e.g. 100% non-domestic exemption, this will be maintained. Multiples are excluded from the current Small Business Rate Relief but there is a case for including them as the objective is to encourage investment in the pilot areas, providing EU State Aid rules allow.
48. It is also intended that this level of relief will remain in place for a period of 3 years from April 2018.
49. In order to incentivise the occupation of vacant properties, the parameters of the current Back in Business Scheme will also be enhanced to allow for 75% relief in year one followed by two years at 50% irrespective of when the property becomes occupied during the 3 year period of the pilot i.e. 2018/19 – 2020/21.
50. It should be noted that the intended reduction in Non-domestic vacant rate relief from 50% to 25% will also apply to these areas, as this measure is also intended to incentivise the occupation of vacant properties (see section on Empty Property Rates below).
51. It is envisaged that providing support in this way can provide the means for additional investment by businesses and assist with their retention and growth within the local area. This along with more generous support to

attract new businesses should help revitalise these areas and act as a spur to economic regeneration.

52. However, it is recognised that these measures on their own are unlikely to provide the step change that these areas need. Consequently it is envisaged that these proposals will complement and enhance the work and objectives of the Department for Communities and in particular the Belfast Regeneration Directorate. It is thought that this policy could dovetail with policies such as the Urban Development Grants and Revitalisation Programme. The Department is keen to explore more in relation to how partner agencies could help to maximise the benefits of this proposal and would welcome further discussions on this from interested parties as part of this consultation.
53. One of the main objectives for this scheme will be to reduce vacancy rates amongst the properties being targeted. Indeed, it is the Departments view that in terms of measureable outcomes, a reduction in the number of vacant properties by 50% is appropriate.
54. It is recognised that the potential exists for this scheme to generate economic deadweight as some of the behaviours that the policy is intended to incentivise may occur in the absence of any intervention e.g. existing business may continue to trade and invest without enhanced allowances. In addition, businesses may locate from other areas to take advantage of lower rates (with no overall net economic benefit, albeit with the possibility of a positive distributional effect). However it is important to note that this proposal is a pilot study that will test the impact of these effects and test the assumptions used to determine what the measures will mean in practice. Careful monitoring will be required to determine whether or not the scheme has been effective, including an evaluation of its impact in terms of business investment, retention and both positive and negative displacement effects. As part of this assessment it will be necessary to gauge the counterfactual: that is what would have happened anyway in the absence of the scheme.

### **Questions for Consultees**

- Do you agree with piloting empowerment zones in these two areas?
- Do you agree with the special measures proposed for the zones?
- Are there other ways in which the rating system should be used to help businesses in these areas?
- What partnership arrangements should be put in place in order to maximise the potential benefits of this proposal?
- What criteria should be used to judge the success of this proposal?

## Revitalising our High Streets

### Background

55. Current policy interventions in this area have been led by the former DSD and the Housing Executive as part of the “Living over the Shops” (LOTS) scheme or as it is often referred to as the “Town Centre Living Initiative Areas” (TCLIA) scheme.
56. The Department considers that a demand led stimulus through the rating system could prove effective in order to increase “city/town centre” living.
57. It is unlikely that the rating system could be used to provide any meaningful assistance with the capital costs of converting a property. An annual rating liability is likely to represent a small proportion of any capital costs and is unlikely to significantly influence investor behaviour. Furthermore, while a property is being converted developers are not usually liable for rates, so it is difficult to design a rates scheme that would generate a saving on the supply side.
58. It is therefore apparent that the main option to consider in relation to incentivising occupancy would be whether a full or partial exemption should be applied to an otherwise vacant property for a defined period once it becomes occupied. This could include for example vacant space above a shop that is currently not being put to domestic use.
59. This begs the question of whether it should be limited to properties that would require a change in use or whether domestic properties in city/town centres that are currently vacant should also be exempt. In principle, there would appear to be little reason to exclude accommodation that has been vacant for a defined period of time if the objective is to simply increase the number of people living within town centres. In practice, however, this would represent a much more ambitious policy than providing an incentive to convert. It is also a matter that would require alignment with wider housing policy and therefore not for this proposed scheme at this stage.

### Policy Proposal

60. It is the view of the Department that a 100% rates exemption should be applied to the first permanent resident of a converted property for a period of three years following its change of use from commercial to residential. It is intended that this will provide a sufficient incentive and make living in such locations a more attractive proposition for potential first time occupiers.

61. As the scheme is intended to stimulate demand for conversion, it is proposed that the relief is not transferrable should the first resident move within the 3 year period.
62. It is also proposed that the 12 month initial exemption period for new houses applies to conversions from commercial to residential properties, to ensure that builders undertaking this work speculatively do not pay 'empty home' rates for at least a year.

### **Questions for Consultees**

- Do you agree that the rating system should be used to incentivise behaviour?
- Do you agree that this proposal will help demand for these properties?
- Do you agree with limiting the incentive to the first occupier?
- What criteria should be used to judge the success of this proposal?

## Charity Shops

### Background

63. The Rates (Northern Ireland) 1977 Order is the main piece of legislation governing the rating system. Article 41 of that Order provides for the identification or distinguishment in the Valuation List of properties used for public, charitable or certain other purposes. This enables those properties to avail of a 100% exemption from paying rates. Retailing in itself is not generally regarded as a charitable activity. However, the provisions contained within Article 41 (5) also extend the exemption to properties that are used for the sale of goods donated to a charity.
64. Radical change is not being contemplated, insofar as the full rates exemption available to charities is concerned; the Department recognising that a fundamental 'regime change' would amount to taking with one hand and somehow giving back with the other. Modest reform, however, is proposed for the treatment of charity shops.
65. In Britain, charity shops are automatically entitled to an 80% exemption, with a further 20% reduction available at the discretion of the local authority. Increasingly, local authorities are not opting to exercise this discretion. There are no statistics available to confirm the exact position, nevertheless it is clear that many, if not most, charity shops in Britain are paying 20% business rates.
66. In the South of Ireland any property occupied by an organisation established for profit (including charity shops) will be liable for local authority rates, though it is understood that in practice some local authorities will waive liability.
67. If it was decided to make charity shops liable for rates on the same basis of other commercial undertakings i.e. 100% liable, it is estimated that this would generate around an additional £3 m a year<sup>5</sup> for government revenues or alternatively it could be used to reduce the overall rating burden by £3m for all non-domestic ratepayers. Similarly applying the 80% exemption used within Britain i.e. charity shops pay 20% rates, would see an increase in government revenues or a reduction in the rating burden of approximately £600k. This would equate to around £20 per week for a typical charity shop.

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<sup>5</sup> The £3m figure represents a best estimate of the "charity shop" element of the £5.5m total cost of the exemption for the shop, showroom, supermarket as well as retail warehouse and retail outlet property class.

## **Outcome of the Review of Non-Domestic Rating**

68. The 2015/16 consultation associated with the review of the non-domestic rating system revealed that there was no significant appetite for reducing the 100% exemption for bodies that occupy properties for public (i.e. public benefit) or charitable purposes. However, different views were expressed in relation to charities occupying premises for trading purposes i.e. charity shops.
69. There was a strong reaction from those associated with the charity sector in favour of maintaining the existing special treatment afforded to charity shops. This involved the Charity Retail Association launching the 'More than a Shop' campaign that included a petition signed by 18,500 people supporting no change being made to rate relief for charity shops. The main charities involved in the campaign also presented their case to the Finance Committee during the last mandate.
70. In essence, the main points being raised by charities related to the public, economic, and environmental benefits that charity shops deliver. Indeed, the point was made that any imposition of rates on charity shops would result in a direct reduction in the overall public benefit provided by charities i.e. it would be a tax on public benefit. In addition, charities stated that imposing rates would render many of their stores unviable, with the resulting impact on jobs, volunteering opportunities and environmental impact of more goods going to landfill.
71. The main arguments being presented in favour of changing policy are firstly, to move towards a situation in which everyone pays something in rates, a key theme that first emerged at the pre-consultation innovation lab that took in June 2015. Secondly, that charity shops are competing with rate paying retail businesses, are becoming increasingly commercial in their approach, and are both "growing in number" and "crowding out the High Street".

## **Policy Proposal**

72. As noted above, virtually all business organisations following the public consultation earlier this year thought that everyone should pay something. As matters stand, charity shops get the most generous treatment here compared to the rest of these islands.
73. However given the fact that many charity shops will have entered into long term rental agreements and will not have budgeted for any rates liability, it is proposed that existing charity shops continue to benefit from the 100% exemption until the next non-domestic revaluation, anticipated to be brought

into effect from April 2019. From this point on, it is the view of the Department that charity shops should incur a rating liability of up to 20% in order to satisfy the principle that ‘everyone should pay something’ and maintain a healthy mix in the high streets. Charities would still be expected to pay full rates pro rata on turnover related to goods that are bought in for re-sale.

74. There is also a related issue of charities occupying larger stores. The Department proposes capping relief for new charity shops, thereby discouraging charities occupying prime retail areas. It is proposed that the upper threshold for relief should be the same level of rateable value (NAV) which is planned for the retail and hospitality scheme: £25k. It would not prevent any charity shops getting relief but it would limit the amount of relief available for those choosing to occupy more valuable shops. Not only will this prevent encroachment but it will also serve to reduce relief on planned new charity superstores
75. Finally, in order to discourage landlords getting ‘any old charity’ into their property on a short term and over-holding basis as a means of avoiding empty property rates, the Department wishes to secure the power to make the landlord liable in these limited circumstances.

#### **Questions for Consultees**

- Should charity shops be asked to pay a relatively small contribution to rates revenue?
- Should exemption be capped for charity shops at £25,000 NAV? Do you agree with proposal to make commercial landlords liable for rates on short term lettings to charities?



## Empty Property Rates

### Background

76. The review of non-domestic rating set out the current policy on vacant property rating. It explained that 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. The policy was introduced in 2004 and at that time largely mirrored the arrangements that applied in Britain. Policy here was evaluated in 2009 and it was, decided to keep it at 50% for the time being in order to help property owners impacted by the economic recession.
77. Policy in Britain changed after 2008 and now owners of a vacant property there do not receive any relief beyond the first 3 months and incur the full 100% liability (90% in Scotland). The stated objectives for these changes were to increase:
- a. Competitiveness. Strengthening the incentive for owners to re-let or re-develop property that is empty will help to improve access to premises and so reduce business rents
  - b. Efficiency. Strengthening the incentive for owners to re-let or re-develop property that is empty will also encourage the efficient use of land and property. This will help to reduce the need for new development on green field sites, and to bring forward opportunities to re-develop brown field land for housing and business property.
  - c. Fairness. It does not make sense for other taxpayers to subsidise owners to keep properties empty. Reforms to empty property relief are intended to improve fairness in the tax treatment of owners of different classes of empty property by applying the same strong incentive to re-let or re-develop property to all owners, except in exceptional circumstances where more favourable tax treatment can be justified.
78. There are a series of exclusions that apply both here and in Britain and in these cases no rates are payable on empty commercial property.

79. The full cost associated with these is presented in the following table:

<b>Vacant Rating Sub Category</b>	<b>Cost £m</b>
Initial 3 month exemption	£2
The 50% relief	£25
Properties with an NAV < £2k	£4
Various Exemptions	£13
<b>Total Vacant Rating</b>	<b>£43</b>

80. Vacant property rating was a subject that generated a wide range of views during the non-domestic review. Although many respondents supported maintaining the status quo, a significant body of opinion hold the view that vacant property rating does not go far enough to encourage owners to get commercial property occupied or redeveloped.

### **Policy Proposal**

81. The Department holds the view that changes should be made to further incentivise the occupation of the many vacant properties. Although the objectives for the changes that occurred in Britain in 2008 are relevant here, the Department recognises that the circumstances that exist here are not the same and therefore a different approach is proposed. This is as follows:

- The initial 3 month 100% exemption should be ended and all vacant property irrespective of how long it has been vacant incur a rating liability of 75%, reducing relief from the current 50% to 25%.
- The current 100% vacant rating exemption for qualifying industrial hereditaments should be removed and factory buildings rated in a similar manner to all other vacant commercial property i.e. at 75%.

82. This latter category of property includes those that have been constructed or adapted in the course of a trade or business for one or more of the following purposes:

- a. The manufacture, repair or adaptation of goods or materials.
- b. The working or processing of minerals.
- c. The generation of electricity.

83. The Department recognises that there will be various reasons why these factories are lying vacant. This may include the fact that they are in 'hard to let' locations, are unsuitable for alternative purposes e.g. sub division/storage or have been abandoned for many years and are now

derelict. The Department considers that even in these circumstances, there is merit in applying a rating charge in order to encourage something to be done with these properties. The Department recognises that this may lead to a number of properties being demolished in order for them to be removed from the valuation list, however it should be noted that such sites, if not redeveloped, could fall within the framework of a derelict land levy that is currently being assessed by the Ulster University's Economic Policy Centre.

### **Questions for Consultees**

- Are there reasons as to why vacant property locally should be treated differently to other regions?
- Should a 75% charge apply here?
- Are there other reasons why empty factories should not incur a vacant rating charge?

## Mines

### Background

84. Schedule 11 of the Rates (Northern Ireland) 1977 Order includes details of all properties that are not to be considered rateable properties (known as hereditaments) for rating purposes. This includes mines that have been opened (including mines previously abandoned) for less than 7 years or that have been abandoned. This is a long standing exemption that has been in place since 1852. Within the relevant legislation, a mine is defined as:

***“an excavation or system of excavations made for the purpose of, or in connection with, the getting, wholly or substantially by means involving the employment of persons below ground, of minerals (whether in their natural state or in solution or suspension) or products of minerals.”***

85. Furthermore, mines are classified as industrial hereditaments under Schedule 2 of the Rates (Northern Ireland) 1977 Order and are entitled to 70% relief in the same way as other industrial hereditaments.
86. Locally, there are a small number of mining operations, with one mine currently undergoing exploratory/feasibility analysis that may be subject to a planning application in due course. In addition, around 20 Prospecting Licences have been issued by the Crown Estates as well as the Department for the Economy. These prospecting licences cover significant geographical areas and represent the speculative first stage of all potential future mining activity.

### Policy Proposal

87. Although the original intention of the exemption remains unclear, it is apparent that such an exemption would reduce the financial risk for those individuals or companies seeking to benefit financially from the rewards available from mining.
88. Consequently when deciding upon the continuing relevance of this relief, it will be necessary to consider whether the relief is potentially too generous in terms of revenue forgone or whether its removal would act as a barrier to entry for those firms seeking to develop and establish a new mining venture, with the associated opportunity cost in terms of jobs and economic development.

89. It is the view of the Department that there is no good reason why this exemption should remain, particularly given that mines are entitled to 70% industrial derating; an entitlement that cannot be removed as industrial derating rules cannot be changed in any way for fear of losing its special pre-accession status under State Aid rules.
90. Currently, mines that can be defined within the parameters of the 100% exemption i.e. a new mine less than 7 years old, would not make a direct contribution to local finances at either a District or Regional level. Consequently when trying, where possible, to apply the principle that everyone should pay something, there appears to be no good reason as to why this exemption should be maintained.
91. It is the intention of the Department that mines that have been abandoned (unless reopened) would not fall within the remit of this change and that only those mines that are considered to be commercially viable and are productive will be liable for a rating charge at the prevailing industrial de rated limit i.e. 30%. Exploratory mines may not be liable in any case, it will depend on a number of factors, notably the 'portability' of plant and machinery.

#### **Questions for Consultees**

- What are the implications for the mining sector of removing this relief?

## Halls of Residence

### Background

92. The Department has already consulted<sup>6</sup> on the issue of continuing with full rates exemption for university run halls of residence, given the recent growth in purpose built student accommodation that is under development at the moment.
93. This subject raises issues of need, equity and consistency of treatment under the rating system. The majority of students who live away from home are housed in private rented accommodation and already pay rates, as part of their rent. Furthermore, the new private operated developments will not normally be entitled to exemption either and this will throw into sharp relief the favourable treatment afforded to university run halls of residence.
94. 14 organisations responded to this issue in the consultation, with four in favour of the exemption continuing, seven against and three not clearly denoting a view for or against the exemption. Generally, those who wished to see the exemption continuing were concerned that its removal would result in increased costs for students. Mid & East Antrim Council commented:

***“Universities would be likely to pass on the cost to students, and whilst students may well indeed place demands on public services and should contribute to the cost of these services, there is a public interest in supporting our young people, where we can, through this stage of their education.”***

95. Those who wished to see the exemption discontinued commented on the inequality of excluding university run halls of residence whilst charging commercial landlords. Macfarlane & Smyth commented –

***“Universities are now run on a more commercial basis than before and the halls are in direct competition with other landlords. With the increasing commercialisation of universities and also with the increasing numbers of purpose built student accommodation blocks which may seek to avail of this exemption through university link ups, those landlords who must pay full rates are currently very unhappy at what they perceive to be unfair competition.”***

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<sup>6</sup> <https://www.finance-ni.gov.uk/articles/rates-liability-domestic-rental-properties>

96. Belfast City Council commented that the exemption is unfair to residents of Belfast as it resulted in a large proportion of occupiers making no contribution to local services. They also stated that another reason they were in favour of removing the exemption was that it

***“...would increase the tax base for the Council to help offset the additional costs incurred by the Council in providing services to new student accommodation developments in the city.”***

### **Policy Proposal**

97. The Department has carefully considered this issue, particularly in terms of the impact on our universities and the viability of developing new halls of residence. It has been decided to remove the Halls of Residence exemption to ensure consistent treatment across the student housing sector.
98. A crucial consideration in this is the fact that universities (and colleges) are, and only were ever, eligible for this relief under the statutory provision if the rates saving were passed onto the students. In other words, the incidence of the current tax concession is only intended for the benefit of this class of students, not the University.
99. Firstly, this means that in terms of financial impact on the universities, the removal of the exemption should be revenue neutral. The universities can increase their accommodation charges accordingly. Indeed, with many halls of residence housing significant numbers of first year overseas students, this ensures that all who benefit from local services contribute at least something towards the cost of provision.
100. Secondly, it represents an anomaly, because it singles out for special treatment only those students in halls of residence compared to all other students living away from home, who pay rates as part of their rent (or their ownership). This is an incongruous position to maintain within the rating system.
101. Finally, in terms of affecting the supply of new halls of residence, the sudden growth of purpose built student accommodation by private operators around Belfast does not indicate an oversupply of modern student accommodation.
102. The Department therefore intends to remove this exemption from April 2018.
103. The likely revenue gain is just under £1m a year.

### **Questions for Consultees**

- Do you agree that the current Halls of Residence exemption currently treats some students more favourably than others?
- Do you agree with the Department's assessment of this issue, following the earlier consultation this year?



## Hardship Relief

### Background

104. Hardship relief is a discretionary scheme introduced in 2005 and administered by Land and Property Services (LPS)<sup>7</sup>.
105. The numbers qualifying for relief since the scheme's inception have been extraordinarily low, at only 4 successful cases, out of almost 120 claims (including 23 appeals).
106. The Department did undertake an internal evaluation of the scheme in 2013 and notwithstanding concerns about its effectiveness to date the then Minister made the decision to keep it on the statute books in case of emergency.
107. Unsurprisingly, opinions were expressed during the main consultation earlier this year that the scheme has been ineffective. The Department accepts this, though has concerns that to relax the criteria would lead to either abuse of the system or could lead to 'moral hazard' where a party begins to take risks (e.g. does not take out insurance) because the impact could be absorbed through hardship relief. The Department also has concerns that significant relaxation could prove difficult to contain in terms of maintaining revenue for public services.
108. The scheme was originally set up to assist a business recover from temporary crisis, financial or otherwise. A crisis may be defined by the loss of trade resulting directly from the exceptional circumstances or the impact on business service provision resulting from the exceptional circumstances.
109. Exceptional circumstances will usually be:
- a. External to the ratepayer;
  - b. Beyond normal business risk;
  - c. Unavoidable; and
  - d. Unforeseen.
110. As a general principle, external risk that would be covered either by commercial insurance or by the availability of compensation from public funding would not be considered 'exceptional circumstances' on the basis that an alternative means of assistance is already available. However, it may

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<sup>7</sup> see LPS factsheet:

[https://www.nibusinessinfo.co.uk/sites/default/files/LPS\\_HardshipReliefFactsheetandApplication\\_V1.0\\_18Sep2015.pdf](https://www.nibusinessinfo.co.uk/sites/default/files/LPS_HardshipReliefFactsheetandApplication_V1.0_18Sep2015.pdf)

be that such assistance may not be readily available particularly where the circumstances are sudden, e.g. in the case of severe flooding, and therefore Hardship Relief may therefore still be appropriate. Each case should be considered on its own merits.

111. While LPS need to take account of all of the evidence presented before reaching a decision, as a general principle the following circumstances are not considered as exceptional for the purposes of Hardship Relief:
  - i. A general market downturn.
  - ii. Strikes internal to a business.
  - iii. Non-domestic property becoming vacant and liable to the unoccupied rate.
  - iv. External market conditions.
  
112. External market conditions can include:
  - i. Energy costs.
  - ii. Insurance costs.
  - iii. Increased interest rates.
  - iv. Transportation costs.
  - v. Strength of Sterling in the European market.
  - vi. Increased competition elsewhere.
  
113. Applications for Hardship Relief need to be supported by evidence. Failure or declining to supply sufficient information will result in the application for relief being refused. Given that Hardship Relief is intended to provide assistance to enable a business to recover from temporary crisis some form of recovery plan will generally be required before rates can be remitted or reduced.
  
114. Evidence that will be required to support an application will vary from case to case, depending on the particular circumstances giving rise to the application. This may include a combination of the following:
  - a. A written statement of circumstances, signed by senior officers of the business or organisation, including details of those which have led to hardship and any social, economic, technological and environmental issues.
  - b. A written 'outline recovery' plan.
  - c. Evidence such as audited profit and loss accounts, copies of bank statements, the most recent Tax and Inland Revenue returns, details of assets.
  - d. Evidence of other publically funded financial assistance.
  - e. Evidence of any compensation, paid or payable.
  
115. Where an application for Hardship Relief has a wider impact on the locality, i.e. beyond the consequences to the business or organisation itself, District Councils may be asked by LPS to provide a view on the application. District

Councils do not, however, have any decision-making role in relation to applications for Hardship Relief.

116. The reason behind the extraordinary low number of successful applications is not entirely clear. However the following potential reasons were identified during the previous evaluation in 2013.
117. In recent years the majority of applications for hardship relief have cited the impact of the current economic situation, causing a general downturn in business, and other business factors or economic conditions, rather than exceptional circumstances.
118. It is for LPS to decide based on the available evidence, whether or not a business would suffer hardship if relief is not provided. In making this assessment evidence of potential closure may be a useful indicator.
119. LPS has also reported that many applications contain inadequate information in order to support an applicant's claim for a downturn in business and/or a persistent loss of trade, potentially forcing a business to close. Indeed, this issue of proving genuine hardship appears to be a common failing with applications.
120. Although LPS take action to follow-up the applications to request additional information, it has advised that applicants rarely provide the information requested, or fail to provide any evidence at all in support of the claim. Therefore, these applications did not meet Hardship Relief Scheme information criteria and are rejected.
121. There may be several reasons why application numbers were low for example:
  - a. It may be the case that the definition of 'exceptional circumstances' is too stringent or too ambiguous.
  - b. It could be possible that the cause of business hardship could be covered by another Government scheme or by the private insurance sector.
  - c. Businesses may lack knowledge of the availability and aim of the scheme, so those who would be eligible, because they are facing genuine hardship, are not applying.

## **Policy Proposal**

122. The Department is not convinced that the definition of the scheme in legislation should be changed but its administration could be refined. There may be merit in increasing awareness of the scheme and providing more support for claimants, particularly in submitting evidence and requiring applications to be processed within a fixed time period.

123. Such changes are unlikely to improve matters significantly. The Department considers that the problems may be more fundamental than that. Casting LPS in the role of sole decision maker may not have been the most appropriate and tenable arrangement to operate such a scheme. LPS is primarily a revenue collection organisation that operates in a highly regulated environment; it is not a business support organisation and perhaps not best placed to operate a discretionary relief scheme effectively and consistently.

#### **Questions for Consultees**

- Do you consider that hardship relief is necessary?
- If so, what changes are needed?
- What criteria should be used?
- Please provide views on how this can be done without duplicating the coverage provided by insurance?
- Do you think hardship support should be administered differently?

## **Sport and Recreation Relief**

### **Background**

124. Rating Legislation currently provides that there can be a reduction of rates on certain rateable properties used for sport and recreation purposes. The level of reduction in such cases is set at 80% of the normal rate. Ancillary social facilities, such as bars, restaurants, card rooms etc are, at present, fully rateable and can be disregarded from that reduction.
125. The rationale for this longstanding policy stems from the Lawrence Report of 1978 that recognised the wider benefits of encouraging fitness in the wider community, deeming it worthy of special treatment.
126. This section of the document looks at the issues of spectator facilities, and the application of what are known as “de minimis” rules when assessing the level of relief that will be provided to individual sports clubs with non-sporting facilities.

#### **(1) Spectator Stands**

127. Up until now spectator facilities have always been liable for rates. This is because they are not facilities used by those participating in the sport. Furthermore, in some cases they are potentially revenue generating and clubs can charge for admission.
128. This is mostly an issue for team based sports such as Gaelic football and soccer and many smaller clubs have expressed concerns in the two public consultations that took place earlier this year; firstly as part of the wider Review of Non Domestic Rating system and later during the consultation into enhanced relief for Community Amateur Sports Clubs.
129. The issue has been compounded by the erection of many new stands at smaller clubs, assisted though grants from various sources including lottery funding and by changes in valuation treatment following the recent Rates Revaluation.
130. Although LPS make some allowances for the fact that these stands do not add proportionate value (NAV) to the overall assessment of the club premises, this remains an affordability issue for smaller clubs in local grounds.

#### **(2) Wholly and mainly rules**

131. The wholly or mainly rules (known as the “de minimus” rules) are a separate, but related, consideration in the application of relief. These rules apply so that non-sporting areas can be disregarded entirely if they amount to less than 20% of the overall valuation assessment for the club. Likewise, the

rules will operate as a 'sports use top up' for apportioning between sporting areas and non-sporting areas, where the sporting area is greater than 50% but less than 80%.

132. The full wording of this "de minimis" provision is laid out in the legislative extract at **Annex B**, but it is of particular interest to the application of the Sport and Recreation Relief to golf clubs. This is an area where the existing de minimis provision can create an even wider disparity of treatment between privately owned (known as proprietary) clubs, and private members clubs.
133. Several submissions have been made to the Department and the Finance Committee in recent times highlighting the unfairness that can be created by this provision. An evidence session at the Finance Committee earlier this year can be accessed through the link below and lays out the issues succinctly.

<http://data.niassembly.gov.uk/HansardXml/committee-17686.pdf>

### **Policy Proposal**

134. These are two issues that the Department would like to address in any new legislation.
135. Firstly, making a distinction between local grounds and larger stadia in terms of charging rates on stands and other spectator facilities. The Department favours changing the legislation so that non income generating stands are deemed for rating purposes to be part of the sporting facility and therefore entitled to relief. Income generation can be defined as gate receipts, advertising revenue or direct sponsorship (of the facility concerned not the club).
136. The second issue relates to the fairness of the rating treatment of golf clubs. The Department takes the view that although de minimis provision was originally intended to simplify matters at an administrative level, it has inadvertently created unfairness in relation to private members clubs. This is because the grounds are so extensive in golf clubs, that they represent more than 80% of the value of the entire property, despite the fact that the social facilities may, in themselves, be substantial.
137. This presently applies to world famous golf clubs such as Royal Portrush and Royal County Down who receive 80% relief on their whole assessment including their social facilities.
138. The Department intends to change these rules in the near future and exclude golf clubs with extensive social facilities gaining this advantage. (It should be noted that the clubs concerned were not taking advantage, as such, the rules were simply applied as they exist.)

139. It should also be noted that some proprietary clubs also struggle to compete with municipal golf courses that can offer cheaper prices. This is because such courses are fully exempt from rates. The Department has concerns that this special treatment cannot be justified today, given that there is no longer an issue of under supply and access to the game. Although the issue was raised during the Business Rates Review consultation at the start of the year (2016), few commented on the matter. The Department therefore wishes to afford a further opportunity before the policy is changed.
140. The proposals outlined above address many of the anomalies within the current arrangements that were identified through two consultations earlier this year: on both the wider non domestic rates review and on the detail of enhanced rate relief for some HMRC registered Community Amateur Sports Clubs.
141. However, there may be a need for more fundamental change as sport has developed significantly since 1978 when the current entitlement rules were introduced. At that time relief was awarded at the rate of 65%, which was increased to 80% in 2005. A more thorough review may be needed now. For instance, the issue of addressing need.
142. To quote the 1978 Lawrence Committee Report on the subject: *“Rate relief is in effect a subsidy from public funds and should not be granted with complete disregard to the need of potential recipients. At the same time we do not think it desirable or practicable to make much of this point. Investigation of the financial position of a host of small organisations would be time consuming and expensive and in many cases inconclusive. It would simply not be worth doing”*.
143. That may well have been the case 40 years ago when relief was only 65%. However, the ‘privileged’ position of some private members golf clubs has been raised as an issue with both the Department and the previous Finance Committee by ratepayers, who operate privately owned clubs. The original policy of restricting relief to facilities operated by voluntary bodies may have been sensible at the time but as has been pointed out “these days some clubs operate on a much more commercial basis than in the past”. Department considers this to be worthy of further research and consideration. Accordingly, the Department intends to seek the advice of the policy competent Department, the Department for Communities, which has responsibility both for policy on sport and the registration of clubs.

#### **Questions for Consultees**

- Do you agree that spectator stands that do not generate income should be treated as part of the sport and recreation assessment?
- Do you think that the present “de minimis” criteria creates an unfair advantage to some clubs?

## Part 2: Domestic Rates Reform

### The Rates Cap

#### Background

144. Following reforms to the domestic rating system in 2007, a maximum capital value or ‘cap’ was introduced by Direct Rule Ministers, subsequent to the St Andrew’s Agreement. The Agreement outlined that,

*“In response to the strongly expressed views of many in the NI community, the British Government will introduce a cap on domestic rates under the new capital values system.”*

145. The Maximum Capital Value for rating purposes was initially set by Westminster at £500,000. It was in April 2009, after further review and consultation on the issue, that the newly elected Assembly reduced this to £400,000. Consequently the maximum rates bill (2016/17) for a property with a capital value of more than £400,000 is currently around £3,000 (this will vary depending on Council area) and is set to ensure that no ratepayer locally pays more than the average “highest band” Council Tax bill in England.<sup>8</sup> The latest data demonstrates that the cap results in revenue forgone of approximately £8m per year; split between regional revenue of £4.5m and district revenue of £3.5m.
146. In 2013 the Department undertook a preliminary consultation on the issue of the future of rate rebate currently paid through Housing Benefit. The published Consultation Report stated the following, which is relevant to this particular issue:

*“The majority of organisations who responded (7 organisations), particularly from the advice sector, were in favour of Option 1 / Sub-Option 1.1 within the report which was the retention, by and large of the existing rate rebate scheme, with the funding shortfall made up through savings in removing or reducing other rating support measures: the ‘top up’ low income rate relief scheme, or one or other of the targeted forms of non-means tested support, such as **Maximum Capital Value** [emphasis added], Lone Pensioner Allowance, Disabled Persons Allowance, etc.”*

147. As well as this general view emerging from the consultation, the removal or adjustment of the maximum capital value was favoured by both the Rural Community Network and Advice NI to help address the rate rebate shortfall, rather than continuing to pay for it out of public expenditure.

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<sup>8</sup> This does not include water charges which are charged separately from, and in addition to, the Council Tax in Britain.



148. The cap affects around 7,000 properties located within all local government districts. However the most affected areas are Belfast with 39% and Ards and North Down that has 28% of all capped properties. These two areas unsurprisingly also account for the largest proportion of revenue forgone totalling £5.95m or 75% of the £8m total

District Council Area	£400k - £500k	£500k - £600k	£600k - £700k	£700k - £800k	£800k - £900k	£900k - £1m	>£1m	Total
Antrim and Newtownabbey	88	35	12	6	0	1	0	142
Armagh, Banbridge and Craigavon	165	58	26	5	5	3	8	270
Belfast	1097	725	326	179	120	53	128	2628
Causeway Coast and Glens	129	61	18	9	5	3	3	228
Derry and Strabane	41	30	17	4	1	1	4	98
Fermanagh and Omagh	50	21	11	4	2	3	1	92
Lisburn and Castlereagh	462	167	53	35	22	8	6	753
Mid and East Antrim	64	28	9	4	6	1	2	114
Mid Ulster	80	29	15	3	4	5	6	142
Newry, Mourne and Down	204	90	40	13	11	6	11	375
Ards and North Down	840	426	239	105	69	49	120	1848
<b>Total</b>	3220	1670	766	367	245	133	289	6690

149. Consideration of policy around the cap will inevitably involve taking a view and striking a balance on a number of issues. Firstly, consideration should be given as to whether the capital value associated with a property accurately reflects an occupier's ability to pay. Whilst in most cases this may well be the case, there will undoubtedly be a number of situations where due to e.g. inheriting a property, etc. the individual concerned would best be described as being "asset rich and income poor" and thus be unable to easily afford a significant and permanent increase in their rates bill.
150. Such a scenario may be particularly applicable to pensioners who may have lived in the same house for all their life, and are now faced with a declining income – a situation that may be exacerbated if a spouse has passed away and it is a one person household. However, as set out below protections are in place for such households.
151. In addition to the income poor/asset rich issues arguments, it may also be considered unfair that someone should be paying e.g. three times the average rates bill, when they are unlikely to be receiving three times the average service provision from both local and central government. However like many taxes, rates are a contribution to the common good, not a payment for services received. Basing rates on receipt of services rather than property values would be a fundamental, and highly regressive, change in the rating system.

152. Other arguments can be made in relation to comparisons with GB. Currently the domestic cap of £400k results in a rates bill of around £3,000, which is in line with the highest council tax bill in GB. Therefore to move away from this level would be to depart from what is required for the most expensive properties in London and elsewhere.
153. Finally, there is the issue of the currency (in terms of being up to date) of the Valuation List, which is based on values prevalent in Jan 2005. It could be questioned whether these values represent the value of houses today and to remove or raise the cap, or otherwise charge significantly higher rates on those historic assessments, is unjust and inequitable. However it is unlikely that the cohort of properties being targeted will alter significantly post a domestic revaluation i.e. high value houses today tend to be the same properties that were high value back in 2005.

### Policy Proposal

154. It is the Departments view that the domestic rating system must, as far as is reasonable, apply the principle that everyone pays in direct proportion to the value of their home. The application of the current £400,000 cap means that those in houses with a higher value pay proportionately less than those in middle or lower value homes.
155. Removing the cap in its entirety would impact significantly on the bills of the ratepayers concerned with an average increase of around £1,000. Consequently it is proposed to apply a levy equivalent to the regional rate (0.4111p) to the capital value above the current cap of £400k. This mitigating measure will ensure that ratepayers will only have to pay the regional rate element of removing the cap, rather than both the regional and district rate elements. This additional increase to rate bills is illustrated using the following examples:

Capital Value	Current Cap	Element subject to levy	Regional Rate Levy <sup>9</sup>	Increase in Rates Bill
£405,000	£400,000	£5,000	£0.004111	£21
£500,000	£400,000	£100,000	£0.004111	£411
£1,000,000	£400,000	£600,000	£0.004111	£2,466
£2,500,000	£400,000	£2,100,000	£0.004111	£8,633

156. In addition, a further mitigating measure will be adopted in the form of a phased approach to introducing the levy. Indeed it is anticipated that the levy will be brought in over a two year period with 50% being applied in Year 1 (2018/19) before applying the full value in year 2 (2019/20). It is hoped that this measure will provide sufficient time for ratepayers to consider how best to arrange their finances in order to budget for this increased cost.
157. Another important protection for those low income households impacted under the scheme will be available under the Low Income Rate Relief

<sup>9</sup> Based on the 2016/17 Regional Rate. This is likely to increase in subsequent years.

scheme, a scheme that was specifically designed to help low income asset rich households impacted by high rates.

158. For those ratepayers of pensionable age, protection will be available provided household capital i.e. savings does not exceed £50,000. In relation to those of working age protection will be available provided savings do not exceed £16,000. Low income rate relief for working age households will be phased out with the introduction of Universal Credit (“UC”) and the abolition of housing benefit (currently due to commence in September 2017. It will be for the Executive to decide the funding level for the UC compatible rate rebate replacement scheme across the multi-year Budget.
159. For the “asset rich-income poor” pensioner living in the family home, the low-income scheme will survive the current cycle of welfare reform changes and the parameters remain relatively generous for this group (see **Annex C**).
160. This policy has been subject to an initial impact screening to determine whether there are any social, economic, environmental or sustainable development issues. A summary of the potential impacts is included in **Annex C**.
161. At this stage in the policy development process, the only potential impacts that have been identified are related to Equality i.e. whether the policy has the potential to impact on persons of a particular age or whether it will impact on individuals from a particular community background. Whether the policy is likely to impact disproportionately on rural areas has also been considered.
162. To enable us to complete or refine this assessment of our proposals, we are seeking views on the initial findings of the impact on equality issues through this consultation process. Taking account of this public consultation, the equality assessment (**Annex C**) and any subsequent amendments, (taking on board responses to this consultation) will be completed and taken into account prior to final decisions by Ministers.

### Questions for Consultees

- Do you agree that the capped system of domestic rates is unfair to the vast majority of ratepayers?
- Do respondents consider that sufficient mitigations are in place to assist low income households (particularly asset rich income poor pensioners) that will be affected by this policy?
- Do you think that additional safeguards need to be implemented in order to mitigate hardship caused by the proposal to lift the cap in respect of the regional rate element of the bill?

## Early Payment Discount

163. Article 30 of the Rates (Northern Ireland) Order 1977 (as amended) currently provides that the percentage discount to be applied for early payment of a domestic rates bill is 4%. Land and Property Services has previously noted that the discount acts as a disincentive to Direct Debit take-up and this view was confirmed by Ernst & Young who carried out a Strategic Assessment of Rate Collection and Recovery in 2013. That report recommended that early payment discount should be reduced or removed. In addition there is no benefit for the Executive of getting money in sooner rather than later in relation to the budget.

### Background

164. It was for similar reasons that discounts for prompt payment of Council Tax were withdrawn in Britain and have only been retained in a few English Council Areas - and these offer discounts of 2% or less and often require payment by 1st April, not the early May date that applies here.
165. Early payment discount costs the Executive around £5m per annum. The table below demonstrates the cost to the Executive over recent years:

<b>Year</b>	<b>Cost (£m)</b>
2011/12	£4.37
2012/13	£4.52
2013/14	£4.66
2014/15	£4.96
2015/16	£5.02 <sup>10</sup>

166. A reduction of 2 percentage points to a 2 per cent. discount would therefore save approximately £2.4m per annum.
167. While a reduction or removal of the discount will not be welcomed by ratepayers who benefit from it, it is the Department's assessment that this will not cause hardship, as ratepayers who can afford to pay their bill in one single payment at the beginning of the year tend to be 'the better off' in financial terms. 16% of households get the discount but in 'rateable value' terms, it is 23% of total value. This indicates that it is those living in higher value properties that tend to avail of the discount.

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<sup>10</sup> As per information held by RPD as at July 2015 – more up to date figures can be requested from LPS in due course.

168. A breakdown of the numbers is as follows :

<b>LGD2014</b>	<b>Domestic Discount Amount Total</b>	<b>Percentage of Occupancies Getting Domestic Discount</b>
Antrim and Newtownabbey	£359,811	15.4%
Ards and North Down	£554,415	16.4%
Armagh City, Banbridge and Craigavon	£549,645	16.5%
Belfast	£790,414	11.9%
Causeway Coast and Glens	£526,453	20.3%
Derry City and Strabane District Council	£302,258	12.7%
Fermanagh and Omagh	£355,507	21.6%
Lisburn and Castlereagh	£466,778	18.0%
Mid Ulster	£389,016	20.1%
Mid and East Antrim	£443,462	18.7%
Newry, Mourne and Down	£520,151	17.4%
<b>Totals</b>	<b>£5,257,909</b>	<b>16.4%</b>

### Policy Proposal

169. It is the Department's view that the removal of early payment discount will remove a major disincentive to take up of direct debit payment that should result in significant administrative savings for LPS. Consequently it is proposed that early payment discount should be reduced from 4% to 2% from 1st April 2018 prior to being abolished from 1st April 2019.

#### Questions for Consultees

- Do you agree with the Department's assessment that the Early Payment Discount is unnecessary and unaffordable?
- Do you agree that the policy should be phased out, before its removal?

## **Landlord Allowance**

### **Background**

170. The rating system here has its basis in the long established principle of occupier-based liability reflecting its origin as a charge for regional and local services. There is an underlying democratic accountability around the whole process, because occupiers have a vote.
171. The rented sector (particularly the private rented sector) has tended to be less settled and more mobile than owner occupiers, which makes it more difficult to collect rates. For this reason and for nearly the past 90 years, landlords in lower value properties have been required to collect rates from their tenants and are given allowances for managing this process.
172. A landlord who is made liable to pay rates to LPS under legislation is legally entitled to recoup that payment through the rent, where there is a tenancy agreement in place.
173. The allowance mechanism, through which a landlord receives a discount for rates if paid before a certain date, is intended to compensate a landlord for the risk of default and for any costs associated with collecting the relevant amounts. It is recognised however, that landlords will also already be collecting rents along with rates from their tenants and in many cases will receive a direct payment of Housing Benefit including an element for rates. Therefore a balance must be struck between any cost and any allowance.
174. There has historically been a lack of evidence on the additional costs actually incurred by landlords in undertaking this task. At the same time the total cost to the Department of landlord allowance across all sectors in 2014/15 was £10.7million.

### **Policy Proposal**

175. When the allowance was reduced to 10% in 2015 a number of landlord groups indicated that their costs outweighed the discount. The Landlords Association of Northern Ireland also commented on this issue during this year's consultation (2016), noting that many landlords appoint an agent who charges a fee.
176. There has been no reliable factual analysis provided to the Department on what cost this represents to the average landlord. Indeed, costs will vary significantly between landlords depending on the character and size of their property portfolio; which can range from student lettings to single family households and from one to hundreds of properties. The Department has to set the landlord allowance at a level to apply universally.
177. The Department is also mindful that the allowance is paid to landlords alongside the rent and in many cases the payment arrangement with LPS is

made through other means adding little additional cost to landlords in subsequent years.

178. There are also issues with the ongoing payment of an allowance to the Northern Ireland Housing Executive and Housing Associations - both these housing sectors have a high number of tenants receiving full and partial housing benefit. Those receiving full housing benefit will have their rates paid directly to LPS which will largely bypass the administrative systems of NIHE or the relevant housing association. In fact the Department's assessment is that actual collection costs for this sector are even lower than the private rented sector in terms of administrative issues.
179. NIHE received £3.9M in landlord allowance in 2014/15 and housing associations received £1.7M. The Department is considering the value for money of continuing to award the current level of landlord allowance to this sector. It will be undertaking further research to establish the wider funding implications of reducing it.
180. In the interim, and subject to any empirical evidence being provided to the contrary, **the Department will be taking legislative steps to reduce the compulsory and voluntary landlord allowance down to 5% with effect from April 2018.**

#### Questions for Consultees

- Do you agree with the proposal to reduce landlord allowances to 5%?
- What impact do you think this will have?
- Do you agree that the cut in allowance should be applied universally across all sectors?

## Energy efficient new homes

### Background

181. A scheme providing a rates holiday for new low and zero carbon homes was developed by the Department following an Executive Review of domestic rating in 2007. The policy aim was to encourage investment, and thereby improve the housing stock, which aligned with the Executive's wider commitment to promote sustainable development.
182. The scheme came into operation on 1st April 2010 and was funded centrally, resulting in no loss to district councils.
183. Full rate relief was provided for the first occupiers of newly-constructed homes which met the definitions of zero and low carbon set out in Regulations; up to five years relief for zero carbon and up to two years relief for low carbon. Only newly-constructed properties with a completion date on or after 1 April 2010 were eligible.
184. The scheme was time bound and was to close for applications on:
- 30 September 2013 for low carbon; and
  - 30 September 2016 for zero carbon, respectively.
185. The decision was taken to close the scheme early, with protections put in place for homes under construction, and funding redirected to the Green New Deal initiative. At that time it was argued that the Green New Deal provided the opportunity to deliver energy efficiency on a much grander scale than any rate relief scheme could ever achieve.<sup>11</sup>
186. During the lifetime of the rate relief scheme the first residents of 74 houses successfully obtained the relief; 63 low carbon and 11 zero carbon. The 11 residents of the zero carbon homes are still receiving full rate relief. For the majority of them the relief will come to an end in March 2017 and all 11 will be subject to full rates by July 2017.

### Policy Proposal

187. The Department wishes to re-introduce a similar scheme aimed at improving the energy efficiency of new homes. As with the previous scheme, it is intended that it will be restricted to owner-occupier (including co-ownership) with Regulations excluding social rented properties. This is because social sector landlords already build to high energy efficiency standards. Public properties including those owned by the Ministry of Defence will also be excluded. In addition it is planned that mixed commercial and residential properties will not fall within the scope of the scheme.

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<sup>11</sup> The Green New Deal was scaled back and the savings from the rates scheme were ultimately transferred to the (then) Department of Social Development for their boiler replacement scheme.



188. Previously, an assessment carried out by an accredited Energy Performance Certificate (“EPC”) assessor was required to determine whether a dwelling satisfied the criteria for a low or zero carbon home. If a property met the criteria a Zero or Low Carbon Certificate based on the zero carbon scheme certificates for stamp duty exemption (closed in 2015) (applied both here and in Britain) was issued along with the EPC.
189. However, priorities have changed and standards have evolved in the few years since the former scheme was in place, including significant enhancement of building regulations in this area. Nevertheless, current estimates suggest these standards still lie between 20% and 30% below the code for sustainable homes level 4 standard, which appears to have been the previous reference point for the old scheme.
190. The Department is in the process of commissioning a technical review of the additional build cost for appropriate standards of energy efficiency in order to assist with a value for money assessment of re-opening the scheme.
191. Options for determining a new standard include the use of on-construction Energy Performance Certificates or an uplift on the Target Emissions Rating required under building regulations. Assuming a new standard can be adopted (which can be readily assessed) and the scheme passes value for money tests, the Department intends to introduce a new scheme along similar lines to the old one, though perhaps only to one standard instead of the two that existed before. There may also need to be safeguards such as a cap (first come, first served basis) on preliminary approvals.
192. In order to avail of the relief, it is intended that an individual ratepayer will be required to make an application to Land and Property Services. Current thinking is that first occupants of newly-constructed energy efficient homes will be entitled to a 3 year domestic rates holiday, to help increase demand for new houses built to the required exceptional standard. If the person moves house within that period, the relief is withdrawn.

### **Questions for Consultees**

- Do you agree with the proposal to provide a rates incentive for newly built energy efficient homes?
- What are your views on an appropriate standard, reliable assessment and safeguards?
- Do you agree with limiting the incentive to the first occupier?
- What criteria should be used to judge the success of such a measure?

## **ANNEX A**

### **Investment in Small Business - Retail and Hospitality Business Qualifying through DCLG scheme**

#### **Hereditaments that are being used for the sale of goods to visiting members of the public:**

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second hand car lot
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

#### **Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- DVD/ video rentals
- Tool hire
- Car hire

#### **Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:**

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

### **Properties not benefiting**

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting office

## **ANNEX B – Wording of “De Minimis” Provision in Article 44 of the Rates (Northern Ireland) Order 1977**

### **Apportionment of bar facilities and non-sporting areas**

Article 44 states that “*if only one or more than one part (but not the whole) of the hereditament is so used, the net annual value of the hereditament shall be apportioned by the Commissioner or the District Valuer between the part or parts of the hereditament used solely for the purposes of a prescribed recreation and the remainder of the hereditament.*”

*This is apportioned as follows:-*

- i. if the amount apportioned to the part or parts of the hereditament used solely for the purposes of a prescribed recreation is less than 20% of the net annual value, the hereditament shall be shown in the NAV list as having no part of its net annual value apportioned to that part or these parts;*
- ii. if the amount so apportioned is 20% or more, but less than 50%, of the net annual value, the apportionment shall be shown in the NAV list;*
- iii. if the amount so apportioned is 50% or more, but less than 80%, of the net annual value, that amount shall be increased by 20% thereof (and the amount apportioned to the remainder of the hereditament shall be reduced accordingly) and the apportionment as so adjusted shall be shown in the NAV list;*
- iv. if the amount so apportioned is 80% or more of the net annual value, the hereditament shall be shown in the NAV list as used solely for the purposes of a prescribed recreation.*

*References to “the hereditament” for the above purposes do not include any part of the hereditament which is used for the purposes of a private dwelling.*

## ANNEX C –Summary of Initial Impact Assessment for Rates Cap Proposals

Impact Assessment Appraisal	Full Assessment/Appraisal Required Yes/No	Reason
<b>Social Impacts</b>		
Crime	No	No impact identified
Community Safety & Victims	No	No impact identified
Equality	Yes	Potential impact on pensioners - All section 75 groups will be accessed
Health	No	No impact identified
Human Rights	No	No impact identified
Rural	Yes	Affects all council areas – (see breakdown by council area)
Social Inclusion	No	No impact identified
<b>Economic Impacts</b>		
Economic Appraisal	No	No additional spending (revenue generating)
Economic Assessment	No	Doesn't impact on the provision of goods or services
Regulatory	No	No impact on business (domestic premises only)
State Aid	No	No impact identified
<b>Environmental Impacts</b>		
Environmental	No	No impact identified
Strategic Environmental	No	No impact identified
<b>Sustainable Development Impact</b>		
	No	No impact identified

## **Examples of Mitigations – Rates Cap Proposals**

### **1. Low income rate relief scheme**

The purpose of the low income rate relief scheme, first introduced in April 2007, was to provide assistance to those low income households that are just beyond the thresholds for Housing Benefit or that are in receipt of partial Housing Benefit.

The scheme was introduced under direct rule in 2007 as part of the wider rating reforms. It was intended for an uncapped scheme and was specifically designed to address the progressive nature of the capital value system (before the cap was introduced as part of the 2006 St Andrews agreement).

It is based on the design of the Housing Benefit (Rate rebate) scheme but with one significant difference - the low income rate relief scheme is unique to this jurisdiction and the Executive can determine the various parameters within the scheme.

The Executive also funds the rate relief scheme. Application for relief is made using the existing Housing Benefit application form. In very basic terms the rate relief scheme can provide additional help to those who are:

- a. pensioners and have savings of less than £50,000;
- b. under pension age who have savings of less than £16,000;
- c. getting Housing Benefit for only part of the rate bill;
- d. just outside the income limit for receiving Housing Benefit.

### **Pensioner examples – extracted from RPD levy analysis**

#### **Example 1**

The following provides a simple example of the level of support that rate relief can provide for a pensioner couple living in a £700k house in Belfast. In this example with a joint income of £30k and savings of £41k, under the Minister's proposals they will receive relief of £1,900 off a £4,153 rate bill. On the £400K Cap they would currently receive £661 of relief. In both scenarios their rates bill remains at £2,260.

#### **Example 2**

The following provides a simple example of the level of support that rate relief can provide for a single pensioner living in a £1.5M house in Belfast. In this example with an income of £22k and savings of £50k, under the Minister's proposals he/she will receive relief of £5,913 off a £7,442 rate bill. On the £400K Cap they would currently receive £1,400 of relief. In both scenarios the rates bill remains at £1,529.

More detailed examples of how this will work in practice will be laid out within the Department's consultation proposals coming forward in the next few weeks.

## **2. Lone pensioner allowance**

The Lone Pensioner Allowance provides a 20% discount on rates if a person is a pensioner aged 70 or over, is living on their own (there are some exceptions to this) and is liable for rates.

This policy arose from the 2007 Executive Review of Rating. There was clear evidence that single pensioners are more likely to be in poverty than pensioner couples, particularly those in the higher age ranges. In light of this, and given the low take up of existing reliefs among pensioners, the Executive decided to introduce a rates discount for pensioners aged 70 and over who live alone.

## Equality Assessment Work - Rates Cap Proposals

### Background

Section 75 of the Northern Ireland Act 1998, which came into force on 1st January 2000, states:

*A public authority shall in carrying out its functions relating to Northern Ireland, have due regard to the need to promote equality of opportunity;*

- (a) between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;*
- (b) between men and women generally;*
- (c) between persons with a disability and persons without; and*
- (d) between persons with dependants and persons without.*

*Without prejudice to its obligations above, a public authority shall, in carrying out its functions relating to Northern Ireland, have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.*

In line with commitments in its approved Equality Scheme, the Executive is committed to adhering to the principles of Section 75 of the Northern Ireland Act 1998 when reviewing and developing policy.

In order to assess the potential impact on Section 75 groups NISRA have been engaged to provide a dataset that matches available household characteristics to all domestic properties, specifying those that would be directly affected by this policy. A summary of these statistics is available on the following tables:



<b>Religion</b>	<b>Catholic</b>	<b>Protestant</b>	<b>Other</b>	<b>None</b>
All Households	42%	53%	1%	4%
Households Occupying >£400k property	34%	61%	2%	4%

<b>Marital Status</b>	<b>Single</b>	<b>Married/Civil Partnership</b>	<b>Separated</b>	<b>Divorced</b>	<b>Widowed</b>
All Households	24%	48%	7%	9%	12%
Households Occupying >£400k property	5%	80%	3%	4%	7%

<b>Ethnicity</b>	<b>White</b>	<b>Other</b>
All Households	98.7%	1.3%
Households Occupying >£400k property	98.4%	1.6%

<b>Gender</b>	<b>Males</b>	<b>Females</b>
All Households	58%	42%
Households Occupying >£400k property	74%	26%

	<b>Long-term health problem or disability</b>					
<b>Disability</b>	<b>Day-to-day activities limited a lot</b>	<b>Day-to-day activities limited a little</b>	<b>Day-to-day activities not limited</b>	<b>Day-to-day activities limited a lot: Aged 16-64 years</b>	<b>Day-to-day activities limited a little: Aged 16-64 years</b>	<b>Day-to-day activities not limited: Aged 16-64 years</b>
All Households	17%	12%	71%	8%	6%	61%
Households Occupying >£400k property	5%	8%	87%	2%	3%	70%

<b>Dependents</b>				<b>Married or in a registered same-sex civil partnership couple</b>			<b>Cohabiting couple</b>			<b>Lone parent</b>			
<b>Household Composition</b>	<b>Aged 65+ years</b>	<b>Other</b>	<b>All aged 65+ years</b>	<b>No children</b>	<b>Dependent children</b>	<b>All children non-dependent</b>	<b>No children</b>	<b>Dependent children</b>	<b>All children non-dependent</b>	<b>Dependent children</b>	<b>All children non-dependent</b>	<b>With dependent children</b>	<b>Other</b>
<b>All Households</b>	11%	17%	7%	10%	20%	8%	3%	2%	0%	9%	5%	3%	5%
<b>Households Occupying &gt;£400k property</b>	6%	5%	11%	15%	37%	13%	1%	1%	0%	3%	3%	3%	3%

<b>Age</b>	<b>Aged 29 and under</b>	<b>Aged 30 to 44</b>	<b>Age 45 to 49</b>	<b>Age 50 to 54</b>	<b>Age 55 to 59</b>	<b>Aged 60 to 64</b>	<b>Aged 65 to 74</b>	<b>Aged 75 to 84</b>	<b>Aged 85 to 89</b>	<b>Aged 90 and over</b>	<b>Mean age of HRPs</b>	<b>Median age of HRPs</b>
<b>All Households</b>	9%	28%	11%	10%	9%	8%	13%	9%	2%	1%	0%	0%
<b>Households Occupying &gt;£400k property</b>	1%	19%	15%	15%	12%	11%	15%	8%	2%	1%	1%	1%

The cap affects 7,000 properties located within all local government districts. However the most affected areas are Belfast with 39% and Ards and North Down that has 28% of all capped properties. These two areas unsurprisingly also account for the largest proportion of revenue forgone totalling £3.45m or 75% of the £4.5m total:

<b>Additional revenue broken down by council area (Levy) £m</b>	<b>Levy Revenue</b>
Antrim and Newtownabbey	£0.06
Armagh, Banbridge and Craigavon	£0.13
Belfast	£1.95
Causeway Coast and Glens	£0.11
Derry and Strabane	£0.06
Fermanagh and Omagh	£0.05
Lisburn and Castlereagh	£0.34
Mid and East Antrim	£0.06
Mid Ulster	£0.08
Newry, Mourne and Down	£0.21
Ards and North Down	£1.45
<b>Sub Total</b>	<b>£4.49m</b>

Table 1: Additional Regional Rate Revenue raised broken down by District Council area

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## RATES RETHINK CONSULTATION – BELFAST CITY COUNCIL DRAFT RESPONSE

Belfast City Council welcomes the consultation document “Reforming the Rating System #Rates – Rethink Spurring Economic Growth”. It considers many of the issues that have interested the Council in the delivery of its services. Each individual question is answered as the consultation request however the following general comments on rate reform we believe are worthy of attention as you take the process forward.

Belfast City Council supports the majority of the proposed reforms and believes they will help the regeneration and revitalisation of Belfast. There are some aspects of the proposals which will inhibit this process and they are highlighted in the following paragraphs. However these negatives are vastly outweighed by the positives.

### **Commercial Rates Reform - Reform of the Small Business Rate Relief (SBRR)**

In general Belfast City Council supports the replacement of SBRR to support the strategic development of businesses but would prefer if this was targeted to new start-ups and expanding SME's. However the Council recognises the importance of the retail and hospitality sectors to the economy and the range of small businesses which it is proposed will be classified as retail or hospitality. In addition potential exists to consider how the scheme should be targeted towards those sectors expected to deliver higher economic growth and productivity returns, as a means of maximising the economic benefit of the SBRR scheme.

### **Investment in Small Business**

<b>Question</b>	<b>BCC Response</b>
Do you agree that retail should be the subject of any SBRR Replacement scheme?	<p>Yes, any scheme should be available to all who satisfy the criteria. Any scheme should emphasise the need to stimulate retail activity and there should be an incentive which is linked to other rating matters to encourage participation in a vibrant small business community. Additionally whilst retail is a key sector within the city consideration should be given as to how SBRR can be used as a tool to maximise economic growth.</p> <p>It is the Council's view that any replacement scheme should have a focus on new start-ups and expanding SME's providing relief for a defined period. Consideration should also be given to targeting key growth sectors expected to significantly contribute towards economic growth of the city such as knowledge economy, creative industries, business and financial services etc.</p>
Do you agree that hospitality should be the subject of any SBRR Replacement scheme?	<p>Yes, any scheme should be available to all who satisfy the criteria. The hospitality industry is an important element of small business activity and should be actively encouraged to participate in a retail community. It is particularly important that this sector is supported because it has a wider role in relation to the revitalisation of the high street. It is the Council's view that any replacement scheme should have a focus on new start-ups and expanding SME's providing relief for a defined period. As above whilst hospitality is a key sector within the city consideration should also be given to targeting key sectors expected to significantly contribute towards economic growth of the city such as knowledge economy, creative industries, business and financial services etc.</p>
Will the policy proposal address	Yes, any measure that enables businesses to survive and

the issue of helping to regenerate our towns and cities?	prosper in the current period of uncertainty should be applauded. As stated above, small business rate relief scheme should be treated as an investment in the sector and should be looked at in conjunction with other incentives to maintain employment and stimulate business activity particularly in the high street. Small businesses also have a major role to play in maintaining a vibrant street scene. However as stated previously whilst the retail and hospitality sectors are key sectors consideration should be given to supporting sectoral growth for those industries expected to contribute most significantly to economic growth and productivity improvements. While small businesses play a vital role in our towns and cities, City Centre Regeneration requires major developments which would fall outside the scope of this relief. This requires a combined central and local government package of measure to support regeneration. This type of relief should be subject to proven business cases, which prohibits relief where displacement of existing ratepayers occurs. Sectors to target could include hotel developments, Grade A office space development and the redevelopment of vacant properties or derelict land.
What uses should be considered retail and hospitality (and what should be excluded)?	All uses should benefit from the scheme and we agree with the listings in Annex A. We believe they are comprehensive and with the proper application of the power should play a major role in encouraging small business activity.
Do you agree with the proposed conditions for entitlement	Yes if these are the sole range of criteria rules available. As a living wage employer the Council would particularly support the reference to accreditation with the Living Wage Foundation. There is also an opportunity to expand the parameters of the scheme and base it on ability to pay and thus helping those businesses which do not have any easy path to success.
Should the balance of available relief be targeted at lower value or higher value properties?	It is difficult for the Council to respond to this question without analysis of the impact of relief proposals on the small business community in the City.

### Small Business Empowerment Zones

The Council support the targeting of specific zones and the focusing of regeneration activity to support the economy, stimulate job creation and boost growth in the rate base. The innovative idea of small business empowerment zones would therefore be supported in principle by the Council as would the use of pilot areas to test the business case for such zones. The Council is not however in a position to comment on the specific proposals in the consultation as the financial implications in relation to the potential level of losses of rates income and whether local government will be reimbursed for additional reliefs provided thought the scheme is unknown.

Question	BCC Response
Do you agree with piloting empowerment zones in these two areas?	See above
Do you agree with the special measures proposed for the	See above

zones?	
Are there other ways in which the rating system should be used to help business in these areas?	Yes, other features of the rating system; such as hardship relief and empty rate exclusions should be available to assist in the development of the empowerment zones.
What partnership arrangements should be out in place in order to maximise the potential benefits of this proposal?	It is important that business organisations are in partnership with local authority in which the empowerment zone is located. These schemes should be part of the normal consultation process which encourages regeneration of any particular area.
What criteria should be used to judge the success of this proposal?	It should be judged by the number of created and sustainable businesses within the empowerment zone.

### Revitalising our High Streets

Question	BCC Response
Do you agree that the rating system should be used to incentivise behaviour?	<p>Belfast City Council views the rating system as part of the tools which can help incentivise city centre development. As stated previously the rating system could be utilised to foster entrepreneurship and accelerate the growth of key sectors. While we would support the proposal for converted properties, we also believe that revitalising our high streets requires the targeting of key developments such as hotels and Grade A office space as aligned to local needs and the development of the private rented sector in the City Centre.</p> <p>Additionally to support economic growth potential exists to utilise the rates system to incentivise investment including FDI activity. We would view the 100% exemption for three years as being excessive and that partial relief should apply. As in the issue with Empowerment Zones clarity needs to be given as to how this relief will be financed i.e. will this be a loss of income to local government? The economic impact of the proposed Empowerment Zones should be analysed on completion of the pilots to determine the impact of such an approach at a citywide level.</p>
Do you agree that this proposal will help demand for these properties?	We have no evidence to comment on this proposal either way; however we are certain that investment in the street scene is an essential element of revitalising the high street. We believe that any scheme that encourages the use of vacant property should be supported. We recognise that the high street is changing and that it is reverting back to a mixed approach of retail, other business sector uses and residential needs to be recognised. However it is important that any conversions to residential use blend into the street scene and do not create a pattern of occupation that appears to be disjointed.

Do you agree with limiting the incentive to the first occupier?	No. We believe that relief should be transferrable within the three year period in order to create stability and maintain a viable street scene.
What criteria should be used to judge the success of this proposal?	The criteria should be vacancy rates and sustainability and economic growth.

### Charity Shops

Question	BCC Response
Should charity shops be asked to pay a relatively small contribution to rates revenue?	BCC believes that charity shops should make a small contribution to rates revenue. An amount of 20% as in Britain would be reasonable.
Should exemption be capped at £25,000 NAV? Do you agree with the proposal to make commercial landlords liable for rates on short term Do you agree that this proposal will help demand for these properties?	Yes.

### Empty Property Rates

Question	BCC Response
Are there reasons as to why vacant property locally should be treated differently to other regions?	Yes, the Belfast is going through a significant period of change that is likely to last several years. During this period of change there will be new and altered buildings which will be available on the market. During the marketing period landlords should still be able to benefit from the 100% relief for the initial period of vacancy in order to support any efforts to find tenants. Removal of this relief is not supported by the Council and would damage efforts to achieve timely lettings.
Should a 75% charge apply here?	BCC would support a 75% charge as outlined, provided this was applied after the first 3 months of 100% relief. This 25% relief level would reflect local market conditions by providing a more favourable level of relief than Britain e.g. England Nil, Scotland 10%.
Are there other reasons why empty factories should not incur a vacant rating charge?	A full review of all excluded properties should take place. The Council believe that all properties, including empty factories, should pay a charge after the initial three month 100% vacancy relief period.



## Mines

Question	BCC Response
What are the implications for the mining sector of removing this relief?	No comment.

## Halls of Residence

Question	BCC Response
Do you agree that the current Halls of Residence exemption currently treats some students more favourably than others?	Yes. The Council's response to the earlier consultation on this issue highlighted the Council's belief that the current exemption is unfair to the students who reside in the general private sector in Belfast because those students are charged rates in with their rent and the large majority of them do not have access to rate rebate. It is therefore reasonable to put forward the equitable argument for removing the exemption from rating for premises used as student accommodation which is provided by certain educational establishments.
Do you agree with the Department's assessment of this issue, following the earlier consultation this year?	Yes the Council supports removal of the exemption. As stated in the Council's previous response, the Council believes that the current exemption is also unfair to all residents in Belfast that a proportion of occupiers make no contribution to local services irrespective of their personal financial circumstances. The removal of the exemption would also increase the overall tax base for the Council to help offset the additional costs incurred by the Council in providing services to new student accommodation developments in the City.

## Hardship Relief

Question	BCC Response
Do you consider that hardship relief is necessary?	Yes we do consider that hardship relief is necessary.
If so, what changes are needed?	There needs to be increased signposting of the scheme to increase its awareness.
What criteria should be used?	There needs to be a reconsideration of the definition of exceptional circumstances to take account of local impact.
Please provide views on how this can be done without duplicating the coverage provided by insurance?	Insurance is event driven, hardship has a much wider criteria. Any hardship scheme should always have regard to any likely income from alternative sources, these will include; insurance awards, damages awarded by any court, and any other source of "one off" revenue. Any hardship decision should be built around a clear data and circumstance evidence.

Do you think hardship support should be administered differently?	Must have local authority input into the decision making.

### Sports and Recreation Relief

Question	BCC Response
Do you agree that spectator stands that do not generate income should be treated as part of the sport and recreation assessment?	Yes, and therefore entitled to relief.
Do you think that the present “de minimis” criteria creates an unfair advantage to some clubs?	Yes and we think that these anomalies should be removed

### Domestic Rates Reform: The Rates Cap - Political Response

Question	BCC Response
Do you agree that the capped system of domestic rates is unfair to the vast majority of ratepayers?	
Do respondents consider that sufficient mitigations are in place to assist low income households (particularly asset rich income poor pensioners) that will be affected by this policy?	
Do you think that additional safeguards need to be implemented in order to mitigate hardship caused by the proposal to lift the cap in respect of the regional rate element of the bill?	<p>There are other issues that require consideration in relation to the rates cap:</p> <ol style="list-style-type: none"> <li>1. Why is the proposal to lift the cap in respect of the regional rate element only, and</li> <li>2. Why does the current proposal allocate all additional income raised through this levy to central government rather than apportion on a pro rate basis to central and local government in keeping with other income raised through the rating process?</li> </ol>

## Early Payment Discount

Question	BCC Response
Do you agree with the Department's assessment that the Early Payment Discount is unnecessary and unaffordable?	Yes.
Do you agree that the policy should be phased out, before its removal?	No, the policy should be abolished with immediate effect.

## Landlord Allowance

Question	BCC Response
Do you agree with the proposal to reduce landlord allowances to 5%?	The Council would not favour removing the allowance but would support a reduction to 5%.
What impact do you think this will have?	There is no information available as whether a reduced allowance figure would be adequate to compensate landlords. Some landlords will make tenants liable and collection will be more difficult.
Do you agree that the cut in allowance should be applied universally across all sectors?	The information available is inadequate for the Council to come to a view on this.

## Energy Efficient New Homes

Question	BCC Response
Do you agree with the proposal to provide a rates incentive for newly built energy efficient homes?	Yes.
What are your views on an appropriate standard, reliable assessment and safeguards?	There are now statutory measurement of the energy efficiency in dwellings. These rules should be sufficient to make any scheme viable.
Do you agree with limiting the incentive to the first occupier?	Yes.
What criteria should be used to judge the success of such a measure?	The criteria should be the number of new low carbon and zero carbon homes developed.

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## Minutes of Budget and Transformation Panel Meeting 12 January 2017

### Attendance

#### Members:

Alderman Pat Convery  
Councillor Deirdre Hargey (for Cllr J. McVeigh)  
Councillor Billy Hutchinson  
Councillor Michael Long  
Councillor Lee Reynolds  
Alderman David Browne

Apologies: Cllr Hussey, Cllr McVeigh

#### Officers:

Suzanne Wylie, Chief Executive  
Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources  
Gerry Millar, Director of Property and Projects  
John Walsh, Town Solicitor  
Phil Williams, Director of Planning and Place  
Nigel Grimshaw, Director of City and Neighbourhood Services  
Mark McBride, Head of Finance & Performance  
Emer Husbands, Strategic Performance Manager (secretariat)

#### In attendance for Item 9

Councillor John Kyle  
Councillor Tim Attwood  
Nicola Lane, Good Relations Manager  
Margaret Higgins, Senior Good Relations Officer

### 1. Revenue Estimates 2017 /18

The Director of Finance and Resources provided an updated position on the revenue estimates and rate setting process for 2017 / 18. This included the updates from the individual party groups following the recent briefings. The members discussed the updated proposals and agreed that they would be presented to the SP&R Committee on 20<sup>th</sup> January for a decision. The standing committees would then meet to agree their cash limits on 24<sup>th</sup> January with a view to SP&R agreeing a rate at a special meeting on 26<sup>th</sup> January to be recommended to full Council on 1<sup>st</sup> February. The Director also agreed to obtain an update on the position with the regional rate and the possible impact of an election on the overall process.

### 2. Belfast Agenda – Area Events

The Chief Executive circulated dates and venues for the four area briefing events on the Belfast Agenda. She informed the panel that additional sessions could be held in other

venues to ensure that as many people as possible had the opportunity to be involved in the consultation process. Also officers were available to brief local groups or attend local engagement sessions. Members outlined the need to possibly extend the consultation if an election was called.

### **3. Rates Consultation**

The Council's draft response to proposals on reforming the rating system together with a summary outlining the key issues in the consultation document was circulated. Members were asked to review the papers and if they had any specific questions or required further information to contact the Head of Finance and Performance. The members of the panel asked for information on the proposals relating to Halls of Residence and costs associated with this to be circulated to them.

### **4. Sunday Trading**

The Town Solicitor circulated a paper outlining the proposed next steps in relation to a consultation process to designate Belfast as a 'holiday resort' to improve the tourism offer in the city. The panel agreed the approach and outlined the need to extend the consultation process given the possibility of an election.

### **5. Leisure Update**

The Director of Property and Projects provided an update on the leisure programme and circulated a draft press release on the appointment of a contractor for the new facilities replacing Andersonstown Leisure Centre, the Robinson Centre and Brook Activity Centre.

The Town Solicitor provided an update on the recent decision in relation to the transfer of the Robinson Centre under Local Government Reform which saw the Council awarded £500,000 towards the cost of demolition of the centre and ensured that all liabilities relating to claims remain with Lisburn and Castlereagh City Council. Alderman Browne congratulated the Legal Services team on the work they had done in relation to achieving this outcome.

### **6. Planning Applications / Update**

The Director of Planning and Place updated the Members of the engagement process for the LDP Preferred Options paper and circulated the draft document which would be launched on 26<sup>th</sup> of January for formal consultation.

He also informed the panel of the applications that were being presented to the Planning Committee this month. The Director also highlighted that the Planning Department had seen an increase of 36% in planning applications that it has processed compared with this period last year.

#### **7. Memorandum of Understanding – Belfast Regeneration Directorate**

The Chief Executive informed the panel that the Council was continuing to work with DfC on regeneration issues in line with the MOU. In particular officers are currently working up proposals around a joint programme of work (including how resources can be better aligned) with a focus on progressing priority regeneration/development schemes within the city.

#### **8. AOB**

##### **(i) Party Group Leaders Meeting**

Party Group Leaders agreed to meet on Friday 20<sup>th</sup> January after SP&R to discuss a number of outstanding issues.

##### **(ii) Peace IV**

The Director of City and Neighbourhood Services updated the panel on the Peace IV Shared Space funding bid that had been submitted to SEUPB and in particular initial feedback that the council has received which requested additional information including specific site locations. The Director of Property and Projects circulated a map showing a number of current projects with a proposed location for the project which could enhance these current projects and help to join them up. Members were informed that a decision on the location was required by the end of January and it was agreed that officers should continue to work on the current proposal and the Party Group Leaders would consider this further at their meeting on 20<sup>th</sup> January

**Councillors John Kyle and Tim Atwood joined the meeting to outline proposals in relation to the Good Relations approach to Bonfires.**

(N Lane and M Higgins from the Good Relations Unit also attended in relation to this item)

#### **9. Bonfire Management Programme**

Councillors Kyle and Atwood reminded the panel of the background to the Bonfire Management Programme and then outlined proposed changes which had been circulated to members by way of a briefing paper. The members discussed the proposals including financial penalties, environmental issues and the broader programme of work. They agreed to add this to their agenda for further consideration on 20<sup>th</sup> January.

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<b>Subject:</b>	Requests for the use of the City Hall and the provision of Hospitality
<b>Date:</b>	Friday, 20th January, 2017
<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	
3.2.1	<b><u>Financial and Resource Implications</u></b>
3.3	Provision has been made in the revenue estimates for hospitality.
3.3.1	<b><u>Equality or Good Relations Implications</u></b> 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
IEEE MEMS 2018 Conference	IEEE MEMS 2018 Conference Reception 21st January, 2018 Approximately 400 attending	The use of the City Hall and the provision of hospitality in the form of a drinks reception	Delegates will be staying in accommodation in Belfast and the Congress will take place within the city.  This event would contribute to the Council's Key Themes of 'City Leadership – Strong, Fair, Together'.	The use of the City Hall and the provision of hospitality in the form of a drinks reception  Approximate cost £500
Ulster University	2018 British Human Computer Interaction Conference Dinner 4th July, 2018 Approximately 200 attending	The use of the City Hall and the provision of hospitality in the form of a drinks reception	Delegates will be staying in accommodation in Belfast and the Conference will take place within the city.  This event would contribute to the Council's Key Themes of 'City Leadership – Strong, Fair, Together' and 'Better Opportunities for Success Across the City'	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception  Approximate cost £500
European Federation for the Science and Technology of Lipids	Congress Dinner for the European Federation Lipid Congress 18th September, 2018 Approximately 250 attending	The use of the City Hall and the provision of hospitality in the form of a drinks reception	Delegates will be staying in accommodation in Belfast and the Conference will take place within the city.  This event would contribute to the Council's Key Themes of 'City Leadership – Strong, Fair, Together' and 'Better Opportunities for Success Across the City'	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception  Approximate cost £500
Queen's University Belfast	European Symposium on Clinical Pharmacy 2018 Welcome Reception 23rd October, 2018 Approximately 500 attending	The use of the City Hall and the provision of hospitality in the form of a drinks reception	Delegates will be staying in accommodation in Belfast and the Conference will take place within the city.  This event would contribute to the Council's Key Themes of 'City Leadership – Strong, Fair, Together' and 'Better Opportunities for Success Across the City'	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception  Approximate cost £500

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