

# Strategic Policy and Resources Committee

Friday, 15th June, 2007

## MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor D. Dodds (Chairman);  
the High Sheriff (Councillor Kirkpatrick); and  
Councillors Adamson, M. Browne, W. Browne,  
Convery, Crozier, Hanna, Hartley, Lavery,  
Long, P. Maskey, McCann, Rodway and Stoker.

In attendance: Mr. P. McNaney, Chief Executive;  
Mr. G. Millar, Director of Improvement;  
Mr. C. Quigley, Director of Legal Services;  
Mr. T. Salmon, Director of Corporate Services;  
Mr. L. Steele, Head of Committee and Members'  
Services; and  
Mr. J. Hanna, Senior Committee Administrator.

### **Apologies**

Apologies for inability to attend were received from Councillors Maginness and Newton.

### **Minutes**

The minutes of the meeting of the Policy and Resources Committee of 18th May were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 4th June.

### **Day and Time of Future Meetings**

The Committee considered the day and time for the holding of future meetings and it was

Resolved – That future meetings of the Committee be held at 10.00 a.m. on the third Friday of each month.

### **Financial Matters**

#### **Finance, Administration and Information Systems Sub-Committee**

Resolved – That the minutes of the meeting of the Finance, Administration and Information Systems Sub-Committee held on 24th May be approved and adopted.

**Award of Tenders –  
Advertising in City Matters  
and Production of A-Z Publication**

The Committee was reminded that the former Policy and Resources Committee, at its meeting on 19th January, had agreed to the production of an up-to-date edition of an A-Z Guide to be paid for by means of advertising; to the production of a pilot edition of City Matters, the costs of which were to be covered by advertising revenue; and to seek tenders from companies wishing to provide an advertising service for both projects.

The Head of Corporate Communications reported that, in response to public advertisement, two tenders had been received in respect of each of the projects. The tenders had been assessed in accordance with pre-agreed criteria and it was recommended that BPC Magazines be awarded both contracts.

The Committee adopted the recommendation.

**Belfast City Council Financial Outturn 2006/2007**

The Committee was advised that the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 required the Council's Statement of Accounts to be approved as soon as reasonably practicable and in any event before 30th June immediately following the end of the financial year.

The Director of Corporate Services submitted for the Committee's consideration the Council's Statement of Accounts and Financial Report for the year ended 31st March, 2007. He pointed out that, during the year, the Council had achieved a surplus of £1,142,173. This has increased the credit balance on the District Fund Reserves to £15,113,119, which was approximately 11% of annual gross expenditure, which was consistent with the Council's aim of maintaining the level of District Fund Reserves in the region of 10% of annual gross expenditure. The Director stated that the Statement of Accounts contained also a Statement on the Internal Financial Control of the Council and he was satisfied that that system had been operating satisfactorily without any significant identified weaknesses.

After discussion, it was

Moved by Councillor Hartley,  
Seconded by Councillor Rodway and

Resolved – That the Committee approves the Council's Financial Accounts and Report for the year ended 31st March, 2007.

## **Political Processes and Members' Issues**

### **Implementation of New Governance Arrangements**

The Director of Improvement submitted for the Committee's consideration a report in relation to the implementation of the new Governance Arrangements. The report outlined the details in relation to the new Committee structures and the changes which had been agreed in regard to the Scheme of Delegation. He outlined the four broad categories which the changes to the Scheme of Delegation covered and submitted for the Committee's approval guidance notes on the operation of the revised scheme and how they should be implemented to ensure consistency of application by Chief Officers. A copy of the guidance notes is reproduced hereunder:

#### **"Revisions to Belfast City Council Scheme of Delegation**

##### **Guidance Notes**

###### **Background**

This guidance has been developed to assist Chief Officers in exercising their new delegated powers in a consistent way and also to outline monitoring and reporting mechanisms which provide assurances that the scheme is being operated correctly.

The revisions made to the scheme are broadly based on the feedback received from Chief Officers and Heads of Service. In some instances a 'middle-ground' position has been defined as the proposed expanded delegated powers needed to be calibrated to a level of delegation which Members would find acceptable in a changing environment.

The revised scheme has been developed to provide enhanced decision-making power for Chief Officers and should be interpreted in this light. It will take a period of time for the new Scheme to 'bed-in' and to become clearly and consistently understood and applied across the Council. Nevertheless, common sense management principles need to be applied and, where there is any doubt around whether delegated authority exists or not, the decision should be referred to Committee for Member approval. The important issue is to build and establish a tone of trust, collaboration and consistent engagement between members and officers.

###### **Introduction to Revised Scheme of Delegation**

Belfast City Council's Scheme of Delegation is laid out in three distinct parts:

- Part I – Preamble and Interpretation
- Part II – General Delegated Functions
- Part III – Specifically Delegated Functions

On 16<sup>th</sup> February 2007 the Policy and Resources Committee approved changes to Part I and Part II of the Scheme of Delegation as follows;

- Part I – Preamble and Interpretation, which remains largely the same
- Part II – General Delegated Functions, which has been the subject of extensive re-drafting, and therefore this guidance has been developed to assist in the implementation of this part of the scheme.

The changes agreed in this part of the scheme provide

1. Wider delegated powers to Chief Officers in relation to Staff Management
2. A delegated power to Chief Officers to manage in line with their Departmental Plans
3. A discrete power to Chief Officers to manage grant schemes where there has been a specific power delegated by the governing Committee
4. Delegated authority to deal with procurement issues in line with public procurement legislation.

The rest of the guidance notes deals with each of these specific areas in turn.

#### Departmental Plan

The Scheme sets out the following delegated authority to Chief Officers in respect of the Departmental Plan

*'In accordance with the objectives and key tasks set out in the Departmental Plan as appropriate, implementing those actions, initiatives and events which are planned for the relevant forthcoming year provided that:-*

- (i) the Departmental Plan has been approved by the Committee prior to any decision being taken*
- (ii) the Committee is kept advised by means of regular reports in relation to the exercise of this delegated power*
- (iii) the expenditure arising from the exercise of such decisions shall be within the overall expenditure limit detailed within the Departmental Plan and the annual Council estimates'*

This in effect means that Chief Officers have the authority to implement actions, initiatives and events planned for the year ahead :-

- in line with the details outlined in the Departmental Plan approved by Committee.
- providing regular reports to Committee where delegation has been exercised.
- ensuring that the associated expenditure remain within overall limit of plan and estimates.

At present a working group of the Senior Managers Group (SMG) has been set up to consider and define the various elements of the planning cycle and this will include recommendations on the content and reporting of the Departmental Plan. The timeframe for this will coincide with the cascade of the VCM, with proposals due in October 2007, and therefore will relate to plans for 2008 / 2009. For Departmental plans already approved Chief Officers can assume that the new delegated authority applies however they should exercise caution and consider how much involvement, understanding and acceptance do Members have in relation to the Departmental Plan ie. Does the committee have a clear direction for the Department? Where appropriate, therefore, chief officers are advised to continue to report on Departmental Plans and related activities as before.

### Procurement

The Scheme sets out the following delegated authority to Chief Officers in relation to Procurement;

*'Procuring goods and services or works not exceeding in value the statutory amount as defined in the Standing Orders (unless otherwise specifically authorised by Committee), where the Council has approved the invitation of tenders and the award is in due accordance with the predetermined award criteria.'*

The key change therefore is that there is now no requirement to advise committee of the award of a contract once the approval has been given to approve the invitation to tender in line with agreed criteria.

Chief Officers therefore need to report to committee their intention to seek tenders and the criteria against which these should be measured, including indicative costs. If this is approved by Committee then once the tenders have been assessed the evaluation report should be written and signed off by the relevant Chief Officer for implementation. Only in exceptional circumstances\* should the award of the tender be referred to committee for approval.

The Working Group identified some ambiguity in the actual wording of the Scheme of Delegation and would seek to have this redrafted in due course. However the Group agreed that the full intention and spirit of the change was addressed by the current phrasing and Chief Officers should act accordingly.

\*Chief Officers should use their own judgement to decide if a tender falls into the category of exceptional circumstances but it is likely that it will cover areas which are politically sensitive or where the actual cost is substantially different to that detailed in the original specification. In relation to capital projects Chief Officers should comply with Financial Regulations D8 and D9 in relation to variations in expenditure.

#### Grants

The Scheme sets out the following delegated authority to Chief Officers in relation to the awarding of grants;

‘Where the Committee has established a scheme for the awarding of small grants (i.e. up to a maximum level of £10,000) and has authorised the Chief Officer to administer the scheme, then the Chief Officer has the delegated authority to approve the allocation of the grants in line with the award criteria.’

Chief Officers will therefore be required to report to their committee for approval the criteria against which small grants (up to a maximum of £10,000) should be awarded. As part of this report Chief Officers should also request authority ‘as set out in the scheme of delegation Part II, 2.6’ to approve grants in line with these criteria. If this is approved the evaluation panel should recommend to the relevant Chief Officer the grants which should be awarded in line with the criteria and these can be signed off by the Chief Officer for approval. If the Committee is not content to grant authority to Chief Officers for a specific grant scheme, approval for the awarding of the individual grants must be referred back to committee.

#### Staff Management

In relation to this area, Chief Officers have greater delegated authority in relation to staffing issues below Head of Service level within the employment policies and practices adopted by Council, subject to relevant statutory provisions and within the personnel budget of the department. The working group interpreted the scheme as giving Chief Officers delegated authority to create new

posts through a restructure providing this results in no additional cost. Where a Chief Officer wishes to exceed his/her personnel budget through a restructuring and/or the creation of additional, new and permanent posts this can only be done in the circumstances outlined below. Again, it was agreed a future redraft might be useful in making this clearer.

Additional new, permanent posts can only be created in the following circumstances:

- where the functional work of the relevant Service has been increased by the Council with a corresponding need to apply additional staff resources
- where the Chief Officer can make a business case in relation to the reduction of overtime and / or agency costs
- where the relevant Service has generated additional income on an ongoing basis for services provided to outside bodies in accordance with the Departmental Plans and objectives

Grading of new posts must be undertaken in accordance with the relevant Council policies and agreed JE Scheme.

All decisions must be taken in full accordance with the relevant HR policies and procedures of the Council and accordingly Chief Officers must channel such matters through the Council's vetting panel and where appropriate liaise with the Head of Human Resources in this regard.

In matters relating to staff management the Director concerned shall make a 'business case' to the vetting panel through the Head of HR. The vetting panel shall comprise the Director of Improvement and the Head of HR.

When making the business case chief officers must ensure that all costs (including 'on-costs') arising will be contained on a continuing basis within the approved estimates for salaries and wages [base cost] of the service.

In essence vetting now taking place at the outset of the process allowing a consistent, corporate approach to be taken in line with HR policies and procedures.

Temporary posts can only be established:

- to undertake special tasks, duties or projects which are required for a limited period only
- when the main purpose of the temporary post is clearly defined;

- the anticipated duration of the temporary post is clearly defined;
- no additional expenditure over and above provision in the estimates for established posts in the structure will be incurred;

Grading of temporary posts must be undertaken in accordance with the relevant Council policies and agreed JE Scheme. The temporary post will be recruited in accordance with the Council's normal procedures, as agreed with HR.

Chief officers also have delegated authority to determine the grading of any post below the level of Head of Service Approving the payment of honoraria to all employees, but they must do so in accordance with the relevant Council practices and policies and agreed JE Scheme.

The termination or variation of contracts of employment must only be done following consultation with the Head of Human Resource to ensure accordance with all relevant Council policies such as the Council's Discipline, Attendance, Capability and Redundancy policies and that any required consultation has taken place.

#### Reporting of Delegated Decisions to Committee

*This relates only to the new delegated decisions outlined in this guidance.*

In the scheme of delegation it clearly states that Chief Officers must make regular reports to their committee in relation to the use of these new delegated functions. Chief Officers should use their judgement and where appropriate agree with their committee as to how often they report these decisions but it should be no less than every quarter.

It is proposed that the new modern.gov system is used to track and monitor delegated decisions. Therefore, it is necessary for decisions to be taken as to how often the decisions should be reported and what level of information is required. Will it be sufficient to only monitor the decisions using the Modern.Gov System? This would certainly encourage Members to use ICT more frequently than at present. However, Members might wish to receive a monthly or quarterly bulletin of delegated decisions. This will be factored into the discussions at both Officer and Member level during the discussions on the Scheme of Delegation.



It will also be vital that the Modern.Gov system is updated when delegated decisions are implemented as Members will have access to the system and can interrogate it at any time as to the status of delegated decisions. Chief Officers should liaise with Member Services to agree how this can best be implemented in their own departments.

While it quarterly reporting to committees is recommended it is proposed that, in the early days of the operation of the new governance arrangements, Members would appreciate receiving monthly reports setting out the delegated decisions implemented by Officers. After allowing a sufficient period of time for Members to gain confidence in the operation of the scheme, it would be anticipated that such reports could be provided quarterly or be monitored entirely through the Modern.Gov system.”

After discussion, the Committee noted the information which had been provided, agreed to reconstitute the Delegation Working Group and approved the guidance notes in respect of the Council's Revised Scheme of Delegation.

### **Fixed Term Working Groups**

The Committee considered the undernoted report in relation to the establishment of Fixed Term Working Groups:

#### **“Relevant Background Information**

Members will recall that, in approving the new Governance Arrangements, the Council agreed it would be likely that the Standing Committees would wish to appoint short-term Working Groups to focus on issues of particular concern. In addition, the Council had agreed previously the following principles associated with appointment of Working Groups:

- Working Groups should be established only if they are considered to be essential for the achievement of effective and efficient decision-making;
- such Working Groups should be appointed for a fixed-term and for a specific purpose;
- the Groups would not have decision-making powers but rather would produce a report with recommendations for consideration by the appointing Committee;
- after the Working Group has concluded the business for which it was established, it would cease to exist; and
- Working Groups should be formed on the basis of All-Party representation with nominees sought from the Party Group leaders.

### Key Issues

The new Governance Arrangements came into effect on 4th June. This means that those Working Groups which had been in existence ceased to exist from that date. Therefore, the Committee will need to consider whether it wishes to reconstitute the following groups which had been established by its predecessor Committee and by its former Sub-Committees, the work of which now falls within the remit of the Strategic Policy and Resources Committee:

#### 1. Accommodation / Decant Steering Group

Established by Policy and Resources Committee 19th January, 2007, this Group has met on a number of occasions to oversee the arrangements for the refurbishment of the City Hall. It has agreed the following terms of reference:

##### Terms of Reference

- in conjunction with Officers to monitor and oversee the refurbishment of City Hall and associated contracts related to the necessary decant;
- to act as a sounding board for detailed proposals and on issues delegated to the Chairman of the Strategic Policy and Resources Committee and Deputy Chief Executive thereby helping to ensure tight timescales are adhered to;
- to consider and advise upon future occupancy of the refurbished City Hall particularly in regard to public access and facilities;
- to consider and advise upon future accommodation options in the light of RPA progress, better use of existing accommodation assets, best practice in terms of flexible working arrangements and our overall financial position; and
- to act as a communication channel to Party Groups and to other Councillors in general and ensure that the facts of accommodation issues are fully understood.

##### Anticipated Life Span

The Director of Improvement has recommended that this Group continues to operate until the refurbishment of the City Hall has been completed.

## **2. Communications Working Group**

Established by Policy and Resources Committee 24th September, 2005, the Communications Working Group existed during the previous Council term. However, there has been a request from several Members to have the Group reconstituted. It is proposed that the Group would run for the course of the current Council and provide a vehicle for Members to guide, advise and present views on the continuing development of a One-Council approach to communications.

The formation of this Group is seen as vital since there are a number of major strategic decisions to be taken on communications, including issues such as corporate identity, a new advertising policy and the involvement of Members in communications activity.

### **Terms of Reference**

The issues which the Group would consider will include:

- the development of a One-Council approach to communications;
- the development of an advertising policy for the Council;
- the appointment of official spokespersons for the Council;
- improving communications with Members on policy issues;
- better media/public access to Council/Committee meetings; and
- the further development of technological communications.

### **Anticipated Life Span**

The Head of Corporate Communications recommends that this Group be reconstituted for the remaining term of the current Council.

## **3. Council Improvement Board**

Established by Policy and Resources Committee 24th June, 2005.

### **Terms of Reference**

- to provide political direction and leadership for the improvement and efficiency agenda;
- to provide political support in terms of Party Groupings and Committees for the delivery of the improvement and efficiency agenda;

- to hold officers to account for the delivery of agreed improvement and efficiency actions;
- to track and monitor the achievement of agreed financial savings;
- to become involved at an early stage in discussions about how the organisation can best serve the City and improve the lives of its citizens; and
- to engage with peer Members and peer Councils from other jurisdictions in order to learn from their experiences and inform the improvement/efficiency agenda.

#### Anticipated Life Span

It is recommended by the Director of Improvement that the Board continues to operate until after the next Local Government Elections.

#### 4. Good Relations Steering Panel

The Steering Panel, which was established by the Policy and Resources Committee at its meeting on 17th August, 2001, has, since that time, overseen the development of a Good Relations Strategy, the establishment of a Good Relations Unit and has made recommendations to the Policy and Resources Committee on a range of issues, including memorabilia, language, civic ceremonies, events and the award of grant-aid.

The original terms of reference for the Panel are set out below:

#### Terms of Reference

- to promote equality of opportunity in the discharge of the Council's responsibilities, taking into account the needs of persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation, of men and women generally, of persons with a disability and persons without and of persons with dependants and persons without;
- to promote tolerance and understanding throughout the City by providing support, including the equitable use of available budgets, for appropriate initiatives which celebrate the cultural diversity of Belfast;

- to promote good relations between people of different religious and political beliefs and different racial groups in every aspect of Council activities; and
- to use the Council's influence as a democratically elected body, providing civic leadership to the City, to promote good relations throughout society.

#### Anticipated Life Span

The Good Relations Manager has recommended in view of its current value to the Council and its potentially greater role in relation to the delivery of the Peace III funding within Belfast, that the Good Relations Steering Panel continues on a long-term basis.

#### 5. Housing Forum

The Council dealt previously with Housing issues through the former Housing Liaison Committee. The new Governance Arrangements have not reconstituted this Committee. However, Members have expressed concern, given that a significant amount of their time is spent dealing with Housing matters, that the Council is severing its formal links with the Housing Executive and Members will not be provided with the same opportunity of developing partnerships with officials from the Executive and have a platform to discuss and/or resolve many of the issues relating to housing problems faced by their constituents.

It is therefore proposed to establish a Housing Forum which would operate on a similar basis to the Housing Liaison Committee. The Town Planning Committee would continue to receive the annual District Housing Plans for the Belfast Area. However, the Housing Forum, to which all Members would be invited, would continue to receive from representatives of the Housing Executive those reports which were previously submitted to the Housing Liaison Committee.

#### Terms of Reference

- to receive regular updates on the progress of the New Build Social Housing Programme;
- to receive reports on the Physical Programme, including annual cyclical maintenance; and
- to deal with any other Housing-related issues which the Members might wish to raise with Housing officials.

### Anticipated Life Span

It is recommended that a Housing Forum is established and operates until the Review of Public Administration has been completed. The Council would then be in a position to consider how best to deal with Housing issues following the transfer of additional functions.

### 6. Member Development Working Group

The Member Development Working Group was established by the Members' Sub-Committee on 12th March, 2007 for the following purposes:

#### Terms of Reference

- aligning the Member development strategy to the value creation map;
- overseeing the processes for the identification of development needs at individual level, Party Group and Council-wide levels;
- ensuring the appropriate implementation of the Member Development Strategy and associated policies;
- adopting a structured and timely approach to promoting Member development opportunities;
- recommending best practice in other Local Authorities which Members can learn from and share with external partners;
- facilitating Member development activity;
- developing mechanisms for the evaluation of Member development activities; and
- reviewing, updating and revising the Member development strategy at appropriate levels to ensure that it continues to address the development needs of Members.

### Anticipated Life Span

The Head of Committee and Members' Services has recommended that the Working Group be reconstituted for a minimum period of twelve months

### Outcome

Implementation of a Member Development Strategy including Personal Development Plans for Members, a revised and enhanced Induction Programme and core development activities.

#### **7. Post Review of Public Administration Working Group**

An All-Party Working Group was established by the Policy and Resources Committee on 20th October, 2006, with the remit to develop proposals for the future long-term restructuring of the Council post – Review of Public Administration and medium term improvements to support the improvement agenda.

#### **Anticipated Life Span**

In the short-term the Value Creation Map requires a review of the Council's Human Resources Strategy, Financial Strategy and ICT Strategy. It is therefore recommended that this group is retained to oversee a working programme of review of corporate and central services in the first instance.

#### **8. Reference Group on Older People**

The Policy and Resources Committee, at its meeting on 21st April, 2006, established an All-Party Reference Group on Older People. The Group is supported by the Head of Environmental Health with policy input from the Corporate Policy Unit. The Group was set-up to engage directly with other agencies, including those in the voluntary sector and its role is to:

#### **Terms of Reference**

- consider the potential future strategic direction of the Council's work on older people to inform the development of the Council's Corporate Strategy and Plan;
- explore improve methods of maximising the impact which the Council could have in working with other partners to meet older people's needs;
- work with Belfast Healthy Cities on developing the Council's input to the Intersectoral Plan;
- have an overseeing role in respect of the Intersectoral Plan on Older People and an advocacy role; and
- consider the services provided currently by the Council for older people.

**Anticipated Life Span**

The Head of Environmental Health recommends that the Group continues until the Intersectoral Plan on Older People is implemented, which is estimated to be in 2010/11.

**9. Single Status Steering Group**

The Single Status Steering Group was established by the Policy and Resources Committee at its meeting on 18th May, 2007.

**Terms of Reference**

- to oversee and provide direction on the implementation of the Single Status Agreement; and
- to provide direction on issues such as Working Arrangements, Basic Grade and Craft Workers which are under negotiation.

**Anticipated Life Span**

It is anticipated that the work will be completed by the end of this year, with no more than three or four meetings required to oversee the implementation of the Agreement. Accordingly, the Head of Human Resources has recommended that the Group be reconstituted until this process has been completed.

**Resource Implications**

There are no financial or Human Resource implications associated with this report.

**Recommendations**

**The Committee is asked to consider which, if any, of the Working Groups it wishes to reconstitute.”**

The Committee agreed to the reconstitution and/or establishment of the following groups in accordance with the Terms of Reference and lifespans as set out in the report:

Accommodation/Decant Steering Group  
Communications Working Group  
Council Improvement Board  
Good Relations Steering Panel  
Housing Forum  
Member Development Working Group  
Post Review of Public Administration Working Group  
Reference Group on Older People  
Single Status Steering Group.



### **Audit Panel – Draft Terms of Reference**

The Committee was reminded that the former Policy and Resources Committee, at its meeting on 20th April, had approved the establishment of an Audit Panel and had agreed that a report on its draft Terms of Reference be submitted for consideration.

The Director of Improvement reported that the Chartered Institute of Public Finance and Accountancy had carried out recently a review of the Council's Audit Governance and Risk Services Section, which had included the role of the former Audit Panel, and had made a number of recommendations in relation to the role and make up of the Council's Audit Panel as part of the new Governance Arrangements. He explained that, as part of that review, the existing Terms of Reference of the Audit Panel had been considered and it had been noted that there were a number of areas which did not meet fully Best Practice. As a result, the Terms of Reference had been updated to reflect Best Practice as set out in the Chartered Institute's "Guide to Audit Committees: Practical Guidance for Local Authorities" and in areas such as value-for-money work and the review of the progress of performance plans, which Members had requested be included in the scope of work of the new Panel.

The Director reminded the Committee that, in terms of membership of the Panel, it had been agreed that in line with Best Practice an independent Member should be appointed. The Audit, Performance and Risks Services Section had undertaken research into the potential appointment of independent members and in broad terms the criteria for such an appointment would need to reflect the wishes of the Council to appoint advisors who could bring objectivity, experience and knowledge to make a contribution to the work of the new Audit Panel. The likely fees for such an appointment, based on that recently advertised by another Local Authority, would be £250 per meeting, together with reasonable travelling expenses. It was expected that the Panel would meet approximately four times per year, giving an overall annual cost of £1,000 plus expenses.

However, the view had been expressed that a larger budget, in the region of £10,000, should be established for the Panel to enable it to undertake any work which would be required. In addition, it was the view of the Head of Audit, Governance and Risk Services that it was important for the Panel to be involved in the appointment of the external member and that that should take place after the Panel itself had been appointed and trained. This would enable the Panel to consider in more detail the skills and/or experience it required from an external member to ensure that these complemented the expertise and experience brought to the Panel by the Elected Members.

During discussion, a Member pointed out the need to include within the Terms of Reference a means by which individual members could refer issues to the Audit Panel.

The Committee agreed that this be incorporated into the Regulatory Framework and that a protocol outlining how items might be referred to the Panel be submitted in due course. Accordingly, the Committee approved the following Terms of Reference in respect of the Audit Panel:

**“Audit Panel – Terms of Reference**

**Audit Activity**

1. To consider the Head of Audit, Governance and Risk Services annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council’s corporate governance arrangements.
2. To consider summaries of specific internal audit reports, as requested.
3. To consider reports dealing with the management and performance of Audit, Governance and Risk Services.
4. To consider reports from Audit, Governance and Risk Services on agreed recommendations not implemented within a reasonable timescale.
5. To consider the Local Government Auditor’s annual letter, management letter and relevant reports.
6. To consider specific reports as agreed with the Local Government Auditor.
7. To comment on the scope and depth of external audit work and to ensure it gives value-for-money
8. To commission work from internal audit (including value-for-money and review of the progress of any improvement plans) and external audit.

**Regulatory Framework**

1. To maintain an overview of the Council’s constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
2. To review any issue referred to it by the Chief Executive, a Director, any Council body or any individual Councillor.
3. To monitor the effective development and operation of risk management and corporate governance in the Council.
4. To monitor Council policies on whistleblowing and the anti-fraud and corruption strategy and the Council’s complaints process.

5. To oversee the production of the Council's Statement on Internal Control and to recommend its adoption.
6. To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
7. To consider the Council's compliance with its own and other published standards and controls.

#### **Accounts**

1. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
2. To consider the external auditor's report to those charged with governance on issuing arising from the accounts."

The Committee agreed also that a budget of £10,000 for the payment of fees to external advisors be established for the Audit Panel.

#### **Allowances for the Lord Mayor, Deputy Lord Mayor and High Sheriff for 2007/2008**

The Head of Committee and Members' Services informed the Committee that it had been the practice for the Entertainment and Personal Allowances paid to the Lord Mayor, the Deputy Lord Mayor and the High Sheriff to be reviewed annually to take into account increases in the cost of living and other factors.

He advised the Members that the Lord Mayor's Personal and Entertainment Allowances for the previous year had been £31,415 and £23,391 respectively and he recommended that for the year commencing 4th June, 2007 these be increased to £32,200 and £24,000. With regard to the Deputy Lord Mayor's and the High Sheriff's Personal Allowances, he recommended that each of these be increased from £4,645 to £4,785 and that the Entertainment Allowance for both Office Bearers be increased from £620 to £640. All of the recommended increases in the Allowances represented a small inflationary increase of 3% approximately.

The Committee adopted the recommendations.

#### **Corporate Strategic Issues**

#### **Civic Leadership**

#### **Corporate Plan 2006/2007 – Year 4: Final Year Update**

The Committee noted a report which provided details in respect of the progress achieved in relation to the Key Priority Issues contained within Year Four of the current Corporate Plan.

**Corporate Plan 2007/2008 –  
Proposed Draft Text**

The Committee considered the content and format of the draft Corporate Plan for 2007/2008.

In considering the matter, a Member pointed out that no targets had been included in relation to the projects included in the Plan. He stated that there was a need to strike a balance within the Plan in relation to the projects which the Council was proposing to undertake and the inclusion of a series of meaningful performance indicators. In addition, several Members suggested amendments to the text in relation to the key strategic projects, areas of multiple deprivation and the context in which the information which referred to educational attainments should be portrayed.

After further discussion, during which the Director of Improvement referred to the work which was being carried out through the value creation process which would create a performance framework for the whole organisation, he undertook to include the comments of the Members within the Final Draft, the Committee approved the content and format of the draft Corporate Plan 2007/2008.

**Performance Management of the  
Corporate Plan 2007/2008**

The Committee noted the contents of a report providing details relating to the Performance Management Framework for the Corporate Plan 2007/2008.

**Performance Management and  
Improvement Agenda**

**Asset Management Plan**

The Committee agreed that a series of Party Group Briefings on Property Policy and an Asset Management Plan be undertaken with a view to a report on a new policy in this regard being submitted to the Committee in the Autumn.

**City Investment Fund**

The Committee was reminded that one of the tasks within the Council's Value Creation Map was to explore the potential for the creation of a City Investment Fund as part of the Finance Strategy. The theory behind a City Investment Fund was that by directly investing resources in the City the Council would become a shareholder as opposed to a mere stakeholder, which in turn would give greater legitimacy to its leadership role and better enable it to work with other partners to lever inward investment.

The establishment of a City Investment Fund would have to be developed in the context of an overall Council Financial Strategy. The starting point of any Local Authority Finance Strategy was to understand clearly its key income source, which was the rateable tax base. For a number of years Elected Members had been concerned about the accuracy of the calculation of the estimated product of a penny rate and the timeliness of its notification to the Council, which had created difficulties in preparing annual budgets and developing medium-term financial plans.

The Director of Corporate Services reported that the Chief Executive, the Director of Improvement and himself had met with the newly-established Land and Property Services Agency to discuss the establishment of a joint working group in order to overcome those difficulties. The purpose of the group would be to:

- improve communications between the Council and the Land and Property Services Agency;
- improve the timeliness of the notification of the estimated product of the penny rate; and
- permit the Council to develop an understanding of the basis and components of the product of the penny rate to enable full integration with the medium-term financial planning process.

The Council had engaged the services of the Institute of Revenues, Rating and Valuation to assist with this work. A scoping paper would be ready by the end of June and would be submitted to the Strategic Policy and Resources Committee in due course in order to agree further actions in this regard.

The second key element of a City Investment Fund was to determine a means of financing it. In this regard, Council officers had met with Mr. J. Brooks of Sector Services. Mr. Brooks was an ex-Chief Executive of a number of Local Authorities in England and had been City Treasurer of Manchester City Council. He had experience of creating investment funds and accordingly had been requested to provide the Council with a briefing paper on the process which was required to create such a fund.

The most important part of a City Investment Fund would be to determine the uses to which it would be put. At the meeting of the Council Improvement Board held on 2nd May representatives of all the Party Groups had agreed to start work on identifying three or four major landmark projects which the City Investment Fund could finance. Accordingly, the Board had recommended that the Chief Executive and the relevant Directors hold briefings on this matter with each of the Party Groupings after the Summer period.

The Committee adopted the recommendation and agreed that further reports from the Institute of Revenue, Rating and Valuation on the rate base and from Mr. J. Brooks on the process which was required to create a City Investment Fund be submitted for its consideration in August.

### **Efficiency Programme 2008/2009**

The Committee considered the undernoted report in respect of the Efficiency Programme:

#### **“Purpose**

**Policy and Resources Committee agreed that the Council will make £3.0 million efficiency savings over the period 2006/07 – 2008/09. The purpose of this report is to recommend a draft efficiency programme for 2008/09.**

**Relevant Background Information**

**Principles**

The programme of efficiencies is based on the following principles:

**Principles**

The programme of efficiencies is based on the following principles:

- Savings in back office operations to be given priority over front line service provision.
- The programme to be based on meeting the targets as set by the Policy and Resources Committee.
- The programme comprises of a basket of opportunities as the lead in time for specific projects to deliver savings can be considerable and not all projects will necessarily deliver projected savings.
- The programme concentrates on delivering cash savings.
- The savings will be captured as part of the budgetary process which leads to the setting of the rate.

**Outline Efficiency Programme 2008/09**

The table below summarises the efficiency programme for 2008/09.

<b>Efficiency Area</b>
<b>Training</b>
<b>Overtime</b>
<b>Insurances</b>
<b>Procurement</b>
<b>Mobile Phones</b>
<b>Rating Valuations</b>
<b>Electricity Costs</b>
<b>Capital Programme</b>
<b>Absence</b>
<b>Advertising Costs</b>
<b>Travel</b>
<b>Cemeteries Charges</b>
<b>Department Contributions</b>

A brief description of the key efficiency areas is provided below.

### Training

In 2006/07 budgeted training costs amounted to £1.35m compared to actual expenditure of £616k. This represents a 54.5% underspend in this area. The Council budget for training in 2007/08 is set at £1.49m. A task group has been established to examine how training budget can be more effectively used and at the same time deliver savings.

### Overtime

Audit, Governance and Risk Services (AGRS) has been undertaking a review of the Council's overtime costs and identifying the factors that drive overtime. Employee costs for 2006/07 were £64,281,210. Overtime costs for 2006/07 were £4,327,743, representing 6.7% of total employee costs (or 7.9% of salaries and wages costs).

Work performed to date in this review has been directed by the Terms of Reference agreed with CIT and the Council's Business and Finance Managers Group. To date AGRS have:

- Analysed BCC's overtime costs to establish baseline costs and identify areas for further analysis
- Identified the key drivers of overtime and validated these through a series of Departmental workshops and specific service visits
- Identified and appraised existing policies, working agreements and local procedures relating to overtime within the Services visited
- Reviewed the adequacy of current financial and management information in relation to overtime and identified subsequent gaps / best practice solutions
- Identified potential areas where efficiencies or improvements to the management of overtime may be realised, both at a Departmental / Service level and at a Corporate level
- Performed a benchmarking exercise with other GB/NI Councils in relation to overtime costs

The review has indicated that overtime arises because of a need to provide key services which cannot be covered in normal time due to various factors. These factors include the non-alignment of current working arrangements with service requirements, vacancies, sickness leave, annual leave and training. The review has highlighted that there is some potential to make improvements

to the management of overtime at both a corporate level and a specific Department / Service level. A report covering these issues will be forwarded to CIT in June 2007. A number of improvements at a service level have been highlighted and these will be reported to the relevant Departmental Managers in June 2007 for discussion / response.

### Insurances

Through the improved management of risk in areas such as fleet management it is anticipated that £100,000 of savings will be made.

### Procurement

One of the objectives of the Better Business project is to secure savings in the procurement of goods and services. The Procurement Unit has been using the National E-Procurement Project (NEPP) for advice and guidance on the implementation of e-procurement and the delivery of efficiency savings. As part of this work the Procurement Unit in conjunction with TICON UK Ltd conducted a review of the Council's procurement spend with the purpose of identifying the following:

- the level of maverick spend on existing contracts and how much off contract spend has occurred.
- new contract opportunities
- typical savings to be made from these new contracts
- Identify areas where e-procurement tools may be implemented.
- This work has identified the following initial potential areas for efficiency:

Travel	Electrical Suppliers
Taxis	Lamps
Removals & Storage	Temporary Staff
Sports Consumables & Fitness Equipment	Food Stuffs
Paramedics/First Aid Services	Photocopies
Cleaning Products	Hire of Machinery
Clothing	Motor Tipping Lorries
Computers & Consumables	Broken Stones & Screenings
Contract Cleaners	Design & Print
Stationery	Mobile Phones

A task group is now being established to determine how efficiency savings can be delivered in these areas.



### Rating Valuations

One of the efficiency methods used by local authorities in other jurisdictions is to seek independence assurance on the rating assessments of their premises. Savings are achieved through the reduced rate burden accrued from successful rating assessment appeals. In the case of Belfast, while the Council on the one hand would potentially reduce the amount of rates it pays it would also reduce the amount of rate income it receives. However, the actual savings would be achieved where there would be a reduced regional rate burden on the Council. The Council has been in contact with a company known as Wills Head and Eve which specialises in this form of work and has a substantial public sector client base. The fees to be paid to the company are directly proportionate to the level of savings they produce.

### Electricity Costs

The electricity market is now open to second tier suppliers as an alternative to Northern Ireland Electricity. The Council is using the services of the Office of Government Commerce to tender for its electricity supply. It is anticipated that £100,000 savings will be achieved for 2008/09.

### Absence

The real actual cost of absence is not known. This problem is not peculiar to the Council as current practice in both the private and public sector is to apply an average salary cost to the number of days of absence to provide a total cost of absence. This method, while useful for comparative purposes, does not identify the actual cost of absence as it assumes that each occurrence of absence carries an associated cost. Audit, Risk and Governance Services has completed a review of the cost of absence and this report makes a number of recommendations on how the Council can develop a cost effective approach to identifying the real cost of absence. The recommendations are now being evaluated and an agreed action plan will be provided by the end of June. This means the work that the Principal HR Advisor is currently carrying out in improving how absence is managed in the organisation will result in actual savings being identified and captured as cost savings.

### Advertising Costs

The Review of Communications, approved by the council in February 2006, highlighted the need for a binding council-wide policy on advertising. The report pointed out that because display and marketing advertisements were left to individual departments,

the council's overall buying power and clout was being diminished and there was no overall co-ordinated style. It suggested that we needed a corporate approach to advertising for efficiency and effectiveness reasons.

Advertising is a vital communications tool and contributes to the image and reputation of the council. Moving towards central control of advertising is a significant move towards achieving a one council approach to communications, which is one of the central objectives of the improvement agenda. In 2006-07, it is estimated that just under £2m (£1,931,821.01) was spent on advertising, which provides ample room for significant savings.

A report will be taken to Policy and Resources Committee in June recommending that a review of the council's approach to advertising be undertaken. A budget of £15,000 should be set aside for the exercise.

#### **Recommendations**

Members are requested to agree the draft efficiency programme for 2008/09."

The Committee agreed to endorse the programme of efficiencies for the 2008/2009 financial year.

#### **Local Government Modernisation and Review of Public Administration**

##### **Review of Public Administration Update: Northern Ireland Local Government Association – Relationship**

The Committee considered the undernoted report in relation to the Council's relationship with the Northern Ireland Local Government Association:

#### **"1.0 Relevant Background Information**

- 1.1 The Policy and Resources Committee, at its meeting on 27<sup>th</sup> April, agreed that the Chairman of the Committee and Party Group Leaders should meet with representatives from the Northern Ireland Local Government Association (NILGA) to discuss the Council's ongoing concerns with the Association and examine its future engagement with the Council.
- 1.2 The Committee agreed further that the Council's annual NILGA subscription contribution of £94,169 for 2007/2008 be withheld until such discussions had taken place with the Association and clarity was provided by NILGA on how the Council's concerns would be addressed.

1.3 Accordingly, the Chief Executive wrote to NILGA by letter dated 2nd May (a copy of which is attached at Appendix 1).

1.4 A meeting attended by representatives of the Council and the Office Bearers of NILGA took place on 1st June and a note of the meeting is attached as Appendix 2.

## 2.0 Key Issues

A number of issues were discussed at the meeting, the key points of which are set out below, and the full details of which are set out in Appendix 1.

### 2.1 The need for an effective Local Government Association

- General acceptance of the need for an effective Local Government Association which is representative and accountable to its member authorities.
- NILGA should not get into a position of representing the voice of Councils without their proper engagement in deciding what that voice was going to say.
- It was recommended that a more effective way of taking forward the implementation of the RPA and the modernisation of local government may be the use a mixed economy of all the key stakeholders, of which NILGA is one component, who have a role in local government reform.
- The Council's continued involvement, at both Member and officer level, within NILGA will be important to ensuring that the best interests of Belfast and the wider local government sector is taken into consideration during any discussions with central government.

### 2.2 NILGA's governance arrangements

- NILGA must develop an effective institutional relationship and joint agenda with Councils if it is to be representative of the local government sector.
- NILGA must engage more effectively with the professional and officer expertise within Councils and in so doing add weight and credibility to the policy positions developed by the Association and help shape a more clearly aligned local government position on emerging RPA related issues.

- Clarity was sought from NILGA on the governance models and engagement mechanisms adopted by the Welsh, Scottish and GB Local Government Associations.
- NILGA accepted their current failings regarding engaging and communicating with Councils and indicated its intention to address these issues through the appointment of a Director of Communication and Engagement.

### 2.3 RPA Progress Update

- An update was provided on recent meetings between NILGA's Office Bearers and the Department of the Environment (DoE) Minister, Arlene Foster, on 16<sup>th</sup> May, 2007 and subsequently the Department on the 31<sup>st</sup> May.
- The Minister, Arlene Foster, submitted a paper to the NI Executive at its meeting on the 24<sup>th</sup> May outlining her intention to undertake a reappraisal of the Local Government RPA decisions and local government generally and submit a detailed report to the Executive for consideration in the autumn (i.e. November).
- An initial scoping report will be submitted to the Executive on 5<sup>th</sup> July setting out how the review process will be taken forward and outlining a broad timetable for the work.
- Members will note that the DoE had indicated also that the undernoted work streams would be taken forward as part of the review exercise and inform the report which is to be brought to the NI Executive in the autumn.
  1. Creation of a 'Vision' for Local Government
  2. Transfer of functions
  3. Number of Councils
  4. Community Planning
- It was revealed that the Department is of the view that unless there is a critical mass of functions returned to local government such as planning, roads, regeneration, it is likely that the proposal to have Councils facilitate community planning in their area will be subject to review.
- It is inconceivable that community planning would proceed in England, Scotland and Wales and the Republic of Ireland and that Northern Ireland would not embrace it.

- The DoE had indicated also their intention to proceed with the following strands of local government modernisation:
  1. Shared Services
  2. E Govt
  3. Governance
  4. Legislative framework for local government
  5. Performance Management
  6. Capacity Building
  7. Severance
  8. Ethical Standards and Code of Conducts
  
- It is important that local government is engaged within and helps shape these discussions at both an Elected Member and officer level. Local government must develop an agreed and cohesive voice and evidence-based policy driven agenda for reform with a view to informing and influencing the ongoing deliberations within central government and the NI Executive.
- Members will note that the DoE has recently commissioned PriceWaterhouseCoopers to develop a mechanism to bring all the appropriate stakeholders to the table to discuss and agree a 'vision' for local government. It is important that the creation of this vision is not centrally imposed; it must be driven by local government and accepted by the entire local government family.
- Local government need to develop a robust position/business case on both the vision for local government and on what an effective modernisation agenda should consist of. The Council, in partnership with other local government stakeholders, has clearly a central role in developing the case for local government.
- It is equally important that the local government sector adopt a professional approach to communicating its agreed position through the implementation of an effective influential campaign. There is a need to develop a shared and coherent agenda for moving forward to ensure that the best interests of local government and the citizen are secured.

**2.4 DoE funding commitments to NILGA**

- DoE are to provide funding, subject to DFP approval, to progress capacity development within the Association (e.g., appointment of a Director of Communications and Engagement).
- NILGA's business case is currently under review and will be brought forward in a phased manner.
- The Council advocated the need for central government to ensure that any modernisation funding for local government be made available to Councils directly to permit them to engage in modernisation activities.

**2.5 BCC financial contribution towards NILGA**

- Payment of the Council's annual NILGA subscription of £94,169 will be subject to an acceptable Service Level Agreement between both parties being agreed and put in place.

**2.6 Next steps**

- It was recommended that a joint NILGA/BCC Officer Working Group be established to take forward the development of a Service Level Agreement and appropriate engagement framework which would guide the working relationship between NILGA and Councils and provide clarity on both the functions to be undertaken and commitments entered into by both bodies.
- Political engagement/direction within this process will be vital and, therefore, an appropriate mechanism should be put in place to ensure that the emerging proposals are fully informed and acceptable.
- Accordingly, it was recommended that a project scoping paper would be developed by the joint Working Group and brought through the appropriate approval mechanisms within both NILGA and the Council.

**3.0 Resource Implications**

- 3.1** There will clearly be Human Resource implications attached to the Council's engagement on the proposed joint Working Group.

**3.2 On development and agreement of an acceptable Service Level Agreement with NILGA, the Council would pay its annual subscription to NILGA to the value of £94,169.**

**4.0 Recommendations**

Members are asked to:

- (1) nominate Members from each Political Party to a working group which will guide the Council's relationship with NILGA;
- (2) allow officers, in co-operation with the Working Group, to enter into a process of discussion with NILGA with a view to developing a draft Service Level Partnership Agreement between NILGA and the Council. The draft agreement would be brought to Committee for consideration and endorsement; and
- (3) indicate whether they wish to make payment of the Council's annual NILGA subscription contribution of £94,169, subject to an acceptable Service Level Agreement being put in place."

After discussion, the Committee adopted recommendations 1 and 2 and agreed that the payment of the Council's annual subscription to the Association would be subject to the development and completion of an acceptable Service Level Agreement.

**Good Relations and Equality Issues**

**Good Relations Funding Applications**

The Committee was advised that applications for Good Relations grant-aid had been received from nine organisations. The applications had been assessed using pre-agreed criteria and a schedule of the recommendations made is set out hereunder:

<u>Organisation</u>	<u>Project</u>	<u>Recommendation £</u>
Belfast Humanist Group	Multi-Cultural Debate	880
East Belfast Mission	Exploring Faith, Values and Traditions	8,399
Feile An Phobail	Feile An Phobail's August Feile	3,906
Youth Action Northern Ireland	Spectrum 2	1,600
Polish Association Northern Ireland	Polish Cultural Week	4,700
Afro Community Support Organisation for Northern Ireland	Abolition of Slavery 200 Years Remembrance, Learning and Tackling the Contemporary Legacies of Slavery	2,500
Ardoyne Fleadh Cheoil Project	Ardoyne Fleadh Cheoil Project	4,250
Tar Anall	Tar Anall Youth Project	4,140
Springfield Charitable Association	Ethnic Community Integration Project	4,500

The Committee adopted the recommendations.

### **Implementation of Equality and Good Relations Duties**

The Committee was informed that the Council was required to submit to the Equality Commission an annual report on the progress which had been achieved in respect of the implementation of Equality and Good Relations Duties imposed under Section 75 of the Northern Ireland Act 1998. The Good Relations Manager submitted a copy of the annual report for the period 1st April, 2006 till 31st March, 2007, which was available to the public through the Council's website.

The Committee approved the report for onward transmission to the Equality Commission.

### **Special European Union Programme: Peace III Funding – Implications for the Council**

The Committee considered the undernoted report in respect of the proposed Peace III Programme and its implications for the Council:

#### **“Relevant background information**

The Committee will recall that at its meeting on 23 March 2007 it approved a draft response to a consultation document issued by the Special EU Programmes Body (SEUPB), the designated Managing Authority, in relation to the proposed Peace III Programme for Peace and Reconciliation 2007-2013. This Programme will have an increased focus on reconciliation and be based on two strategic priorities, each with two key areas:

1. Reconciling communities (€140 – €200m)
  - 1.1 Building positive relations at the local level (€100m)
  - 1.2 Acknowledging the past
  
2. Contributing to a shared society (€80 - €130m)
  - 2.1 Creating shared public spaces
  - 2.2 Key institutional capacities are developed for a shared society

The consultation period has now closed. Priority 1.2 'acknowledging the past' will be delivered through the Community Relations Council. We await further guidance on priority 2.2 'key institutional capacities are developed for a shared society', but expect to be eligible to make an application under this heading.

#### **Priority 2.1 Creating shared public spaces**

The Committee is reminded that at its meeting on 18 May, it was advised that the SEUPB had issued an open call and invited expressions of interest for potential capital projects to be funded under Peace III. As the deadline for submissions was 25 May 2007, it was not possible to obtain formal Council approval for the expressions of interest at such short notice.



The Committee therefore agreed that, to meet the deadline, the Director of Improvement should forward to the Party Group Leaders a list of the eight capital projects to be submitted and provide further information on these to its next meeting.

The Party Leaders who were contactable i.e. Sinn Féin, DUP and SDLP, gave agreement to proceed with the proposed submissions although all reserved the right to revisit the list when the call for full submissions is made later this year.

### Key Issues

Priority 2.1 seeks capital projects that will contribute to a shared society by creating shared public spaces. The key objective is to regenerate urban, rural and border areas that appear derelict, segregated, underused, threatening and/or unwelcoming and transform them into shared spaces. In addition, successful projects are expected to:

- act as a catalyst for transforming the local community
- be iconic with a capacity to provide a lasting legacy to the Peace III Programme
- incorporate high design and environmental quality
- demonstrate long term sustainability
- range in size from €1.5m to €10m.

The Council has submitted 8 expressions of interest for the following projects:

- Lagan Canal Gateway Project
- Laganside Foot and Cycle Bridge
- Renewing the Routes – the Challenge of Interfaces
- Your City Your Space – Belfast Heritage Trail
- Northern Community Greenway
- Skatepark
- The Chorus Centre
- Giant's Park Education Centre

Details of the submissions are appended to this report as Appendix 1.

There will be scope to amend the proposals or submit additional proposals depending on the final criteria and guidelines published in the autumn. The Committee should be aware that, although 100% funding will be available for successful schemes, payment will be made in arrears and the Council would be expected to fund the projects up front, with projects being completed within the 2013 timeframe. Such practical considerations need to be borne in mind in making final submissions.

**Priority 1.1 Building positive relations at the local level**

**Current proposals for priority 1.1**

The Peace III programme will be smaller and have a more strategic focus than previous Peace programmes with streamlining of structures and processes, which had proved ‘overly complex and burdensome’ and created confusion among implementing bodies and potential applicants.

The SEUPB has made it clear that existing Local Strategy Partnerships (LSPs) and Intermediary Funding Bodies (IFBs) will not be involved in delivering the new programme. The complexity and cost of those delivery structures<sup>1</sup> was a source of considerable criticism and Peace III will have a reduced level of technical assistance available.

In preparation for the Review of Public Administration changes, Councils (or ‘clusters’ of Councils) will be expected to lead partnerships in their local areas, implementing strategic models of collaboration between the public sector and its social partners and developing Peace & Reconciliation Action Plans. These partnerships are to build on the capacity developed not only through the Local Strategy Partnerships (LSPs) but also through other partnerships. At an individual Council level, 30% of activities must be cross-border.

Funds for the priority area 1.1 are likely to be in the order of €100m allocated in 2 phases. The SEUPB envisages the first tranche of funding to be approx. €40 – 60m, for 13-17 plans up to 2010. The allocation for each area will be based on population but need and the quality of the action plan will be taken into account.

The Community Relations Council (CRC) will provide technical support for Councils and will have a role in ensuring that the Action Plans presented are developed in partnership, reflect area needs and comply with the criteria; the CRC will also prepare an annual report on progress.

On 11 May, the SEUPB issued draft guidelines to local authorities on priority 1.1 ‘building positive relationships at the local level, requesting comments by 25 May. Again there was no time allowed to gain formal Committee approval so at its meeting on 21 May, the Chief Officers’ Management Team approved a

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<sup>1</sup> Under the original Peace II Programme, the NI share of resources was delivered by Government Departments, 26 LSPs and 12 IFBs (selected through competitive tendering and under contract), making a total of 56 implementing bodies.

Council response to the draft Guidelines, which included: concerns around the 30% cross-border requirement; the need for clarification on the partnership arrangements, the financial monitoring requirements and composition of the Steering Committee (at NI level); proposed consultation over July (pointing out that the Equality Commission specifically advises against this); and concern over the very short timeframe allowed both for comments on the draft and preparation of the Plan.

The draft Guidelines include specific reference to the imminent introduction of statutory powers of community planning to Councils and suggest guiding principles to be followed to ensure buy-in to local Plans and the embedding of participatory community planning as a process. Councils must set up a partnership agreement and undertake extensive consultation in the development of their Plan.

The SEUPB admits that its proposed timetable is 'challenging', suggesting that the partnership should be formally agreed in June, with consultation over the summer. A very comprehensive detailed Peace & Reconciliation Action Plan is to be submitted in October 2007; this will require an intensive commitment of staff resources over the next few months. SEUPB have confirmed that no funding or technical assistance will be available until the Plan has been approved.

An inter-Departmental team of relevant officers, led by the Good Relations Manager, has begun work on developing a bid for Belfast under this priority area.

#### **KEY ISSUES for the COUNCIL to consider**

##### **Financial arrangements – monitoring, verification and auditing**

This Peace III Programme officially commenced on 1 January 2007 but guidance has only recently been issued. As a consequence, six months have already been lost. The final programme will not be approved by Brussels until around September and it is unlikely that any funding will be drawn down by the Council until early 2008.

Further detailed guidance on the management and administration of EU funding streams around Peace III has been promised but SEUPB have already confirmed that the EU level of verification will not be reduced and that the Council will be fully responsible for this. The Council's corporate governance and financial management systems will have to be detailed in the Plan submitted to the SEUPB.

The Council will make quarterly claims to SEUPB in arrears, listing spend by budget line and the turnaround period for a claim is stated to be 30 days. Experience suggests that this is very optimistic and the Committee should note that in the case of e.g. capital projects, can involve substantial amounts outstanding for lengthy periods with a consequent cash flow issue.

The Council will be subject to full EU audits, with SEUPB as the audit authority for the programme. An audit plan will be developed which will take into account a risk assessment of the various parts of the programme. Other monitoring returns and regular progress reports on non-financial issues will be required in terms of targets, beneficiaries, indicators etc.

EU monitoring, verification and auditing is very resource intensive and this may require the establishment of a central unit, with dedicated financial compliance staff. The Council currently has a number of employees who have/had EU financial experience in the administration of e.g. Urban II, URBACT, INTERREG, BERI and EQUAL programmes and will use the experience of these staff in establishing any new procedures, integrating these within existing practices.

Councils will be allowed to build in an element of management and running costs but SEUPB have stressed that these should be kept to a minimum. The Council will be expected to absorb some of the general overheads, and the Committee should be aware that it is unlikely there will be full cost recovery.

However, in line with increased responsibility in the forthcoming RPA and the potential enhanced civic leadership profile, the introduction of the Peace III programme should be regarded as a positive opportunity for Belfast and the Council, rather than as an administrative burden. The programme will provide substantial additional resources for the city as a whole and enable the Council to deliver effectively on its Good Relations Plan, in line with the government's Shared Future policy.

#### Governance arrangements

The Peace III programme is to be directed at local level by a partnership, led by the Council with stakeholders from appropriate community and voluntary sector agencies.

This partnership is envisaged as being a consultative / advisory body and may be formed by adopting or adapting existing partnership arrangements. Discussion with the Chief Executive of the Community Relations Council, which will play a major role in

the oversight and scrutiny of our Peace Plan, has led to a proposal that our existing Good Relations Steering Panel could be re-configured and re-focused to take on this extended role, as our current Good Relations Plan will form the basis of our Peace Plan and submission to the SEUPB.

Following a major evaluation and review completed last year, the Committee has already granted authority<sup>2</sup> to undertake a review of the composition of the Good Relations Steering Panel and to establish a broader based Civic Forum. The Steering Panel already has external social partners and was set up with a specific remit of addressing community and race relations in the city. The Good Relations Unit also has funding (via a Peace II-funded project) to facilitate meetings of a Civic Forum for a year; this may be useful in the Council's developing community planning and SNAP process.

It is clear that, in line with government policy, the contribution of the voluntary and community sector is increasingly important and the Council will have closer working relationships with the sector on a range of issues in future. The Council will have to consider what status should be accorded to the new Good Relations Steering Panel and how it fits into the new governance arrangements.

The Committee will be aware that the existing status of the Good Relations Steering Panel is that of a Working Group and that as such it lies outside the Council's governance/Committee structures, is not subject to its Standing Orders etc. and has no authority to make decisions on behalf of the Council. As it is clear that the SEUPB expects the Council to assume financial responsibility and accountability for all Peace III decisions, it follows that the Council has to assume responsibility and accountability for the decision-making process as well. The current Good Relations Steering Panel makes recommendations to the principal Policy and Resources Committee, whose decisions are subject to ratification by the full Council. This has worked well and could prove an appropriate structure for the delivery of the Peace III programme.

The Director of Legal Services has had discussions with the SEUPB and will be clarifying the legal position of the Good Relations Steering Panel in relation to Peace III funding and governance.

The Council will have to make the final decisions about the size and composition of this new Steering Panel, how we ensure that the most appropriate stakeholders are on board, how we select the nominees from our social partners, ensuring ability and expertise etc. Developing a good working relationship with the members of the new Steering Panel will be critical.

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<sup>2</sup> Policy and Resources Committee, 20 October 2006

The SEUPB is keen to ensure that the Peace III programme is embedded at local authority level, integrated within existing structures and procedures, to maximise mainstreaming and the legacy of the programme.

#### Political implications

At regional level, a cross-border Monitoring Committee of politicians and social partners will be set up to oversee all aspects of the Peace III Programme; SEUPB envisage Councillor representatives rather than MLAs. It is vital that Belfast is represented at this level and that Belfast Councillors actively participate. The SEUPB envisage that nominations will be sought both from NILGA and from political party leaders at NI level.

The Committee will be aware that the model of using a re-shaped and re-configured Good Relations Steering Panel as the driver for Peace III will ensure that more responsibility remains with the Council. It also ensures that there will be greater scrutiny of all aspects of the programme, aligned with the standard principles of transparency and accountability that underpin local government.

It is important that the best elements from the Belfast Local Strategy Partnerships (LSPs) – cross-party working, the partnership approach and sound financial management – are retained and transfer across to the Council. Advice from the Chief Executive of the Community Relations Council and a representative from the Office of the First Minister/Deputy First Minister is that there should however be a clean break from the LSP and a fresh Council start in terms of Peace III. The Council should also use this opportunity to make strong links with its own developing community planning and SNAP processes at this stage.

#### Community expectations

The Council will be able to deliver some activities itself, e.g. addressing sectarianism and racism, work around interfaces etc., but will also act as an intermediary funding body to disburse funding to enable delivery by other agencies, either public sector or community/voluntary sector.

SEUPB reported that in their recent consultation process the community/voluntary sector had expressed concern and a lack of confidence in Councils' ability to support them. In Belfast, groups are already asking how they can access the new funding opportunities and community expectations are high. These will need to be managed carefully during our own consultation process and the Community Relations Council have already offered to assist with this.

The Council's response to the Peace III consultation paper had noted that even small amounts of grant aid can have a big impact on the ground and there is capacity for a small grants programme (up to £25,000). EU regulations do not recognise proportionality and even small grants will still be subject to the same monitoring and audit requirements as larger amounts. As a result, we will have to ensure that groups in receipt of funding can demonstrate financial management competence and capacity to monitor expenditure and it will not be worthwhile to issue very small amounts of grant aid.

Some voluntary and community groups have already stated that because this type of work is new for them, additional developmental good relations support and guidance from the Council will be expected (as opposed to simply financial compliance). This will mean incorporating an extra resource within this element of the programme bid and SEUPB have agreed that 100% funding towards this type of support staffing will be available.

#### Letter from Belfast Local Strategy Partnership

The Belfast LSP was set up with a primary focus on economic development issues and formally incorporated as a company limited by guarantee in February 2002. Under the previous Peace II Programme it has disbursed grant-aid of around £30m under the themes of promoting the social economy and employability training; and more recently conflict resolution.

The Peace II Programme was initially scheduled to conclude in December 2006. However, a two year extension was negotiated with the European Union, taking the Programme through to December 2008. All grant aid has been disbursed and all project funding must be completed by 30 June 2008; the LSP therefore has only a monitoring role at present.

The Committee will recall that it agreed at its meeting on 17 November 2006 that the LSP could use offices in Callender Street, previously occupied by the Consumer Advice Centre and held by the Council on a 21 year lease due to expire in July 2012.

The Chairman and Vice-Chairperson of the Belfast LSP have now sent a letter (copy attached as Appendix 2) to Councillor Alex Maskey, former Chairman of the Policy and Resources Committee; the letter was copied to the Chief Executive for information.

This letter acknowledges that local authorities are identified as lead partners for priority 1.1 and that local partnerships will form a central component in Peace III. It goes on to state that the LSP's experience of partnership working, its current financial systems and its specialist knowledge all provide an opportunity for it to be involved in the delivery of the new programme.

The Committee should be aware that the staffing of the Belfast LSP, previously 16, is now reduced to 4 and it is not likely that they could deliver the new programme without substantial additional funding. The SEUPB has made it clear to us that it expects local authorities to lead on the preparation and delivery of plans for the Peace III period and questions the allocation of additional funding to the LSP for such purposes at this time, as this would set a precedent for other LSPs in NI.

It may be possible to utilise the experience of their staff in establishing new financial procedures for the management of the Peace III programme within the Council. However, the Director of Legal Services has already advised against a direct transfer of all or any of the staff of Belfast LSP under the Transfer of Undertaking (Protection of Employment) Regulations.

As some elected Members of Council are also members of the LSP Board, to protect their interests and ensure that the LSP's business affairs are managed effectively in this transitional period, it would be appropriate for the Council to undertake a due diligence exercise at this point to examine all options in relation to governance and structural issues. This would enable a more detailed position paper to be developed for submission to the Strategic Policy and Resources Committee in August.

### Recommendations

An oral report was made to the Good Relations Steering Panel at its meeting on Friday 1 June.

The Committee is requested to note the information in this report and to agree the following recommendations:

- to agree to prepare a Peace Plan in accordance with the guidelines issued by the SEUPB so that the Council can lead a Peace III Programme for Belfast
- to note that this will represent substantial additional work for the Good Relations Unit over the next few months and that the Community Relations Council will assist with this
- to note that any work at this stage is at risk and no financial support will be available until the plan has been approved
- to establish an ad hoc internal Working Group of staff with relevant EU financial experience to advise on the financial implications of the Peace III programme and make recommendations regarding appropriate procedures, when the financial guidance from SEUPB is received



- to authorise the Director of Legal Services to undertake an appropriate due diligence exercise in relation to the continuing management of the Belfast LSP and engage external advice as appropriate
- to note that further reports will be submitted with appropriate recommendations to enable appropriate plans, procedures and structures to be progressed to ensure the proper implementation and delivery of the Peace III programme in the longer term.”

After discussion, during which it was recognised that there was a need for the Council to take a lead role in the implementation and delivery of the Peace III Programme, the Committee adopted the recommendations and agreed that the secondment of Dr. Eddie Jackson, Economic Development Manager, to the position of Chief Executive of the Belfast Local Strategy Partnership be terminated with effect from 30th June, 2007.

### Policy Issues

#### Advertising Policy

The Committee considered a report in relation to a proposed Council-wide policy on advertising and agreed that a review of the Council's current approach to advertising be undertaken with the view to a corporate policy being developed in this regard and a report thereon being submitted to a future meeting of the Committee.

#### Accommodation and Hospitality

##### City Hall Use of Accommodation and Provision of Civic Hospitality

The Committee was advised that the undernoted request for use of accommodation in the City Hall and the provision of civic hospitality had been received. An indication as to whether it fell within the criteria approved by the Committee and the recommendation thereon of the Head of Committee and Members' Services is set out hereunder:

Organisation / Body	Event/Date – Number of Delegates/Guests	Request	Comments	Recommendation
Association of Researchers in Construction Management	Association of Researchers in Construction Management Annual Conference  4 <sup>th</sup> September, 2007 (evening)  Approximately 100 Attending	Provision of hospitality in the form of a drinks reception	It is estimated that 100 delegates will be staying in accommodation in Belfast.	Provision of a drinks reception in the form of wines and soft drinks  Approximate cost £300  Approximate budget remaining £191,600

The Committee adopted the recommendation.

**Memorial to Commemorate  
the Life of George Best**

The Committee was reminded that the former Policy and Resources Committee, at its meeting on 17th February, 2006, had agreed that steps should be taken to assist in commemorating the life of George Best. The Best family had proposed that a memorial be placed within the City and that the funding should come from public subscription. Subsequently, the George Best Memorial Trust had been formed to run the public subscription and to commission the statue.

The Head of Committee and Members' Services reported that the trust had requested use of the City Hall to stage an event which would help to raise funds for the erection of a statue in the City. It was proposed that the event would take place in October prior to the closure of the building. It was anticipated that a number of high profile guests would be in attendance. Support for the event would demonstrate the Committee's previously expressed desire to provide assistance in commemorating the life of George Best.

Accordingly, it was recommended that the Committee grant the use of the City Hall for the holding of a an event in October prior to the closure of the building to raise funds for a memorial within the City to commemorate the life of George Best and to approve the provision of a pre-dinner drinks reception.

The Committee adopted the recommendation.

**Facilities Management**

**United Kingdom's Strongest Man**

The Committee was advised that a request had been received from Big G Promotions, the organisers of the United Kingdom's Strongest Man 2007 competition, for the use of the City Hall grounds for the holding of one of their events. The Committee was advised that the Council, through the Support for Sport Fund, had sponsored the competition, which would consist of events being held in the City centre, Customs House Square and the Odyssey Arena. The competition would take place from 25th till 27th August. The organisers were seeking to use the City Hall grounds for the opening event, which would be held between 12.00 and 4.00 p.m. on Saturday, 25th August. The event organisers anticipated that the competition would attract 7,000 spectators over the three days. The event at the City Hall would consist of Axle and Squat Presses and a Medley Race and would be televised, with an anticipated worldwide audience of over 10 million people.

The Committee granted permission for the use of the City Hall grounds for the opening event of the United Kingdom's Strongest Man 2007 competition on Saturday, 25th August, 2007.

### Miscellaneous

#### Co-ordination of Road Management Activities

The Committee noted the receipt of a joint protocol for the co-ordination of road management activities in response to a major incident on the strategic road network within the Belfast Urban Region, which had been developed recently by the Police Service of Northern Ireland and the Department for Regional Development's Roads Service.

#### The William Keown Trust – Closure of Post Offices

The Committee was advised that correspondence had been received from The William Keown Trust, a charity which highlighted the achievements and promoted the dignity of people with disabilities, regarding the recent decision of the Minister of State for Trade and Industry to close 2,500 Post Offices throughout the United Kingdom. The Trust had written to the Minister expressing its concern at the decision and was seeking the views of the Council thereon.

The Committee agreed, since the closure of Post Offices in the City would have an adverse impact on disadvantaged groups, including disabled persons, that the Minister be requested to take full account of the impact of such decisions before finalising the plans.

#### Medical Equipment and Resources

The Committee was reminded that the former Policy and Resources Committee, at its meeting on 18th May, had agreed that defibrillators be provided in all Council premises. In addition, the Committee had agreed that an examination be conducted with immediate effect into the status of all equipment in the Council's Occupational Health Unit and any equipment judged not to be sufficient to meet the latest standards be replaced without delay.

The Committee was advised that the equipment in the Occupational Health Unit had been examined and it had been deemed necessary to replace the electrocardiogram machine at a cost of approximately £2,500. However, with regard to the provision of defibrillators, it was explained that this would carry far greater resource implications in terms of both employment and training. Accordingly, a detailed report in this regard would be submitted to the August meeting of the Committee.

Noted.

#### Disposal of Council Land Involving a Belfast City Council Officer

In accordance with Standing Order 70 regarding contracts with Members or Officers of the Council, the Committee was advised that a small area of Council-owned land to the rear of 26 Ladybrook Park was to be disposed of to an employee of the Parks and Leisure Department.

The Committee approved the sale of the land, subject to the completion of a legal agreement to be prepared by the Director of Legal Services.

**Flooding in the City**

The Chief Executive provided the Committee with an update on the action which had been taken in response to the flooding which had occurred in East Belfast and other parts of the City on Tuesday, 12th June. He explained that the Emergency Management Room had been opened at approximately 2.30 p.m. on that day and the Emergency Plan had been activated. The Avoniel Leisure Centre had been set up as a combined Rest Centre/Community Assistance Centre, with the Ozone Centre having been put on standby in case it was required also.

The Council had chaired a Multi-Agency Conference involving representatives of the Belfast Health and Social Care Trust, Fire and Rescue Services, the Northern Ireland Housing Executive, the MET Office, Roads Service, the Water Service, Rivers Agency, the Police Service of Northern Ireland and adjoining Councils. All agencies had accepted the Council's offer to provide services for multi-agency co-ordination.

The Chief Executive advised the Committee that the Northern Ireland Executive had announced that the sum of £5 million would be made available to Council's affected by the floods to provide help and assistance to householders. He explained that he had attended a meeting earlier that morning to discuss the help and assistance which might be offered and the Minister had agreed that Councils could make a one-off payment of £1,000 to occupiers whose premises had been significantly affected by internal flooding. Councils would be permitted also to expend money to remove any items damaged by flood water, provide clean-ups and provide advice and assistance on issues relating to health and safety and public health.

The Chief Executive further advised the Committee that the Emergency Management Team would meet later in the day to arrange for visits by Environmental Health and Building Control officers to homes affected by the floods and would make arrangements for payments to affected householders to be made from Monday onwards. He undertook to provide all Members with details of the arrangements the Council would put in place.

The Committee noted the information which had been provided and commended the work of the Emergency Planning Team and all those Council officers and agencies who had been involved in assisting the victims of the flooding.

Chairman