

Strategic Policy and Resources Committee

Thursday, 26th January, 2017

SPECIAL MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor Hussey (Chairperson);
The High Sheriff (Alderman Haire);
Aldermen Convery and Rodgers;
Councillors Attwood, Corr, Craig, Graham,
Hargey, Hutchinson, Jones, Long, McCabe,
McVeigh, O'Donnell, Reynolds and Walsh

In attendance: Mrs. S. Wylie, Chief Executive;
Mr .G. Miller, Director of Property and Projects;
Mr. R. Cregan, Director of Finance and Resources;
Mr. J. Walsh, City Solicitor;
Mr. S. McCrory, Democratic Services Manager; and
Mr. J. Hanna, Senior Democratic Services Officer.

Apologies

An apology for inability to attend was reported from Councillor McAllister.

Declarations of Interest

No declarations of interest were recorded.

Revenue Estimates and District Rate 2017/18

The Committee considered the undernoted report:

“1.0 Purpose of Report

- 1.1 The Strategic Policy and Resources Committee, at its meeting on the 20 January 2017, considered the proposed 2017/18 revenue budgets and cash limits for the Strategic Policy and Resources, People and Communities, City Growth and Regeneration and Planning Committees.**
- 1.2 The Committee agreed that the revenue budgets and cash limits for the People and Communities Committee, City Growth and Regeneration Committee and the Planning Committee should be referred to special meetings of each Committee on 24 January 2017.**
- 1.3 This report provides recommendations for the Committee Cash Limits and District Rate for 2017/18.**

2.0 Recommendations

2.1 The Committee is asked to agree:

- That this paper should not be subject to call-in (as indicated above) because it would cause an unreasonable delay which would be prejudicial to the Council's and the public's interests in striking the district rate by the legislative deadline of 15th February 2017.
- A cash limit of £42,443,408 for the Strategic Policy and Resources Committee for 2017/18, including £3,270,000 relating to the Belfast Investment Fund.
- A cash limit of £76,242,845 for the People and Communities Committee for 2017/18.
- A cash limit of £15,841,354 for the City Growth and Regeneration Committee for 2017/18.
- A cash limit of £1,520,440 for the Planning Committee for 2017/18.
- The capital financing budget of £18,751,901 for 2017/18.
- That the increase in the district rate for 2017/18 should be 1.89%, based on an estimated penny product of 5,875,174 meaning a non-domestic rate of 26.3481 and a domestic rate of 0.3199 and that the amount to be raised through the district rate in 2017/18 will be £149,511,770.
- Note the Director of Finance and Resources statement on the adequacy of the Council's reserves position and the robustness of the revenue estimates as required by the Local Government Finance Act (NI) 2011.
- Note the Minimum Revenue Provision (MRP) Statement (Appendix 5) as required by the Local Government (Capital Finance and Accounting) Regulations (NI) 2011.

3.0 Main report

- 3.1** Table 1 below summarises the net cost of the Council for 2017/18 and shows that the amount to be raised through the district rate in 2017/18 is £149,511,770. This represents a 1.89% increase in the district rate.

Table 1 Cost of Running the Council in 2017/18

	Cost (£)
Strategic Policy and Resources Committee	39,173,408
People and Communities Committee	76,242,845
City Growth and Regeneration Committee	15,841,354
Planning Committee	1,520,440
Net Departmental Expenditure	132,778,048
Belfast Investment Fund	3,270,000
Capital Financing	18,751,901
Total Net Council Expenditure	154,799,949
Less Derating Grant	-5,288,179
Amount to be Raised from the District Rate	149,511,770

Strategic Policy and Resources Committee Cash Limit

- 3.2 The recommended cash limit for the Strategic Policy and Resources Committee agreed by the Committee at its meeting on the 20 January 2017 is £42,443,408, which includes £3,270,000 relating to the Belfast Investment Fund and the additional £750,000 of funding for the Belfast Agenda Priorities.
- 3.3 The revenue estimates for the Strategic Policy and Resources Committee comprise the revenue budgets for the Chief Executive's Department including City Centre Regeneration, Property and Projects Department and the Finance and Resources Department.
- 3.4 The budget for each main service area and corporate finance budgets are summarised in Appendix 1.

People and Communities Committee Cash Limit

- 3.5 The People and Communities Committee, at its meeting on the 24 January 2017, noted the revenue budget and cash limit of £76,242,845 as recommended by the Strategic Policy and Resources Committee. Each main service area is summarised in Appendix 2.

City Growth and Regeneration Committee Cash Limit

- 3.6 The City Growth and Regeneration Committee, at its meeting on the 24 January 2017, agreed the revenue budget and cash limit of £15,841,354 as recommended by the Strategic Policy and Resources Committee. Each main service area is summarised in Appendix 3.

Planning Committee Cash Limit

- 3.7 The Planning Committee at its meeting on the 24 January 2017, agreed the revenue budget and cash limit of £1,520,440 as recommended by the Strategic Policy and Resources Committee. Each main service area is summarised in Appendix 4.

Belfast Investment Fund

- 3.8 The annual contribution to the Belfast Investment Fund is £3,270,000 and this is included in the Strategic Policy and Resources Cash Limit above.

Capital Financing Budget

- 3.9 The Council will have secured a capital financing budget of £18,751,901 in 2017/18 to support its capital investment programme. The only change from 2017/18 is the inclusion of £661,000 financing for the new office accommodation. This money has been financed through efficiency savings and not through an increase in the district rate. The savings come from the rationalisation of the accommodation estate with the opening of the new office block in Adelaide Street.

The 2017/18 capital financing budget is summarised in Table 2 below.

Table 2 – Capital Financing Budget 2017/18

Capital Financing	(£)
Capital Programme	10,312,676
Transferred LGR Loans	677,319
Leisure Investment Programme	7,100,906
Accommodation Efficiencies	661,000
Total	18,751,901

Derating Grant

- 3.10 The grant received from central government (Derating Grant) which compensates the Council for de-rated properties will increase by £59,052 to £5,288,179 in 2017/18.

Local Government Finance Act (NI) 2011

- 3.11 The Local Government Finance Act (NI) 2011 requires the Director of Finance and Resources, in his role as designated chief financial officer, to provide assurance to Members on the robustness of the revenue estimates. The Finance Act requires the Council to have regard to this statement when considering the estimates and the amount estimated to be required to be raised by means of rates. He is also required to report on the adequacy of the Council's reserves position as part of the rate setting process.

The development of the revenue estimates for 2017/18 commenced in June 2016 with the identification of uncontrollable costs arising from external influences, the development of the detailed budgets at cost centre and account code level across the organisation and the consideration and challenge of base budgets and growth proposals.

Reports were presented to the Strategic Policy Resources Committee from November 2016 to January 2017 which detailed the additional financing requirement for the Council, based on uncontrollable costs (e.g. salary costs, apprentice levy, waste disposal) and additional investment to support the Belfast Agenda. These reports also provided updates to Committee on the efficiency programme which resulted in £2,876,970 of efficiencies being removed from based budgets as compared to the targeted savings of £2,000,000.

As the result of this process the Director of Finance and Resources is satisfied that the estimates presented should provide adequate financial resources to support the running costs of the Council for 2017/18 and that reasonable consideration of the financial risks to the Council have been made in the preparation of the estimates.

Alongside the development of the revenue estimates, work was undertaken with Land and Property Services (LPS), supported by the Institute of Revenues, Rating and Valuation (IRRV) to validate the Estimated Penny Product for 2017/18 including losses on collection.

The decline in the rate base, mainly due to successful rating appeals and the removal of non-domestic properties from the valuation list resulted in the Estimated Penny Product (EPP) being reduced by £61,114 (1.03%) a loss of £1,511,561 annual rates income. This revised EPP has been included in the district rate calculations.

The Council's general reserves position is forecast to be £12.8m by the end of 2017/18. The Director of Finance and Resources believes that the level of reserves should be maintained at this level to safeguard the Council's exposure to financial risk including any backdated element of non-domestic revaluation appeals.

The Director of Finance and Resources is therefore satisfied with the robustness of the revenue estimates and that the reserves position is adequate for the Council and does not require enhancement though the district rate in 2017/18.

Regional Rate

- 3.12 The Regional Rate has not been set at this stage.

Impact on Ratepayer

- 3.13 Table 3 below illustrates the impact of a 1.89% increase in the district rate on ratepayers by average property type.

Table 3: Impact on Ratepayer by Property Type

Property Type	Annual Increase	Monthly Increase
Terraced House	£5.12	£0.43
3 Bed Semi-Detached	£7.83	£0.65
4 Bed Detached	£17.41	£1.45
Apartment	£4.94	£0.41
Average Office	£134.61	£11.22
Average Retail	£131.34	£10.95

Communication

- 3.14 It is proposed to use the following key messages for the announcement of the agreed rate:
- Belfast City Council has agreed a district rate increase of 1.89%.
 - To set this level of district rate, the Council has delivered £2.9m of cash savings without impacting on frontline service delivery.

- The average impact on domestic ratepayers is less than £1 per month or less than £10 per year. Business and offices will pay on average an extra £11 per month or £130 per year.
- The Council has shown responsible leadership by achieving the balance between investing in the city to secure jobs and grow the economy during these difficult times while also providing value for money services.
- The Council's long term strategy is to improve the retail and hotel offering and office and business infrastructure to attract major investors and businesses to the city in order to increase its rate income, with the effect of further investment and keeping rates as low as possible.
- The Council will continue to maintain and improve its services, to invest in local communities while at the same time delivering a further £6 million of efficiencies in the next two years.
- The Council will invest:
 - £22.77m in city centre regeneration projects
 - £36m in local regeneration projects
 - £150m in providing new facilities and refurbishing existing ones
 - £105m in new leisure facilities.

3.15 In addition Corporate Communications will produce a press release for Members. A pull out section on the district rate, services and capital investment will be provided in the next addition of City Matters. The My Rates Page on the website will be updated.

3.16 Financial & Resource Implications

The report details the cash limits and level of district rate required to meet the additional financing requirement of the Council for 2017/18.

3.17 Equality or Good Relations Implications

There are no equality or good relations implications associated with this report.”

APPENDIX 1

STRATEGIC POLICY & RESOURCES COMMITTEE
ESTIMATE ANALYSIS 2017-18

SERVICE	BUDGET 2017-18
Corporate Priorities.	2,423,750
City Centre Regeneration	1,035,662
Human Resources	3,009,237
Democratic Services	2,290,596
Corporate Communications	1,217,137
Central Support Unit	1,734,818
Legal Services	1,499,736
Strategic Policy	719,435
Corporate Management	1,663,474
Finance & Performance	2,532,874
Digital Services	5,188,661
Audit	1,018,576
Corporate Directorate	1,106,787
Property Mgmt.	1,775,426
Estates	-4,459,575
Facilities	15,241,136
Contracts	820,895
Good Relations	354,783
COMMITTEE TOTAL	39,173,408
Belfast Investment Fund	3,270,000
Capital Financing	18,751,901

APPENDIX 2

PEOPLE & COMMUNITY COMMITTEE
ESTIMATE ANALYSIS 2017-18

SERVICE	BUDGET 2017-18
Cleansing	18,063,073
Community Services	6,557,491
Directorate Support	2,701,136
Environmental Health	7,115,033
Leisure - GLL	7,247,371
Leisure - BCC	374,635
Neighbourhood & Development	4,248,166
Parks & Cemetery Services	9,485,141
Waste Management	20,450,799
COMMITTEE TOTAL	76,242,845

APPENDIX 3

CITY GROWTH & REGENERATION COMMITTEE
ESTIMATE ANALYSIS 2017-18

SERVICE	BUDGET 2017-18
Economic Initiatives & ID	7,956,603
Development Directorate	3,221,847
City Events & Venues	4,260,059
Carparking	-919,247
Estates	376,718
Zoo	930,374
North Foreshore	15,000
COMMITTEE TOTAL	15,841,354

APPENDIX 4

PLANNING & LICENCING COMMITTEE
ESTIMATE ANALYSIS 2017-18

SERVICE	BUDGET 2017-18
Planning	1,145,983
Building Control	374,457
COMMITTEE TOTAL	1,520,440

Appendix 5

Belfast City Council
Minimum Revenue Provision Annual Statement
January 2017

1. Introduction

- 1.1 The Local Government (Capital Financing and Accounting) Regulations (NI) 2011 requires Councils to determine an amount of minimum revenue provision (MRP) which it considers to be prudent. This provision will be charged to the general fund each year and will be in respect of the financing of capital expenditure incurred in current or prior years.

2. Minimum Revenue Provision (MRP)

- 2.1 The general MRP provision for capital expenditure financed by loan sanctions issued by the Department of the Environment up to and including 2011/12 and for borrowing incurred in 2012/13 and later years, will be charged to the general fund on a straight line basis in-line with the asset life determined for depreciation purposes either:-

- In the financial year in which the expenditure was incurred, if the expenditure was incurred during the first six months of the financial year.
 - or
 - In the financial year following the one in which the expenditure was incurred, if the expenditure was incurred during the last six months of the financial year.
- 2.2 The MRP will not be made on the value of Long term Debtors outstanding, as these will be repaid by third parties and it is not therefore deemed necessary to make an additional revenue charge in relation to these amounts. However, if a third party is not making annual repayments of principal, the MRP payments will be made over the asset life.
- 2.3 If the Council enters into finance leases, the MRP will be calculated in accordance with the requirements of International Financial Reporting Standards (IFRS) and be equal to the principal elements of the lease payments.

After discussion, it was

Moved by Councillor Reynolds,
Seconded by Councillor Craig,

That the increase in the District Rate for 2017/18 be set at a maximum of 1.61%.

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

The Committee adopted the recommendations as set out in paragraph 2.1 of the report.

PEACE IV – Local Action Plan Shared Space Proposal

The Committee considered the undernoted report:

“1.0 Purpose of Report or Summary of main Issues

- 1.1 **The purpose of this report is seek to approval on the Shared Space element of the PEACE IV Local Action Plan.**

2.0 Recommendations

2.1 The Committee is asked to;

- Approve the redrafting of the Shared Space element of the PEACE IV Local Action Plan as outlined below.

3.0 Main report

Background

3.1 The Special EU Programmes Body (SEUPB) invited Local Authorities to prepare Local Action Plans under the themes of Children & Young People, Shared Spaces & Services and Building Positive Relations as part of Objective 3 of the European Union's PEACE IV Programme. The bid is for approximately €17 million to be delivered from 2017 to 2021. Council's initial bid was approved by the PEACE IV Steering Committee (with an initial score of 72%) and Council submitted a more detailed Stage 2 application on 2nd September. The indicative financial allocation for the Shared Space theme is a maximum of €5.3 million which can comprise of a mix of capital and revenue funding. Members are advised that in addition to the development of Local Action Plans there is a separate funding call for large scale capital projects administered by SEUPB on a regional basis.

3.2 The criteria for the Shared Space theme allows for the following indicative activities

- Activities that contribute to an enhancement of the environment in local communities e.g. the enhancement of existing urban infrastructure or natural spaces.
- Dialogue, reconciliation and capacity building between interface communities, leading to the creation of shared vision and conditions where communities feel it is safe and appropriate to proceed with the removal of interface barriers;
- Developing the shared aspects of existing neighbourhoods, public spaces and buildings;
- Support for local initiatives with the aim of making public space in cities, towns and villages more inclusive, this will often involve addressing sensitive topics around parades, flags, emblems, graffiti and other issues which serve to intimidate and make some members of society, whether based on religion, race or other factors feel unwelcome in some areas.

3.3 The Local Action Plan proposal was developed in line with these criteria. It aims to promote positive attitudes towards shared space, address post conflict issues, improve connectivity and build on the city's wider economic potential. Funded activities would focus on engagement with local communities on concepts of shared space and explore how this can be practically applied in terms of:

- Community relations
- Physical and social regeneration
- Ensuring a sustainable and liveable city.

3.4 The approach would seek to adopt an asset based community development model and support local communities in placemaking and in the development of a transferable approach to the identification, design, programming and management of shared space in the City, all within the context of improving community relations.

3.5 The proposal as submitted included scope for infrastructure/capital works as well as programming costs. The exact locations for the proposed signature civic space and satellite environmental improvement schemes were to be identified in Phase 1 of the works which was planned to run until September 2018. Criteria for selection included as a minimum feasibility; deliverability; sustainability and affordability of proposals along with contribution to the specific PEACE IV Programme objectives and desired results; transformational potential, quality of design and value for money.

3.6 Completion of all activity under the theme was anticipated by December 2021.

3.7 Key Issues

SEUPB has now requested additional detail on the Shared Space element of the proposed Local Action Plan for Belfast including identification of target locations for the proposed capital element with a redrafted bid to be submitted to them by the end of January. SEUPB have indicated that they expect target locations to have a clear and demonstrable peace and reconciliation focus in line with the criteria detailed above and expect the Belfast Plan to target significant interface areas.

3.8 Senior Officers were briefed on feedback from SEUPB on the application on Monday 9th January and discussed options around further development of the Shared Space proposal. It was agreed that the methodology and approach as outlined

in the bid were still relevant and appropriate but that the identification of target locations for the proposed capital element would need to be accelerated to meet SEUPB's timetable and requirement for up front identification of specific locations.

3.9 In discussion of the options consideration was paid to a number of capital schemes at varying stages of development that are seeking funding. However given the call criteria as outlined above significant potential was identified for the focus of delivery to be put on the Springfield Road interface which remains the longest physical barrier in the city. The approach would involve developing a corridor of shared space via key locations at Springfield Dam, Paisley Park and the Invest NI land on the former Mackie's site. A map is attached for reference.

3.10 Activity under the Shared Space theme would focus on creating and improving linkages between, and increasing usage of, significant assets within the area, promoting shared space within the particular local context as well as complementing existing and proposed new developments in the area. This approach would be reflected in the allocation of programming and capital works undertaken under this theme.

3.11 Proposed Capital Allocations

Within the PEACE IV bid under the Shared Spaces theme approximately £2.6 million was allocated for infrastructure/capital works. If this proposal is approved for funding by SEUPB then PEACE IV funding would allow for further development of the Springfield Dam site following transfer from the Department for Communities (DfC) and completion of initial capital works to provide the basic framework to improve access and provide for recreational use of the site. PEACE IV funding would allow for enhancements to Springfield Park in line with development proposals which could include performance area, park furniture, art installation etc and enhancements to the Dam itself, including boardwalk, boathouse and jetty etc.

3.12 The remaining capital allocation would support and complement the planned DfC development for Paisley Park aimed at increasing access from Springfield Road and assist in the development of the Invest NI site aimed at improving

access from Woodvale Park. There would also be scope for supporting other small scale Environmental Improvement schemes which would arise through the Shared Space programming element.

3.13 Other Areas of the City

In addition to this signature proposal resources would also be deployed under this theme to explore developing similar approaches in other significant areas of the city, e.g. Girdwood, Cultural Corridor, City Centre Gateway sites etc to work with local communities on identifying and planning for other shared spaces and their long term management, programming and sustainability, building upon the existing assets and relationships in the area.

3.14 Areas to be prioritised for involvement would be those that are continuing to deal with legacy issues arising from the conflict and suffering from high levels of social deprivation including poverty, low educational attainment, barriers to improved employability and increased economic activity, mental health and wellbeing issues and disability.

3.15 Programming

Throughout the engagement and design stages and in the identification and agreement on principles of shared space specific consideration will be paid to the impact of parades; flags, emblems, graffiti and other related issues upon successful design and creation of shared spaces as well as the ongoing programming and management of shared spaces. This will be done through creative use of planning scenarios; visioning and other techniques to facilitate discussion. The same approach will apply to the linked satellite spaces developed under this theme.

3.16 Communities would be assisted to build local capacity in terms of action planning, animating and managing shared spaces and would provide an opportunity to link in with Council's approach to community asset transfer.

3.17 Activities would involve

- Support for technical assistance for visioning and planning purposes.
- Regular knowledge exchange and best practice events so that learning can be shared across the city and to identify potential for innovation and collaborative work.

- Agreement of Shared Space Principles and identification of Environmental Improvement locations and civic space site.
- Diversity Awareness/ Good Relations training/ events
- Animation/ Placemaking Events/ site tours
- Scenario Planning/ Visioning/ Discussion & Debate Support for technical assistance for Design/ Programming/ Management/ Sustainability.
- Initial Draft Designs/ Concept - EI Schemes
- Development of Good Relations Toolkit and Guide for shared spaces
- Ongoing Evaluation

3.18 Building on other investment

Significant potential was also identified to use the programme funding in terms of building the capacity and capabilities of relevant community and voluntary organisations in the area as well as contributing to key policy priorities for the city Integrated Cultural Strategy, Employability and Skills framework; City Centre Regeneration Framework etc.

3.19 The work would also seek to build upon the Shared Space policy and community engagement approach developed for the new Innovation factory located on the former Mackie's site on the Springfield Road as an example of how this concept of shared space can be put into practice with the support of the Programme.

3.20 Links/ Complementarity

Potential to bring in key partners in the area such as the Innovation factory; Belfast Metropolitan College; Department for Communities; NI Housing Executive and PSNI as well as sharing learning with other complementary initiatives in the city.

3.21 The proposal also offers scope to tap into the expertise and experience of other networks for example the Neighbourhood Project (supported through the Rockefeller Foundation's 100 Resilient Cities initiative) being piloted by local authorities in Australia to promote short term, low cost and scaleable interventions to catalyse long term sustainable change and the Young Foundation's approach to fostering social innovation.

3.22 Activity under this theme would also be complemented by programming under the Children & Young People and Positive Relations themes of the PEACE IV Action Plan and

work alongside key partners such as the NI Housing Executive and their approach to the engagement, empowerment and enabling of local communities to achieve positive outcomes.

3.33 Financial & Resource Implications

100% funding is available under the PEACE IV Action Plan for supported activities deemed eligible and compliant by the Managing Authority.

3.24 Equality or Good Relations Implications

The Plan's design and implementation is intended to help promote equality of opportunity and good relations within the city so the Plan has been screened out on the basis that the screening exercise identified major positive impacts across Section 75 grounds which are considered as impacts that would help to promote equality of opportunity and good relations."

The Committee approved the redrafting of the Shared Space element of the PEACE IV local action plan as outlined in the report.

Restricted Item

The information contained in the following report is restricted in accordance with Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

Arrangements for Future Management of Human Resources

(With the exception of the Chief Executive and the Senior Democratic Services Officer, all Members of staff left the meeting whilst this item was under consideration)

The Chief Executive submitted for the Committee's consideration a report outlining the arrangements to cover the HR and organisation and development needs of the Council following the resignation of the Director of Organisational Development.

After discussion, the Committee agreed to

- Delegate authority to the Chief Executive to fill the established tier 3 Senior HR post to cover the key areas of HR Services;
- The Director of Development becoming the SRO for the development work for the Employability Project Belfast Works from the beginning of the next financial year;
- Delegate authority to the Chief Executive to implement interim arrangements for the other aspects of the Director of Organisational Development's role; and

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- A report providing further options on the organisation design previously agreed by the Committee being submitted for its consideration at a future meeting.

Standing Order 14

In accordance with Standing Order 14, the Committee agreed as the meeting had been held later than seven clear days before the meeting of the Council, that the minutes of the meeting be submitted to the Council on 1st February for ratification.

Chairperson