

Strategic Policy and Resources Committee

Friday, 14th March, 2008

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor D. Dodds (Chairman); and
Councillors Convery, Hartley, Kirkpatrick, Lavery, Long,
McCann, Newton, Rodway and Smyth

Also attended: Councillors Campbell and Hendron.

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. S. McCrory, Principal Committee Administrator; and
Mr. J. Hanna, Senior Committee Administrator.

Apologies

Apologies for inability to attend were reported from Councillors Adamson, D. Browne, M. Browne, W. Browne and Crozier.

Minutes

The minutes of the meetings of 22nd and 26th February were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 3rd March.

Modernisation and Improvement

Review of Public Administration - Update

The Chief Executive submitted a report which provided an update in relation to the Review of Public Administration. He informed the Members that the Environment Minister, Mrs A. Foster, had, the previous day, announced the key decisions in relation to the future shape of Local Government arising from the review of the Local Government aspects of the Review of Public Administration. The Minister had stated that the current 26 Local Government districts would be rationalised to create 11 new district council areas. She had indicated that, in order for Local Government to fulfil its role as leader and shaper of communities, a range of functions would be transferred to the new local Councils. These would include aspects of planning, as well as rural development, the public realm aspects of the local roads functions, urban regeneration and community development, a range of housing related functions and local economic development and tourism. The Minister had indicated that a further statement providing more detail on the range of functions which would transfer would be made to the Assembly following its return after the Easter period. The current timetable for Local Government reorganisation was 2011 and, therefore, it would be unlikely that Local Government elections would be held in 2009. Rather, the Secretary of State is expected to agree to extend the current Council term.

The Chief Executive reiterated the importance of the Council participating in the process and, in order to draw down some of the funding which had been set aside for modernisation, it would need to put forward proposals on how joint initiatives might be developed to build capacity and joint working before any functions transferred formally. He undertook to submit a detailed report on the Review of Public Administration to the meeting of the Committee scheduled to be held in April.

Noted.

Northern Ireland Assembly Liaison

The Committee noted the contents of a report providing an update in respect of the work which had been undertaken by the Northern Ireland Assembly.

Improvement Agenda Update

The Committee considered a report which provided an update in relation to the improvement agenda. The Director of Improvement stated that the report provided a status update on the Improvement Programme, highlighting the results of actions against key performance indicators and the progress of projects/activities which had been undertaken during the year in relation to specific elements of the Value Creation Map. This was the first time that a report had been provided on improvement activity in the context of performance management.

However, he explained that before discussing the performance of each improvement area, it would be important to define the role of the Members in relation to performance management. In this regard, he recommended that the Members of the Strategic Policy and Resources Committee and the Chief Officers Management Team attend a number of two hour performance management workshops to be held between April and June, which would be facilitated by the IDeA. He stressed the importance of completing this work before the commencement of regular performance review meetings as part of the new corporate plan. If the Committee was minded to agree to this course of action, then it would be the intention to roll out a joint programme of performance workshops for each Committee and its relevant officers.

The Committee noted the information which had been provided, agreed to the holding of the workshops as outlined and agreed also to the inclusion of the improvement agenda key actions for 2008/2009 within the current year's corporate planning process.

Review of Advertising

(Mr. E. Deeny, Head of Corporate Communications, attended in connection with this item.)

The Committee considered the undernoted report in relation to a proposed review of advertising:

“Relevant Background Information

At its meeting on 15 June, 2007, the Strategic Policy and Resources Committee gave approval to conduct a review of the council’s approach to advertising and this was ratified at full council on 1 July, 2007. Two consultants tendered for the work and Verve Communications were appointed in August, 2007 to conduct the review.

The review of advertising was initially agreed as part of the Review of Communications, approved by the council in February 2006, which 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 management of advertising is a significant step towards achieving a one council approach to communications, which is one of the central objectives of the improvement agenda.

The consultants were tasked with identifying current practices and spend across the council in relation to all types of advertising, making recommendations to improve the approach in terms of effectiveness as a communications tool and identifying potential efficiency savings and income streams from advertising.

A similar co-ordinated approach to graphic design was implemented last year and the benefits became clear quickly with savings of £180,000 being captured in the current financial year across all departments and the widely accepted improvement in our publications following the appointment of an in-house graphic designer.

The benefits of a joined up approach to advertising has already been shown by the pilot scheme to cover the cost of producing City Matters at no cost to the ratepayer through advertising. Strategic P&R Committee agreed in December to establish this approach and it will realise savings of £140,000 per year on the current four editions per year and over £200,000 when we move to six editions per year in two years time, which was approved under the overall review of communications. This was partly possible by working with departments and sections and convincing them that part of their promotional, marketing, publicity budgets should be used to advertise in City Matters in which they were able to reach more of their target audience for less spend.

The approval of this new approach to City Matters means that in the next financial year, the review of communications will have resulted in savings of £320,000 per year on communications spend. The advertising review has the potential of taking that figure through the £500,000 mark and beyond.

However, the new approach should not simply be efficiency driven. We need to continue to develop our methods of communications and embrace new technologies that are becoming part of everyday life, particularly if it provides opportunities to get information to hard to reach audiences. That will not be possible without investment, which could be covered by part of the efficiencies achieved through this review. This issue will be the subject of a report to committee in the near future for consideration.

Central to the advertising review, is the appointment of an advertising manager who will develop an advertising strategy and policy. This post will pay for itself many times over through efficiencies and by establishing revenue streams for the council. The recommendations contained in this report cannot be implemented without this appointment and the efficiencies of £250,000 initially with the prospect of £450,000 in the longer term cannot be achieved.

The committee should also note that the current recruitment and public notice contract expires at the end of May. It is unlikely that we will have new arrangements in place in time, even if the advertising proposals are recommended, and that contract will be extended initially for a three month period.

Key Issues

The report contains a total of 31 recommendations but the headlines are:

- Create an advertising manager's post to co-ordinate the council's approach to advertising and maximise advertising revenue opportunities for the council;
- Departments should outline their proposed advertising plans at the beginning of each financial year and these should be considered at a corporate strategic level.
- At the expiry of the existing recruitment and public notice contract, a new set of criteria should be agreed for appointing a successor 'design and place' contract.

- **An advertising framework be devised whereby a maximum of three agencies are selected, from which all future non 'design and place' BCC contracts should be delivered, following appropriate procurement processes**
- **BCC should regard its website as the principal source of information about its job vacancies, and encourage all would-be applicants to do likewise.**
- **An area to be established at the front of Cecil Ward Building, to provide external and internal candidates with the opportunity to apply for jobs on-line or on hard copy. Following evaluation, consideration to be given in the longer term to this becoming a council information point, with access to our website.**
- **Agree the principle of reducing the size of job vacancy newspaper advertisements, focusing on essential information only, and directing would-be applicants to the site.**
- **Continue advertising in the three local daily newspapers in the short term with a view to reviewing this position, based on consideration of the effect any change may have on the quality or number of job applications and the potential for further savings.**
- **Only notices that are required to be published for legislative reasons, or that take account of government guidance, should be treated as 'public notices.**
- **The council should signpost on its website and in City Matters, that full tender, legal and public notices are published regularly on the website.**
- **Consider increasing the number of City Matters per year to 10 as the recent pilot suggests there would be enough advertising revenue to cover the cost. However, consideration would need to be given to employing a new member of staff to meet editorial output requirements if this was approved.**
- **BCC should undertake a full survey and feasibility study of the council's vehicle fleet and properties, to determine the logistics, costs and position of placing advertising hoardings and developing a revenue stream for the council.**

Resource Implications

The report indicates that current expenditure on advertising could be reduced by around £250,000 initially as a result of a centralised approach to advertising. This could rise to £450,000 in the years ahead through implementing the review's proposals, including the development of a council wide advertising policy and identifying new revenue streams.

Recommendations

The committee is asked to approve:

1. The recommendations of this report towards a centralised approach to advertising to improve effectiveness and efficiency.
2. The appointment of an advertising manager to develop an advertising strategy to implement the recommendations contained in the report and achieve the efficiencies, as outlined.

Further the committee is asked to note:

3. The extension of the current recruitment and public notice contract for an additional three months."

The Committee granted the approvals sought and agreed that a value-for-money study in relation to the Publications Policy, which had been approved by the Committee at its meeting on 8th December, 2006, be included within the Audit Panel's Annual Plan of Work.

Corporate Plan and Performance Management

Strategy 2008-2011 - Update on Progress

The Committee was reminded that the development of the Corporate Plan 2008/2011 was currently ongoing. At the end of January, the Party Groupings had received briefings on the citizen and Member surveys and the emerging strategic objectives which currently were:

- Strong leadership;
- Economic growth and wealth creation;
- Community cohesion and well-being;
- Environmental sensitivity and sustainability; and
- An organisation fit to lead and serve.

During the Party Group briefings, a number of suggestions had been made by the Members and these had been communicated to the officer working groups which were developing detailed recommendations in terms of projects and programmes of work, available resources and effective performance management. It was intended that further briefings on those proposals and any recommendations would be undertaken during May, with a view to the Committee determining the Council's high level strategy in June. The Director of Improvement indicated that this would not be the end of the corporate planning process but the beginning of a continuous cycle over the next three years, whereby annual business planning and resource planning were informed by the high level strategic direction. In the first instance, the strategic direction set by the Members would inform the financial planning process for 2009/2010, with the intention that business planning and resource planning would take place concurrently.

A review of the operation of the new governance arrangements, including scrutiny of performance, was underway also, with a view to ensuring that the Committee had the necessary information and resource levers to drive the delivery of key priorities. In addition, Party briefings on the prioritisation of the Capital Programme and further development of the City Investment Strategy would take place during April. This would provide an important opportunity for the Members to begin to prioritise resources in line with the objectives which they were setting for the Council and the impact the Council wished to make in the City.

The Director of Improvement explained that the Council was working within an increasingly complex planning environment in which Members were seeking to balance the need for:

- functional business planning, as determined by the Council's structures, for example cleansing;
- thematic planning, in terms of issues such as community safety, community relations and older people; and
- area and neighbourhood planning, such as the Strategic Neighbourhood Action Plan.

The new Corporate Plan needed to express the Council's strategic intent in each of the aforementioned processes and it would be necessary to align plans in such a way that the Committee had confidence that the overall strategic direction of the organisation was co-ordinated, integrated and delivered. Options as to ways in which the Committee could be supported in ensuring such alignment would form part of the recommendations for the effective implementation of the Corporate Plan.

Noted.

Democratic Services and Governance

**Policy on Representation at National Association
of Councillors Conferences/Seminars**

The Committee was reminded that attendance at events organised by the National Association of Councillors had previously been considered by the former Members' Sub-Committee. Following the change to the Governance arrangements, attendance at those types of events was now normally considered by the Strategic Policy and Resources Committee. The usual recommendation was to request the Committee to approve the attendance of the Chairman and the Deputy Chairman, the Council's representatives on the National Association of Councillors (or their nominees) and a Member of each of the other Party Groupings not represented by the aforementioned Members.

The Committee Administrator explained that, on occasions, the National Association had held events, such as conferences on anti-social behaviour or community safety, where it had been felt that it was more appropriate for other Committees to consider the representation and the recommendations on attendance at these had not always been in line with the recommendations to the Strategic Policy and Resources Committee.

Following the recent decision of a Committee to appoint only the Chairman and the Deputy Chairman to attend a National Association of Councillors event, a Member had requested if the Committee might wish to formulate an overall policy in this regard.

Accordingly, there were a number of options which the Committee might wish to consider:

- (i) that the recommendation for attendance at all National Association of Councillors events be the Chairman and the Deputy Chairman of the appropriate Committee and the Council's representatives on the National Association of Councillors (or their nominees), together with a Member of the other Party Groupings not represented by the aforementioned Members;
- (ii) that only the Council's four representatives on the National Association of Councillors (or their nominees) be authorised to attend, regardless of which Committee was considering the individual conference/seminar; or
- (iii) that it be a matter for the appropriate Committee to decide who should attend the conference/seminar.

After discussion, the Committee agreed to adopt Option (i) as the Council's policy for the attendance of Members at all National Association of Councillors events.

**Member Development Framework –
Personal Development Plans**

The Committee noted a report providing an update in relation to the Members' Development Framework and Personal Development Plans.

The Principal Committee Administrator pointed out that, to date, twenty-two Members had either been interviewed or were scheduled to be interviewed by representatives of the IDeA in relation to their Personal Development Plans and he encouraged those Members who had not yet engaged in the process to do so as soon as possible in order that they would be able to access a full range of training opportunities in the next financial year.

Requests for 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
University of Ulster	15th Annual Conference on Engineering of Computer Based Systems 2nd April, 2008 (evening) Approximately 200 attending	Provision of hospitality in the form of a drinks reception	It is estimated that 130 delegates will be staying in accommodation in Belfast and the conference will take place within the City.	Provision of a drinks reception Approximate cost £600 Approximate budget remaining £117,366
Townsend Street Presbyterian Church	175th Anniversary Service and Reception Sunday, 30th March, 2008 (evening) Approximately 500 attending	Provision of hospitality in the form of a drinks reception and canapés	This event seeks to celebrate the 175th Anniversary of Townsend Presbyterian Church and to acknowledge the contribution of the church to the general life and well-being of the City.	Provision of a soft drinks reception and canapes Approximate cost £1,500 Approximate budget remaining £115,866

Organisation/ Body	Event/Date – Number of Delegates/Guests	Request	Comments	Recommendation
Belfast City Council Parks and Cemeteries Services Section	City of Belfast International Rose Trials 16th July, 2008 (evening) Approximately 200 attending	Use of Belfast Castle and the provision of Civic Hospitality in the form of a Civic Dinner	The City of Belfast International Rose Trials will be held during Rose Week from the 17th till 24th July. The Trials are renowned worldwide for attracting international rose growers in addition to a significant number of visitors. This request meets the Council's Corporate Strategic Objective of Providing Civic Leadership.	Use of Belfast Castle and the provision of a Civic Dinner Approximate cost £7,000 Approximate budget remaining £108,866

The Committee adopted the recommendations.

Finance

Strategic Financial Management Framework

The Committee considered the undernoted report in relation to a strategic financial management framework:

“Relevant Background Information

Strategic financial management is at the heart of the Council’s improvement agenda because it:

- **is an essential element of good corporate governance;**
- **forms part of the foundations of the organisation, underpinning the delivery of agreed priorities; and**
- **provides the basis of accountability to Members and the citizens of Belfast for the stewardship and use of resources.**

The improvement agenda update report which is being discussed by committee today includes the key improvement actions undertaken during 2007/08 in relation to strategic financial management. The purposes of this report are:

- To outline for Members the strategic financial management framework of the organisation
- To agree the key improvement actions for each part of the framework for 2008/09
- To agree a forward finance work plan for the committee for the first quarter of 2008/09.
- To agree to seek external assistance in the delivery of the improvements within agreed budgets.

Key Issues

Figure one overleaf shows the key elements of the Council's strategic management framework. Members are asked to note the 'Risk and Control' element of the framework will be discussed with committee in the context of a report updating Members on the revised terms of reference for the Audit Panel.

Financial Reporting

The Council reports its financial performance to stakeholders on an annual basis in the form of its audited published accounts. In terms of internal reporting, the Jack and Helm Reports on the Belfast Education and Library Board highlighted the need for accurate and timely financial information to be presented to Members so that they could fulfil their scrutiny role in relation to financial management. The Council has now implemented a best in class financial information management system which will enable regular financial reports to be presented to committee. This reporting will start in June 2008 with an analysis of the 2007/08 year end position.

Financial planning

The key outputs of the financial planning processes in Council are the Medium Term Financial Plan and the Annual Budget which concludes with the setting of the rate. These financial plans are simply a monetary expression of what the Council wants to deliver and therefore they need to reflect our key priorities and objectives. The most successful organisations ensure that their business planning and financial planning are very closely aligned. A key action for next year is therefore to better integrate our financial and business planning and a report on how this might be achieved will be brought to committee in April 2008.

Party Groups have firmly indicated their desire for prudent financial planning with the need to keep rate increases to a minimum, whilst at the same time avoiding cuts to front line services.

One of the key factors which has obstructed the Council in its financial planning has been the inability of the Rates Collection Agency to provide a finalisation figure for rates income until very late in the financial year – normally November/December. This meant that the Council did not know what income it would get from the rate set for the previous year and therefore made it much more difficult to plan for the coming year.

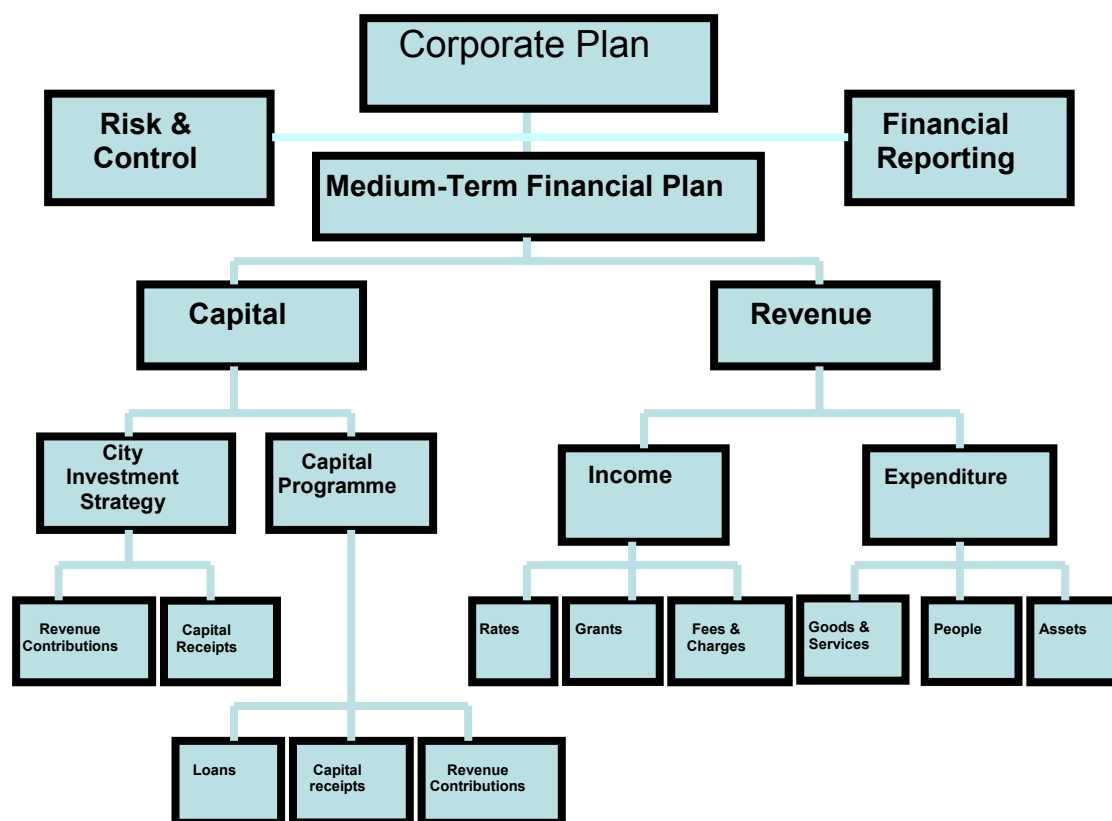
Council officers have been working closely with the new Chief Executive of the Land and Property Agency to improve this situation and as a result it is very likely that the Council will get a finalisation figure at the end of May / start of June 2008.

This means that the Council will be able to commence its new financial planning cycle for 2008/09 with much greater confidence. It is therefore proposed that the first financial planning meeting for 2008/09 should be held in June 2008. At this meeting Members will be advised of the finalisation figure, the priorities established by the new Corporate Plan and will be asked to set an early indicative rate level for 2009/10.

Given that 2009 may very well be an election year, it is likely that Members will wish to exercise a high level of prudence.

The financial framework of the Council is set out below.

Figure 1 Strategic Financial Management Framework



* For purposes of reporting a number of the technical elements of the Strategic Financial Management Framework, such as working capital and treasury management have been excluded. These will be reported to committee at a later date in the year.

City Investment Strategy

Members have already agreed that the City Investment Strategy will be financed mainly from capital receipts so as to minimise the burden on the ratepayer. The Director of Improvement is currently developing an asset management strategy part of which is an asset rationalisation plan. The Director will be briefing the party groups in April before this is brought to the Strategic Policy and Resources Committee.

Capital Programme

It is intended to bring the capital programme to the Strategic Policy and Resources Committee for agreement in May. It needs to be considered with the City Investment Strategy and the corporate plan so that all three are aligned. At the May meeting it will also be necessary to agree the cash limits for the capital programme for the next three years and its financing arrangements.

Income

The Council has three main sources of income – rates, fees and charges and grants. It is essential as part of good financial management that the organisation does all in its power to maximise all three sources. Rates and fees and charges are the two streams of income which the Council can influence the most and these are discussed below.

Rates

Rates are our main income channel and although the level of district rate is set by the Council, the actual money is collected by Land and Property Services (LPS). The Council is currently undertaking major pieces of work with the common objectives of maximising our rate income and minimising the amount of rate income lost at the collection stage. This work includes the following:

- The Council's Building Control Unit is currently verifying whether the 9000 properties which are defined as being vacant on the Valuation List are actually vacant or not. Every property which is identified as being occupied represents an increase in rate income to the Council. We have agreed with LPS that the information on these properties will be passed to them and input to the system as fast as possible so that rates bills can be issued for 2008/09. Based on the first batch of properties inspected, this work could yield a significant source of additional rate income for the Council. It is also an example where different areas of the Council like Building Control, Cleansing, ISB, CIT and Financial Services can work together to generate more income for the Council.
- The Council has employed the Institute of Revenue, Rating and Valuation to conduct an in-depth review of the key rating processes and policies. They have produced a report with a number of recommendations for improvement which, if implemented, should result in a better working relationship with LPS, greater transparency, enhanced accountability, better rate information, increased rate income and reductions in the losses and costs of collection.

It is recommended that the Strategic Policy and Resources Committee hold a special meeting in May to discuss all the rates issues at one time. The new Chief Executive of LPS, John Wilkinson, has indicated that he would welcome the opportunity to discuss his plans for improvement with Members. This special meeting in May would be a good forum for him to do so.

Fees & Charges

Fees and charges are an important element of the finance framework as a source of income and as a policy instrument to help the Council achieve its objectives. During 2008/09 it is recommended that the Council reviews its current fees and charges in the context of the level of income they generate, the level of subsidy provided and how effective they are in helping to meet the Council's objectives.

Expenditure

The Council spends its money on three main things – people, assets and goods and services. The key issue for the Council is to be able to demonstrate to its ratepayers that value for money is being provided. In simple terms economy means how much we pay for people, assets and goods and services; efficiency is about is how much we get out of the combination of people, assets and goods and services and effectiveness is a measure of what difference it makes.

Members have already agreed another three year efficiency target of £1.0million per year, with £500k going to the ratepayer and the other half going to the City Investment Strategy. It is likely, however, that if Members are of the mind to keep the rates around the level of inflation that savings over and above the£1.0million will have to be found. As the Council has already taken out over £3.0million of the base budget over the past three years, efficiency savings will become harder to come by and take longer to identify and realise. It is therefore recommended that greater focus is given to the programme of efficiencies and treasury management and that a scoping report is now externally commissioned to identify areas in which savings can be realised in time for the 2009/10 budget. Such a report can be commissioned at a cost within existing budgets.

In addition to the efficiency programme, there is also the need for the Council to better test its delivery of value for money and provide better performance information on unit costs and related outputs and outcomes. Audit, Governance and Risk Services have increased the number of available audit days devoted to value for money studies and a programme of work for 2008/09 will be agreed with the newly formed Audit Panel. Phase 2 of the Better Business project will concentrate on the provision of improved financial information and this will be used as part of the Council's performance management framework in terms of benchmarking costs and outputs and tracking improvement trends. This will enable Members to better scrutinise costs and outputs together.

**Summary of Strategic Policy and Resources Committee
Forward Work Plan April – June 2008 for Finance**

April

- Report on financial planning cycle

May

- Agree capital programme
- Special meeting on rates

June

- Report on year financial position 2007/08
- Report on efficiency programme
- Agree first indicative rate level for 2009/10

Recommendations

Members are requested to:

1. Note the contents of the report.
2. Agree to the financial forward work plan for April – June 2008 as outlined above.
3. If it is agreed to hold a special meeting on the rates in May, to advise whether they wish the Chief Executive of LPS, John Wilkinson to present to committee.
4. Agree to commission an external report on the programme of efficiencies and treasury management to report no later than June 2008.”

The Committee adopted the recommendations and agreed that the Chief Executive of the Land and Property Services be invited to attend the special meeting.

Minutes of Audit Panel

The minutes of the meeting of the Audit Panel held on 11th March were approved and adopted.

Revised Terms of Reference of Audit Panel

The Committee was advised that the Audit Panel, at its meeting on 11th March, had considered a report on the Revised Terms of Reference of the Audit Panel and agreed that the Strategic Policy and Resources be recommended to approve the terms as set out hereunder:

“Statement of Purpose and Terms of Reference for the Audit Panel

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.

The Audit Panel will also have the function of providing scrutiny in relation to the implementation of the Council’s policy decisions for the purpose of ensuring that the Council meets its obligations to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness, pursuant to section 1 of the Local Government (Best Value) (NI) Act 2002.

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.

Scrutiny Role

7. To scrutinise the Council's arrangements for ensuring value-for-money, pursuant to section 1 of the Local Government (Best Value) (NI) Act 2002.
8. To commission work from internal audit (including value-for-money and review of the progress of any improvement plans) and external audit
9. To comment on the scope and depth of external audit work and to ensure it gives value-for-money.

Regulatory Framework

10. To maintain an overview of the Council's constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
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.

Referral

18. The Audit Panel shall consider any issue referred to it in relation to these terms of reference by the Council or any Committee. Furthermore, the Audit Panel shall also consider any matter brought to its attention by the Chief Executive.
19. Where any individual Member wishes to raise an issue under these terms of reference, the Member shall accordingly either raise the matter through the Committee or in the case of urgency with the Chief Executive.”

The Committee approved the revised Terms of Reference of the Audit Panel and noted that these would be reviewed by the Panel after a period of six months.

Review of Travel Policy

The Committee noted a report which provided details in relation to a Review of the Council's Travel Policy which would be undertaken by the Audit Panel. The Committee noted also that the Audit Panel, at its meeting on 11th March, had adopted the following terms of reference for the Review:

“Objectives

1. To review current approval and control processes and the travel policy
2. To identify improvements to both processes and policy which matches the new financial systems, takes account of the human resources strategy and workforce development plan's needs and which provides for continuous improvement
3. To ensure that the new processes enable improved access to information which enables improved on-going scrutiny of value for money and greater accountability, both internally and externally

Outputs

1. A travel policy which it is agreed is fit for the purpose for the organisation
2. Reviewed and where necessary improved control mechanisms and processes
3. A framework for compliance monitoring, value for money audit and continuous review
4. An action plan for implementation including communication and training.”

University Rating Policy

The Committee was advised that the Rating Policy Division, Department of Finance and Personnel, had sought the views of the Council in relation to the changing of Schedule 13 of the Rates (Northern Ireland) Order 1977 which excluded universities from claiming exemption from rates. The Director of Corporate Services submitted for the Committee's consideration a proposed Council response, copies of which were available on Modern.gov, to the consultation Document.

The Director of Corporate Services explained that local universities were excluded currently from claiming exemption from rates. However, they saw themselves as being disadvantaged because universities in Great Britain were entitled to at least 80% exemption from rates. Therefore, there was a strong argument for allowing universities in Northern Ireland a similar level of relief. From the Council's perspective, the key issue was how the Council would recoup the lost rate income from university rates. Currently, the two universities in Northern Ireland had accommodation placed in Belfast with a Net Asset Value (NAV) totalling £7,627,416. The rates were the Council's main source of income, therefore, any diminution on that income could have a potentially serious impact on the provision of services. Accordingly, if the Department was minded to exempt universities, it was the Council's view that it should receive a payment in lieu of university rates that year on year kept pace with increases in the rate poundage. This could be achieved by keeping the full NAV of universities on the valuation list and by the Land Property Services providing relief as an allowance against the annual rate bill. This would be a fair position as the two universities served all of Northern Ireland and therefore any relief against the rate should be shared by Northern Ireland as a whole and funded from the block grant.

The Committee approved the proposed response.

City Hall: Virement of Revenue Expenditure to Finance the Development of an Emergency Co-ordination Room

The Committee considered the undernoted report:

“Relevant Background Information

Members will recall that at its meeting on 26 February the Committee agreed to defer consideration of the relocation of the emergency room to enable a report providing details on how the Health and Environmental Services Department proposed to finance the proposal to be submitted.

The matter was discussed by the Health & Environmental Services Committee at its meeting on 5 March when it was decided to refer the matter to this meeting of the Strategic Policy & Resources Committee, to which the members of the Health & Environmental Services Committee have been invited, to enable further information to be provided.

Members of the Health and Environmental Services Committee asked for the following information to be considered further:

- **rationale for the emergency room proposal;**
- **cost estimate analysis;**
- **history of funding applications;**
- **examination of potential financial support from other emergency services.**

Key Issues

A fully functional multi-agency emergency control centre is needed to enable the Council to fulfil the co-ordination role expected of it in the Civil Contingencies Framework. The need for such a facility was highlighted during the response to the flooding in June 2007.

Rationale

There is a strong case to be made for the provision of a much more functional emergency management centre in the City Hall which will enable the Council to more effectively perform its responsibilities in co-ordinating both planning for emergencies and the response of a range of agencies in actual emergency situations, such as happened during the flooding in Belfast in June 2007.

The current emergency management arrangements in the City Hall consist of a very small room in the basement which can accommodate a maximum of around 8 people at any one time. This means that once the Emergency Management Team (Chief Officers and Emergency Planning staff) are in the room along with some support staff to log all decisions and to receive and make telephone calls, email and faxes, the room is extremely crowded and noisy. There is also no room for any other agencies to attend and provide a link back to their organisations. The City Hall basement itself is also susceptible to flooding.

The current facilities are far below the standard of those provided in some much smaller local authorities in Great Britain and, as demonstrated in the recent flooding response, would not be able to be used for a prolonged period should the Council face a much more protracted emergency with a more widespread recovery operation to support local residents and communities.

In addition, best practice would show that emergency responses are most effectively co-ordinated when there is co-location of a liaison person from some of the other key responding agencies, most notably, the Police. This then would enable linkages with the

control rooms and response teams of other agencies . The PSNI has been asked to provide £100,000 funding as a contribution to ensure that this room can provide facilities for their organisation and the necessary secure communication linkages which would allow this to happen (agreement is subject to confirmation from the NIO).

There is now an opportunity to include the development of a new multi-agency control centre in the redevelopment of the City Hall. A business case is attached at Appendix A which gives a full rationale for providing the centre and details the facilities needed, the proposed layout and estimated costs. It should be noted that the advantage of such a facility being located in the City Hall was borne out during the flooding in that the Chief Officers, Heads of Service and other responding staff could access this quickly at various crucial times, leaving a core to direct, make decisions and communicate both internally and externally. It will also be possible to use some of these spaces for meeting rooms, conference and training facilities at times when they are not being used for emergency response or exercises.

Cost estimate analysis

The estimated cost for the provision of the emergency room, based on the outline proposals included in the Business Case, is:

Building works	£215,000
Mechanical Services installation	£95,000
Electrical Services installation	£70,000
Audio/visual and communications equipment / furniture	£70,000
Total estimate	£450,000

History of Funding Applications

Earlier in 2007, a group of agencies came together to identify ways of accessing potential NIO capital funding which was thought to be available from the sale of government property, to fund some much needed public safety projects such as this. However this money was later earmarked by the Treasury for other larger capital schemes.

An application for £100,000 towards the cost of the project has now been made to the NIO via the PSNI. This money would cover additional works needed for police secure communications, equipment, etc. The PSNI has been working in partnership with the Council on this proposal and final agreement is expected during this month.

The DOE Local Government Division has, since 2006, provided limited funding to district councils to carry out emergency planning activities. This funding amounted to £60,000 last year and was used to support salaries, training and provision of some equipment for the back up facility at Duncrue. Indications are that similar levels of funding will be available in the incoming financial year for these ongoing costs, but that no additional money will be available for capital work.

Examination of Potential Financial Support from other Emergency Services

Discussion with other Emergency Services is ongoing and a verbal update on this aspect will be provided at the meeting.

Resource Implications

Financial

The Health and Environmental Services Department is currently forecasting a revenue under-spend of £350,000 in two main areas of expenditure.

As the opening of Park Road Recycling Centre had been planned for April 2007, a full year's running costs for the centre had been included in the 2007/08 revenue estimates. However, as the opening of the centre did not occur until August 2007, only 8 months running costs will have actually been incurred during 2007/08 and there is therefore a forecast under-spend of £100,000 in the revenue budget for the centre for the 2007/08 financial year. The full annual running costs of the centre were included in the 2008/09 revenue estimates.

The review and utilisation of the Vehicle Fleet by Cleansing Services and Fleet Management resulted in planned savings being included in the 2007/08 efficiency programme. This review work continued after the 2007/08 revenue estimates were prepared and has resulted in further unplanned savings resulting in an under-spend of £250,000 in transport costs being forecast for the end of 2007/08. The impact of these savings has been taken into account when preparing the 2008/09 revenue estimates.

It is proposed that the £350,000 under-spend be vired to partly finance the proposed Emergency Co-ordination Room works in the City Hall which will provide a direct benefit for Council in its emergency co-ordination role. The balance of £100,000 of funding for the Emergency Co-ordination Room is to be secured from the PSNI.

The proposal to vire the revenue expenditure is subject to the Strategic Policy and Resources Committee agreeing the variation to the City Hall contract.

Recommendations

It is recommended that the Committee considers the information provided within this report with a view to granting permission:

- 1. to vire £350,000 of revenue expenditure from the 2007/08 Health and Environmental Services revenue estimates to fund the additional Emergency Co-ordination Room works in the City Hall; and**
- 2. to incorporate the additional Emergency Co-ordination Room works as a variation to the City Hall Major Works contract.”**

The Chief Executive explained that the proposal to develop an Emergency Co-ordination Room had been based on the belief that funding would be provided by the Northern Ireland Office through capital raised by way of the sale of Government property. However, that organisation had since indicated that the monies raised would be used to finance larger capital schemes and therefore it would not be in a position to provide funding for the Emergency Room. The Director of Corporate Services explained that the Council had a statutory responsibility to co-ordinate the response to emergencies, such as the flooding which had taken place in Belfast the previous year, and stated that, if the Committee was minded to adopt the recommendations, the Council would continue to attempt to obtain funding from other sources.

After further discussion, the Committee agreed:

- (i) to vire £350,000 of revenue expenditure from the 2007/08 Health and Environmental Services Revenue Estimates to fund the additional Emergency Co-Ordination Room works in the City Hall and that these works be incorporated as a variation to the City Hall Major Works Contract; and
- (ii) that a letter be forwarded by the Chairman (Councillor D. Dodds), on behalf of the Committee, to the Northern Ireland Office indicating that the Council had commissioned the work on the basis that funding for an Emergency Co-ordinating Room would be provided by that organisation and expressing the Council's disappointment that the funding had since been withdrawn.

Authority to Seek Tenders

The Committee granted authority for the commencement of a tendering exercise in respect of asbestos removal from Council properties.

Human Resources

Standing Order 55 - Employment of Relatives

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

Council Office Accommodation

The Committee considered the undernoted report in relation to Council Office Accommodation:

“Relevant Background Information

This Report highlights an imminent requirement for Council to find alternative City centre office space and offers the opportunity for Members to consider the broader accommodation issues facing the Council not only for the short term but also in the medium to long term as well.

The basic plan was that Members and most staff currently located in Adelaide Exchange would return to the City Hall following completion of the current refurbishment works. The void left in Adelaide Exchange would be taken up by relocating staff presently housed in temporary accommodation in Clarendon House, Linenhall Exchange and Scottish Amicable.

Members were advised at its meeting of 14th December 2007 that in addition to the health and safety issues that have arisen with the existing temporary Clarendon House accommodation, ownership of the building had changed hands. The new owners (Jermon Developments) have advised Council of its plans to demolish and redevelop new hotel and office premises. Having recently submitted his planning application the developer is now seeking vacant possession of this building.

In order to commence immediate redevelopment of Clarendon House Jermon Developments have offered similar office accommodation in Fanum House on Great Victoria Street on a short term basis that would match completion of the City Hall refurbishment programme. It should be noted that Fanum House is also scheduled for redevelopment.

There is a current shortage of City Centre office accommodation of sufficient size, suitability and available on a short term basis that could accommodate all the staff currently located in Clarendon House. Attached to this Report is a schedule of currently available office accommodation of these there are only two that would meet the particular short term requirements of the Council.

Key Issues

The key issue is the immediate need to provide an additional office space created by the need to vacate Clarendon House in 6 to 8 months time. Action to secure this additional accommodation needs to commence now in order to give enough time to secure a new lease and to plan, tender and complete the fit-out of any new accommodation.

Other factors which will have an impact on availability of office accommodation are:

- a. the surrender of other temporary leases in Linenhall Exchange and Scottish Amicable
- b. proposed surrender of Callender Street Lease
- c. the volume of spaces in the (restored) City Hall which Members may decide to allocate for public access purposes
- d. continued overcrowding in Cecil Ward Building and rationalisation of office space requirements resulting from restructuring of the organisation
- e. relocation of staff resulting from rationalisation and disposal of Council owned premises to raise capital income to support projects such as the City Investment Fund Income raised could also fund additional office space requirements.

Members also need to consider the impact on the morale and motivation of staff based in Clarendon House. Staff were at first asked to move for an 18 month period but are now coming up to being 5 years in an unfit building. The Cleansing and Building Control teams are good dedicated Officers but are increasingly disillusioned with the Council's approach to resolving these issues. However even with this increasing cynicism Building Control Officers at short notice volunteered to undertake a major task to survey thousands of buildings at nights and weekends as part of an agreement the Improvement Manager brokered with the Land and

Property Services. The net result of this exercise which the Land and Property Services are paying for is a potentially significant increase in rates income to the Council this year alone. It will become more and more difficult to get staff to go the extra mile as staff in both Cleansing and Building Control did during the floods emergency.

Options for Members to consider fall broadly into three categories as follows:

Short-Term Option

Seek alternative short term lease(s) of Grade B standard office accommodation to tide the Council over until the City Hall is reopened.

- It may prove difficult to secure a short term letting(s) that will match the City Hall refurbishment schedule and be of sufficient size – Members can see that only Fanum House and Harvester House can accommodate Council's requirement in a single occupation. Any short-term solution would offer inferior quality space requiring substantial upgrading to accommodate Council staff. Based on figures for the refurbishment of Clarendon House (excluding data cabling and air cooling requirements) the approximate cost to bring say Fanum House up to a suitable standard would be in the region of £15/sq foot this could rise to £20/sq foot where a greater degree of upgrading is required ie between £250,000 and £330,000. Fanum House in particular is in a poor state no better than Clarendon and is due for demolition in 2010/11. Harvester House is a more modern building and would not require as much work. Given the short period of occupancy anticipated the value obtained from the fit-out would not represent value for money. Having to fit-out more than one office requirement would add greatly to the cost of Council seeking a short-term solution.
- A move precipitated by the redevelopment of Clarendon House to similar alternative short term accommodation will also result in the doubling up of relocation costs and duplicating disruption to both staff and the services provided.
- Whilst rental costs vary for short term lettings ranging between £10/sq foot plus a service charge of £3.00/sq foot (Fanum House) to £12.50/sq foot plus a service charge of £4.29/sq foot (Harvester House) they do not compare well in value terms with new build Grade A accommodation at £14/sq foot plus a service charge of £3.27/sq foot as in Adelaide Exchange.

- The above figures refer to replacement of approximately 16,000 sq feet in Clarendon House only and do not take account of the other factors that impact on Council's City centre office accommodation requirement.

Medium-Term Option (1)

Take a further Lease of Grade A standard office accommodation in Adelaide Exchange or other suitable location.

- To secure further Grade A standard office space that offers a medium to long term accommodation solution in Adelaide Exchange would bring the benefit of centralising City centre staff in the one building thereby minimising facility management overheads.
- There is a general shortage of Grade A office accommodation immediately available in the City centre. Provision of suitable Grade A office space for Workspace 2010 has a particular impact on available remaining space in Adelaide Exchange. Therefore the option to take any additional space in Adelaide Exchange may not be available for long.
- Maximum value would be obtained from the fit-out.
- Should Council find itself in the position of having surplus office accommodation in Adelaide Exchange this can be sub-let or assigned (on a floor by floor basis) prior to the operation of the existing break clause in 2017.
- The Landlord is now seeking a rent of £14/sq foot for additional accommodation in Adelaide Exchange. The existing service charge equates to approximately £3.27/sq foot.

Medium-Term Option (2)

To secure Grade A standard office accommodation in the redeveloped Clarendon House.

The recently submitted planning application by Jermon Developments is to demolish the existing building and redevelop the existing Clarendon house site with a 145 bedroom hotel and 4 floors of office space (3rd, 4th, 5th, 6th floors) equating to approximately 40,000 sq feet.

- Jermon Developments are willing to make equivalent replacement office space available in Fanum House now on a short term basis and until redevelopment of Clarendon House is completed. Rent and service charge would be pegged to levels currently paid by Council in Clarendon House at £8.50/sq foot and £2.85/sq foot respectively.

- The Developer is willing to make available all of the office space in a redeveloped Clarendon House for Council occupation.
- Initially seeking to hold the property as an investment the Developer is prepared to offer Council a purchase option of the office space at a future date and time to be agreed.
- Should it be required the Developer will underwrite the Council's current lease obligations in Adelaide Exchange.
- Office space freed-up in Adelaide Exchange could afford the opportunity for Council to realise the development potential in other City centre owned properties by the long term relocation of staff and potentially pay for the cost of any required moves.
- The opportunity exists at this stage to design and build over the void that currently exists between Cecil Ward Building and Clarendon House and physically link the two buildings thereby creating additional office space at cost that would be owned by Council.

Long-Term Option

The above Options would provide the necessary time for delivery on a more permanent solution to Council's longer term office accommodation requirements.

- Rationalisation of currently owned Council City centre assets could release the opportunity for Council to develop the required accommodation on one of the vacated sites;
- Disposal income resulting from asset rationalisation would assist in funding construction of office accommodation by Council; and
- Relocation of staff accommodation to a site away from the traditional City centre setting – either on a currently owned Council site or specifically purchased.

Resource Implications

Financial

Grade A Offices

The estimates for rent in a high quality, Grade A office building, for example, Adelaide Exchange, is in the region of £13 - £15 per annum plus a fit out cost of about £45 per sq foot ie around £750,000 for 16000 square foot plus fees plus furniture costs.

Grade B Offices

Generally rent and rates for a short term lease of Grade B offices, that is older, non-fully statutory compliant stock of lesser quality and without air conditioning, will be between 30% and 40% less than Grade A offices. Given the current scarcity of suitably sized accommodation Landlords are seeking between 10% to 15% less than Grade A offices for more modern second-hand space. The fit out cost will depend upon the existing state of the premises identified and the standard of fit-out decided upon. Based on updated costs for Clarendon House refurbishment of second-hand accommodation could range between £15 to £20 per sq foot (excluding data cabling and air cooling)

NB. In both the above options, the additional rent payable will be set off by the cancellation of rent in Clarendon House (£134,759 per annum) and ultimately, by the rents payable by the other short term leases to be surrendered. Planned expenditure on upgrading the Clarendon House accommodation will, of course, be saved.

Asset and Other Implications

- Relocation to alternative accommodation may have an impact on service delivery from those Units affected.
- Negative effect on Council staff remaining in sub-standard temporary office accommodation.

Recommendations

To authorise the director of Corporate Services:

- a. to enter into negotiations for additional Grade A office accommodation in the City centre that will address the loss of space currently faced in Clarendon House
- b. to report to Committee the provisional Heads of Terms of any agreement and detail estimated costs”

After discussion, the Committee agreed:

- (i) to authorise the Director of Corporate Services to enter into negotiations for additional Grade B office accommodation in Harvester House to address all of the current accommodation shortfalls and that a report on the provisional Heads of Terms of any agreement and details of the estimated costs be submitted to the Committee in due course; and

- (ii) that, in order to address the longer-term office accommodation requirements, a review of the Council's Estates be undertaken and that a report on the longer-term options be submitted to the Committee, such a report to take into account value-for-money, the implications of the Review of Public Administration, whether there would be a requirement for a new build and the role of the Council in regeneration issues and renewal of neighbourhoods through the possible relocation of some of its office-based staff.

6 Callendar Street: Former Consumer Advice Centre

The Committee considered the undernoted report in relation to the surrender of the lease at 6 Callendar Street:

"Relevant Background Information

The Council hold premises at 6 Callendar Street by way of a 21 year lease which is due to expire on the 31st July 2012. The premises were previously used by the Council's Consumer Advice Centre, who relocated to alternative premises in 2006. Following agreement by the Council, Belfast Local Strategic Partnership (BLSP) currently occupies some of the accommodation previously occupied by the Consumer Advice Centre. There is only a small number of BLSP staff remaining and it is understood that the contracts for any remaining staff are due to expire by December 2008.

The Citizens Advice Centre also occupies a portion of the premises by way of an agreement with the Council (inc. payment of an apportioned rent). They are however proposing to relocate in the next few weeks to alternative premises.

The annual rent for the premises is currently £32,000 per annum (the rent has not been reviewed since 1994 and officers have resisted any attempts from this date to have the rent increased). The total annual rent, service charge, insurance, rates and maintenance costs are approximately £73,000 p.a (based on current figures and on the basis that the Citizens Advice Centre has moved out).

The premises suffer from a poor layout, are in poor repair and there are onerous repairing liabilities on the part of the Council. Under the terms of the lease the Council is required, on expiration of the lease, to leave the premises in good and substantial repair and condition. This could therefore result in a substantial dilapidations claim cost against the Council at the end of the lease term. The premises are not DDA compliant (there are no WCs on ground or first floor, no lift and there are difficulties in providing a ramped entrance due to footpath width etc). The Consumer Advice Centre relocated to alternative premises due to the problems associated with the building, and the Citizens Advice Centre is also relocating for the same reasons.

Given the inherent problems with the building, officers have been attempting for some time to negotiate an early surrender of the lease with the owners of the premises, but until recently they had refused. However the owners have now indicated that they will accept an early surrender subject to the Council paying a premium of £110,000 to compensate them for lost rental income. Initially the owners had requested a higher premium and had also made the surrender conditional upon a dilapidations survey being carried out and any issues raised being addressed by the Council at their expense. However, following negotiations they have now dropped the dilapidations condition and reduced the premium.

As the annual cost of occupation is £73,000 p.a. (as above), the total cost of occupation to the end of the lease, based on current figures, is estimated at £330,000. However, as the service charge, rates and insurance costs will be subject to annual increases the real cost is likely to be in excess of this.

Key Issues

Whilst it is acknowledged that surrendering the lease will allow the owners to proceed with redevelopment of the premises, it is recommended that the Council surrender the lease at the premium requested. This recommendation is based on the following:

- The cost of continuing with the lease until the lease end is estimated at approximately £330,000, i.e £220,000 in excess of the premium to get out of the lease.
- If a dilapidations claim is made by the owners at the end of the lease (which they are entitled to do under the terms of the lease) this could potentially significantly increase the Council's financial liability further.
- The premises are in poor repair, the layout is inefficient and they are not DDA compliant. They are not suitable for relocating Council staff without substantial upgrading works, but given that the lease is due to terminate in 4.5 years it is not cost effective to upgrade the premises. A DDA audit carried out a few years ago concluded that substantial expense would be incurred in making the premises DDA compliant.
- Following the Citizens Advice Bureau relocating there will only be a small number of BLSP staff (approx 5 no) located on the premises, and it would be significantly more cost effective to relocate these staff to alternative Council accommodation.

Relocation to alternative Council premises is being considered as part of the wider Council Accommodation report which is also being brought to this Committee. However, if alternative accommodation cannot be found, officers are in discussions with the owners of the Callender Street premises about the possibility of a short term Licence Agreement being entered into to allow the remaining BSLP staff to occupy a small portion of the premises (ground floor office) only up until the end of December 2008

Resource Implications

Financial: the premium requested by the owners for surrender of the lease is £110,000. The cost of continuing with the lease until the lease end is estimated at approx £330,000. A sum of approximately £220,000 would therefore be saved as a result of surrendering the lease.

Asset and other Implications: As the premises are in poor repair and are unsuitable for alternative Council use without substantial upgrading works, and given the total cost that will be incurred to the lease end date, an early surrender of the lease, albeit at a premium, accords with effective management of the Council's assets.

Recommendations

It is recommended that the Committee grants approval to :

- (i) an early surrender of the lease at a premium of £110,000 (subject to the owner making no claim against the Council for dilapidations) and relocation of the remaining BLSP staff to alternative Council accommodation (up to the end of December 2008), or alternatively;
- (ii) to enter into a short term Licence Agreement with the owners of the building to permit the remaining BLSP staff to occupy the ground floor office up until December 2008 (if required) subject to the terms of the Licence being agreed by the Estates Management Unit and the Director of Legal Services."

The Committee granted the approval sought.

Acquisition of Land at Blythefield Open Space

In accordance with Standing Order 60, the Committee was notified that the Parks and Leisure Committee, at its meeting on 14th February, had agreed to the acquisition of 0.32 acres of land at Blythefield Open Space from the Belfast Education and Library Board in the sum of £16,000.

Noted.

Capital Programme 'Urgent' Projects

The Committee considered the undernoted report in relation to a number of urgent capital programme projects:

“Relevant Background Information

As reported last month, the Council’s Capital Programme has yet to be politically prioritised to ensure that the Programme and the City Investment Strategy meet Members’ political priorities and are delivered in the context of affordable financial limits set by Members’ decisions on the level of the rate.

Party Groups are to consider a draft Capital Programme along with City Investment fund proposals at a series of briefings which have been arranged for April.

Key Issues

At the moment there are a large number of schemes in the draft programme which have been put forward by various Committees over a number of years on an ongoing basis.

Furthermore in the context of setting the rate the Council has agreed to a £15m borrowing limit per annum for capital expenditure and a number of schemes are being moved forward within this limit e.g. Grove, Ulster Hall etc. However there are a number of urgent projects which Departments wish to move forward for various reasons and Committee direction is sought on a way forward. The full details of each project are set out in the attached appendices to this report. The main arguments however are summarised below.

North Foreshore: NIE Substation/Electricity Generation Compound Site Works

This proposal is a subset of the landfill powered electricity generation (joint venture) project and the grid connection project, which has been included in the capital programme since 2002/03.

The Council has previously taken a decision to commit expenditure to NIE for the installation of an electricity cable and construction of a substation to supply the North Foreshore site for future development purposes and permit the export of generated electricity.

The site for the substation is within the landfill site and NIE are reluctant to assume responsibility for the specialist engineering substructure works required and therefore the Council will need to undertake this work itself, necessitating a further committee approval to tender for the work.

The electricity generation facility is to be constructed, operated and funded by a private sector company; the tender process has been completed and a contract has been awarded (Renewable Power Systems), which includes the construction of the compound for the generators; however, it may prove to be more economic for the Council undertake the construction of the compound itself and therefore this work is being included in the tender documentation as an option.

The expenditure in respect of both elements of this proposal has been factored into the £15m capital expenditure limits.

Waterfront Hall Fire Alarm System

This project has been in the capital programme since 2007/2008 and was deemed critical after inspection showed that the smoke and heat detection devices are at the end of their operational life.

Rather than opt for a straight replacement it is argued that better value for money would be achieved by replacing the entire system as key components of the current system will not have manufacturer support post 2010 and will then need replacement anyway. The cost of replacing devices now which will become incompatible with any future system is £60,000 as opposed to £135,000 cost for a new system. As this is a recent proposal the costs are not among those factored into the £15m limit.

Shankill Leisure Centre Replacement Floor

This project was first introduced to the capital programme in 1997/98 and an unsuccessful procurement exercise was undertaken in 1999. The floor was then to be replaced along with building upgrade programme works but was further

deferred as investigations took place into refitting Shankill LC to provide shared services with the North & West Belfast Trust. The shared service proposal has now been abandoned. The floor is well past its useful life and further repairs, resealing and resealing are no longer practicable.

Given the history of this scheme it was not factored into the underway schemes covered by the £15m borrowing limit, and the current estimated cost is £120,000.

Olympia Leisure Centre – Mini Soccer Pitch

The original proposal was for a pitch in Nubia Street to which the Council, along with the IFA, would contribute funding. The site in Nubia Street proved too small and the Community and Recreation Committee took a decision in February 2007 to include the scheme on the Capital Programme and create the pitch at Olympia LC. Current estimates for the scheme are £105,000 to which the IFA will contribute £25,000 subject to the use of their proprietary pitch provider Playdale Playgrounds Ltd undertaking the work. Again as a relatively new scheme (2007/08), the estimated expenditure is not currently factored into the £15m borrowing limit.

Apart from the NIE substation and electricity generation project none of these schemes are substantially underway. The total cost of these three schemes of approximately £360,000 is relatively small in terms of the capital programme and in the past could easily have been covered by slippage in the programme. However, the opportunity for slippage has substantially reduced due to the use of framework agreements and delegation of some procurement matters which allow us to progress contracts to site more expeditiously than before. Any overspend on the capital programme will need to be covered by reserves and there will eventually be a knock-on effect to other projects competing for funding.

Resource Implications

Set out in the report and detailed in Appendices 1- 4, which had been circulated to the Members.

Recommendations

Members are recommended to:

- (i) agree to invite tenders for the NIE substation works and electricity generation compound site works;
- (ii) agree to invite tenders for the Waterfront Hall Fire Alarm system on the grounds of best value for work that will need to be done in any case in 2010;
- (iii) agree to replace the Shankill LC floor on the basis of necessary work that should have been completed several years ago and will need to be undertaken relatively soon; and
- (iv) to consider moving forward with the mini soccer pitch at Olympia to take advantage of IFA funding.”

After discussion, the Committee agreed to proceed with the North Foreshore Northern Ireland Electricity Substation/Electricity Generation Compound Site Works project and the Waterfront Hall fire alarm proposal and to defer consideration of the projects at the Shankill Leisure Centre and the Olympia Leisure Centre to enable them to be considered within the context of the overall Capital Programme. The Committee agreed also to applications being made to the Department of the Environment for sanction to the raising of loans for the two projects but that the Director of Corporate Services investigate the possibility of funding the Waterfront Hall project out of Revenue Expenditure.

Good Relations and Equality

Minutes of Good Relations Steering Panel

(Mrs. H. Francey, Good Relations, attended in connection with these items.)

The Committee approved the minutes of the meeting of the Good Relations Steering Panel of 7th March and adopted the recommendations of the Panel in relation to the following issues:

Peace III

- (i) the engagement of consultancy assistance for the recruitment and selection of representatives from the voluntary and community sectors for the Good Relations Partnership; and
- (ii) the engagement of consultants to assist in providing additional information to be included in the Peace Plan.

The Committee noted that the Special European Union Programmes Body would meet 100% of the costs of commissioning consultants.

The Committee noted also the concerns which had been raised by the Steering Panel regarding the Special European Union Programmes Body's approach to the submission of the Peace Plan and the level of detail demanded in relation to which organisations would receive funding, how much they would receive and when this was to be allocated over the three-year period 2007/2010 and agreed that the Chief Executive of the Special European Union Programmes Body be invited to attend a special meeting of the Steering Panel to discuss these issues.

Elected Members Study Visit – Chicago

The Committee adopted the recommendation of the Steering Panel to approve the participation of Elected Members and up to four officers on a study visit to Chicago, the cost of which would be 100% grant-aided by the Belfast Local Strategy Partnership under the Peace II extension programme.

“Local Governments in Conflict Prevention, Peace-Building and Post-Conflict Reconstruction” Conference

The Committee adopted the recommendation of the Steering Panel to approve the attendance at the above-mentioned conference to be held in The Hague, The Netherlands from 11th till 13th June of the Chairman of the Good Relations Steering Panel and the Good Relations Manager (or their nominees) and to the payment of the conference fees, together with the appropriate travelling and subsistence allowances in connection therewith.

Re-Imaging Communities Scheme

The Panel had agreed that additional funding, up to a maximum of £15,000, be provided to secure the service of an additional officer on a part-time basis for a one-year period to ensure that the expectations of local community groups regarding the re-imagining communities scheme would be met.

The Committee adopted the recommendation of the Steering Panel.

Chairman