

Belfast City Council

Report to:	Strategic Policy & Resources Committee
Subject:	'Investment Package' Update
Date:	28 October 2011
Reporting Officer:	Peter McNaney, Chief Executive

1.0	<u>Relevant Background Information</u>
1.1	<p>Members will recall that a first cut of a draft 'investment package' was presented to Committee at its meeting on 23rd September. At this stage it was highlighted that this was a work in progress and would be further refined over the coming months following feedback from Members. At the meeting, Members asked that the following issues be addressed in a future iteration of the package:</p> <ul style="list-style-type: none"> • balance between investment in the city through financial support for big construction projects and support for individuals struggling to cope with the recession; • investigate how we could do more to address the issue of employability by working with relevant government bodies such as the Department for Employment and Learning and by introducing a city-wide bursary scheme; • explore how we can identify more focused advice, support and signposting services to those in debt and examine how we can offer opportunities for internships, mentoring schemes and apprenticeships; • more work required on the contribution that procurement and social clauses might make to providing opportunities to local firms and those not in employment; • reduction in the levels of poverty and inequality need to be more central in the document; • the Council needs to drive the agenda for reducing health inequalities; • explore the social economy and the potential to work with other bodies in that area; • a commitment to ensure that the good relations and equality strategy is considered in relation to all the projects across the City in which the Council was involved; • a greater civic leadership role - Council as the voice of the city in relation to advocating for the needs of its citizens and marketing the city for investment and tourism; • develop an international and external relations strategy, and form key relationships with bodies such as Invest NI and government departments to ensure that investment efforts are aligned and focused; and • ensure that the identification of place shaping projects is spread fairly across the city and that key projects in the city centre, such as a civic square around the City Hall and the development of St George's Market, are considered. <p>This report sets out progress in responding to the issues raised by Members at the Committee and at subsequent sessions, including the Economy Workshop on the 28th September and the place shaping area based sessions (North, South, East, West and Shankill) which</p>

	<p>commenced on 10 October and concluded on 17 October.</p> <p>In order to take forward the next iteration of the investment package Members are asked to consider the information set out at appendix 1 for inclusion within the stimulus package. The appendix addresses each of the issues raised by Members in turn, providing an update on what the Council currently does in relation to each, and the proposed text for inclusion in the package.</p> <p>Members should note that in some cases, for example with respect to the good relations and equality theme, issues will be developed further at the next and final thematic workshop – “people and communities” which will also deal with neighbourhood interventions and local investment. Members will be informed of the date of this workshop as soon as it is identified.</p>
2.0	<u>Key issues</u>
2.1	Place-shaping
2.1.1	<p>Members will recall that they agreed that they wished to progress those projects which were ready to move forward but also to get other projects to a state of readiness where they might avail of potential funding opportunities or be the subject of advocacy by Members for funding. In order to progress this, a series of area based (North, South, East, West, Shankill) place shaping sessions took place in mid October. The purpose of these sessions was to consider in further detail the place-shaping projects and to agree -</p> <ul style="list-style-type: none"> • A set of principles to underpin further prioritisation; • A set of political priorities in relation to major capital projects; and • A list of prioritised projects and agreement on further work to take this forward
2.1.2	<p>At these sessions Members considered the list of projects, including those already committed and underway, those prioritised by Members at the workshop on the 17 August and those on the longer list, for the relevant area and the city centre. These were set within the context of deliverability – i.e. the steps that were necessary to take a project from concept through to delivery, including concept design and agreement, potential funding arrangements; detailed design and costings; political approval, planning permissions; project planning, procurement, contract management and delivery.</p>
	<p>The set of principles that were agreed included</p> <ul style="list-style-type: none"> • political prioritisation • the need for a balance of projects across the city • projects must meet the Council’s objectives • Affordability / funding • Deliverability
2.1.3	<p>The revised list of prioritised projects is included at Appendix 2. (NB Not yet included as these sessions will conclude on Monday 17th October). Members are asked to agree that Member/Officer working groups are now established to progress these projects. Members have already agreed at their meeting on 23 September that £125,000 is set aside through in-year reallocation to develop feasibility studies or other preparatory work in relation to progressing these projects.</p>
2.1.4	<p>In terms of governance for this work, officer input to the working teams will be overseen by</p>

	<p>designated Chief Officers. Composite reports on the outcomes of the working groups will be brought to Budget and Transformation Panel and SP&R to ensure that a city-wide perspective is taken and to ensure the balance that Members have asked for. It will be necessary to progress this work in the context of affordability as part of the rate-setting process. This means taking prioritisation as far as possible before the SP&R meeting in December so that investment decisions can be made in the context of the level of rate to be set. Members will then have a further opportunity to assess affordability in January when the final rates forecast becomes available from the LPS.</p>
2.2	POVERTY AND INEQUALITIES FRAMEWORK
2.2.1	<p>Given the impact of the economic downturn on some of the most vulnerable communities in the city, Members wanted to see the Council's work towards a poverty and implementation framework given greater prominence. Therefore the updated investment package will set out the Council's commitment to the implementation of the poverty and inequalities framework, once this has been agreed by Members, as a key policy tool which will ensure that effort is concentrated on reducing inequalities that exist across the city, including those pockets of disadvantage at sub-ward level. In addition to the measures relating to procurement and social clauses, improving skills and reducing worklessness set out in other parts of the stimulus package, key actions in the draft being presented to the Development Committee on xxxx include:</p> <ul style="list-style-type: none"> • work to support the social economy; • Support and funding for the advice provision infrastructure in Belfast; • Fuel poverty; • Access to services; • Reducing health inequalities. <p>Green New Deal</p> <p>Linked to the above, Members may be aware of the '<i>Green New Deal</i>' concept proposal. This is a joined up approach aimed at tackling the '<i>triple crunch</i>' of recession, rising energy prices and climate change and essentially is a scheme which could provide jobs for local people and reduce household bills by increasing energy efficiency. There is the potential for the Council to work with the Green New Deal Trust on a pilot programme where the Council provide loans to the Trust for the purpose of making pay-as-you-save loans available to households in their area.</p> <p>With Members' approval, further work will be undertaken to assess the potential for Council's involvement in this scheme, including a detailed examination of any obstacles in relation to its legal power to do it and how it would be financed. Again, this work will be fed into the overall affordability debate. It is anticipated that a more detailed report on this scheme will be brought to Committee as part of the rates setting process.</p>
2.3	SOCIAL CLAUSES
2.3.2	<p>As discussed at the economy workshop in September, there are currently legal constraints on the Council's ability to use social clauses in contracts. However, as Members are aware, the Council has recently received a consultation document: the Draft Local Government Best Value (Exclusion of Non-Commercial considerations) Order (Northern Ireland) 2011, issued by the Department of the Environment, which proposes to make regulations under the Best Value Act 2002 to relax the restrictions on matters which Councils can consider in exercising their procurement functions.</p> <p>The proposed Order will enable Councils to include certain 'social clauses' in procurement contracts, but providing that they are relevant for Best Value purposes. A copy of the consultation document</p>

	<p>can be found at:</p> <p>http://www.doeni.gov.uk/consultation_document_draft_local_government_best_value__exclusion_of_non-commercial_considerations__order_ni.pdf.</p> <p>A hard copy of the document has been placed in the Members' library or can be obtained from Kevin Heaney on email: heaneyk@belfastcity.gov.uk, Tel: 028 9027 0595.</p>
2.3.3	<p>In terms of responding to the consultation document, it is proposed that Members welcome and support the introduction of this legislation and the greater flexibility which it seeks to introduce, albeit that this is in the context of securing compliance with best value requirements as set out in the Local Government (Best Value) Act (Northern Ireland) 2002.</p>
2.4	SUPPORT FOR EMPLOYABILITY AND LOCAL SUPPLIERS
2.4.1	<p>Appendix 1 sets out in some detail what the Council is currently doing in terms of supporting employment and skills development and supporting local suppliers across the city and outlines a range of new proposals, for Members' consideration, for potential support initiatives including: community outreach; internships, placements and other employment and career support initiatives which the Council may wish to pursue. In line with the analysis contained within this report, it is proposed that the revised package will include proactive exploration of the following:</p> <ul style="list-style-type: none"> - City-wide Bursary Scheme - The Department for Employment and Learning (DEL) has recently commissioned a feasibility study about making a bursary scheme available across the city. It is proposed that the Council should work with DEL to ensure that any emerging recommendations represent the maximum benefit to people across the whole city. In order to ensure meaningful engagement and underline commitment to this outcome, it is proposed that a sum should be committed through the Council's estimating process to ensure effective delivery of the recommendations with a view to seeking match funding from DEL and the private sector. A sum of up to £100,000 is potentially available through re-alignment of the Council's thematic budgets. - Council participation in a city wide Social Clause Delivery Forum where we will work with partners such as the Department for Employment and Learning (DEL), the Housing Executive, Construction Industry Forum, Central Procurement Directorate, Strategic Investment Board, business representative organisations, community organisations and training organisations to seek to mainstream social clauses in key public contracts. - Increased support for internship programme - possibilities include: <ul style="list-style-type: none"> - the Graduate Acceleration Programme - Belfast Metropolitan College's Career Academy - Belfast Metropolitan College's Career advocates programme - UUJ's Professional Experience Programme <p>Other Members' suggestions such as ring-fencing a number of vacancies for the unemployed (in the case of multiple vacancies) are being explored in the context of issues such as:</p>

	<ul style="list-style-type: none"> ▪ trade union buy- in ▪ potential adverse impact for existing temporary employees or agency assignments in the Council – i.e. if posts are ring-fenced to unemployed they would be excluded from applying ▪ the need to consider other disadvantaged groups <p>A further report on both these issues will be brought back to Members in the near future.</p>
	<p>In terms of finding resources to support these initiatives, the Council has asked for a review of agency and overtime costs, highlighting that there are potential savings to be made through reductions in both which could be utilised to create jobs, or to provide paid placement opportunities.</p>
2.5	SUPPORTING LOCAL PROCUREMENT
	<p>In recognition of the Council’s significant spending power and potential impact on local suppliers, Members have asked that consideration be given to identifying what practical steps could be undertaken to increase awareness among small businesses of the Council’s tendering processes and to improve the overall capacity of small businesses to compete for public tendering opportunities. In 2010/2011 the Council spent £88.9m in procuring goods and services, of which £60.4m (68%) was delivered through local (Belfast based) suppliers.</p>
	<p>The Council already supports a number of specific initiatives targeted at local businesses which are set out in Appendix 1. Work is underway to baseline current spend with local suppliers and develop an effective strategy and programme of procurement support initiatives aimed at maximising the benefit of Council spend to the local economy. This strategy and action plan will be brought to Members in November.</p>
2.6	EXTERNAL RELATIONS AND INTERNATIONAL MARKETING
	<p>Members asked that the stimulus package should include the Council’s commitment to developing an external relations and international marketing strategy. This strategy will identify key strategic relationships both locally and internationally and will aim to ensure that:</p> <ul style="list-style-type: none"> • Members take the lead in forging strategic relationships with key bodies in the city and the NI Executive to ensure that priorities for city success and competitiveness happen, resources and plans are aligned and that the Council has a coherent approach to engaging on key strategic issues which feed back into its own governance and decision making structures; • The Council works with key organisations across the city to agree and consolidate strategic international relationships to support economic growth and competitiveness. <p>Members are asked to agree this proposal and that a report setting out a proposed approach and timescale for delivery for this project is brought back to Members by December.</p>

2.7 Equality and Good Relations

Members have highlighted that, as a key Council objective and a statutory duty, good relations and equality are central to the consideration of all Council projects and investment decisions. We will ensure that this is clearly set out within the stimulus package. Members will have an opportunity to discuss in more detail the messages about Council's commitment to good relations and equality at the workshop in November. At the workshop, Members will also consider further proposals for inclusion in the stimulus package, which will add to and expand the current references to PEACE III, building positive relationships and interventions in interface areas.

Members may also be aware that the audit of inequalities which underpins the Council's equality scheme is currently being finalised. This audit will be linked to the future development of the stimulus package and the Council's emerging framework on poverty and inequalities to ensure that these are mutually reinforcing documents.

2.8 Conference / Launch of Stimulus Package - options

Members asked that officers outline options which could be explored with regards to the launch of the stimulus package. Whilst we are not limited to scheduling only one event, Members views are sought on the options set out below regarding the focus of the initial event. Members have asked that key partner agencies; public and private, as well as potential investors would be invited to the event.

In terms of timing, Members may wish to schedule the event around February 2012, when there is confirmation regarding the rates and the affordability thresholds within which the Council will be operating.

2.8.1 Masterplan Focused Launch/Conference

As the "Stimulus Package" develops it will be used to shape the content of the emerging Belfast Masterplan. The Masterplan will set out a high level vision for the city over the next 10 years and the "place shaping" projects which Members are continuing to identify will form a key component of that plan. A draft Masterplan is due to be completed in early January of this year and will form the basis for consultation with key stakeholders in the City including Government Departments, key delivery agents (such as Invest NI, NITB, Roads Service, Universities etc), Partnership Boards, the Voluntary and Community sectors and the Private Sector.

A high profile launch of the draft Masterplan at an Investment Conference in February could provide the perfect opportunity to demonstrate what the Council intends to do over the next 4 years to contribute to delivering the future vision of the City in the form of the Stimulus Package. This is likely to attract a high profile audience, including Government Ministers and generate significant media interest in both the City Masterplan and the Belfast Stimulus package.

2.8.2 Investment / Internationally focused event

An event targeted at potential institutional investors, promoting the potential investment opportunities which exist within the City. This could be arranged in conjunction with Invest NI and other key bodies such as Belfast Harbour Commissioners and the recently established Asset Team set up via the Strategic Investment Board. Important to recognise the huge landbank which exists within the City running from the gasworks Northern Fringe to Maysfield to sirocco to shatter zone to queens quay to odyssey site to TQ. **Such an event could be used to build on our need to create a coherent integrated international relations and marketing strategy for the**

<p>2.8.3</p> <p>2.8.4</p>	<p>City.</p> <p>Partnership Focused Conference</p> <p>The package could be central to a partnership focused conference where the package is presented and the contribution of all partners to its implementation is discussed and agreed. This would include contributions from partner organisations and other sectors including the business and voluntary sectors and funders in order to validate and confirm their support for the Council's initiative. It would also consolidate the Council's value of collaborative leadership in delivering change and improvement in the city and in tackling issues that are larger than any one organisation.</p> <p>The Council will need to also consult upon its investment package and this would provide a perfect opportunity for feedback from key partner agencies. Such an event could be used to:</p> <ul style="list-style-type: none"> i. reinforce the significance of Belfast as an important economic driver for the region ii. promote the investment package iii. showcase and lobby for key city projects. <p>Press Launch</p> <p>The Stimulus Package could be introduced via a 'press launch' with emphasis being placed on the specific actions that the Council is committing to and the sums that are being invested. This could take the form of a press launch/briefing with interview opportunities offered, a press conference at which a prepared presentation is made by the Council's agreed spokes-person/people.</p> <p>There will be a varying financial costs to the Council depending upon the selected format of the proposed launch of the 'stimulus package'. The cost of the chosen option will be worked up by officers once the Members have given their direction. The involvement of Government Departments or Agencies and any external partners will also need to be considered in terms of the role they would have in the launch.</p>
<p>3</p>	<p>Resource Implications</p>
<p></p>	<p>The resource implications of taking forward the Council's commitments as set out in the "investment package" will be discussed further in line with the budget setting process for 2012-15.</p>
<p>4</p>	<p>Equality and Good Relations Implications</p>
<p></p>	<p>Equality screening of all elements of the corporate plan will be taken forward throughout the process of its development.</p>
<p>5</p>	<p>Recommendations</p>
<p></p>	<p>Members are asked to:</p> <ul style="list-style-type: none"> • note progress and agree that the information contained at Appendix 1 forms the basis for further narrative for the stimulus package – final narrative will be agreed with Members in November.

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| | <ul style="list-style-type: none">• note the list of projects included at Appendix 2 and agree that joint officer/Member groups are tasked with exploring further the feasibility of prioritised projects;• agree that the Council welcomes and endorses the introduction of the Draft Local Government Best Value (Exclusion of Non-Commercial considerations) Order (Northern Ireland) 2011;• consider a preferred focus for the launch of the stimulus package when complete. |
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