

Strategic Policy and Resources Committee

Friday, 6th February, 2009

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor McCann (Deputy Chairman) (in the Chair); the Deputy Lord Mayor (Councillor D. Browne); and Councillors Adamson, Attwood, M. Browne, W. Browne, Convery, Lavery, C. Maskey, P. Maskey, Newton, Rodway, Smyth and Stoker.

Also attended: Councillor McCarthy.

In attendance: Mr. P. McNaney, Chief Executive;
Mr. T. Salmon, Director of Corporate Services;
Mr. L. Steele, Head of Committee Services;
Mr. R. Cregan, Improvement Manager; and
Mr. J. Hanna, Senior Committee Administrator.

Apologies

Apologies for inability to attend were reported from the Chairman (Councillor D. Dodds) and Councillor Maginness.

Minutes

The minutes of the meetings of 9th and 23rd January were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 2nd February.

Finance

Revenue Estimates and District Rate 2009/10

The Director of Corporate Services submitted the undernoted report which had been prepared in connection with the estimated expenditure of the Council for the year 2009/10:

“Relevant Background Information

At the Strategic Policy and Resources Committee 9 January 2009 the Director of Corporate Services presented the revenue estimates for 2009/10. The district rate increase to support the revenue estimates was reported as 8.59%.

At the Strategic Policy and Resources Committee on 23 January 2009 reductions in departmental budgets totalling £1,042,560 were agreed by Members. Members were also notified of the rates package provided by the Minister of Finance and Personnel. The combined impact on the rates position of these measures is an increase in the district rate of 7.16% which is the equivalent of a 2.96% increase to the domestic ratepayer when the regional rate element is included.

At the meeting it was agreed that the Chief Executive and Director of Corporate Services should provide the Strategic Policy and Resources Committee on 6 February 2009 with options for further reducing the required increase in the district rate.

The purpose of this report is to present to Members the options for further cost reductions and to make proposals in relation to advancing the Council's efficiency programme.

Key Issues

Operating Context

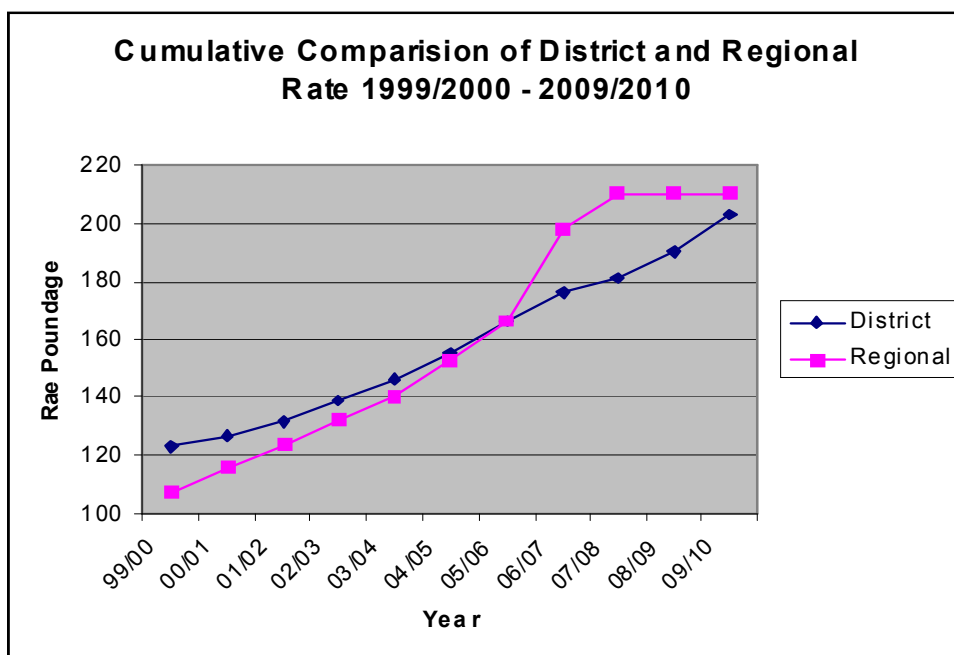
Before discussing specific cost reduction options it is firstly important to set them in the context of the overall financial position of the organisation and the economic environment.

For many years the council through strong financial management has been a cash rich organisation with strong reserves and little borrowing. Major schemes like the Waterfront Hall and the Gasworks were developed without additional burden to the ratepayer. Also the council has invested in top class facilities across the city such as the Grove Well-Being Centre and the Falls Swim Centre. At the same time the council has consistently set a rate below inflation, reduced its base budget by £6.7m and maintained high levels of citizen satisfaction.

Circumstances beyond the control of the council have served to create a new financial environment for the council. The Minister of Finance and Personnel just recently stated in the Assembly that 'we are in a position of extreme volatility' and he indicated that there would be tight budgetary constraints over the next 2 years. The dramatic economic downturn has led to significant losses in income from rates and fees and charges. Indications are that income from rates will not increase over the next couple of years because of the rising number of vacant business properties. These losses have been exacerbated by claw backs from LPS and the decision last year not to partly fund the City Investment Strategy from the rate. This situation has had the following impacts: the council needs to

bolster its reserves quickly; the Capital Programme requires significant loan funding which puts additional pressure on the rate; ways must be found to compensate for the loss of income and at the same time minimise the burden on the ratepayer.

The combined rate for 2009/10 currently stands at an increase of 2.96% to the domestic ratepayer which is below the current rate of inflation of 3.1%. If this rate is agreed it will mean that the rate set by the council is again lower than the regional rate charge as the graph below demonstrates. Members are asked to note that any further reductions in the rate increase which, while negligible to the ratepayer in terms of reduced weekly payments¹, may seriously limit the council's ability to respond to further losses of income and build a reasonable level of reserves. They will also severely limit the council's response next year to any unforeseen events. For example, flexibility in the budget allowed the council to deliver an immediate response to flooding in the past two years. For these reasons Members are asked to give consideration to accepting the rate increase as was reported to the Strategic Policy and Resources Committee on 23 January.



Options for Further Cost Reductions 2009/10

If Members decide that notwithstanding the issues faced by the council, the imperative remains a further reduction in the rate, options for further cost reductions are outlined below.

¹ £250,000 reduction in expenditure will result in a weekly saving to the average ratepayer of 2p.

These options are the easier to realise as they do not impact directly on front line service provision and do not involve reductions in staff numbers.

- **Civic Hospitality** –reduce the Civic Hospitality budget by £20,000, however, this may limit the council’s ability to respond to new requests.
- **Proms in the Park** – Included within the estimate of expenditure for Major Events 2009/10 is £80,000 for the annual “Proms in the Park” event. To date the BBC has not committed this year’s event to Belfast and it appears that they are keen to share the event in different locations outside Belfast. Members could decide to remove the budget from the Major Events programme, saving £80,000, and advise the BBC that we are unable to hold the event in 2009 due to current financial pressure.
- **Hire of External Rooms** – reduce this budget by £30,000 by prioritising use of council facilities for internal meetings. This reduction would still facilitate use of external venues for appropriate local public meetings, for example, DPP meetings.
- **Members Training** – a review of the Members training budget for 2008/09 has shown a significant under spend. It is recommended that the budget is reduced by £20,000. Members should note that the officer training budget has already been reduced by 8.5%.
- **New Initiatives** - the Corporate Plan contains a new budget heading for corporate thematic working totalling £500,000. This covers cross cutting priorities on areas like safety, older and younger people. Members could consider reducing this budget by £75,000. A reduction in the budget would not mean that the initiatives would stop but rather the pace and / or scale of implementation would have to be reconsidered and processes examined to ensure maximum efficiency.
- **Hospitality** - the estimated cost of providing the trolleys / functions catering service in terms of consumables is £87,073. It is recommended that Members cap the level spent on catering consumables to £62,000 in 2009/10. This will produce savings of £25,000. It is not viable to reduce spending any more in this area unless Members are willing to consider reducing staffing levels.

If Members agree to accept these reductions in expenditure totalling £250,000 then the revised rates position for 2009/10 is an increase in the district rate of 6.93% which is the equivalent of a 2.86% increase to the domestic ratepayer when the regional rate element is included. For the average household in Belfast this will result in an annual rates rise of £23.26– 45p a week. Appendix One provides details of the impact of the rates increase on the main household types. This increase is just below the current rate of inflation and compares favourably to the average council tax bill increase in England of 3.5%.

The following is a list of options which would yield further savings but will have an impact on front line service delivery and staff numbers / pay levels.

- Summer Fun Days - last year 15 fun days were staged in 15 different venues across the city. A total of 2600 children attended. No commitment has been made towards these as yet i.e. no advertisement of dates/venues. These would normally be advertised in the What's On booklet over the next couple of months. Members could decide to cancel the Fun Days which would save £30,000.
- Refurbishment of Playgrounds – a rolling programme of refurbishment of has been planned for 28 playgrounds across the city throughout 2009/10. £75,000 would be saved if Members agreed to two playgrounds being excluded from the 2009/10 programme.
- Local Area Working – the council is committed to integrating its services at a local level. Consultation with areas will start this year on a 21 area basis. Members could consider redefining this initiative in the context of the economic climate and reduce the budget by £75,000.
- Cleansing Services - reduction in overtime - Overtime budgets in Cleansing Services have already been reduced by £34,000. A further reduction of £37,000 (approximately 2,450 hours) could be achieved by reducing operative hours on the street across the Waste Collection, Priority Waste and Street Cleansing services. This will almost certainly lead to employee relations problems for the Service and the Council.
- Cleansing Services – equipment and operational supplies – a reduction in the available operational equipment and supplies across to support the cleansing service delivery could yield £7,000 of savings. This option may impact on the consistency of service delivery across the city.

- **Building Control** - reduction in overtime – a reduction of £10,000 in overtime costs could be achieved if Members decided to remove the building regulation inspection service currently available on Saturday mornings and the summer service on Tuesday, Wednesday and Thursday evenings. This will mean that the current facility to book a same day inspection up until 5.00pm will be no longer available.
- **Environmental Health** - reduction in overtime - overtime budgets in Environmental Health have already been reduced by £12,100. A further reduction in overtime of £2,500 could be achieved by limiting the out of hours services in areas such as safety and night time noise cover.

Strategic Approach to Efficiency

Over the past four years the base budget of the council has been reduced by £6.7m. The council has achieved this through savings in areas such as advertising costs, training, procurement and better use of ICT. The savings have been delivered without Members having to make difficult decisions about changing the organisation and front line services have not been affected. The next few years are going to be tough for the council at a time when we have reached the point where the potential return from quick wins and short term gains is diminishing.

This means that the council can no longer plan its efficiency programme on the basis of purely transactional type savings. A new more strategic approach to efficiency is required. This means that the efficiency programme needs not just to be couched in terms of targets but also in the context of how efficiency gains will be used to support the priorities of the council. In basic terms the council needs to move its efficiency programme from a transactional nature to transformation.

There are three broad methods for creating transformational efficiency savings. These are:

- Internal methods which involve reviews of and challenges to existing structures, processes, practices and finances.
- Mutual methods which would require the council to work with other councils in areas like procurement and shared services.
- External methods involve outsourcing and joint ventures.

The council will need to decide which methods or combination of methods it wishes to pursue. Irregardless of method Members and officers will be required to make some tough decisions over the next few years. Councils in England have developed a mechanism to support Members fulfil this difficult role. The mechanism is known as a Budget and Transformation Panel. Its role is to provide scrutiny and oversee the identification and implementation of transformation projects. Members are reminded that it has already been acknowledged that this role should be undertaken within a three year planning context. This Panel is usually supported by some form of independent external assistance. An example of a transformation project is the 'review of the centre' which the organisation is currently undertaking. This will challenge existing structures and staffing levels but will potentially deliver savings over a number of years. The working of the Panel should be reviewed in March 2010. The Panel would consist of ten Members and be representative of the current political make-up of the council. The Panel would report to the Strategic Policy and Resources Committee on an advisory basis.

Key Messages

The Head of Corporate Communications has drafted a set of key messages to accompany the rates announcement. He recommends that it is vital that there are no more than four overall key messages that Members should focus on in the announcement of next year's rates.

It is recommended that these should be:

1. We have worked extremely hard to achieve an overall effect on the citizens of Belfast of a rates increase of 2.??per cent. The figure will result in an average increase across households in Belfast of less than 50p per week or £25 per year.
2. This has been achieved against a backdrop of the toughest post –war economic climate and a significant fall in rate and revenue income.
3. Without our commitment to efficiencies which has realised saving of around £6.7m over the past three years we would have been looking at doubling the rates burden.
4. The council must show responsible leadership by achieving the balance between investing in the city and providing efficient value for money services.

Further details of the key messages are provided at Appendix Two.

Recommendations

Members are requested to:

1. To consider the options for setting the rate 2009/10 outlined in this report.
2. To recommend a domestic and non-domestic district rate for the special council meeting being held on 12 February 2009.
3. To agree to the establishment of a Budget and Transformation Panel to oversee and scrutinise a base review of the budgets and the identification and implementation of transformation projects.
4. Agree the key messages for the announcement of the rate.”

The Director advised the Members that, subsequent to the report having been issued, further information had been received from the Land and Property Services Agency in relation to vacant properties and he tabled the undernoted report in this regard:

“Relevant Background Information

Members will recall the Strategic Policy and Resources Committee was informed in October 2008 of the significant losses in rates income due to vacant properties. The council’s Building Control Unit has carried out two exercises to confirm the actual number of vacant properties in the city. 13,000 properties were inspected and over 50% were found to be occupied. Details of these properties were then passed on to LPS so that rates bills could be raised.

Key Issues

LPS, for a variety of reasons, has not been able to process all the data on the properties found to be occupied. Consequently, the EPP which the council is using to calculate the rate for 2009/10 does not include rates income from these occupied properties. On Monday 2 February 2009, LPs informed the council that as a result of the vacant property exercise it has been estimated that £1,890,000 could be built into the council’s projected rates income for 2009/10 but ‘...it is for the council to decide whether it wishes to use this figure in the rate setting process.’ A copy of the letter from LPS is provided at Appendix One.

Basically what this means is that LPS, using a number of assumptions, has worked out that once all the data has been processed the council may potentially receive £1,890,000 in additional rates income in 2009/10 from the properties which have been identified by Building Control as occupied. The LPS will not be changing the EPP to account for this which means the council needs to decide whether it wants to risk including the £1,890,000 or a portion of it when agreeing the district rate for 2009/10.

If Members agree to include this all or an element of this estimated rates income then obviously the required rates increase will reduce. For example, if £1,000,000 was included then the rates increase would fall from 7.16% to 6.23%, Members, however, need to be aware of the risks associated with including all or any of this estimated income.

The current economic climate is volatile. There is a real risk that the number of vacant business properties will rise during 2009/10. It is also likely that bad debt arising from business bankruptcies and liquidations will increase. These risks has not been factored into the LPS estimate. Given the economic climate it is possible that new losses could outweigh the gains estimated by LPS. If this happens there are two serious consequences for the council. Firstly, at the end of 2009/10 the council could be in a claw back position which it would have to pay from already depleted reserves. Secondly, it would have set a budget based on an inflated level of rates income which means that the level of expenditure incurred by the council would not be sustainable. Members would either have to increase rates to make up the shortfall or reduce expenditure even further.

Example: Figures for illustrative purpose only

- For 2009/10 District rate increase of 6% = £100m rates income.
- If actual rates for 2009/10 = £95m (for example because of increased vacant business properties).
- Then shortfall = £5m = £5m less in reserves.
- This means for 2010/11 just to stand still the District rate must be increased by 6.31% or expenditure be reduced by £5.0m.

Options

Members are asked to consider the following options for dealing with the potential vacant property income.

Option 1

Apply none of the £1,890,000 potential rate income to the district rate for 2009/10. Assuming Members accept the cost reductions recommended in the report on the district rate under item 2(a) on the agenda the district rate increase would be 6.93% or 2.86% when the regional rate element is included. This is the least risk option and means the council will have greater flexibility to deal with the volatility of the current economic climate and the uncertainty over the rate base.

Option 2

If Members wish to take additional risk, then an element of the £1,890,000 potential rate income could be used to supplement the rate for 2009/10. Members are advised that the more of the £1,890,000 is used the greater the risk. Members are further advised that to use more than £890,000 would place the council at an unacceptable level of risk. For information, using £890,000 and the £250,000 cost reductions would result in a rates increase of 6.10% or 2.52% when the regional rate is included.

Recommendations

Members are requested to:

1. To note the contents of this report.
2. Consider the two options for use of the potential additional rates income."

During discussion in the matter and following comments made by Members, the Chief Executive acknowledged that at the meeting on 23rd January there had been a broad agreement at the Committee that a comprehensive Budget Review should be undertaken with the aim of establishing a three year financial planning cycle. He stated that the recommendation before the Members to establish a Budget and Transformation Panel was the mechanism proposed to enable the Budget Review to take place and establish a forum for constructive challenge to existing processes, practices and finances with the aim of creating greater efficiencies and value for money throughout the organisation. The Panel would report to the Strategic Policy and Resources Committee and be supported with independent external assistance. He stated, that if the Committee was minded to accept this recommendation, the proposals for the Budget Review would be brought forward to the Panel and to the Committee.

With regard to the issue of Local Area Working, the Chief Executive explained that the Council was committed in its Corporate Plan to developing Local Area Working in advance of Community Planning. He acknowledged the Members' comments about piloting the initiative to determine resource consequences and suggested that, rather than the Committee considering at this stage the detail of the initiative, a report be submitted to a future meeting of both the Strategic Policy and Resources and the Development Committees which would outline the current proposals for the introduction of Local Area Working, the resource implications and potential of pilots and the actions that would corporately be required to ensure successful implementation of the initiative across the Council.

The Committee concurred with the Chief Executive's suggestion.

After a lengthy discussion it was

Moved by the Deputy Lord Mayor (Councillor D. Browne),
Seconded by Councillor Stoker,

That the Committee agrees that it would not be prudent, in light of the recent failings of the Land and Property Services Agency, to rely on the realisation of the potential rate income identified in the vacant property exercise and agrees to set the cash limits for the Committees as circulated previously and that the Council be recommended to approve the expenditure contained in the Estimates of Income and Expenditure as submitted to the Committee on 23rd January, a summary of which is set out below, and the District Rate be fixed accordingly to meet the expenditure for the financial year commencing 1st April, 2009, subject to the inclusion of the following cost reductions:

	£
Civic Hospitality	20,000
Proms in the Park	80,000
Hire of external rooms	40,000
Members' Training	20,000
Hospitality	<u>45,000</u>
	<u>205,000</u>

**Summary of Estimates of Income and Expenditure
for year ending 31 March 2010**

Year Ending 31/03/2009 £	COMMITTEE	Year Ending 31/03/2010 £
15,364,330	STRATEGIC POLICY AND RESOURCES COMMITTEE	19,146,520
5,590,580	Chief Executive's Department	5,680,850
215,620	Legal Services Department	254,570
10,406,690	Corporate Services Department	12,189,780
(1,348,560)	Improvement Department	(1,478,680)
(500,000)	Rent Reviews	-
1,000,000	City Investment Fund	2,000,000
-	Corporate Thematic Priorities	500,000
23,796,450	DEVELOPMENT COMMITTEE	24,226,210
30,989,430	PARKS & LEISURE COMMITTEE	33,020,230
47,764,590	HEALTH & ENVIRONMENTAL SERVICES COMMITTEE	49,738,470
<u>31,400</u>	TOWN PLANNING COMMITTEE	30,450
	COST REDUCTIONS	1,042,560
117,946,200	NET DEPARTMENTAL EXPENDITURE	125,119,320
<u>(4,518,050)</u>	Less Adjustments re Capital charges	<u>(3,399,790)</u>
113,428,150		121,719,530
	Less	
<u>(4,040,970)</u>	GENERAL EXCHEQUER GRANT	<u>(4,246,910)</u>
109,387,180		117,472,620
	Less	
<u>(2,400,000)</u>	ESTIMATED CREDIT BALANCE	<u>(2,400,000)</u>
106,987,180		115,072,620
<u>4,822,430</u>	ESTIMATED PRODUCT OF 1p RATE	<u>4,840,100</u>
22.1853p	NON-DOMESTIC RATE IN £ FOR YEAR ENDING 31/3/2010	23.7748p
0.011449	CONVERSION FACTOR	0.011449
<u>0.2540p</u>	DOMESTIC RATE IN £ YEAR ENDING 31/3/2010	<u>0.2722p</u>

The Director of Corporate Services indicated that the overall effect of those measures on the rates position for 2009/10 was that the required increase in the District Rate would be 6.97%, which was the equivalent of a 2.88% increase to the domestic ratepayer when the Regional Rate element had been included. This would require the Council to determine a Domestic Rate of 0.2717 pence and a Business Rate of 23.7325 pence to meet the Council's estimated expenditure.

Amendment

Moved by Councillor Newton,
Seconded by Councillor Convery,

That the issue be deferred until the special meeting of the Council scheduled to be held on 12th February.

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

The original proposal standing in the name of Councillor D. Browne and seconded by Councillor Stoker was thereupon put to the meeting when nine Members voted for and three against and it was accordingly declared carried.

The Committee agreed further:

- (i) to the establishment of a Budget and Transformation Panel to oversee and scrutinise a Comprehensive Spending Review, the development of a three-year financial planning cycle and identify and implement transformation projects;
- (ii) to approve the key messages for the announcement of the rate as detailed in the report but to make specific reference to the inadequacy of the service provided to the Council by the Land and Property Services Agency.

Belfast City Council - Proposed Response to the Economic Downturn

The Committee considered the undernoted report:

“Introduction

The proposed response to the current Economic Downturn from BCC is presented below. Members were provided with a summary of areas where support could be provided at the Strategic Policy & Resources Committee of 23 January 2009. A more detailed response has now been prepared for Members' consideration.

Relevant Background Information

Members are aware that the world's economy has entered a period of sharp decline and recession and, despite numerous efforts by governments and central banks across the world, the outlook continues to appear gloomy. The International Monetary Fund (IMF) recently stated that world economic growth would fall to 0.5%, the lowest level since World War II. Official Government figures also confirmed last week that the UK's economy is now officially in recession for the first time in nearly two decades. Business and consumer confidence levels have fallen sharply and unemployment levels are rising with businesses struggling to cope with the tough economic climate and reduced levels of consumer spending.

Commentators differ over whether NI will suffer more or less from other UK regions as a result of the economic crisis. Views vary from NI being one of the least vulnerable regions in the UK because of its public sector strength to NI being affected more so as a result of steeper house price declines and the end to the rapid expansion of the retail sector and large-scale property development which NI has been witness to since the mid 1990s. However people across Northern Ireland are already feeling the effects of the 'credit crunch' and it is likely that this will continue for the foreseeable future.

The UK's Local Government Minister has stated that 'the new frontline is local with councils leading the response' and that the recession is a "big opportunity for local government to show local leadership". Councils in the rest of the UK are being urged to use their well-being powers to tackle the recession. Whilst these powers are not legally in place as yet in NI, the principles behind it can be effected in working with others to find local remedial actions to benefit the locality and to support those most in need.

Belfast City Council is committed to responsible leadership during these difficult times. However, it should also be acknowledged that local government has limitations and whilst the downturn creates the opportunity for the Council to demonstrate its relevance, leadership and responsiveness it can only do this within its legal powers framework. A major contribution which Council can make is in working with central government which is where the main counter-cyclical effort lies in a recession.

Notwithstanding these limitations the Council has already agreed that it must continue to invest in our city to help provide jobs and support the economy and maintain the services that are even more important in times of need. We recognise the difficulties faced by people and businesses in the city in the current climate and will ensure we provide services and operate in a value for money way.

This report contains more detailed on these proposed areas. Members will be aware that the Northern Ireland Executive has already put in place a series of measures in response to the economic downturn. The measures put forward by the Council are concentrated at a Belfast level and should be seen as additional to these measures.

Key Issues

Any work that the Council is doing within this area should also be seen within the context of the key messages that Members have already agreed on the rates. One of the key things that the Council has been able to do to help people through this time of economic uncertainty has been to minimise the rates increase through the Council committed approach to delivering efficiencies. The key messages are set out below -

1. We have worked extremely hard to minimise the rates effect on the citizens of Belfast.
2. This has been achieved against a backdrop of the toughest post –war economic climate and a significant fall in rate and revenue income.
3. Without Council’s commitment to efficiencies which has realised saving of around £4million over the past three years and a further £2.7m in 2009/10 we would have been looking at doubling the rates burden.
4. The council must show responsible leadership by achieving the balance between investing in the city and providing efficient value for money services

Suggested Actions

- The impact of the economic downturn must be considered at two levels in the context of local government i.e. internally (for the Council as an entity in itself and as a service provider) and externally (on the role which Council can play in alleviating the effects on taking remedial action to support survival, recovery or growth within the local economy).
- In both these areas Belfast City Council has both the capacity and the opportunity to exercise civic leadership and to use its convening authority to coordinate activity and resources for the betterment of the locality. Facing up to the challenges of an economic downturn also firmly underpins the Council’s place-shaping role.

- There are four main areas where the Council can focus effort in order to help
- support ratepayers through this tough time -
 - What we can do to support local citizens/community
 - What we can do to support local businesses
 - What we can do to support the wider economy
 - What we can do internally as a Council

What We Can Do To Support Local Citizens/Community

Keeping Costs Down

- The Council will continue to provide financial assistance to advice services across the city and we will work to ensure that as many people have access to these services as possible.
- The Council is pursuing DSD for increased grant aid to support the additional demands for debt advice and assistance.
- The Council will continue to represent our citizens with other key agencies such as the Land & Property Service in relation to rates bills.
- The Council will continue to provide advice on energy efficiency and how to save money on the home to reduce household costs
- The Council recently introduced a pilot fuel stamps scheme to assist households, especially the elderly, in budgeting for home heating oil. If successful, this pilot will be rolled out across the city.
- The Council will continue to work to make our services as accessible as possible to people in need – for example, means-tested “Boost”, in Leisure Centre.

Information and sign-posting of help

- Recent episodes, such as the floods, have shown that Belfast City Council will do everything in its power to help the city through a crisis. The Council is committed to doing the same with this crisis by using our facilities to sign-post where people can get advice, support and help in this time of uncertainty.
- The Council has a strong record in terms of inter-agency action and it is the intention to work with other delivery agencies in the city to ensure that the information and messages that they need to get to the public in terms of alleviating hardship are available in council-owned locations

- The Council will explore the use of the Council's web-site to sign-post people to the help they need through the provision of links to allow them to access as much information as possible on-line. City Matters will also be utilised to sign-post where people can get help.

Supporting Employment

- BCC has facilitated some short term work experience placements for the long- term unemployed through its current community outreach programme and has recently agreed to further Council engagement in providing pre-employment training programmes that are specifically designed to link the unemployed and economically inactive to specific job vacancies within the Council and wider public sector.
- The Council will engage in the Workforce Buddies Project to support the retention of a former long-term unemployed appointees and to help them settle effectively into their new role.
- The Council will organise employability/redundancy road shows and clinics under the title of 'Belfast is Working' Programme of events and activities for those at risk of being made redundant or already unemployed in liaison with DEL and DSD to be held in Council buildings or in workplaces – consider flexible timings eg weekends/nights.
- Timescale: February – September 2009
- The Council will continue to deliver its HARTE programme - Hospitality and Retail Training for Employment (HARTE).
- Maximise publicity opportunities from HARTE programme. First wave of participants to start on 15 February.
- Timescale: Recruitment underway – programme runs until 2011. First opportunities for publicity in early March – recruitment for first cohort of participants
- ? The Council will instigate employability work at Titanic Quarter connecting local citizens to job opportunities.
- Targeted employability work at TQ, linked to Memorandum of Understanding
- Timescale: February – March 2010

What We Can Do To Support Local Businesses

General

- Through the corporate plan, Members have placed the economic health of the city at the centre of its strategy for the future. The Council will continue to pursue the strategies that it has in place to strengthen the local economy, through its economic development and tourism development work and is already re-focusing this work to address the new challenges being faced by the city
- Ensuring early payment of accounts to creditors. The legal limit is currently 30 days but we will do everything in our power to ensure that payments are made much earlier than this in the vast majority of cases
- Proposals will be brought back to Members on how we will manage the difficulties faced by tenants of our industrial estates; we need to balance the need for income with supporting those experiencing hard-ship. Possible options are to consider permitting tenants to pay monthly rather than quarterly, agree short term lettings and to review service charges with a view to reducing level.
- The Council will review procurement methodology to assist smaller companies to secure work and to speed up awards of contracts
- Market Intelligence
- The Council will undertake the survey of 500 businesses in Belfast to be undertaken. To be completed mid-February.
- Follow-up events with the business community to be hosted by Lord Mayor to report back on actions and outputs from previous events. Timescale: up to two additional events: suggested dates late April and September
- Editorial content/commentary
- The Council will explore a series of editorials in business magazines over a period of months. This will offer the opportunities to profile 'good news' stories on business successes and allow Council to publicise its support mechanisms for the business community in the current economic downturn. Timescale: First edition in March 2009

Business Growth Initiatives

- The Council will provide additional mentor activity on business support programmes.
- Offer additional, targeted support to companies participating on business development programmes to help them with particular growth challenges. This will provide a 'rapid response' service to companies experiencing specific difficulties that can be worked through with an experienced mentor.
- Timescale: February – December 2009

- The Council will undertake additional outreach work to promote public procurement opportunities. Four workshops across the city (in conjunction with CPD or other procurement agents). This will also consider whether any revisions to application process for BCC procurement opportunities can be considered - eg reduction in paperwork to encourage additional companies to consider tendering. The Council will also host a procurement event in WFH – May/June time – in conjunction with Northern Ireland Chamber of Commerce.
- Timescale: Feb – March 2010

- The Council will undertake independent retail masterclasses
- Six retail masterclasses on topics of concern for local traders including how to survive in an economic downturn
- Timescale: Feb – March 2008

- The Council will continue to deliver 'Prepare to Export' programme.
- Helping business to consider exporting for the first time, taking advantage of currency fluctuations.
- Timescale: Programme to start May 2009

- The Council will continue to enhance the promotion of global gateway
- Proactive encouragement of exporting opportunities and potential – helping companies make contact with international counterparts through WTC network
- Timescale: Ongoing

- The Council will support INI in a collaborative event.
- Breakfast event with INI to draw companies' attention to range of services available for businesses in the current climate
- Timescale: Planned date – 4 March

- The Council will expand its programme of Belfast Entrepreneurs' Network Events.
- One workshop and one networking event on topics of interest already taking place each month. Three additional workshops proposed: potential topics include cash-flow management etc. (issues identified by businesses as a result of economic downturn).
- Timescale: February – September

What We Can Do To Support The Wider Economy

Ensuring the attraction of new monies into the local area and its circulation is wholly necessary to stabilise and keep the wider economy functioning. Continuing to support developmental work in tourism and culture increases the economic attractiveness of the locality and sustains local jobs and businesses.

The tourism sector presently supports 17,000 jobs and attracts 6.9m visitors and injects £313m into the economy.

The arts organisations supported by BCC contribute to 450 jobs directly and Council's funding levers in an additional £22.00 for every £1 of Council investment.

Tourism

- Refocus BVCB marketing campaigns on ROI/Eurozone to highlight value for money
- BVCB will consider the development of special discount travel offers between Dublin/Belfast
- The Council will focus on 'Belfast for Free' promotions.

Culture & Arts

- The Council will implement 'Test Drive the Arts Initiative'
- The Council will tailor training to arts organisations' current challenges
- The Council will promote skills development for sustainability
- The Council will explore new partnerships with NICVA, Vol Arts Ireland & Visual Arts Ireland for joint commissioning
- The Council will promote shared services within arts organisations
- The Council will host symposium to consider effect on key organisations

Events

- The Council will continue provision of free public events
- The Council will analyse current events surveys to identify more customer focused delivery mechanisms
- The Council will seek to identify new sources of funding
- The Council will seek to identify new partners to assist in delivering events

What We Can Do Internally

- Members will be aware of the proposed establishment of a Budget and Transformation Board. It is proposed that this Board also acts as the Council's task force in monitoring the economic situation and managing the Council's response and proposing any adjustments to Policy & Resources Committee
- The Council will monitor and analyse local economic trends and implications
- The Council will meet local business traders to consider their challenges and to develop support measures
- The Council will convene a community planning symposium with other partner organisations to consider Belfast based response beyond Council
- The Council will continue to work with the Government's Land & Property Service to help maintain an accurate and up-to-date property rating list to ensure that ratepayers do not have to bear any additional costs for property inaccurately recorded as vacant
- The Council's review of its Capital Programme should also take account of the effect of 'not' progressing capital schemes on the construction and land/property services. Across the board, the public sector is being encouraged to, wherever possible, maintain its investment programme.
- The construction industry has been hit particularly badly by the economic down-turn and Council's capital. The Council will actively work with the construction sector to help keep building costs down
- The Council will review fees and charges (for example Council venue hire, market stallage rates, cemetery and crematorium charges) to consider how to ease the burden on local people
- The Council will continue to develop and improve recycling facilities to help reduce landfill disposal and future heavy financial penalties

Recommendations

To approve the content of this report as Council's response to the economic downturn.

Documents Attached

Response in Northern Ireland

Abbreviations

DEL – Department of Employment and Learning
DSD – Department of Social Development
INI – Investment Northern Ireland.”

The Committee adopted the recommendation and agreed that a special meeting be held in order to consider the matter further.

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.

Cross-Cutting Issues

Department for Social Development: Social Security Agency - Delivering a Better Service for Customers

The Committee consideration the undernoted report:

“Relevant Background Information

Purpose

To bring to the attention of Members, a consultation by the by the Department for Social Development, Social Security Agency on Delivering a Better Service for Customers and to present for approval a draft response to this consultation.

Background

Over the past two years, the Social Security Agency has been conducting a Strategic Business Review into how services are provided within their local office network of Jobs & Benefits/Social Security Offices. As a result, they have developed proposals to restructure their local operations function to ensure the future delivery of high quality services for customers. This public consultation document ‘Delivering a Better Service for Customers’ explains the proposed changes.

Recent correspondence received from the Social Security Agency on 27th January 2009 addressing some of the issues of this consultation document is attached at Appendix one for Members attention.

Summary of the Consultation Document

Proposal

In order to provide a better service to customers, the Social Security Agency (SSA) is proposing to make changes to the way services are delivered through its local office network of Jobs & Benefits and Social Security Offices. It is envisaged that the changes will be introduced on a phased basis over 3 years, starting in October 2009.

Background

The Agency currently delivers its services to around 550,000 customers through a network of 35 Jobs & Benefits/Social Security Offices dispersed throughout the main cities and towns in Northern Ireland and through a number of centralised benefit branches. The local office network is mainly responsible for the administration of Income Support, Jobseekers Allowance, Social Fund, National Insurance Number applications/allocations and the provision of information and advice on the broad spectrum of social security benefits. The current front office services provided by Social Security Agency staff in local offices, including new claims, national insurance number applications, information and advice and over the counter payments are not affected by the proposed changes. The proposed changes relate to how these services will be delivered in the future.

Drivers for Change

The proposed changes are driven by two main factors:

A) The Need to Improve, Modernise and Make Services more Accessible for Customers –

The Agency recognises that a more modern and effective telephony system could provide a major opportunity for increasing customer accessibility to its services. Independent customer research recently undertaken by PricewaterhouseCoopers, on behalf of the Agency, indicates that there is scope for improvement in the telephony service provided to local office customers. Feedback from Social Security Agency frontline staff would also suggest that many of the enquiries raised by callers to offices could be dealt with by telephone.

B) Viable Business Model Going Forward –

Following an in-depth assessment, the Agency concluded that its staff are spread too thinly across the network and, consequently, its ability to deal with future major changes and continue to provide a high standard of customer service into the future is severely constrained. Consolidation of the current 74 back-office Income Support, Jobseekers Allowance and Social Fund processing teams, which are spread across 35 sites, into Benefit Processing Centres is, therefore, unavoidable.

Proposed Changes

The Agency recognised the importance of local access to its services and therefore the consultation document states that proposed changes to the current local service delivery model, summarised below, are premised on the basis that a strong network of public offices delivering frontline services will continue to exist:

- Back office processing for Income Support, Jobseekers Allowance and Social Fund will be centralised in 18 Benefit Processing Centres located on 16 sites;
- National Insurance Number processing will remain centralised in 3 locations;
- The introduction of an enhanced telephony service including low/fixed rate calls;
- The creation of dedicated Telephone Support Units for each Benefit Processing Centre;
- Extension of existing appointment system to include the majority of current caller traffic;
- The introduction of Customer Access Phones in front offices which will connect the customer to the ESA Centre, Social Fund Crisis Loans Tele-Claims Unit or an expert benefit adviser in the District Telephone Support Units; and
- Access to the Agency's website

The consultation document makes the following key points with respect to the proposed changes:

Centralisation of Back Office Processing – at present most customer contact with back office staff is conducted via the telephone or by post and this is expected to continue. It is not anticipated, therefore, that centralisation of back office processing will have a major impact on customers. However, it will have a significant impact for staff as it is anticipated that, over the 3 year implementation period, around 1050 staff will have to be relocated. Approximately 850 of these staff will have to move from their current

offices to Benefit Processing Centre locations and a further 200 staff will be redeployed to vacancies elsewhere in the SSA/wider Northern Ireland Civil Service. There will be no redundancies as a result of the proposed changes. In order to help reduce costs and minimise staff travel distances it is proposed to make best use of the Agency's local office estate by locating the Benefit Processing Centres in the back office of 16 of the Agency's current local offices.

Introduction of an Enhanced Telephony Service – introducing a single telephone number for Income Support/Jobseekers Allowance (there are currently 38 telephone numbers, excluding fax numbers, in the SSA section of the BT telephone directory). The Agency is exploring the feasibility of implementing a short dial '101' contact number with the NI Direct Programme. It is expected that calls to '101' will be charged at a fixed rate of ten pence per call, irrespective of the duration, location or whether from landlines or mobiles.

The full consultation document can be accessed at <http://www.dsdni.gov.uk/index/consultations.htm>. The deadline for responses is Thursday 29th January 2009. However, the Council has gained agreement from the Social Security Agency to submit a response after the deadline. It has been agreed that the Council response is submitted on the 6th February 2009 after committee approval, subject to Council ratification. A draft response to the consultation is attached.

Resource Implications

N/A

Recommendations

The Strategic Policy & Resources Committee is asked to note the content of the report and to approve the response attached at Appendix 2 to the consultation document and its submission to the Social Security Agency. Members are asked to outline any additional comments that they would wish to make in the response.

Key to Abbreviations

N/A

Proposed Council response to the Consultation

Social Security agency: 'Delivering a Better Service for Customers – Changes to how Services are delivered through the Jobs & Benefits and Social Security Office Network'

Belfast City Council Response

Belfast City Council welcomes the opportunity to comment on 'Delivering a Better Service'. The Social Security Agency's package of proposals aimed at improving services for customers of its local office network.

Belfast City Council is committed to working in partnership to improve the quality of life and well-being of all people living in Belfast. As a city with high levels of deprivation the Council would emphasise the importance of ensuring, as the consultation suggests, that no front office sites will be closed in Belfast.

Figures published by the Department of Enterprise Trade and Investment in January 2009 indicate that the annual percentage rise in unemployment benefit claimants in Northern Ireland was the highest in nearly 33 years. In light of this the Council would stress the need for Social Security Offices to remain open with adequate staff provision. The rising unemployment figures, particularly newly unemployed would indicate that more people will be making use of the benefits system than ever.

Given the complexities of the benefits system, in terms of completing forms, a move away from face-to-face contact in the current economic climate may have a detrimental effect on claimants. It is important that claimants receive the best service possible and a fully accessible service.

In terms of the agencies approach to supporting 'vulnerable customers', the Council would also be concerned about the implications of the proposed changes for those with difficulties in communicating their needs effectively, whether this is because of poor literacy or other issues. The Council would seek reassurance that the needs of those for whom English is not their first language would be adequately addressed under the proposals.

The Council would like to see a more overt reference to the improvement in performance standards that will result from the changes proposed. For example, what will be the impact on waiting times for customers? What quality standards are being used to gauge the effectiveness of the experience that customers will have in using the system? The Council would welcome assurance that the changes are being driven by a robust assessment of the needs of customers in an increasingly difficult environment.

The Council emphasises the importance of ensuring, as set out in the consultation document, that any staff employed in sites in Belfast would be redeployed within Belfast. The Council would draw attention to the fact that the Spatial Development Strategy identifies Belfast as the dynamic, metropolitan core, regional gateway and focal point of the regional strategic transport network. It refers also to the regional advantages gained from the role of Belfast as the strong heart of the region and serving as an economic powerhouse and centre of administration. It further acknowledges that securing a strong and vibrant Capital City and Metropolitan Area is vital to the economic and social well being of Northern Ireland.”

The Committee approved the proposed response, subject to the document being referred to the Party Groupings on the Council and to any further comments thereon being included prior to its submission to the Department of Social Development.

Schools of the Future - A Policy for Sustainable Schools

The Committee was advised that the Minister for Education had, on 12th January, published a document entitled “Schools of the Future – A Policy for Sustainable Schools”, which sought to ensure that there existed an estate of educationally sustainable schools, planned on an area basis and which met the needs of local communities.

The basis for the policy originated in December, 2006 with the release of the Independent Strategic Review of Education, the Bain Report, which had published a series of recommendations aimed at securing the longer-term viability of schools in Northern Ireland. In response to the Bain Report the Department of Education had commenced a consultation exercise on the Schools of the Future Policy, which the Committee had agreed to refer to the Party Groupings on the Council for individual consideration and comment.

The Policy for Sustainable Schools is the culmination of the aforementioned consultation process and sets out:

- a Vision for Education;
- a baseline profile of the current position in regards to school enrolments in Northern Ireland;
- the policy content for sustainable schools;
- the education, financial and other factors affecting sustainability, for enrolment trends and costs per pupil;
- sustainability criteria and indicators; and
- approaches to addressing sustainability issues, such as amalgamation, clustering and co-operation.

The document does not make any recommendations or proposals as to the future rationalisation of the school estate such as the closure or amalgamation of schools. Instead, it sets out a policy framework which is intended to underpin and inform consideration around the sustainability of the school estate.

The Committee noted the receipt of the aforementioned policy, agreed that a letter be forwarded to the Minister for Education urging her to channel educational resources to those schools identified in Targeting Social Need areas and agreed also that clarification be sought also on how, following the abolition of the Education and Library Boards, how the new Education and Skills Authorities will engage with elected Councillors in terms of school policies, finances and other related matters.

Chairman