

Strategic Policy and Resources Committee

Friday, 25th January, 2008

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor D. Dodds (Chairman); and
Councillors Adamson, D. Browne, M. Browne,
W. Browne, Convery, Crozier, Hanna, Hartley,
Kirkpatrick, Lavery, Maginness, A. Maskey, P. Maskey,
McCann, Newton, Rodway, Smyth and Stoker.

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

Minutes

The minutes of the meeting of 14th December were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 7th January, subject to the omission of the minute under the heading "Statement of Purpose and Terms of Reference of the Audit Panel" which, at the request of Councillor Crozier, had been taken back to the Committee for further consideration.

Statement of Purpose and Terms of Reference of the Audit Panel

The Committee proceeded to consider further the minute of the meeting of 14th December in relation to the Statement of Purpose and Terms of Reference of the Audit Panel. An extract of the minute in that regard is set out hereunder:

"Minutes of Meeting of Audit Panel

The Committee approved the minutes of the meeting of the Audit Panel of 10th December and adopted the recommendations of the Panel in relation to the following issues:

Statement of Purpose and Terms of Reference for the Audit Panel

The purpose statement and terms of reference as set out hereunder:

‘Purpose of the Audit Panel

‘The purpose of Belfast City Council’s Audit Panel is to provide an independent assurance on the adequacy of the Council’s risk management framework and associated control environment. It will provide an independent scrutiny of the Council’s financial and non-financial performance to the extent that it exposes the Council to risk and weakens the control environment. The Panel will also oversee the Council’s financial reporting process.’

Note: the expression ‘audit’ should be accordingly understood in this context.

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 concerning the Council’s corporate governance arrangements.*
- 2. To consider summaries of specific internal audit reports.*
- 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 all recommendations, reports and declarations of the Local Government Auditor as made under the Local Government (NI) Order 2005.*
- 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

- 9. To maintain an overview of the Council’s constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.*

10. *To review any matter concerning issues of audit referred to it by the Council or any Committee of the Council or by the Chief Executive.*
11. *To monitor the effective development and operation of risk management and corporate governance in the Council.*
12. *To monitor Council policies on whistleblowing and the anti-fraud and corruption strategy and the Council's complaints process.*
13. *To oversee the production of the Council's Statement on Internal Control and to recommend its adoption.*
14. *To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.*
15. *To consider the Council's compliance with its own and other published standards and controls.*

Accounts

16. *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.*
17. *To consider the external auditor's report to those charged with governance on issuing arising from the accounts'.*

Councillor Crozier, who had requested that the minute be taken back for further consideration, expressed concern that the Terms of Reference did not include a means by which individual Members could refer issues to the Audit Panel. In addition, he made the point that the work of the Panel was constrained in so far as it could only address issues of compliance, was more directed towards risk management and did not enable the Panel to scrutinise Committee decisions. A further Member pointed out that the issue of scrutiny had been raised by Members of his Party on a number of occasions and that this matter still required to be addressed.

After discussion, the Committee noted the information which had been provided and agreed that the views of the Party Groupings on the Council be sought on how a scrutiny role could be embraced within the Terms of Reference of the Audit Panel and that a further report thereon be submitted to a future meeting.

Finance

District Rate 2008/2009

The Director of Corporate Services submitted for the Committee's consideration the undernoted report in relation to the District Rate 2008/2009:

“Purpose

The purpose of this report is to update Committee on the progress made in relation to agreeing the District Rate for 2008/09 since the special Strategic Policy and Resources Committee meeting held on 8 January 2008.

Relevant Background Information

At the Special Policy and Resources Committee on 8 January the Director of Corporate Services presented the Revenue Estimates 2008/09 and recommended a District Rate increase of 5.81%. The committee noted the progress which had been achieved in relation to the production of the Revenue Estimates for the 2008/2009 financial year but directed that the Members work with the officers at a corporate level, through both the Party Group Leaders, Committee Chairman and the Council Improvement Board, in order to examine the possibility of identifying further potential savings which could be made.

This report will outline the further progress that has been made.

Key Issues

Members are requested to note that each Departmental Revenue Estimate 2008/09 has now been agreed by the relevant committee.

The Party Group Leaders met with the Chief Executive and Director of Corporate Services on 16 January to discuss potential options for further corporate savings. At the outset it was agreed that the savings were being discussed in the context of reaching consensus across the party groups on the level of District Rate increase. The following options were considered:

- Improve the Product of a 1p Rate (PPR)

The Director of Corporate Services requested the Land and Property Services Agency (LPSA) to re-run the PPR calculation and the result was that the PPR had marginally declined because the Richardsons site had been declassified from the industrial valuation listing. This option is therefore not available to the Council.

- **Events Expenditure**

The 2008/09 budget includes growth of £600,000 for events as follows:

| | £ |
|-----------------------------------|---------|
| Tall Ships | 400,000 |
| Nodamic Restoration Fund | 100,000 |
| World Irish Dancing Championships | 100,000 |

It was suggested that one or all three of these events could be funded from reserves. After discussion, however, this option was rejected by the Party Group Leaders. It was agreed, however, that the future funding and nature of events should be considered in the context of an events strategy which is aligned to the corporate priorities.

- **Reprofile Financing of the City Investment Strategy**

The Party Group Leaders requested the Director of Corporate Services to provide a number of options on how the financing of the City Investment Strategy could be reprofiled with the effect of reducing the rate burden element in 2008/09. The Party Group Leaders agreed to consider these options at a meeting on 24 January and to table a recommendation on the setting of the District Rate 2008/09 at the Strategic Policy and Resources Committee meeting which will held the following day.

The table below outlines the cash flow for the City Investment Strategy. From the table it can be seen that currently 1% of the proposed District Rate increase is dedicated to the City Investment Strategy.

| City Investment Strategy – Cash Flow Analysis | | | | | |
|---|------------|------------|-------------|------------|-------------|
| Source of Funding | Year | | | | Total |
| | 2007 | 2008 | 2009 | 2010 | |
| | £m | £m | £m | £m | £m |
| Reserves | 1.0 | | | | 1.0 |
| Boucher Road Receipt | | 1.5 | | | 1.5 |
| Rental | 1.0 | | | | 1.0 |
| 1% Rate Increase | | 1.0 | 2.0 | 3.0 | 6.0 |
| Capital Receipts | | 6.0 | 6.0 | 6.0 | 18.0 |
| Efficiency Programme | | 0.5 | 0.5 | 0.5 | 1.5 |
| Borrowing | | | | | 0.0 |
| Total | 2.0 | 9.0 | 8.58 | 9.5 | 29.0 |

The Director of Corporate Services will present the following options to the Party Group Leaders on 24 January.

| Options | City Investment Strategy Rate Increase 2008/09 | City Investment Strategy Rate Contribution 2008/09 | City Investment Strategy Financing Shortfall 2008/09 | District Rate Increase 2008/09 |
|---------|--|--|--|--------------------------------|
| | | £ | £ | |
| 1 | 1% | 1,000,000 | 0 | 5.81% |
| 2 | 0.5% | 500,000 | 500,000 | 5.32% |
| 3 | 0.15% | 150,000 | 850,000 | 4.97% |
| 4 | 0% | 0 | 1,000,000 | 4.83% |

The table below shows the cumulative impact of the options over the two year period 2009/10– 2010/11. The Director of Corporate Services has indicated that it would not be sustainable to finance these funding deficits from reserves.

| Options | City Investment Strategy Rate Increase 2008/09 | City Investment Strategy Funding Shortfall 2009/10– 2010/11 |
|---------|--|---|
| | | £ |
| 1 | 1% | 0 |
| 2 | 0.5% | 1,000,000 |
| 3 | 0.15% | 1,700,000 |
| 4 | 0% | 2,000,000 |

Members therefore must give consideration to the impact of the options not only in terms of setting the District Rate for 2008/09 but also over the lifespan of the City Investment Strategy. The main issue when deciding on an option will therefore be the Council's ability to finance the funding shortfall associated with each option from sources other than reserves. The key determinant of this will be the future rates position.

At present the rate finalisation for 2007/08 is unknown. The LPSA has indicated that a provisional finalisation may be available in May 2008. This would be substantially earlier than previous years. If the finalisation position was to be favourable

the City Investment Strategy could be revisited and the additional income received could be earmarked for the City Investment Strategy and therefore ease the funding shortfall. Members, however, should be aware that the finalisation for 2006/07 has been received and resulted in the Council paying back £600,000.

In terms of 2008/09, the Council is aware of a number of properties which are not included in the current PPR calculation but will generate rate income during 2008/09. The prime example being Victoria Square. This would indicate that the Council may be in a healthier position by the end of 2008/09 but consideration must also be given to areas which may have a negative impact on the rate. For example, the Odyssey Complex is currently applying for rates exemption with the Land Tribunal. Also, there may be a negative impact from potential future changes to rating policy such as the loss of rate income from universities if it is agreed to exempt them from rates.

In summary, at face value the rates position during 2008/09 looks healthier for the Council but because of the number of variables which are outside the control of the Council and the difficulty in obtaining timely information, the Director of Corporate Services is not at this point able to provide Members with a definitive position.

The other major factor which needs to be considered is the Council's ability to realise capital receipts through the rationalisation of assets. The Director of Improvement is currently preparing a shortlist of asset rationalisation opportunities for presentation to Members. The Director of Corporate Services will review the financing options for the City Investment Strategy in the context of capital receipts being realised.

Key Messages

The Head of Corporate Communications will discuss the key messages for the setting of the District Rate with the Party Group Leaders on 24 January. He will provide a press release, a questions and answers sheet for Members and more detailed messages for inclusion in City Matters. These will also be provided to the Committee on 25 January 2008.

Recommendations

Members are requested to note the contents of the report and agree to accept a tabled recommendation in relation to the setting of the District Rate 2008/09."

The Director of Corporate Services reported that the four options in relation to the contribution to be made to the City Investment Strategy as set out in the foregoing report had been presented to the Party Group Leaders at a meeting held on 24th January during which the advantages and disadvantages of the four options had been considered. In order to achieve a unified position, option 2, that is, an increase of 5.32% in the District Rate for 2008/2009, had been identified as the preferred option to be recommended to the Committee. This had been made in the context of the following:

- the Party Group Leaders affirm their commitment to raising funds totaling £29 million in relation to the City Investment Strategy over the next three years;
- an aspiration, over the next three years, to invest in the City and leave a legacy for future generations while at the same time attaining a rate increase not greater than inflation plus 1%;
- the Strategic Policy and Resources Committee keep under continuous review the financial progress of establishing the £29 million required to fund the City Investment Strategy; and
- the Committee would receive a report at an early stage on the asset rationalisation element of the aforementioned strategy.

Accordingly, the revised summary of Income and Expenditure for the year ending 31st March, 2009 would be as follows:

**Summary of Estimates of Income and Expenditure
for year ending 31 March 2009**

| Year Ending 31/03/2008 £ | COMMITTEE | Year Ending 31/03/2009 £ |
|--------------------------------|--|--------------------------------|
| 14,284,560 | STRATEGIC POLICY AND RESOURCES COMMITTEE | 14,864,330 |
| 5,541,140 | Chief Executive's Department | 5,590,580 |
| 205,220 | Legal Services Department | 215,620 |
| 10,111,740 | Corporate Services Department | 10,406,690 |
| (1,573,540) | Improvement Department | (1,848,560) |
| - | City Investment Fund | 500,000 |
| 21,731,400 | DEVELOPMENT COMMITTEE | 23,796,450 |
| 29,521,540 | PARKS & LEISURE COMMITTEE | 30,989,430 |
| 46,381,540 | HEALTH & ENVIRONMENTAL SERVICES COMMITTEE | 47,764,590 |
| <u>30,050</u> | TOWN PLANNING COMMITTEE | <u>31,400</u> |
| 111,949,090 | | 117,446,200 |
| <u>(4,069,380)</u> | Less Adjustments re Capital charges | <u>(4,518,050)</u> |
| 107,879,710 | | 112,928,150 |
| | Less | |
| <u>(4,495,640)</u> | GENERAL EXCHEQUER GRANT | <u>(4,040,970)</u> |
| 103,384,070 | | 108,887,180 |
| | Less | |
| <u>(1,000,000)</u> | ESTIMATED CREDIT BALANCE | <u>(1,400,000)</u> |
| 102,384,070 | | 107,487,180 |
| <u>4,837,630</u> | ESTIMATED PRODUCT OF 1p RATE | <u>4,822,430</u> |
| 21.1641p | NON-DOMESTIC RATE IN £ FOR YEAR ENDING 31/3/2009 | 22.2890p |
| 0.011449 | CONVERSION FACTOR | 0.011449 |
| <u>0.2423p</u> | DOMESTIC RATE IN £ YEAR ENDING 31/3/2009 | <u>0.2552p</u> |

This shows an increase of 5.32% over last year."

Accordingly, it was recommended that the Committee agrees:

- (i) the Council be recommended to approve the expenditure contained in the Estimates of Income and Expenditure, a summary which is set out above, and further to this a Domestic Rate of 0.2552 pence and a Business Rate of 22.289 pence be fixed to meet the estimated expenditure of the several Committees of the Council for the financial year commencing 1st April, 2008;
- (ii) in the context of the Council's three-year planning cycle and its aspiration to invest in the City and leave a legacy for future generations, the Council would seek, conditions permitting, to achieve rate increases not greater than inflation plus 1%;
- (iii) to affirm its commitment to raising funds total £29 million in relation to the City Investment Strategy over the next three years;
- (iv) to keep under continuous review financial progress in relation to the establishment of the £29 million required to fund the City Investment Strategy; and
- (v) to receive at an early stage a report on the asset rationalisation element of the City Investment Strategy.

After a lengthy discussion in the matter, it was

Moved by Councillor Newton,
Seconded by Councillor Rodway,

That the Committee agrees to adopt the recommendations in relation to the setting of the District Rate.

Amendment

Moved by Councillor Stoker,
Seconded by Councillor D. Browne,

That the Committee agrees to recommend to the Council that the amount of £1,000,000 to be allocated to the Strategic Investment Fund in the first year be taken from reserves so that the increase in the District Rate would be limited to 4.83%.

On a vote by show of hands six Members voted for the amendment and thirteen against and it was accordingly declared lost.

The original proposal standing in the name of Councillor Newton and seconded by Councillor Rodway was thereupon put to the meeting when thirteen Members voted for and six against and it was accordingly declared carried.

Authority to Seek Tenders

The Committee granted authority for the commencement of tendering exercises in respect of the following:

- (i) the supply and installation of soft flooring in Council properties;
- (ii) routine inspection and maintenance of lifts; and
- (iii) the supply of a 'first-responder' out-of-hours emergency response service.

Modernisation and Improvement

Review of Public Administration - Update

The Chief Executive submitted for the Committee's consideration the undernoted report which provided an update in relation to the Review of Public Administration:

"1.0 Relevant background information

- 1.1 Members will recall that on 19th October, the Environment Minister, Arlene Foster, M.L.A. released the Review of Public Administration (RPA) Emerging Findings Report on the future reform and shape of local government within Northern Ireland. The document outlined the proposed functions and resources to transfer under local government control and highlighted the variance from the original RPA proposals for local government reform.**
- 1.2 At a special meeting of the Council's Strategic Policy and Resources Committee on 9th November, Members voiced their concern and strong disappointment in respect to the proposed package of functions and resources outlined within the Emerging Findings Report which would transfer to local government. It was noted that the current proposals, if carried forward into the implementation of the RPA, would represent a missed opportunity to really make a difference in the way that Northern Ireland is governed and would deliver a substantially 'watered down' version of the 'strong local government' which the original RPA proposals had set out to achieve. The Council also made the point that sufficient funding and resources would have to accompany any transferring functions.**

1.3 Accordingly, the Council, at its meeting on the 3rd December 2007, endorsed a response to the Emerging Findings Report, together with a supplementary paper prepared by Mr Colin Stutt entitled 'Beyond the Emerging Findings Report - Implementation Paper' which contained proposals on both the transfer of specific functions to local government and on how the RPA debate could be taken forward. Both papers have been submitted to the Department of Environment's RPA Review Team.

2.0 **Key issues**

2.1 Members will accept that we are rapidly approaching a critical stage in the RPA process and in defining the future shape and role of local government within Northern Ireland. It is anticipated that a revised RPA recommendations report would be submitted to the NI Executive on 31st January, 2008, with an announcement to the NI Assembly and the general public in early February.

2.2 The revised report will outline the exact nature of the functions (and the resources that support them) which will be transferred from central government to local government, the number of Councils which will exist in the new local government configuration and the proposed timescale for implementation.

2.3 During December, 2007, the Environment Minister, Arlene Foster held a number of bilateral meetings with Ministerial colleagues to discuss the transfer of functions strand of the review of the RPA local government decisions. The discussions between Ministers touched upon a number of key issues including:

- the feedback from the stakeholder engagement process which registered the disappointment and concern expressed by stakeholders, particularly in the local government sector, about the limited scale and nature of the transfer package outlined in the RPA Emerging Findings Report;
- the potential to augment the transfer package with additional functions; and
- the possibility of introducing innovative service delivery models, through group systems and other approaches, which would enhance local government accountability for functions but also take account of efficiency considerations.

2.4 Whilst there seems to be significant support for the concept of strong local government among Ministers, there remains a reluctance to devolve additional functions to local government. Discussions between Ministers will continue over January with a view to informing the announcements expected in early February.

2.5 At a recent meeting of the RPA Strategic Leadership Board on 8th January, 2008, the Environment Minister, Arlene Foster indicated that that NI Executive Ministers still remain reluctant to transfer more functions to local government. A copy of a briefing paper on discussions at the RPA Strategic Leadership Board meeting is attached at Appendix 1.

2.6 Lobbying and Ministerial Engagement

2.6.1 It is essential that there is a common understanding within both central government and the NI Executive of the need for an adequate cluster of functions to be devolved to local government to enable Councils to fulfill their crucial role as a place shaper, enabler and co-ordinator of the delivery of joined-up local public services.

2.6.2 Over recent weeks a joint deputation consisting of representatives from the Northern Ireland Local Government Association (NILGA) and the Society of Local Authority Chief Executives (SOLACE) have met with Ministers of the NI Executive to challenge the proposals contained within the RPA Emerging Findings Report and to discuss the concerns of the local government sector.

2.6.3 A summary of the key discussions at the Ministerial meetings is outlined below.

- *Meeting with Peter Robinson MLA, Minister for Finance and Personnel (5th December)*

The Minister confirmed his commitment to strong, effective local government and agreed that there is a need to take a more integrated approach to the delivery of public services. The Minister indicated that he felt that local roads should remain as a single integrated service but recognised that Councils needed greater local influence.

- *Meeting with Nigel Dodds MLA, Minister for Enterprise Trade and Investment (13th December)*

The Minister confirmed his commitment to strong, effective local government and recognised the important role of Councils in delivering public services. The Minister agreed that there needed to be less duplication and greater clarity of roles. He indicated that work had already begun to map out existing service provision to identify gaps and overlaps. The Minister agreed that local government should be involved in taking this work forward.

- *Meeting with Margaret Ritchie MLA, Minister for Social Development (3rd January)*

The Minister reinstated her commitment to transferring regeneration and community development functions to local government. The Minister indicated her willingness to consider the development and implementation of pilot schemes with local Councils in advance of the transfer of functions.

- *Meeting with Conor Murphy MLA, Minister for Regional Development (9th January)*

The Minister acknowledged the need to strengthen local government to enable them to deliver better outcomes for the citizen and to provide the appropriate development ground for the next generation of politicians. Whilst the Minister expressed a strong view that responsibility for both mainstream and local road functions should sit within central government, he noted his commitment to the development (with the involvement of local government) of a genuine and meaningful engagement model which would provide the new Councils with a formal and direct input into local roads decision making.

2.7 Local Government Modernisation

- 2.7.1 Members will be aware of the intentions of the Environment Minister, Arlene Foster M.L.A to take forward a Local Government Modernisation Programme within Northern Ireland through the interim arrangements of two Modernisation Sub-Groups of the RPA Strategic Leadership Board. The Sub-Groups will focus on the following strands of activity:

Strand A: Legislative Framework and Capacity Building

Strengthening the way in which Councils work by modernising the policy and legislative framework within which they operate and by addressing the capacity of elected Members to deliver accountable citizen-centred local government services. Specific areas which are being considered include:

Legislative Framework

- **Local government finance arrangements**
- **Remuneration and severance arrangements for councillors**
- **Ethical standards including a mandatory code of conduct for councillors**
- **A regulatory framework in relation to Council's participation in limited companies**
- **Provisions to allow Councils to participate in Public Private Partnerships and Public Finance Initiatives**
- **Performance management**
- **Governance arrangements for Councils**

Capacity Building

- **Capacity building of Elected Members and officers**

Strand B: Service Improvement

Improving the way in which local Councils work in terms of delivering services in a way that is standardised, simple and provides value for money. This should enable Councils to release resources to improve front-line service delivery. Specific areas to be considered include:

- **Front-line customer service mechanisms (e.g. one stop shops, call centres)**
- **Back office services (e.g. HR, finance, procurement, estates)**
- **Common ICT infrastructure**

2.7.2 At the recent meeting of the RPA Strategic Leadership Board on 8th January, 2008, the major priorities for each sub-group were outlined.

Within Strand A the priorities have been identified as:

- **to undertake an assessment of current capacity with the local government sector;**
- **to develop an appropriate Communication Strategy;**
- **to develop an Elected Members Development Programme;**
- **to develop a Customer Service Strategy;**
- **to develop a Change Management/Transition Strategy;**
and
- **to develop a Human Resource Strategy.**

Within Strand B the priorities have been identified as:

- **NI Direct (creation of a single contact point for citizens dealing with public services);**
- **to develop a Procurement Strategy;**
- **to develop a IS Strategy to include eGovernment projects and Local Government Customer Relationship Management.**

2.7.3 On both strands of activity, detailed work is underway to develop the key priorities and initiatives which would underpin the modernisation programme. A progress update on the activities of both Modernisation Sub-Groups, submitted to the RPA Strategic Leadership Board at its meeting on 8th January, has been circulated.

2.7.4 It is apparent that the Modernisation Sub-Groups are examining a very large and complex area of important work. The outworking of the modernisation programme will inevitably have significant implications for the Council and the wider local government sector. Therefore, it is important that the Council is proactively engaged within this process and ensures that the emerging modernisation programme is based on sound information and reflects the needs of the sector.

- 2.7.5 It is important that securing greater alignment between the local government modernisation agenda and the Council's own improvement agenda is pursued and possible synergies realised. The experiences and lessons learnt by the Council should inform the wider modernisation process.
- 2.7.6 It is important to note that representation from Belfast City Council on the Modernisation Sub-Groups is limited. The Council does not have any political representation on Strand B 'Service Improvement' or officer representation on Strand A 'Legislative Framework and Capacity Building'.
- 2.7.7 Accordingly, it is important that those elected Members and officers from the Council who are represented on the Modernisation Sub-Groups are provided with adequate support to assist them in that role and that appropriate mechanisms are in place to enable them to examine, discuss and articulate, as required, a corporate perspective on emerging issues.

3.0 Conclusions

3.1 Numbers and Functions

It is likely that an announcement will be made by the Northern Ireland Executive on functions and numbers by the end of January.

- 3.2 This will either be 11 or 15 Councils based on the options identified in the March 2005 consultation paper. A new Boundaries Commissioner will have to be engaged to precisely draw the new boundaries depending on the model chosen.

3.3 Timescale for Implementation

The indications are that the Northern Ireland Executive wish the elections for the new Councils to be aligned with the elections to the new Assembly which are scheduled to take place in 2011. There are two main options for this to occur. Firstly, the current Council term might be extended to 2011. This option requires the consent of the Secretary of State and legally it might be difficult to extend the current term for any longer than a year. Secondly, elections might take place in 2009 but for less than a normal four year term which would allow shadow Councils to come into operation in 2011, to take up full powers in 2012.

3.4 Severance Arrangements

It is likely that once numbers are agreed and a timescale for implementation put in place that severance arrangements could be introduced either to kick in at 2009 if there is an election or as a rolling programme if there is not.

3.5 Functional and Transitional Arrangements

Work will have to be undertaken to build the necessary mechanisms to enable the transfer of functions. Smaller functions will be easier to transfer than bigger functions such as Planning and Regeneration. The mechanisms for transfer will depend on the number of Councils and whether functions are to be delivered by individual Councils or on a group basis. Representations have been made to the Northern Ireland Executive's RPA Sub-Committee that Belfast is large enough to deliver functions as a single entity. Much detailed work will be required to build the capacity of Councils to take on some functions and pilot arrangements may be required in areas such as community planning, regeneration and development planning. It will be important that once announcements are made the Council engages directly with Ministers to demonstrate its willingness to develop pilots in these areas.

3.6 Modernisation / Capacity Building

The Department of the Environment has applied for £30million modernisation funding over the next three years. Decisions will be made shortly by the Department of Finance and Personnel, within the context of an agreed Budget, how much funding will be available.

£2million has already been committed to NILGA to support a number of new posts for the next three years.

Representations have been made to the Department that resources should be made available directly to Councils to develop pilots. However, it is clear that the Minister for the Environment intends to use NILGA, the Strategic Leadership Board and the modernisation panels as the primary mechanisms for engagement with the local government sector and the Council has to be prepared to play its role engaging with these mechanisms.

4.0 Resource Implications

Financial and Human Resources

Whilst there will clearly be Human Resource and financial implications emerging from the Council's ongoing participation and engagement within the Local Government Modernisation Programme, it will be difficult to quantify until a detailed programme of work is put in place by the Strategic Leadership Board and its Modernisation Sub-Groups.

5.0 Recommendations

The Committee is asked to note the contents of this report and agree the Council should request meetings with the Ministers for Environment and Social Development to pursue pilot opportunities."

During discussion in the matter, several Members expressed the view that a severance scheme should be introduced on a permanent basis and be used to reward long-serving Councillors rather than being put in place in order to assist in achieving the overall reduction in Members in the new Councils which would be established as a result of the Review of Public Administration. In response, the Chief Executive stated that the Council could commend to the Department of the Environment that a two-stranded approach be undertaken. That is, the implementation of a severance scheme to assist with the establishment of the new Council areas following the outcome of the Review of Public Administration and the introduction of a second permanent scheme, which could be used to recognise the contribution to public service made by long-serving Councillors.

After further discussion, the Committee agreed to this course of action and agreed also that, following the announcement by the Northern Ireland Executive on the proposed functions and the number of new Councils, a meeting be sought with the Ministers with responsibility for the Department of the Environment and the Department of Social Development in order to present the case that the Belfast Council area would be large enough to deliver as a single entity functions such as Planning and Regeneration and to pursue pilot opportunities in this regard.

Strategy 2008 - Key Meeting Dates

The Committee noted the contents of a report which provided details in relation to the strategic planning process and the proposed dates for the holding of meetings in this regard.

Northern Ireland Local Government Association

The Committee considered the undernoted report in relation to the Northern Ireland Local Government Association:

“1.0 Relevant Background Information

- 1.1 **Members will recall that the Committee, at its meeting on 15 June 2007, had agreed that it would withhold its annual subscription to NILGA of £94,169 until NILGA had responded to the concerns the Council had raised at its meeting on 27 April 2007. Copy of the letter the Council sent setting out their concerns, dated 4 May 2007, was previously circulated.**
- 1.2 **Officers have engaged with NILGA over recent months to examine those concerns and the issues raised by the Members.**
- 1.3 **NILGA’s ability to respond to some of the concerns was dependent upon funding being made available from the Department of the Environment to allow it to build its capacity. An announcement was made by the Minister for the Department of the Environment on 10 January 2008 agreeing a £2m funding package over a 3 year period for NILGA which will permit resources to be dedicated to addressing many of the concerns raised by the Council.**
- 1.4 **In addition it should be recognized that with the imminent announcement on the Review of Public Administration the Minister has indicated that much of the modernization and engagement work with local government as a sector will be addressed through NILGA.**

2.0 Key Issues

- 2.1 **NILGA has now submitted a formal response dated 14 January 2008 to the Council outlining how it intends to address its concerns. Local government has made significant progress in the majority of areas identified by the Council for improvement with the main outstanding issue being the reconfiguration of its governance arrangements and representation of Belfast City Council on NILGA.**
- 2.2 **NILGA has undertaken an analysis of the various options available regarding its representational arrangements and has concluded that the current arrangements which are based on ‘Political Proportionality’ using the d’Hondt formula ensures that NILGA is truly representative of the local government sector and is based on best practice applied by the Local Government Association in Great Britain.**

2.3 In applying this model, NILGA would argue that Belfast City Council is currently proportionately represented on the following basis:

- BCC has 51 members (8.7% of the 582 members in Northern Ireland)
- BCC has 17 members on NILGA (11% of the 152)
- BCC has 3 members on the NILGA Executive (11% of the 28%)

2.4 Whilst NILGA has indicated that it remains committed and open to considering any suggestions to enhance the effectiveness of its governance system, it believes that the current arrangements are appropriate within the context of the uncertainties around the Review of Public Administration and Local Government Modernisation processes. NILGA welcomes further discussions with Belfast City Council as we move forward.

2.5 Strategic Plan 2008-2011 and Framework for Engagement with Constituent Councils

2.5.1 Working with officials from Belfast City Council, NILGA has prepared a draft 'Strategic Plan 2008-2011' and 'Framework for Engagement with Constituent Councils'. Whilst both documents have been issued to Councils for consultation up until 28th March, NILGA has indicated that this is the start of a process of dialogue and discussion with its member Councils to refine and agree the future priorities and direction of travel for the Association.

2.6.2 NILGA are intending to visit each Council in the coming weeks to discuss, in detail, both its draft Strategic Plan 2008-2011 and Framework for Engagement.

2.7 NILGA's Strategic Plan 2008-2011

2.7.1 Within the draft Strategic Plan 2008-2011, NILGA has defined their role as:

'to be the voice of strong, democratic local government and the champion of improved services to citizens'

NILGA seek:

'to work with councils and other stakeholders to champion and support the development of work class local government system in Northern Ireland which works in partnership with others to serve citizens'

NILGA have set out a series of activities which will support the delivery of the following six strategic themes:

1. Building Strong relationships
2. Providing effective and innovative communication across the sector and with stakeholders
3. Influencing government to support local government development
4. Facilitating and leading local government modernisation
5. Providing effective and efficient services to local government
6. Providing effective internal management systems and procedures

2.8 **NILGA's Framework for Engagement with Constituent Councils**

2.8.1 NILGA are currently working on the development of a new Engagement Strategy which it intends to use as the basis of a formal service level agreement with Belfast and its other constituent Councils. The draft Framework of Engagement document sets out:

- The Vision, Mission and Objectives
- Business Planning Cycle and Subscription Rates
- Membership, Roles and Responsibilities
- Consultation Protocols
- Working with Partner Organisations

2.8.2 It is intended that a detailed response to both documents will be submitted to a future meeting of the Council's Strategic Policy and Resources Committee for the consideration of Members.

2.9 **Annual subscription contribution to NILGA**

Based on the current direction of discussion and the draft frameworks which have been developed by NILGA which seek to address the concerns raised by the Council regarding its ongoing relationship with the Association, Members are asked to consider whether it wishes to pay the Council's outstanding annual subscription of £94,169 for the period 2007/2008.

3.0 **Resource Implications**

Annual NILGA subscription fee of £94,169.

**4.0 Recommendations
The Committee are asked to:**

- (i) Indicate whether it wishes to make payment of the Council's outstanding annual NILGA subscription fee of £94,169; and**
- (ii) in the context of the decisions emerging from the Review of Public Administration agree to consider NILGA's draft Strategic Plan 2008-11 and Framework for Engagement at a subsequent meeting of the Committee."**

The Committee was reminded that subsequently, at its meeting on 1st September, it had agreed to pay the Council's annual subscription to the Northern Ireland Local Government Association to the value of £86,219 - which was based on the previous year's fee plus the rate of inflation (3%) - pro-rata for the period April till September, 2007, with the remaining payment only being made on the basis of the formulation of an acceptable Service Level Agreement and the achievement of targets established in conjunction with the Party Group Leaders.

The Chief Executive suggested that the Council should honour its commitment and make the second tranche of the payment to the Northern Ireland Local Government Association. He stated that the Council should continue to point out the disparity which existed between the fees invoiced to the Council and its representation on the Association and its Executive. He made the point that, with the announcement on the Review of Public Administration imminent, the Minister had indicated that much of the modernisation and engagement work with the Local Government as a sector would be addressed through the Northern Ireland Local Government Association.

Proposal

Moved by Councillor Stoker,
Seconded by Councillor D. Browne,

That, in view of the fact that little satisfactory progress has been achieved in discussions with the Association to date, the Committee agrees not to pay the remainder of the subscription to the Northern Ireland Local Government Association and withdraws from membership of the organisation.

On a vote by show of hands two Members voted for the proposal and thirteen against and it was accordingly declared lost.

Further Proposal

Moved by Councillor D. Browne,
Seconded by Councillor Stoker,

That, in light of the fact that the Council had not received a satisfactory response to its previous representations, the Committee agrees that the Council's subscription for the period, which represented 24% of the Northern Ireland Local Government Association's total subscriptions for the year, be reduced to 11% to reflect the Council's proportionate representation on the Association.

On a vote by show of hands two Members voted for the proposal and eleven against and it was accordingly declared lost.

After further discussion, it was agreed that the Northern Ireland Local Government Association be advised again of the Committee's concerns regarding its ongoing relationship with the Association, that representatives of the Association be requested to meet with a deputation - consisting of the Chairman of the Strategic Policy and Resources Committee and the Party Group Leaders - from the Council and that consideration of the payment of the remaining proportion of the subscription to the Association be deferred until after that meeting had been held.

Democratic Services and Governance

**Local Authority Members' Association –
Annual Spring Seminar 2008**

The Committee was advised that the Local Authority Members' Association was holding its Annual Spring Seminar in Trim, County Meath on 27th and 28th March. The seminar would examine a number of areas including Local Government Finance and budgetary constraints as well as how Local Authorities could work in partnership with other relevant bodies to help address the growing problem of substance abuse. In addition, attendance at the seminar would present Members with an opportunity to explore and discuss, with other Elected Representatives from across Ireland, areas of mutual interest and concern. The cost per delegate attending the seminar was £500.

It was recommended that the Committee authorise the attendance at the seminar of the Chairman, the Deputy Chairman, the Council's representatives on the National Association of Councillors, Northern Ireland Region, the Head of Committee and Members' Services (or their nominees) and a representative from each of the Party Groupings on the Council not represented by the aforementioned Members and approve the payment of the appropriate travelling and subsistence allowances in connection therewith.

The Committee adopted the recommendation.

Requests for the Provision of Hospitality

The Committee was advised that the undernoted requests for the provision of hospitality had been received:

| Organisation/ Body | Event/Date – Number of Delegates/Guests | Request | Comments | Recommendation |
|-----------------------------------|--|--|--|---|
| SOLACE | SOLACE Annual Conference 7th October, 2008 Approximately 300 attending | Provision of hospitality in the form of a drinks reception | It is estimated that 400 delegates will be staying in accommodation in Belfast and the conference will take place within the city. | Provision of a drinks reception Approximate cost £900 Approximate budget remaining £135,802 |
| Springboard Opportunities Limited | Global Peacebuilders International Peacebuilding Summit 2008 7th May, 2008 Approximately 100 attending | Provision of hospitality in the form of a drinks reception | It is estimated that 40 delegates will be staying in accommodation in Belfast and the conference will take place within the city. | Provision of a drinks reception Approximate cost £300 Approximate budget remaining £135,502 |
| The Boys Brigade | International Convention 3rd October, 2008 (evening) Approximately 100 attending | Provision of hospitality in the form of a dinner | This international event aims to showcase the work of the Boys Brigade by acknowledging the organisation's influence on Education, Commerce and Industry across many countries. The event also seeks to acknowledge and encourage the role played by young people in our society. This event meets the Council's Corporate Strategic Objectives of Providing Civic Leadership and Improving Quality of Life, Now and for Future Generations. It also contributes to the Council's Key Priority Issue of Improving Services for Children and Young People. | Provision of a dinner Approximate cost £3,000 Approximate budget remaining £132,502 |

The Committee adopted the recommendations.

Human Resources

Absence Management

The Committee was advised that absenteeism for the period from October till December, 2007 was showing an average of 3.74 days lost per employee, which represented a decrease of 0.02 days per employee on the previous quarter. It represented also a decrease on the same period in the previous year, when the figure had been 4.32 days per employee. However, this meant that the Council was slightly below target to meet its two-day target reduction for 2007/2008. It was pointed out that almost 70% of staff had had no absence during quarter 3, with 7.63% of the overall absence in the Council during that period being attributable to long-term sickness.

A Member pointed out that, in order to provide the Members with more meaningful information, the report should include a breakdown of the targets for each of the Services within the Council and full comparisons with the previous quarter.

After discussion, during which the Director of Corporate Services undertook to include these figures in future reports, the Committee noted the information which had been provided.

Standing Order 55 - Employment of Relative

It was reported that, in accordance with Standing Order 55 and the authority delegated to him, the Director of Corporate Services had authorised the appointment of a member of staff who was related to an existing officer of the Council.

The Committee noted the appointment.

Asset Management

Ferguson Park

In accordance with Standing Order 60, the Committee was notified that the Parks and Leisure Committee, at its meeting on 13th December, had agreed to the acquisition and leasing of land known as Ferguson Park, off Ballysillan Park.

Disposal of Loughside Playing Fields

The Committee was reminded that the Council had currently a legal agreement with Bayshore Developments Limited for the sale of approximately fourteen acres of land in the sum of approximately £14 million. The completion of the sale was contingent upon planning permission being granted for a number of elements, including the provision of "a retail park comprising not less than 160,000 square feet of retail space".

Five years previously when legal agreements with Bayshore were being drawn up, the developer had not secured any tenant for the scheme. It was understood that an anchor tenant had now been secured and, as a result of the tenant's requirements, Bayshore was seeking to alter the scheme. The alterations would require the developed floorspace to be reduced from 160,000 square feet to approximately 125,000 square feet. The developer had recognised that the revised scheme would fall outside the terms of the existing Agreement and therefore required the Council's formal agreement through a Deed of Variation or a similar legal mechanism. Accordingly, the Company was seeking permission to make a presentation to the Committee in respect of the revised scheme.

After discussion, the Committee agreed that no useful purpose would be served by receiving a presentation and approved the variation to the scheme, subject to there being no detrimental financial implications for the Council.

**Former Civic Amenity Sites at Seapark Drive
and Primrose Street**

The Committee was reminded that the Health and Environmental Services Committee, at its meeting on 8th March, 2005, had declared as surplus to requirements the two former civic amenity sites at Seapark Drive and Primrose Street. The two sites had subsequently been held in the corporate landbank to be used for the purpose of the improvement, or future development of the district, pending further investigation of alternative uses, with a view to protecting and optimising the value of the assets.

It was reported that details of the two sites had been circulated to the various Departments to ascertain if they had any interest in the properties for use in connection with a Council function but that no interest had been identified. In addition, the Councillors in the Oldpark and Castle District Electoral areas, where the sites were located, had been contacted to ascertain their views on the future use of the sites.

The Committee agreed that the former civic amenity sites at Primrose Street and Seapark Drive be declared surplus to Council requirements and that they be placed for sale on the open market, free from restrictions as to future use, subject to a report being submitted to the Committee seeking approval to the terms of any disposal and to a requirement for the sites to be developed within a defined time frame.

**arc21 Residual Waste Treatment Facilities –
Update on the Contract for the Transfer of Land**

The Committee agreed to defer consideration of a report in respect of an update on the contract for the transfer of land in relation to the arc21 Residual Waste Treatment Facilities to enable the Party Groupings to be provided with briefings in the matter.

Good Relations and Equality

Minutes of Good Relations Steering Panel

The Committee approved the minutes of the meeting of the Good Relations Steering Panel held on 11th January.

Miscellaneous

Responses to Notice of Motion re: Events in Burma

The Committee was reminded that the Council, at its meeting on 3rd December, had passed the following Notice of Motion:

“This Council views with the deepest concern the unfolding events in Burma and salutes the courage of the Burmese people, especially Aung San Suu Kyi, in challenging the oppressive, corrupt and illegitimate military junta which has ruled Burma for decades.

The people of Belfast have a tradition of supporting oppressed peoples and to that end this Council calls on the British and Irish governments to immediately impose the most stringent sanctions under the auspices of the United Nations.”

The Committee was advised that correspondence had been received from the United Kingdom’s Foreign and Commonwealth Office and the Irish Government’s Office of the Minister for Foreign Affairs outlining their positions and the actions which they had undertaken in relation to the events which were taking place currently in Burma. Copies of the correspondence in this regard are set out hereunder:

Letter 1

“Thank you for your letter of 19 December to the Foreign Secretary’s Office about the situation in Burma. We have been asked to reply.

We have strongly and repeatedly condemned the recent violent suppression of peaceful protests across Burma. The Prime Minister, the Foreign Secretary, and other Ministers, continue their efforts to ensure that the international community does not forget the people of Burma.

We are alarmed by the reports of continuing persecution targeted at those who took part in the demonstrations. We want the regime to end ongoing arrests, release all political prisoners and engage in a genuine process of reconciliation and a dialogue that is fully inclusive, not least of the ethnic groups.

We are working to increase regional and international pressure on the regime while at the same time holding out the prospect of a better future for Burma should there be genuine moves towards political reconciliation, the restoration of democracy and respect for human rights.

We are applying pressure firstly through the United Nations. On 2 October, the UN Human Rights Council passed a resolution sponsored by the European Union, (EU) with the strong support of the UK, which expressed deep concern about the situation in Burma and requested that the UN Special Rapporteur on Human Rights in Burma, Paulo Sergio Pinheiro, be given immediate access. Professor Pinheiro visited Burma from 11 to 15 November. He met senior regime figures, and a number of political prisoners.

Professor Pinheiro's report to the Human Rights Council on 11 December highlights the gravity of the human rights situation in Burma. It is evident that there are major concerns about abuses during the repression of the peaceful protests in September and October.

We welcome the Special Rapporteur's findings, and support the call for an early follow-up visit to take forward a more thorough investigation. It is imperative he is given free and unhindered access to both people and areas across Burma. We also support Professor Pinheiro's recommendations and urge the Burmese government to fully co-operate with him to enable him to continue his much-needed work in the country.

On 11 October, the UN sent a powerful signal that the international community would stand together in support of the Burmese people. The UK helped to secure a unanimous statement by the Security Council which strongly deplored the use of violence against peaceful demonstrations, called for the release of all political prisoners and underlined the need for the Burmese government to establish a genuine dialogue with all concerned parties and ethnic groups. This was the first formal action on Burma ever taken by the Security Council. It had the support of all the members of the Security Council including, crucially, China, and represents a significant shift in the political situation from their previous position.

The UN Secretary General's envoy, Ibrahim Gambari, made his most recent visit to Burma from 3-8 November. He met Aung San Suu Kyi, other National League for Democracy figures, representatives of ethnic groups as well as senior members of the

regime and their proxy organisations. Aung San Suu Kyi subsequently issued a statement through Professor Gambari reaffirming her willingness to engage in a dialogue with the regime and representatives of the ethnic groups. We hope the regime seizes this opportunity to find a lasting settlement to the problems of Burma.

We are also taking the lead in the EU. We secured agreement to impose stronger restrictive measures against the regime. On 15 October, European Foreign Ministers agreed to implement sanctions targeting business interests in those sectors from which the regime draws much of its revenue – timber, precious metals and gems. The EU made clear that any decision on whether further measures are imposed will depend entirely on the regime's willingness to allow genuine political progress in Burma. The EU measures are focused on the generals and designed not to harm the Burmese people.

As a third means of pressure, we continue to keep in close contact with partners in the region, including the Association of South East Asian Nations, (ASEAN) to build up constructive pressure on the Burmese government. Ministers' personal engagement with their counterparts in the region helped lay the foundation for a strongly worded statement by ASEAN on 27 September, in which they expressed their revulsion for the actions of the regime.

We looked to the ASEAN and East Asia Summits in Singapore on 18-21 November to send a clear signal to the regime that their regional partners expected political transformation and national reconciliation. In contacts with Foreign Ministers from across the region in the build up to the Summits, we underlined the importance we attached to this issue and Minister Meg Munn made these points personally when she met ASEAN Ministers (as well as Professor Gambari and the EU Special Envoy, Piero Fassino) during the EU-ASEAN Summit on 22 November. We welcome ASEAN's reaffirmation of its support for the UN-led process, but were disappointed that Burmese objections prevented Professor Gambari from addressing the ASEAN Summit. We continue to call on our ASEAN partners to play a leading role in promoting fundamental political change in their fellow member state, Burma.

At the same time as applying this pressure on the regime, we have been clear that if a genuine political transformation gets under way, the international community should begin the work which will lead to substantial economic support for a new, democratic government of Burma. The Prime Minister has written to the UN Secretary General and other key colleagues proposing support

for a recovery plan for Burma, strictly conditional on demonstrable and irrevocable progress towards reconciliation and democracy. The first meeting to discuss this initiative was held in Washington on 20 October. We have also announced that we will be doubling the humanitarian aid to Burma from £9 million this year to £18 million by 2010-11.

We have placed further information about Burma, as well as the Foreign and Commonwealth Office's Annual Report on Human Rights, on our website at www.fco.gov.uk.

Letter 2

The Minister for Foreign Affairs, Mr. Dermott Ahern T.D., has asked me to thank you for informing us of the Notice of Motion passed by Belfast City Council regarding the situation in Burma. The Minister welcomes the motion and has noted its contents.

The Minister remains gravely concerned at the situation in Burma. The priority, for a long-lasting and sustainable solution to the situation in Burma, remains the implementation of a sustainable, meaningful and inclusive political process leading to real democratisation and national reconciliation. The main track to achieving this is the process initiated by the UN Secretary General and his Special Representative, Dr. Ibrahim Gambari. The Government believes that the opportunity provided by this good offices mission must be seized by all sides. The role of Burma's neighbours in this is essential.

The Government agrees that the situation in Burma, with implications for regional and international security, warrants broader and more concrete Security Council action, including sanctions. Regrettably, there is insufficient consensus in favour of such action among Security Council members, though we do welcome the fact that the Council continues to be engaged on the issue.

In the absence of UN sanctions, that would be legally binding internationally, Ireland has taken a strong position in favour of imposing, and extending, EU sanctions in Burma.

Ireland, with our EU partners, applies a range of restrictive measures to Burma, referred to as the Common Position, since 1996. The Common Position confirmed an arms embargo imposed in 1990. Equally, GSP privileges were withdrawn in 1997 because of forced labour issues. It also prohibits EU-registered companies from making financial loans or credits to named Burmese State-owned enterprise and from acquiring or extending a participation in such enterprises.

On 19 November the General Affairs and External Relations Council adopted further targeted measures on Burma: import, export and investment bans on equipment to the logs and timber and mining of metals, minerals precious and semi-precious stones sectors. These clearly target the regime and seek to minimise the impact on the people of Burma. Ireland also successfully sought to ensure the flexibility of the sanctions, which can be strengthened further if required. A new comprehensive investment ban is being looked at in this context. Ireland will continue to take a strong position in favour of extending further EU sanctions on Burma as the situation there requires.

Ireland will continue to monitor developments in Burma very closely and to work with EU, the UN and the countries of Asia and to keep the focus of the world on the plight of the people of Burma.”

The Committee noted the receipt of the correspondence.

Civic Positions

The Committee noted the receipt of correspondence which had been received from another Local Authority regarding the filling of Civic positions on Councils.

Response to Review of Domestic Rating Lone Pensioner Allowance

The Committee was informed that the Department of Finance and Personnel had issued a consultation document entitled “Review of Domestic Rating Lone Pensioner Allowance”. The Department was proposing to introduce from April, 2008 a 20% discount in rate bills for pensioners aged 70 or over who lived alone. The Director of Corporate Services submitted for the Committee’s consideration a proposed Council response, copies of which were available on Modern.gov and the Members’ Portal, to the consultation document.

The Committee approved the proposed response.

Chairman