

Strategic Policy and Resources Committee

Friday, 21st October, 2011

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor Hargey (Chairman);
Aldermen Browne, M. Campbell, R. Newton;
Councillors Attwood, Convery, Garrett, Haire,
Hanna, Jones, Lavery, McKee, McVeigh,
Mac Giolla Mhín, Ó Muilleoir and A. Newton.

In attendance: Mr. P. McNaney, Chief Executive;
Mr. R. Cregan, Director of Finance and Resources;
Mr. G. Millar, Director of Property and Projects;
Mr. J. McGrillen, Director of Development;
Mr. S. McCrory, Democratic Services Manager; and
Mr. J. Hanna, Senior Democratic Services Officer.

Apologies

Apologies for inability to attend were reported from Councillors Hendron, Maskey and Reynolds.

Corporate Plan and Performance Management

Investment Package Update

The Committee considered the undernoted report:

“1.0 Relevant Background Information

Members will recall that a first cut of a draft ‘investment package’ was presented to Committee at its meeting on 23rd September. At this stage it was highlighted that this was a work in progress and would be further refined over the coming months following feedback from Members. At the meeting, Members asked that the following issues be addressed in a future iteration of the package:

- **balance between investment in the city through financial support for big construction projects and support for individuals struggling to cope with the recession;**
- **investigate how we could do more to address the issue of employability by working with relevant government bodies such as the Department for Employment and Learning and by introducing a city-wide bursary scheme;**

- explore how we can identify more focused advice, support and signposting services to those in debt and examine how we can offer opportunities for internships, mentoring schemes and apprenticeships;
- more work required on the contribution that procurement and social clauses might make to providing opportunities to local firms and those not in employment;
- reduction in the levels of poverty and inequality need to be more central in the document;
- the Council needs to drive the agenda for reducing health inequalities;
- explore the social economy and the potential to work with other bodies in that area;
- a commitment to ensure that the good relations and equality strategy is considered in relation to all the projects across the City in which the Council was involved;
- a greater civic leadership role - Council as the voice of the city in relation to advocating for the needs of its citizens and marketing the city for investment and tourism;
- develop an international and external relations strategy, and form key relationships with bodies such as Invest NI and government departments to ensure that investment efforts are aligned and focused; and
- ensure that the identification of place shaping projects is spread fairly across the city and that key projects in the city centre, such as a civic square around the City Hall and the development of St George's Market, are considered.

This report sets out progress in responding to the issues raised by Members at the Committee and at subsequent sessions, including the Economy Workshop on the 28th September and the place shaping area based sessions (North, South, East, West and Shankill) which commenced on 10th October and concluded on 17th October.

In order to take forward the next iteration of the investment package Members are asked to consider the information set out at appendix 1 for inclusion within the stimulus package. The appendix addresses each of the issues raised by Members in turn, providing an update on what the Council currently does in relation to each, and the proposed text for inclusion in the package.

Members should note that in some cases, for example with respect to the good relations and equality theme, issues will be developed further at the next and final thematic workshop – “people and communities” which will also deal with neighbourhood interventions and local investment. Members will be informed of the date of this workshop as soon as it is identified.

2.0 Key Issues

2.1 Place-shaping

2.1.1 Members will recall that they agreed that they wished to progress those projects which were ready to move forward but also to get other projects to a state of readiness where they might avail of potential funding opportunities or be the subject of advocacy by Members for funding. In order to progress this, a series of area based (North, South, East, West, Shankill) place shaping sessions took place in mid October. The purpose of these sessions was to consider in further detail the place-shaping projects and to agree –

- A set of principles to underpin further prioritisation;
- A set of political priorities in relation to major capital projects; and
- A list of prioritised projects and agreement on further work to take this forward

2.1.2 At these sessions Members considered the list of projects, including those already committed and underway, those prioritised by Members at the workshop on the 17 August and those on the longer list, for the relevant area and the city centre. These were set within the context of deliverability – i.e. the steps that were necessary to take a project from concept through to delivery, including concept design and agreement, potential funding arrangements; detailed design and costings; political approval, planning permissions; project planning, procurement, contract management and delivery.

The set of principles that were agreed included:

- political prioritisation
- the need for a balance of projects across the city
- projects must meet the Council's objectives
- affordability / funding
- deliverability

2.1.3 The revised list of prioritised projects is included at Appendix 2. (NB Not yet included as these sessions will conclude on Monday 17th October). Members are asked to agree that Member/Officer working groups are now established to progress these projects. Members have already agreed at their meeting on 23rd September that £125,000 is set aside through in-year reallocation to develop feasibility studies or other preparatory work in relation to progressing these projects.

2.1.4 In terms of governance for this work, officer input to the working teams will be overseen by designated Chief Officers. Composite reports on the outcomes of the working groups will be brought to Budget and Transformation Panel and SP&R to ensure that a city-wide perspective is taken and to ensure the balance that Members have asked for. It will be necessary to progress this work in the context of affordability as part of the rate-setting process. This means taking prioritisation as far as possible before the SP&R meeting in December so that investment decisions can be made in the context of the level of rate to be set. Members will then have a further opportunity to assess affordability in January when the final rates forecast becomes available from the LPS.

2.2 POVERTY AND INEQUALITIES FRAMEWORK

2.2.1 Given the impact of the economic downturn on some of the most vulnerable communities in the city, Members wanted to see the Council's work towards a poverty and implementation framework given greater prominence. Therefore the updated investment package will set out the Council's commitment to the implementation of the poverty and inequalities framework, once this has been agreed by Members, as a key policy tool which will ensure that effort is concentrated on reducing inequalities that exist across the city, including those pockets of disadvantage at sub-ward level. In addition to the measures relating to procurement and social clauses, improving skills and reducing worklessness set out in other parts of the stimulus package, key actions in the draft being presented to the Development Committee on xxxx include:

- work to support the social economy;
- Support and funding for the advice provision infrastructure in Belfast;
- Fuel poverty;
- Access to services;
- Reducing health inequalities.

Green New Deal

Linked to the above, Members may be aware of the ‘Green New Deal’ concept proposal. This is a joined up approach aimed at tackling the ‘triple crunch’ of recession, rising energy prices and climate change and essentially is a scheme which could provide jobs for local people and reduce household bills by increasing energy efficiency. There is the potential for the Council to work with the Green New Deal Trust on a pilot programme where the Council provide loans to the Trust for the purpose of making pay-as-you-save loans available to households in their area.

With Members’ approval, further work will be undertaken to assess the potential for Council’s involvement in this scheme, including a detailed examination of any obstacles in relation to its legal power to do it and how it would be financed. Again, this work will be fed into the overall affordability debate. It is anticipated that a more detailed report on this scheme will be brought to Committee as part of the rates setting process.

2.3 SOCIAL CLAUSES

- 2.3.2 As discussed at the economy workshop in September, there are currently legal constraints on the Council’s ability to use social clauses in contracts. However, as Members are aware, the Council has recently received a consultation document: the Draft Local Government Best Value (Exclusion of Non-Commercial considerations) Order (Northern Ireland) 2011, issued by the Department of the Environment, which proposes to make regulations under the Best Value Act 2002 to relax the restrictions on matters which Councils can consider in exercising their procurement functions.

The proposed Order will enable Councils to include certain ‘social clauses’ in procurement contracts, but providing that they are relevant for Best Value purposes. A copy of the consultation document can be found at:

http://www.doeni.gov.uk/consultation_document_draft_local_government_best_value_exclusion_of_non-commercial_considerations_order_ni.pdf.

A hard copy of the document has been placed in the Members' library or can be obtained from Kevin Heaney on email: heaneyk@belfastcity.gov.uk, Tel: 028 9027 0595.

2.3.3 In terms of responding to the consultation document, it is proposed that Members welcome and support the introduction of this legislation and the greater flexibility which it seeks to introduce, albeit that this is in the context of securing compliance with best value requirements as set out in the Local Government (Best Value) Act (Northern Ireland) 2002.

2.4 SUPPORT FOR EMPLOYABILITY AND LOCAL SUPPLIERS

2.4.1 Appendix 1 sets out in some detail what the Council is currently doing in terms of supporting employment and skills development and supporting local suppliers across the city and outlines a range of new proposals, for Members' consideration, for potential support initiatives including: community outreach; internships, placements and other employment and career support initiatives which the Council may wish to pursue. In line with the analysis contained within this report, it is proposed that the revised package will include proactive exploration of the following:

- **City-wide Bursary Scheme** - The Department for Employment and Learning (DEL) has recently commissioned a feasibility study about making a bursary scheme available across the city. It is proposed that the Council should work with DEL to ensure that any emerging recommendations represent the maximum benefit to people across the whole city. In order to ensure meaningful engagement and underline commitment to this outcome, it is proposed that a sum should be committed through the Council's estimating process to ensure effective delivery of the recommendations with a view to seeking match funding from DEL and the private sector. A sum of up to £100,000 is potentially available through re-alignment of the Council's thematic budgets.
- **Council participation in a city wide Social Clause Delivery Forum** where we will work with partners such as the Department for Employment and Learning (DEL), the Housing Executive, Construction Industry Forum, Central Procurement Directorate, Strategic Investment Board, business representative organisations, community organisations and training organisations to seek to mainstream social clauses in key public contracts.

- Increased support for internship programme - possibilities include:
 - the Graduate Acceleration Programme
 - Belfast Metropolitan College's Career Academy
 - Belfast Metropolitan College's Career advocates programme
 - UUJ's Professional Experience Programme

Other Members' suggestions such as ring-fencing a number of vacancies for the unemployed (in the case of multiple vacancies) are being explored in the context of issues such as:

- trade union buy-in
- potential adverse impact for existing temporary employees or agency assignments in the Council – i.e. if posts are ring-fenced to unemployed they would be excluded from applying
- the need to consider other disadvantaged groups
- A further report on both these issues will be brought back to Members in the near future.

In terms of finding resources to support these initiatives, the Council has asked for a review of agency and overtime costs, highlighting that there are potential savings to be made through reductions in both which could be utilised to create jobs, or to provide paid placement opportunities.

2.5 SUPPORTING LOCAL PROCUREMENT

In recognition of the Council's significant spending power and potential impact on local suppliers, Members have asked that consideration be given to identifying what practical steps could be undertaken to increase awareness among small businesses of the Council's tendering processes and to improve the overall capacity of small businesses to compete for public tendering opportunities. In 2010/2011 the Council spent £88.9m in procuring goods and services, of which £60.4m (68%) was delivered through local (Belfast based) suppliers.

The Council already supports a number of specific initiatives targeted at local businesses which are set out in Appendix 1. Work is underway to baseline current spend with local suppliers and develop an effective strategy and programme of procurement support initiatives aimed at maximising the benefit of Council spend to the local economy. This strategy and action plan will be brought to Members in November.

2.6 EXTERNAL RELATIONS AND INTERNATIONAL MARKETING

Members asked that the stimulus package should include the Council's commitment to developing an external relations and international marketing strategy. This strategy will identify key strategic relationships both locally and internationally and will aim to ensure that:

- Members take the lead in forging strategic relationships with key bodies in the city and the NI Executive to ensure that priorities for city success and competitiveness happen, resources and plans are aligned and that the Council has a coherent approach to engaging on key strategic issues which feed back into its own governance and decision making structures;
- The Council works with key organisations across the city to agree and consolidate strategic international relationships to support economic growth and competitiveness.

Members are asked to agree this proposal and that a report setting out a proposed approach and timescale for delivery for this project is brought back to Members by December.

2.7 Equality and Good Relations

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

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

2.8 Conference / Launch of Stimulus Package - options

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

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

2.8.1 Masterplan Focused Launch/Conference

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

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

2.8.2 Investment / Internationally focused event

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

2.8.3 Partnership Focused Conference

The package could be central to a partnership focused conference where the package is presented and the contribution of all partners to its implementation is discussed and agreed. This would include contributions from partner organisations and other sectors including the business and voluntary sectors and funders in order to validate and confirm their support for the Council's initiative. It would also consolidate the Council's value of collaborative leadership in delivering change and improvement in the city and in tackling issues that are larger than any one organisation.

The Council will need to also consult upon its investment package and this would provide a perfect opportunity for feedback from key partner agencies. Such an event could be used to:

- (i) reinforce the significance of Belfast as an important economic driver for the region
- (ii) promote the investment package
- (iii) showcase and lobby for key city projects.

2.8.4 Press Launch

The Stimulus Package could be introduced via a 'press launch' with emphasis being placed on the specific actions that the Council is committing to and the sums that are being invested. This could take the form of a press launch/briefing with interview opportunities offered, a press conference at which a prepared presentation is made by the Council's agreed spokes-person/people.

There will be a varying financial cost to the Council depending upon the selected format of the proposed launch of the 'stimulus package'. The cost of the chosen option will be worked up by officers once the Members have given their direction. The involvement of Government Departments or Agencies and any external partners will also need to be considered in terms of the role they would have in the launch.

3 Resource Implications

The resource implications of taking forward the Council's commitments as set out in the "investment package" will be discussed further in line with the budget setting process for 2012-2015.

4 Equality and Good Relations Implications

Equality screening of all elements of the corporate plan will be taken forward throughout the process of its development.

5 Recommendations

Members are asked to:

- note progress and agree that the information contained at Appendix 1 forms the basis for further narrative for the stimulus package – final narrative will be agreed with Members in November.
- note the list of projects included at Appendix 2 and agree that joint officer/Member groups are tasked with exploring further the feasibility of prioritised projects;
- agree that the Council welcomes and endorses the introduction of the Draft Local Government Best Value (Exclusion of Non-Commercial considerations) Order (Northern Ireland) 2011;
- consider a preferred focus for the launch of the stimulus package when complete.

Appendix 1

Information for update of stimulus package

POVERTY AND INEQUALITIES FRAMEWORK

Belfast has the highest level of deprivation in Northern Ireland – and this translates into lower life expectancy and higher levels of illness as well as uneven access to services.

Belfast City Council cannot eradicate poverty but we can make our services more accessible, advocate effectively and use our resources so that we support people where they are now, facing the long-term effects of the recession. The Council is developing a poverty and implementation framework which will impact across the city, including the 'hidden' pockets of poverty which exist at sub-ward level. Under this Framework we will:

1. Ensure that our services are more accessible;
2. Target our resources more effectively;
3. Work in partnership with other lead government departments to deliver on-the-ground projects that will support citizens; and
4. Advocate for the people of Belfast who are experiencing poverty and inequalities.

In addition to the measures relating to procurement and social clauses, improving skills and reducing worklessness set out in other parts of the stimulus package, key actions will include:

1. Support for social economy projects

- Improve procurement practices to ensure social economy enterprises have an opportunity to bid for contracts
- Undertake pre-enterprise social economy support in order to increase the number of social economy businesses.

2. Community tourism and outreach

- Work with communities along key tourism routes and help them set up community tourism enterprises.
- Expand development and outreach programme so that people in poverty can access cultural opportunities.

3. Support and fund advice provision infrastructure in Belfast

- Maximise the uptake of rate relief in partnership with Land and Property Services.
- Invest £800,000 a year in funding to ensure provision of generalist advice and which draw at least £8 million in unclaimed benefits.
- Build capacity of the advice providers (on annual basis).

4. Reduce fuel poverty

- Investigate the possibility of piloting a warm zones approach in two socially deprived areas of the city which would aim to demonstrate a proof of concept to reducing fuel poverty and carbon emissions.
- Ensure that the most vulnerable people in Belfast participate in the fuel stamp initiative this scheme which has successfully helped residents save over £300,000 worth of oil stamps since its launch,
- Explore funding opportunities for delivery of new energy efficiency powers.

5. Improve access to parks and leisure centres

- Map out parks and playgrounds to ensure that all children have access to them.
- Support people in the most deprived areas to gain access to leisure centres free of charge – in partnership with the Public Health Agency

6. Reducing Health Inequalities

- The Council is a lead partner in a new a cross-sector partnership – the Belfast Strategic Partnership, set up to address health and life inequalities across Belfast. The partnership is finalising its five-year health inequalities strategy, entitled ‘Framework for Action on Addressing Life Inequalities’ which will ensure that all partners are focusing on and aligning resources to some of the main aspects of health inequality in the city, including mental health and emotional wellbeing; addressing lifelong learning related issues; alcohol and drug related health issues and early years and early interventions.

SOCIAL CLAUSES

The Council will:

- Positively welcome and advocate for the introduction of the new legislation being brought forward by the DoE which will introduce greater flexibility and relax the restrictions on matters which Councils can consider (including social clauses) in exercising their procurement functions.
- Work with DEL and other key stakeholders (including the NIHE, Construction Industry Forum, Central Procurement Directorate, Strategic Investment Board, business representative organisations, community organisations and training organisations) to establish a City-Wide social Clause Delivery Forum which will actively seek to mainstream social clauses in key public contracts.

- Actively work with key public and private sector bodies to negotiate social clauses as a condition of recent and future investment decisions and partnership projects. This work builds on the Council's approach to the Titanic Belfast project where Council worked with central government to ensure that social clauses were part of the contract in order to provide opportunities for unemployed young people and apprentices during construction.
- Implement a range of employment and pre-employment support programmes which will provide local people with the necessary skills to access emerging employment opportunities linked to key developments across the city.

SUPPORT FOR EMPLOYABILITY AND SKILLS DEVELOPMENT

It is proposed that the revised investment package incorporates the following initiatives and programmes which seek to support employment and skills development across the city.

CURRENT INITIATIVES UNDERWAY

i. City-Wide Employability and Skills Strategy and Action Plan –

The Council is working with the Department for Employment and Learning (DEL) to get agreement on the development and delivery of a city-wide employability and skills strategy and action plan. In conjunction with other partners, the plan will focus on a number of activities including:

- Development of and agreement on an overarching strategic framework covering the breadth of the worklessness and skills agenda in Belfast, which informs and shapes partner organisations' business plans
- Mobilisation of mainstream and discretionary funds to deliver the agreed strategy
- Addressing gaps in provision and barriers to delivery that hinder progress in achieving the agreed priorities
- Development and management of appropriate data management systems which support enhanced labour market intelligence and help target interventions to ensure delivery of agreed targets
- Monitoring performance against targets
- Sharing best practice from partner organisations and wider to enhance the quality of provision.

ii. Targeted employability support initiatives

- HARTE (Hospitality and Retail Training for Employment) Programme - £35k Council investment this year towards a £460k initiative which seeks to get 200 long-term unemployed people into employment in the hospitality and service sector.
- Stepping Stone Initiative - £8k Council investment this year towards a £430k programme which focuses on building employability skills of unemployed individuals.
- Tools for Life - £20k Council investment this year towards a £450k employment programme concentrating on young people not in education, employment or training. This programme aims to increase the employability of 135 young people
- Jobs on the Move – £25k Council investment this year towards a £780K engagement and outreach work programme which seeks to provide pre-employment support for around 1200 people
- Learn 2 Earn - £5k Council investment this year towards a £220k support programme focusing on the hospitality, leisure, travel and tourism industry.

ii. Young Persons Employment Initiative

The Council recently ran, in partnership with DEL and North City Training Bryson Charitable Group's Training and Employment Unit, a pilot programme which provided young people (aged 18-24), who had been unemployed for more than one year, temporary waged work experience over a 26 week period. 36 placement opportunities were facilitated of which 5 were graduate opportunities. Following the success of this pilot, the Council agreed to engage with North City Training on a further 3 year programme, offering 10 placement opportunities each year.

iii. Community Outreach Programme - This Programme operates an unpaid work experience placement scheme for, on average each year, 200 students from schools and further education / university establishments and 30 unpaid disability work experience placements from a range of disability organisations.

The Council has also engaged, on a pilot basis, with the Probation Board for NI (PBNI) and Youth Justice Agency (YJA) to provide work experience placements for individuals required to carry out community service orders.

- iv. **Public Employment Partnership (PEP)** - The Council, along with Northern Ireland Housing Executive and Belfast Health and Social Care Trust, recently participated in a pre-employment training programme for the long term unemployed organised by North Belfast Partnership Board. The aim of the programme was to assist the long term unemployed gain the necessary skills and experience to support them in gaining employment. As part of the programme the Council facilitated site visits, work experience placements and mock interview sessions. The Council facilitated 19 placements across various disciplines e.g. refuse collection, street sweeping, gardening, cleaning, community services and administration. Of the 19 participants, 7 (37%) have gained employment. While this application was unsuccessful, the model could be adopted by Council and other public sector partners should alternative resources be available.
- v. **Industrial Placements** – In the last 4 years the Council has funded 83 paid industrial placements to support young people gain vital experience as part of their university course.

**NEW PATHWAYS TO SUPPORT EMPLOYABILITY
& SKILLS ACROSS THE CITY**

The Council will also actively explore a number of new pathways to supporting the development of employability and skills across the city. These might include:

- **City-wide Bursary Schemes** - the development of a bursary scheme to enable the unemployed and those on low incomes get back to work, progress in work or go on to further education and training. The Department for Employment and Learning (DEL) has recently commissioned a feasibility study about making a bursary scheme available across the city. It is proposed that the Council should work with DEL to ensure that any emerging recommendations represent the maximum benefit to people across the whole city.

In order to ensure meaningful engagement and underline commitment to this outcome, it is proposed that a sum should be committed through the Council's estimating process to ensure effective delivery of the recommendations with a view to seeking match funding from DEL and the private sector. A sum of up to £100,000 is potentially available through re-alignment of the Council's thematic budgets.

There are also a number of internship programmes that may be considered. These include:

- the Graduate Acceleration Programme – Queen’s University and University of Ulster, along with Business in the Community have developed a programme centred on providing graduates with meaningful work experience and a valuable qualification. This programme is supported by DEL and is delivered through Steps to Work. There is an opportunity for the Council to support this work. Placement providers may be required to pay up to £1,500 towards graduate grant.
- UUJ’s Professional Experience Programme - a 26 week internship with the University of Ulster’s part-time online Graduate Certificate in Professional Practice. Financial contribution from employer of £2,500 per graduate, with University contribution of £5,000.
- Belfast Metropolitan College’s Career Academy - national programme designed to help young people raise their aspirations and prepare them for a career in business through a 6 week paid internship (summer months) which provides expertise insight and mentoring support.
- Belfast Metropolitan College’s Career advocates programme - separate from Career Academy – identify various Council staff to provide 1-2-1 mentoring and information to students on specific areas of expertise.

Further assessment of these options will be required, in line with council capacity and financial commitments. Members may wish to focus on those programmes which help the placements gain formal accreditation as well as the experience. Specific participation targets will be established for any internship programmes put in place by the Council.

SUPPORTING LOCAL PROCUREMENT

In recognition of the Council’s significant spending power and potential impact on local suppliers, Members have asked that consideration be given to identifying what practical steps could be undertaken to increase awareness among small businesses of the Council’s tendering processes and to improve the overall capacity of small businesses to compete for public tendering opportunities. In 2010/2011 the Council spent £88.9m in procuring goods and services, of which £60.4m (68%) was delivered through local (Belfast based) suppliers.

EXISTING SUPPORT

The Council already supports a number of specific initiatives targeted at local businesses including:

1. Procurement support initiatives:-

- Input into 'meet the buyer' events – providing overview of Council tendering processes and raising awareness among local suppliers
 - Organisation of tendering workshops (in response to requests from local organisations) at a range of venues across the city
 - Local suppliers database created, allowing potential suppliers to provide their details for use by those engaged in purchasing activities across the organisation
 - Encouragement to introduce new suppliers for quotations – as a way of increasing the number of new businesses working with the Council
 - Advertising emerging contracts - All [procurement opportunities](#) (both tenders and quotations) are advertised on the Council's website
 - RSS [Email alerts](#) – the Council has put in place a notification service where businesses on the Council's supplier database can receive automatic notifications of contract opportunities including those below the official tender threshold (£30,000).
2. The Smarter Procurement programme – a programme run twice a year for 10 local businesses designed to help small businesses and social enterprises identify and take advantage of new sales opportunities in the public and private sectors. It aims to provide participants with the knowledge to identify procurement opportunities and develop the skills required to construct bids to enable them to tender for contracts more effectively.
 3. The Construction Sales Growth Programme - which has been designed to support 50 local sub-contractors and enable them to identify and exploit supply chain opportunities through one-to-one mentoring support, workshops and partnership opportunities. This programme has a target of generating £1million of new business for participating companies.
 4. eSourcing NI – the Council currently uses this web based portal to further publicise tenders. This is an electronic tendering system which enables suppliers to complete and tender on-line thereby reducing their costs. It provides access to central and local government opportunities and it increases accessibility for SMEs, Social Economy Enterprises and other potential suppliers who wish to do business with the public sector. Companies can register on the portal and they will then receive alerts when a new tender/project has been published. Given that this is a relatively new system, it may be appropriate to increase awareness of how it works.

**NEW SUPPORT PROGRAMMES UNDER ACTIVE CONSIDERATION
AND DEVELOPMENT**

- i. **Procurement Spend Profile** – detailed baseline audit underway to establish and breakdown the Council’s current procurement spend profile with a particular focus on scale and location of suppliers and classification of spend. This information will enable the council to develop focused capacity building sessions for local businesses.
- ii. **Enhancing Corporate Capacity and Knowledge** – Strategic Review of Procurement recently completed and Council approval secured to appoint a senior procurement and contract manager. Will actively work to build greater procurement awareness, knowledge, expertise and skills across Council departments and produce develop a strategic approach to council-wide procurement that enables the council spend to be directed towards meeting agreed objectives e.g. SMEs, Green Suppliers etc.,
- iii. Structured programme of **awareness raising/capacity building workshops** for local suppliers:
 - How the Council procures goods
 - Tips on how to complete necessary paperwork
 - Suggestions on building consortiums to enable bidding for large contracts
 - Tips for selling
 - Information-sharing on upcoming opportunities
- iv. Workshops can be supplemented with **1-2-1 mentoring support** (the Council’s Economic Development Unit currently holds a mentor database).
- v. **BCC Internet Update** – in conjunction with Corporate Communications, undertake a review and update the Procurement section on the Council’s web-portal to make it more visible and accessible for potential local suppliers.
- vi. **Procurement Guide** – to review and update the ‘Selling to Belfast’ publication and development of a new user friendly ‘How to do business with the Council Guide’. This can be used as a check-list when considering to submit a bid for a procurement contract.
- vii. **Debriefing Sessions** – 1-2-1 debriefing sessions with unsuccessful suppliers to go through step by step why a particular submission did not succeed and to provide advice for future bids.

- viii. **Procurement Surgery Sessions (PSS)** – Programme of specialist support for local businesses to help them get an understanding of the procurement process and to provide practical and ‘hands on’ assistance as they prepare quotations and build organisational capacity to become tender ready.

Sector Specific Procurement Surgery Sessions could be organised to specifically cater for specific upcoming contracts that are due to be advertised in approximately 12/18 months time (which the Council already post notifications on its website) – the aim being to give potential suppliers an insight to what is required by the Council whilst giving businesses the opportunity to feedback information and ideas that can help develop tender specification. Ultimately, this can help the Council in packaging their contracts appropriately and intelligently. Clearly this would have resource implications which would need to be bid for as part of the estimating process.

- ix. **'Consortium Toolkit'** – a digital guide and support for businesses who are developing, or considering developing, a consortia bid for a large procurement contract. The Toolkit would contain model documents, templates and business planning tools to create a business strategy that will equip organisations to make robust decisions. Research underway to explore potential of this for Belfast and the associated cost, which would be recouped through a minimal charge per a copy of the ‘Toolkit’.

Work is underway to develop a draft comprehensive programme of procurement support initiatives which the Council would intend to roll-out across the city and a report will be submitted to SP&R in November 2011.

External Relations and International Marketing

- The Council will develop an International Relations Strategy to support attracting tourism, foreign direct investment, commercial investment, European funding and talent to the city.
- In the first instance, we will carry out a review of all of our current international linkages to assess how the development of international civic relationships can support the development of investment and trade in the global market place.
- We are actively seeking to develop new linkages (civic business relationships) with other key cities – to enable us to draw from international knowledge and connections and to benefit from sharing best practice approaches. This will be the focus of the current programme of the ‘State of the City’ development debates.

- We will work with key agencies in the city to consolidate key strategic international relationships to support economic growth and competitiveness.
- At a more local level, we will develop an external relations strategy. This will ensure that Members lead the development of strategic relationships with key bodies in the city and the NI Executive to ensure that priorities for city success and competitiveness happen, resources and plans are aligned and that the Council has a coherent approach to engaging on key strategic issues which feeds back into its own governance and decision making structures.

Marketing the City

- Over £7 million investment in next 4 years in supporting the marketing and visitor servicing activities of the Belfast Visitor and Convention Bureau; and leveraging an additional £8 million investment with over 500 local tourism, hospitality and service businesses benefiting from this activity.

Developing the City's Tourism Product

- £2m investment over next 4 years in developing the city's tourism products in order to deliver the actions in the Integrated Tourism Development Framework. In particular we will focus on the 11 city places identified within the strategy to ensure that all parts of the city benefit from the potential growth in tourism over the coming years – particularly 2012/2013.

Appendix 2

Initial Summary Feedback

NORTH/SOUTH/EAST/WEST/SHANKILL and CITY CENTRE – AREA BASED BRIEFINGS

Please note a fuller report on the outcome of the briefings will be brought to Committee in November.

Summary

1. All area workshops discussed city centre projects and agreed importance of coherent city leadership on key regeneration projects
2. Agreed capital projects (i.e. ERDF and green projects) were not discussed in detail
3. Smaller neighbourhood projects were mentioned – these will need further exploration in the people and communities workshop.
4. Multiple plans for the city – need for the Council to advocate for a clear development vision and deliverable projects.

5. Next phase of prioritisation to move from N/S/E/W/S to city. Projects need to be considered in the context of the emerging corporate plan and masterplan and affordability over a 4 to 5 year period.
6. Call off lists to be created for swift, efficient project delivery
7. Set of 'Guiding principles' for projects to be developed – need to agree a set of transformational principles against which capital projects can be tested for their benefit. Further work to be carried out on vision – however need to maintain flexibility in approach. Potential discussion for Party Leaders Forum.

North – 10th October

Agreed prioritised projects

1. *Girdwood Community Hub* – Peace III project – decision due end of October.
2. *Loughside* – work ongoing – currently in planning.
3. *North Foreshore* – ERDF application for green technology park being progressed for funding. Leisure development brief out – closing date November.
4. *North Belfast Cultural Corridor* - agreed that a special meeting on the North Belfast Cultural Corridor should be held within the next month to scope this project and agree it (discussion to look at the boundaries of the project etc). Member/officer team to be established. Request for the Member/Officer workshop/meeting to be held on a Saturday morning.
5. *Old Grove* – paper being brought to Committee this month re demolition.

SOUTH – 11th October

Key points of agreement

1. *Windsor Stadium* – need to ensure community benefit and community engagement re this project. To be progressed with Deloitte's.
2. *Lagan Canal* – Agreed that first steps should be to revisit the estimated costings for this project to test assumptions, identify realistic costs, other potential funding sources and the profiling of spend for this project. Also agreed that a consideration should be given to undertaking a best practice visit to other sites to examine the potential impact of such regeneration projects for cities and communities.
3. *Markets Tunnels* – further detail to be taken back in relation to the findings of the completed economic appraisal and the anticipated funding which may be required from the Council.
4. *Gasworks Northern Fringe* – Given the current economic climate there is an opportunity to review/update the Masterplan proposals to see if there would be any scope to support the social economy and/or create small business park on this site. Potential for this site re the ERDF digital hub proposal.

5. *An Droichead* – Need to determine the current status of this project and if it is still considered viable. This will determine the next steps.
6. *Tropical Ravine* – Awaiting HLF decision.
7. *Shaftsbury Square* – advocacy/lobbying role for central government to take action in regards to this regards.

EAST – 12th October

Prioritised projects

1. *Leisure provision – East* – key priority. Agreed that a wider workshop was required to discuss the bigger picture and the longer term strategic planning for the East including availability of suitable sites and the potential to link development to social housing, how to tackle vacant sites etc, the potential for ‘Meanwhile’ projects etc. Attendees to include the DSD, DETI and the East Belfast Partnership Board.
2. *Vocational College* – lack of training/vocational space. Discussions to be progressed with Development Department/DEL/BMC re opportunities for progressing this with other partners.
3. *Sirocco Quay* – developer of project has been placed in administration. Key strategic site in the city that the Council should explore what options would be available in the interim and in terms of long term investment in the site.

WEST – 14th October

Key points of agreement

1. *Casement* – need to ensure community benefit and community engagement re this project. To be progressed with Deloitte’s. Presentations on proposals to be made to Committee later in the year.
2. *St. Comgall’s* – discussions to be progressed with Falls Community Council. Agreed that the estimated costings for the overall project should be revisited to test assumptions and identify realistic costs, other potential funding sources and other partners (e.g. St Peter’s) as well as inter-community focus
3. *Gaeltacht Quarter* – Key project - need to progress with the GQ Board and also with DSD etc.
4. *Belfast Hills* – Need to have a wider conversation re this. Potential for other sources of funding (SIF and NITB {post 2013}). Needs to link to Blackmountain discussions
5. *Blackmountain* – Broad concept as shared space activity centre – needs further work on concept as initial discussions have focused on interface management. Potential catalyst project as part of the wider Belfast Hills.
6. *Glen10* – longer term project for development.

7. *Glencolin* – Community space alternative to be added to the list
8. *Andersonstown Gateway* - longer term project for development. Need to clarify the position re the Barracks site and potential for development trust.
9. *Springfield Recycling Centre* – Need to meet with InvestNI to progress this and resolve the access issues. Cross party meeting to meet with InvestNI.
10. *Springvale* – Located on interface – needs to have inter-community engagement and support. ERDF application - Potential partners/providers to be procured under EU regs.
11. *Divis Street Narrowing* – Status of planning application to be checked and if possible a statement of support in relation to this progress to be forwarded to FAB.
12. *Rapid Transit* – Advocacy/lobbying role
13. *Springfield Dam* – potential partnership project – to be progressed with DSD. Link to Paisley Park.
14. *Argyle Business Park* – Phase III expansion – potential to be supported by Council/ERDF. Phase IV – further development required.
15. *Falls Womens' Centre* – expansion and purchase of adjoining property.

SHANKILL – 17th October
Prioritised projects

1. *Argyle Business Park* – Phase III expansion – potential to be supported by Council/ERDF. Phase IV – further development required.
2. *Shankill Piazza* - development of an open space between Shankill Library and Nelson Memorial. DSD owned land. Further development required.
3. *Hammer Complex* – Cairn Lodge Boxing Club – redevelopment potential – further work to be progressed.

CITY CENTRE/CITYWIDE

- *University of Ulster* – Council policy position and potential role in brokering agreements to be brought to Committee for discussion. Open days being held end of October.
- *Conference Centre/Exhibition Centre*
- *Council Accommodation* - Council Accommodation Working Group to be reconvened (future of Maysfield site etc. to be considered as part of this discussion)
- *Leisure Estate* - acknowledgement that the Council's leisure estate requires substantial investment to bring it up to C21st standards. Need to agree a set of principles in relation to the future provision of leisure facilities. Noted that the planned investment in stadia may act as a catalyst and provide potential redevelopment opportunities
- *BVCB/Welcome Centre* – awaiting business plan.”

The Chief Executive outlined the main aspects of the report and indicated that Council officers would work with Members to refine the details associated with the projects as outlined within Appendix 2. This would then inform a further report to be submitted to the Committee in late November/early December and would tie in with a report on the rate estimate and medium term financial strategy, together with the emerging Masterplan document. At that stage Members would have to prioritise projects in terms of affordability, deliverability alignment with Masterplan and balance in terms of investment across the City. He also pointed out that the Committee needed to consider how it wished to launch the stimulus package, mindful that there would be a period of consultation required.

During discussion, the Members made the following points:

- There appeared to be no projects identified within the inner city and further consideration needed to be given to the Shaftesbury Square/Sandy Row area, with a view to having a scheme in that locality included;
- Councillor Ó Muilleoir had indicated that the Minister for Culture, Arts and Leisure had agreed to meet with him to discuss the Lagan Canal Project and had offered to open the meeting to include representatives from the other Political Parties on the Council and he sought the Committee's view in this regard;
- The Markets Tunnel project should be included within the City Centre/City-wide schemes and renamed as the Lanyon Place Tunnel;
- There was a need to look at the effectiveness of current employability schemes and identify what has been achieved regarding the placement of people into full-time employment;
- The international marketing strategy should be undertaken within the Council's own resources, with Council staff being developed to undertake such tasks;
- The Council needed to undertake a twin track approach, with the stimulus package being developed in parallel with meetings being sought with the Executive Ministers to obtain support for and a commitment of funding for elements of the investment package;
- The council needed to ensure that the issue of the development of Belfast was placed on the agenda of the Northern Ireland Executive in order to develop the synergy between the Council and the Executive in relation to a vision for the City;
- The stimulus package needed to set objectives and outcomes, for example, what does the Council wish to achieve in ten years time with regards to economic and social regeneration, what is the number of new jobs it wishes to see created and how the stimulus package would impact on tackling inequalities;

- The launch of the stimulus package could incorporate elements of all three options as outlined in the report, that is, a Belfast Masterplan Focused Launch, an internationally focused event and a Partnership Focus Conference; and
- There needed to more procurement initiatives, such as 'meet the buyer' events.

In response, the Director of Development advised the Committee that the issue of a feasibility study on the former Gilpins Factory Site in Sandy Row had been raised with the Department for Social Development, which was developing a Masterplan for the Shaftesbury Square area to include Sandy Row. He indicated that there was some funding available in the Strategic Neighbourhood Action Programme to co-fund projects with that Department but that he would submit a report to the Development Committee once the Department had completed the aforementioned Masterplan exercise. With regard to an internationally-focused event, he suggested that this could be held outside of Belfast, at a venue where a number of investors were located.

After further discussion, the Committee adopted the recommendations contained within the report and agreed:

- (i) that the question of the launch of the stimulus package be considered in the first instance by the Budget and Transformation Panel, with a view to the holding of an engagement event in January with key stakeholders;
- (ii) that a report on the effectiveness of the employability schemes be submitted in due course to the Development Committee, with any lessons which had been learnt being factored into the stimulus package;
- (iii) that a report on the marketing of the City is submitted to the Committee in due course;
- (iv) that a twin-track approach be undertaken, with the investment package being developed in parallel with meetings being sought with the Northern Ireland Executive Ministers to seek support and a commitment of match funding for the investment package;
- (v) that the stimulus package should include a range of objectives and outcomes which the Council would like to see achieved;
- (vi) to accept the offer for the other Party Groupings on the Council to meet with the Minister for Culture, Arts and Leisure with regard to the Lagan Canal.

- (vii) that a paper be submitted to Committee in due course in relation to developing an external relations strategy; and
- (viii) that a further report be brought back to Committee assessing the Council's potential involvement in the Green New Deal initiative including an examination of any legal or financial issues.

Democratic Services and Governance

Use of the City Hall and the Provision of Hospitality

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

Organisation/ Body	Event/Date - Number of Delegates/ Guests	Request	Comments	Recommendation
IRFU Charitable Trust	'Leadership Through Sport' Conference Dinner 3rd February, 2012 Approximately 400 attending	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception	Delegates will be staying in accommodation in Belfast and the conference will take place within the city. This event would contribute to the Council's Key Themes of 'City leadership, strong, fair, together' and Better opportunities for success across the city'.	The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks Approximate cost £500
Lagan College, Belfast	'Peaceful City Conference' Gala Dinner 15th June, 2012 Approximately 350 attending	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception	Delegates will be staying in accommodation in Belfast and the conference will take place within the city. This event would contribute to the Council's Key Themes of 'City leadership, strong, fair, together' and Better opportunities for success across the city'.	The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks. Approximate cost £500
Queen's University Belfast School of Planning, Architecture and Civil Engineering	Cement and Concrete Science Conference Gala Dinner 17th September, 2012 Approximately 150 attending	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception	Delegates will be staying in accommodation in Belfast and the conference will take place within the city. This event would contribute to the Council's Key Themes of 'City leadership, strong, fair, together' and Better opportunities for success across the city'.	The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks. Approximate cost £500

Organisation/ Body	Event/Date - Number of Delegates/ Guests	Request	Comments	Recommendation
Confederation of Ulster Societies	Annual Conference Gala Dinner 29th September, 2012 Approximately 100 attending	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception	Delegates will be staying in accommodation in Belfast and the conference will take place within the city. This event would contribute to the Council's Key Themes of 'City leadership, strong, fair, together' and Better opportunities for success across the city'.	The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks. Approximate cost £500
Belfast Hospital School	Pupil's Award Ceremony 17th November, 2011 Approximately 150 attending	The use of the City Hall and provision of hospitality in the form of tea/coffee and biscuits	The Belfast Hospital School is a special school for children based in all of Belfast's major hospitals and who are unable to attend school because of physical or mental illness. This event aims to recognise the academic success of these children who have attended the school and will also seek to recognise the courage, resilience, and hard work of a very special group of young people. This event would contribute to the Council's Key Theme of 'Better opportunities for success across the city', 'Better support for people and communities' and 'Better services – listening and delivering'.	The use of the City Hall and provision of hospitality in the form of tea/coffee and biscuits Approximate cost £375

Organisation/ Body	Event/Date - Number of Delegates/ Guests	Request	Comments	Recommendation
Belfast Conflict Resolution Consortium and Forum for Alternative Belfast	<p>The launch of research into shared space and connection in Belfast</p> <p>16th November, 2011</p> <p>Approximately 80 attending</p>	The use of the City Hall and provision of hospitality in the form of tea/coffee and biscuits	<p>The aim of this event is to critically examine the connection of inner city interface communities to the city and analyse the implications for shared space in the city.</p> <p>The event also seeks to highlight the challenges which are faced by a city that is shared by all interface communities and will promote the benefits of working together to provide strong community, civic and political leadership.</p> <p>This event would contribute to the Council's Key Theme of 'Better opportunities for success across the city', 'Better support for people and communities' and 'Better services – listening and delivering'.</p>	<p>The use of the City Hall and provision of hospitality in the form of tea/coffee and biscuits</p> <p>Approximate cost £200</p>
Golfing Union of Ireland (Ulster Branch)	<p>Ulster Branch Centenary Dinner</p> <p>10th January, 2013</p> <p>Approximately 150 attending</p>	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception	<p>This event seeks to celebrate the 100th Anniversary of the Golfing Union of Ireland (Ulster Branch) and to acknowledge its contribution to the general life and well-being of the city.</p> <p>This event would contribute to the Council's Key Theme of 'City leadership, strong, fair, together'.</p>	<p>The use of the City Hall and the provision of hospitality in the form of red/white wine and soft drinks.</p> <p>Approximate cost £500</p>

Organisation/ Body	Event/Date - Number of Delegates/ Guests	Request	Comments	Recommendation
Action on Hearing Loss	Centenary Celebration and Christmas Carol Service 12th December, 2011 Approximately 120 attending	The use of the City Hall and provision of hospitality in the form of tea/coffee and biscuits	This event seeks to celebrate the 100 th Anniversary of Action on Hearing Loss and to acknowledge its contribution to the general life and well-being of the city. This event would contribute to the Council's Key Theme of 'Better opportunities for success across the city', 'Better support for people and communities' and 'Better services – listening and delivering'.	The use of the City Hall and provision of hospitality in the form of tea/coffee and biscuits Approximate cost £300
Harberton Special School	Fashion Show and Awards Presentation 1st February, 2012 Approximately 400 attending	The use of the City Hall and provision of hospitality in the form of tea/coffee and biscuits	This fashion show aims to showcase the talents of the children and young people from across the seven special schools in the Belfast area and to present awards in recognition of their hard work and achievements. This event would contribute to the Council's Key Theme of 'City leadership, strong, fair and together' and 'Better support for people and communities'.	The use of the City Hall and provision of hospitality in the form of tea/coffee and biscuits Approximate cost £1,000
Age Sector Platform	Northern Ireland Pensioners' Parliament – Belfast 22nd February, 2012 Approximately 100 attending	The use of the City Hall and provision of hospitality in the form of tea/coffee and biscuits	This event will provide a mechanism for older people from across Northern Ireland to have their say on the issues that matter to them. The event is one of seven local events which will identify issues of concern within the city and will be used to elect representatives to the overall Pensioners' Parliament. This event would contribute to the Council's Key Themes of 'City Leadership, Strong, Fair and Together', 'Better Services – listening and delivering' and 'Better support for people and communities'.	The use of the City Hall and provision of hospitality in the form of tea/coffee and biscuits Approximate cost £250

The Committee adopted the recommendations.

**Live Streaming and Archiving of
Council Proceedings on the Internet**

The Committee was reminded that, at its meeting on 22nd October, 2010, it had agreed to invite tenders for a system which would facilitate the live streaming and archiving of all Council meetings on the internet. Furthermore, the matter had been discussed briefly at the Committee's most recent meeting on 7th October.

The Democratic Services Manager reported that the tender process had now been completed and, as agreed by the Committee, the Assistant Chief Executive/Town Solicitor had exercised his delegated authority to approve the successful tender. That would result in the installation and operation of a web streaming solution which would live stream and archive Council meetings. The system would be installed in the Council Chamber over the coming week and would be fully tested at the Council meeting on 1st November. That meeting would not be shown live on the internet and the footage would only be used to help with the operation of the equipment and the training of staff and to feedback to the Political Parties.

He pointed out that it was important that all Members not only had an understanding of how the system would operate but that they were also both confident and comfortable with any implications that the system might have on the conduct of meetings. In order to ensure that that was the case, the footage recorded on 1st November would be used as a tool to assist with the briefing of Members during November. A further report would be submitted to the Committee on 18th November setting out a more detailed protocol. It was intended that the Council meeting on 1st December would be the first meeting to be broadcast live and archived.

The Democratic Services Manager explained that, during the last meeting of the Committee, a number of Members had indicated that thought should be given as to how the conduct of the Council meetings might be impacted upon when the live broadcast commenced. In particular, Members were concerned to ensure that the reputation of the Council would not be adversely affected. It was intended that those matters would be discussed with the Parties during the briefings in November and any issues arising would be dealt with in the report to the Committee on 18th November. The maintenance of order and the impact that the increased usage of social media during meetings might have would also be discussed at those meetings.

The Committee noted the information which had been provided and agreed that briefings take place during November.

**National Association of Councillors –
Annual General Meeting and Conference**

The Committee was advised that the National Association of Councillors was holding its Annual General Meeting and Conference in Lytham St. Anne's from 25th till 27th November. This year's Conference was concerned with how Local Government could work effectively with both the Westminster and European Parliaments to address the major problems being faced by all citizens in the current economic climate. A number of prominent Members of Parliament and Members of the European Parliament would address the Conference and take part in a "Question Time" session. The approximate cost of attending would be £669 per delegate.

The Committee authorised the attendance at the National Association of Councillors Conference and Annual General Meeting of the Chairman, the Deputy Chairman, the Council's representatives on the National Association of Councillors (Northern Ireland Region) and a representative of each of the Parties on the Council not represented by the aforementioned Members.

Arrangements for Monthly Political Party Briefings

The Committee noted the contents of a report in relation to the arrangements for Monthly Political Party Briefings and agreed:

- to the establishment of the monthly party briefings with effect from January, 2012;
- to note the date and time of the monthly briefings and that these be included in the annual schedule and monthly remembrancer; and
- that from January, 2012 all requests for individual Party Briefings be made through the Party Leader or Deputy Leader.

Consultation and Proposal to reduce Councillors' Allowances

The Committee was advised that the Environment Minister, Alex Attwood, had, on 9th October launched a consultation on whether to reduce by two-thirds the allowance paid to Councillors who were also Members of Parliament, Members of the Legislative Assembly or Members of the House of Lords.

After discussion, the Committee agreed that the matter be referred to the Political Parties for individual response and comment.

Finance

Minutes of Meeting of Budget and Transformation Panel

The Committee approved and adopted the minutes of the meeting of the Budget and Transformation Panel of 18 October.

Consultation Paper - Rating of Commercial Properties – Small Business, Large and Retail Properties and Empty Shops

The Committee considered the undernoted report:

“1.0 Relevant Background Information

- 1.1 **The purpose of this paper is to present to Members a summary of the response made by the council to the consultation on Rating of Commercial Properties: small business, large retail properties and empty shops.**

Consultation Proposals

- General expansion of the small business rate relief scheme. 20% relief to be provided to eligible premises with an NAV of £5,001 - £10,000. It is estimated that an eligible small business will benefit from £730 p.a.
- No additional relief would be provided to those currently receiving small business rate relief (NAV of £5,000 or below).
- An average levy on rate bills of around 20% to be applied to those retail premises with a rateable value of £500,000 or more, in the form of a regional rate supplement. The costs facing large retailers are estimated at £85,000 p.a. on average. The average rates bill will increase from £430,000 to £515,000.
- Allowing the use of shop fronts or shop window displays for (non-political) community, artistic or other non-commercial purposes so that the full occupied rate is not charged on otherwise empty properties. Entitlement to 50% empty property relief (or exclusion if applicable) would be preserved.
- The above changes would apply for three years from 1 April 2012 until 31 March 2015.
- Clarifying the legislation relating to the valuation assumptions used at non-domestic revaluation, by being more specific about the state and circumstances to be taken into account in compiling a new valuation list. This would take effect at the next general revaluation in 2015.

2.0 Key Issues

2.1 Stores affected

Twenty-nine of the 77 large retail stores are in Belfast and 19 of these are located in the city centre. The geographical description above gives a misleading impression. The 77 comprise mainly multiple chain stores such as Tesco, but also a substantial number of 'High Street' stores, located in almost all cases in Belfast city centre. The stores listed below:

<u>Geographical Distribution of the 77 Stores Affected</u>			
	<u>Belfast</u>	<u>Elsewhere</u>	<u>NI Total</u>
Boots	1		1
Charles Hurst	1		1
Debenhams	1		1
Eason & Son (NI)	1		1
Harvey Norman Leasing (NI)	1		1
House of Fraser	1		1
IKEA	1		1
Republic	1		1
New Look	1		1
Next	1		1
Peacocks	1		1
Primark Stores	1		1
River Island	1		1
TK MAXX	1	1	1
Toys R Us			1
WH Smith	1		1
Zara	1		1
H&M	2		2
Arcadia (BHS; Top Shop; Wallis)	2	1	3
Homebase	1	2	3
Dunnes Stores	1	3	4
Marks & Spencer	1	4	5
Asda		7	7
B&Q	2	7	9
Salisbury's	2	7	9
Tesco	2	16	18
TOTAL	29	48	77

Retail Levy

- 2.2 It is reasonable to assume that most of the affected stores would continue to operate under the levy and would suffer a detriment only in the sense that their profitability would be reduced by the amount of the levy.

- 2.3 It is only a slight simplification to say that the 77 stores to be affected by the proposed retail levy comprise supermarkets (and B&Q) on the one hand and the large city centre stores of Belfast on the other hand. The business model of large store chains, as described to us by the principal chains affected is that each store is a cost and profit centre and stands or falls by the contribution it makes to the group as a whole: a store pushed into loss by a levy averaging around £85,000 per store may not be retained by the group on the grounds that the chain could 'afford' to pay the £85,000. A review of publically available documentation shows that the parent companies of several of the stores are in significant financial difficulty; and one chain at least has a recent record of closing stores in marginal locations. If the levy tipped even one major Belfast store over the edge into closure, this would have a major impact on the city's rate base and the local economy.
- 2.4 The levy may also impede investment. Smaller retail outlets, restaurants, and chain supermarkets are very important, but it is the High Street stores that define Belfast as a major retail centre within the UK. The shopping centre of Belfast offers a service to the whole of Northern Ireland, and to visitors from elsewhere. It has a good selection of the British and Irish chain stores, and of course of smaller and specialist shops of all kinds. But it has, for instance, no branch of John Lewis, still less of Selfridges or Harvey Nicholls. It is clearly desirable for Belfast to step-up its retail offer and the levy may impede efforts to do this.

Alternatives to Proposed Retail Levy

- 2.5 There are 260 properties with a net annual value exceeding £500,000, of which 77 are 'large retail'. On a pro rata basis, we suppose that the required levy would be 6% rather than 20% if levied on all 260 premises rather than on large retail premises only.
- 2.6 In Scotland a new 'public health levy' on major retailers has been proposed as part of an effort to alleviate cuts to Scotland's local authorities. Large retailers that sell alcohol and tobacco will have to pay a business rates supplement from April 2012. The levy will be applied through a business rates supplement on premises with a rateable value above £300,000 that sell tobacco and [alcohol](#).

Small Business Relief

- 2.7 The council welcomes the extension of small business relief which will benefit around 9,000 small businesses by over £700 per annum. The council would also encourage further research to be carried out on the market failures that face small businesses in Northern Ireland so that a targeted approach could be developed which aims, by ameliorating market failure, to achieve effective economic impact.

3.0 Recommendations

- 3.1 Members are requested to note the contents of the report.

4.0 Documents Attached

Appendix 1 - Full response.

Appendix 1: Draft responses to questions

Question 1

1. *Do you have any general comments on the preferred approach presented in this paper? (Specific questions are posed later in this paper)*

Response

The council welcomes the relief offered to small businesses through this proposal. The council has concerns about the potential impact on the city's rates base as 29 of the 77 retailers are based in Belfast.

Question 2

2. *Do you agree that the proposed large retail levy should be used to provide additional help to small businesses?*

Response

It is true that most stores would continue to operate under the levy and would be affected only in the sense that their profitability would be reduced by the amount of the levy. It is only a slight simplification to say that the 77 stores to be affected by the proposed retail levy comprise supermarkets (and B&Q) on the one hand and the large city centre stores of Belfast on the other hand. The business model of large store chains, as described to us by the principal chains affected is that each store is a cost and profit centre and stands or falls by the contribution it makes to the group as

a whole: a store pushed into loss by a levy averaging around £85,000 per store may not be retained by the group on the grounds that the chain could 'afford' to pay the £85,000. A review of publically available documentation shows that the parent companies of several of the stores are in significant financial difficulty; and one chain at least has a recent record of closing stores in marginal locations. If the levy tipped even one major Belfast store over the edge into closure, this would have a major impact on the part of the city affected, and would we suggest have a greater adverse impact on the economy than any benefits from the business relief.

The levy may also impede investment. Smaller retail outlets, restaurants, and chain supermarkets are very important, but it is the High Street stores that define Belfast as a major retail centre within the UK. The shopping centre of Belfast offers a service to the whole of Northern Ireland, and to visitors from elsewhere. It has a good selection of the British and Irish chain stores, and of course of smaller and specialist shops of all kinds. But it has, for instance, no branch of John Lewis, still less of Selfridges or Harvey Nicholls. It is clearly desirable for Belfast to step-up its retail offer and the levy may impede efforts to do this.

Question 3

3. *What are your views on the preferred approach of an average 20% levy (against the overall rates bill) on high value retail premises?*

Response

We have summarised above our concerns about the levy. The lower the rate, however, the weaker are the immediate practical objections and therefore if it is to be implemented it should be implemented at the lowest possible rate. We would reiterate that this view has no implications for the support that ought to be extended to small businesses, which should be considered separately from the question of the levy.

Question 4

4. *Do you have any views on the alternatives to a fixed percentage retail levy?*

Response

Scope of the proposed levy

A levy on all large properties should be considered. We note that there are 260 properties with a net annual value exceeding £500,000, of which 77 are 'large retail'. On a pro rata basis, we suppose that the required levy would be 6% rather than 20% if levied on all 260 premises rather than on large retail only.

The consultation paper notes that a further 20% of properties are electricity or gas company premises or banks, hotels and call centres etc. The only argument in the paper against their being subject to the levy is that of mobility. It seems doubtful to us that the occupiers of many of these premises are truly mobile or that of those that may be mobile, many would actually move. The occupiers of the remaining 50% of premises are described as '*public bodies, receive public funding etc*'. The argument against their inclusion amounts to a claim that their inclusion would simply recycle public money. Even if this claim is true, there is a case for including these premises: their inclusion would articulate what is in a sense the real cost of providing the relevant services, including an appropriate contribution to the goals of the small business rate relief. But it is unclear from the description what types of entity fall within the description. Many bodies in receipt of public funds are at arm's length from the core of the public sector and may receive a substantial amount or even the majority of their funding other than through the public sector (eg through fees or user charges).

In Scotland a new 'public health levy' on major retailers has been proposed as part of an effort to alleviate cuts to Scotland's local authorities. Large retailers that sell alcohol and tobacco will have to pay a business rates supplement from April 2012. The levy will be applied through a business rates supplement on premises with a rateable value above £300,000 that sell tobacco and [alcohol](#).

Banding

We agree with your suggestion that banding the levy so that the largest premises paid more would lead to undue complication.

Question 5

5. *What are your views on a levy being applied selectively, for example confined to supermarkets or properties outside of town centres?*

Response

One option which could be considered is a new public health levy'. Large retailers that sell alcohol and tobacco would have to pay a business rates supplement. The levy would be applied through a business rates supplement on premises with a rateable value above £300,000 that sell tobacco and [alcohol](#). This scheme has already been introduced in Scotland.

Question 6

6. *Have you any other views on the issues covered in this section?*

Response

No

Question 7

7. *Would you agree with the proposal to extend the small business rate relief scheme for three years, as a temporary downturn measure?*

Response

We appreciate the need to support small businesses. We note that the businesses to be assisted by the proposed new tranche of relief are not the very smallest: they may perhaps be described as the smaller medium-sized businesses. The relief of some £700 that they will each receive on average would, doubtless, be welcome. We would also encourage further research to be carried out on the market failures that face small businesses in Northern Ireland so that a targeted approach could be developed which aims, by ameliorating market failure, to achieve effective economic impact.

Question 8

8. *Would you agree with the proposal to fund this through the imposition of a rates levy on the highest value retail properties?*

Response

We have already stated concerns about the levy in our response to question 2.

Question 9

9. *If not, how should this be funded?*

Response

A 6% levy on all properties with an NAV greater than £500,000 would reduce the risk of chain closures in Belfast city centre.

Question 10

10. *What are your views on the proposal to extend the reach of the existing scheme rather than provide additional relief to current recipients of small business rate relief?*

Response

A view on this matter needs to be informed by research. We would suggest that there is some risk in a scheme that provides, by way of relief, small sums to a large number of businesses, rather than a more targeted programme, and this consideration would point towards raising the existing relief rather than extending relief to a greater number of businesses, but we would reiterate that the approach should be based on research evidence.

Question 11

11. *Do you agree that 20% relief should be provided to eligible premises with an NAV of £5,001 - £10,000?*

Response

Again we have no strong view. Given the general approach, we have no reason to suggest, say, that the relief should be 15%, but provided to a wider NAV range, or 25% but provided to a narrower range.

Question 12

12. *Do you agree that the relief should be applied to all non-domestic premises (with some limited exclusions) regardless of use?*

Response

Yes. Uniformity is to be preferred unless there are strong countervailing reasons

Question 13

13. *What are your views on the small business retail relief option, taking account of the issues associated with this option?*

Response

On the whole, we consider that a restriction of the proposed relief to a particular industry is inappropriate.

Question 14

14. *Do you have any views on the general issues raised in this section?*

Response

No.

Question 15

15. *Are there any other matters that you think should be considered?*

Response

No.

Question 16

16. *Do you agree with the proposal and the suggested approach?*

Response

Yes. We believe strongly that where it is not, for the moment, possible to use retail premises for business purposes, it should at least be possible to make them attractive without losing rate relief.

Question 17

17. *Do you have any views on the issues raised in this section?*

Response

None apart from those in responses to other questions

Question 18

18. *Is the scope of the suggested categories of use sufficient to meet the policy objectives?*

Response

We believe so; however, there is scope for clarification. We have been impressed by displays such as those in central Sheffield by art students exhibiting their work in vacant shop premises. The crucial point is 'animation' of city centres, bringing them back to life by allowing the widest possible range of displays in empty shops whilst maintaining the principle of 'no commercial use'.

Question 19

19. *Have you any views on how this should operate?*

Response

The consultation document makes clear that this question relates to the physical depth of permitted displays or similar criteria. We would comment simply that the operating criteria should not impede attainment of the objective. In case of doubt, the criteria should be generously drawn.

Question 20

20. *Have you any views on the type of activities that should be excluded?*

Response

The exclusions suggested in the consultation document seem appropriate

Question 21

21. *Do you have any views on the issues raised in this section?*

Response

We agree with the general approach of clarifying and standardizing practice in Northern Ireland. We note that the consultation document says that there will be '*...no real change to the operational practice that is already in place.*' We should appreciate confirmation that this is indeed the case and that the process described in the consultation document will not, perhaps inadvertently, lead to substantial changes in the relative rate burdens faced by businesses of different types or in different areas."

The Committee approved the foregoing comments as the Council's response to the consultation document.

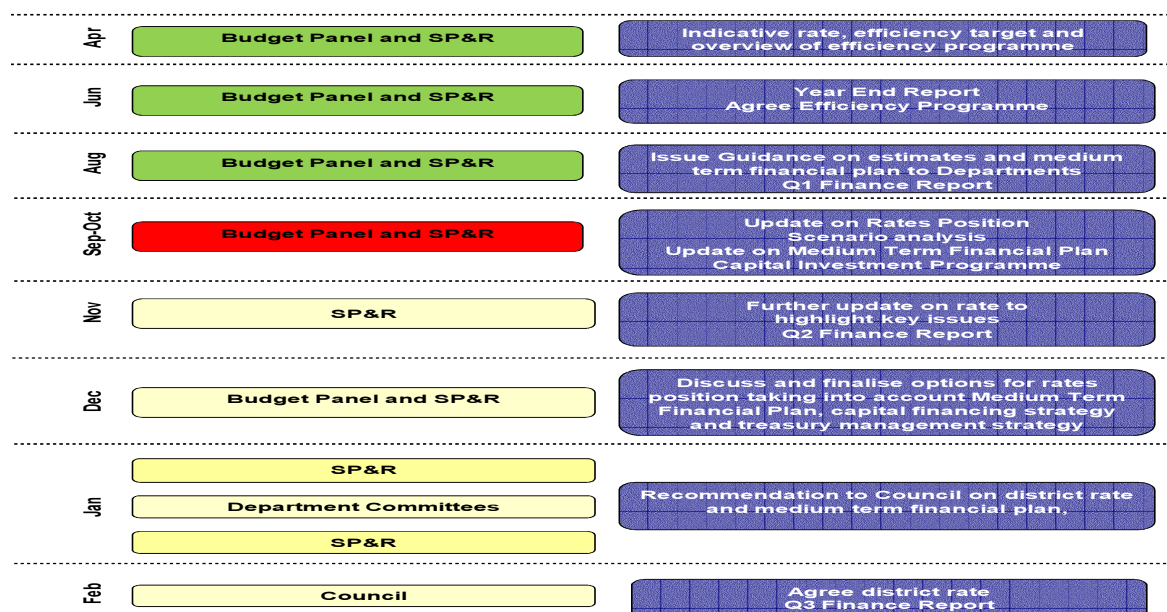
Rate Setting 2012/13

The Director of Finance and Resources submitted for the Committee's consideration the undernoted report:

"1 Relevant Background Information

- 1.1 Members will recall that at the Strategic Policy and Resources Committee meeting in April the process for the setting of the rate was agreed as outlined in the chart below.
- 1.2 The purpose of this briefing is to outline progress made against the agreed timetable and to discuss the key issues which will need to be addressed as part of the rate setting process.

Agreed rate setting process for 2012/13



2 Key Issues

Progress to date

- 2.1 At the Strategic Policy and Resources Committee in April 2011 Members agreed that the department estimates should be compiled using the planning assumption that any required growth should be within the level of inflation as measured by the Consumer Price Index. Departments have now completed the first draft of the estimates and all budgets are well within the current CPI rate of 4.5%. The proposed budgets are currently being checked for completeness and accuracy. The next stage, in terms of the

revenue estimates is to ensure that the budgets are aligned to the corporate priorities of the organisation. The outcomes from the Member planning workshops and the development of the stimulus package will be integrated with the financial plans in October and November. The first cut of the department estimates at a high level will be presented to the second Strategic Policy and Resources Committee in November.

Members also agreed at the Strategic Policy and Resources Committee in April 2011 an efficiency target of £2m cash savings for 2012/13. I am pleased to report that officers have been able to identify and capture efficiencies which will meet the £2m target. A detailed report on the efficiency programme will be brought to the Strategic Policy and Resources Committee on 4 November.

Key Issues for the Setting of the Rate 2012/13

- 2.2 As in previous years, Members will be faced with the challenge of balancing the conflicting priorities of keeping the rate at an acceptable level and at the same time providing sufficient finance to deliver their ambitions. The key factors which will need to be considered are outlined below.

2.3 Net Department Expenditure

The key challenge will be to keep the revenue estimates as low as possible in the context of inflation and any growth proposals emanating from the corporate planning process. The efficiency programme will serve to reduce the estimates by the £2m target set by members.

City Investment Fund

- 2.4 This fund is used to finance city projects where the asset is not owned by the council. It is currently financed through a £3m annual contribution from the rate and proceeds from the sale of council owned land or assets. At present, it is forecast that by 2014/15 the fund will have a balance of £11m. Members are currently prioritising a suite of potential projects which, by their nature, will require funding in part from the city investment fund. The delivery of these projects must be tested against affordability. The stimulus package report has already recommended that each proposed project will be reviewed by joint Member / officer teams and a key element of this work will be to determine the funding requirements. The findings of this work will be fed into the rate setting process in November and December. Members will then have to determine which projects they wish to fund and set a rate which supports the delivery of these projects.

Capital Programme

- 2.5 The capital programme and capital finance relates to the council owned assets. The programme can be funded through loans, grants, asset sales and revenue contributions. Currently the programme is fully financed and any new capital schemes of a material value, such as the extension to the Waterfront Hall will require additional financing. Officers are currently working on ways to enhance the current financing arrangements and a further report will be brought to the Strategic Policy and Resources Committee in November.

Local Investment Fund

- 2.6 This fund was created by Members to support the financing of smaller scale neighbourhood capital projects where the asset may not necessarily be owned by the council. £2.5m was allocated to the fund at the end of the last financial year. Members should note that the fund is not rate supported, in other words there is no agreed recurrent funding for the scheme. The development of the policy framework to support the fund will be discussed with Members at the People and Communities workshop in November.

2.7 Reserves

The general reserve is currently sits at £10.4m which Members have agreed is an acceptable level. Members should note that it is recommended that reserves should not be used to finance recurrent expenditure and to do so would create sustainability issues for the council.

2.8 Rate Base

The decision on the level of the district rate for 2012/13 will be dependent on the state of the rate base. When setting the rate for 2011/12 the estimate of rates income was reduced by £2.5m. Land and Property Services will provide the council with the first cut of the rates forecast for next year at the end of October. At this stage we have no indication of what the forecast will be but there are obvious concerns about the continuing impact of the recession on Belfast and the level of vacant properties in the city. Officers will be working very closely with LPS officials to ensure that the required rates information is provided to Members in a timely manner.

Local Government Finance Act 2011

2.9 New local government finance arrangements will start from 1 April 2012. The key changes which will impact on the council are as follows:

- It will provide new powers to councils in terms of borrowing. In short, the council will be able to decide what borrowing levels are appropriate. Members will be required to approve a set of indicators known as Prudential Indicators which will cover affordability (have we the money?), prudence (are the risks acceptable?) and sustainability (can we afford it in the longer term?)
- The Director of Finance and Resources will be required to submit a report to council on the robustness of the estimates.
- The Director of Finance and Resources must produce a written report on the adequacy of financial reserves.
- The council will be required to agree a Treasury Management Strategy which will cover:
 - Capital finance plans
 - Borrowing Strategy
 - Debt management
 - Investments

2.10 Council officers have been working with the Chartered Institute of Finance and Public Accountancy (CIPFA), who are the leading experts in this field, on the implementation of the new Finance Act. A detailed report will be brought to Members at the second Strategic Policy and Resources Committee meeting in November.

3 Resource Implications

3.1 None.

4 Equality and Good Relations Implications

None.

5 Recommendations

5.1 The Committee is requested to note the contents of the report.”

Noted.

Human Resources

(Mrs. J. Minne, Head of Human Resources, attended in connection with this item.)

Review of Project and Corporate Systems Unit – Finance and Resources Department

The Committee considered a report in relation to a review of the Project and Corporate Systems Unit within the Finance and Resources Department and agreed to remove the Unit from the Council's organisation structure through the deletion of the post of Head of Projects and Corporate Systems and to make the necessary redundancy payments in accordance with the Council's agreed scheme on Redundancy and Discretionary Payments. It was further agreed that all other posts in the Unit be realigned within the Finance and Resources Department.

Head of Finance and Resources

The Committee was reminded that, at its meeting on 19th August, it had agreed that, in the interest of making an early appointment to the post of Head of Finance and Resources, authority be delegated to the Chief Executive, in consultation with the selection panel, to offer the post to the recommended candidate, with the outcome of the process being reported back to the Committee for noting.

It was reported that the process had now been completed and the panel had recommended the appointment of Mr. Mark McBride.

Head of Procurement and Projects

The Director of Property and Projects reminded the Committee that, at its meeting on 23rd September, it had approved the creation of and recruitment process for a new post of Head of Procurement and Projects. Accordingly, he sought the Committee's authority to have the post re-titled as Head of Contacts, which was a more appropriate title.

The Committee granted the authority sought.

Potential Industrial Action Involving Council Employees on 30th November

The Head of Human Resources reported that, on 14th September, the Trade Union Congress had voted unanimously in favour of industrial action over the Government's proposals to increase employee pension contributions in the public sector pension scheme. She pointed out that currently 70% of the Council's workforce was a member of a Trade Union. Thirty-three percent were members of NIPSA, 30% were members of GMB, 27% were members of UNITE and 10% were members of SIPTU. The Human Resources Unit had identified the make-up of each of those Unions at a service level in order to establish those services which would be potentially most affected by any industrial action. In this regard she made the following points:

- During October the local government Trade Unions would ballot their members on industrial action, with a result being known by mid-November;
- It was anticipated that that would result in strike action by UNITE, NIPSA, GMB and SIPTU members on 30th November, 2011;
- As with previous national industrial action, for example, strike action in July, 2008 as a result of the national pay offer, the Council would initiate its Industrial Action Contingency Group, which was chaired by the Head of Human Resources, to establish contingency planning arrangements in the event of industrial action;
- That group would manage all the issues arising from the strike through a planned and co-ordinated approach to ensure that essential services were maintained where possible and that communication was ongoing with Elected Members, the media and the workforce;
- The group would determine exemption requirements, that is, those individuals or groups of staff who should remain in work during industrial action to minimise disruption to service provision, meet health and safety obligations and provide business continuity in so far as was practicable, for example, Registrars, Malone House and Belfast Castle staff for weddings and civil partnerships, cemetery operatives and health and safety staff. The group would discuss and seek to agree those exempt staff with the Council's Trade Union Co-ordinators; and
- The Chief Executive and Head of Human Resources would meet with Party Groups Leaders to discuss the contingencies to be put in place for the strike to ensure that disruption to the public was minimised.

The Committee noted the information which was provided.

Asset Management

Former Grove Leisure Centre

The Committee considered the undernoted report:

“1.0 Relevant Background Information

- 1.1 The issue of the former Grove Leisure Centre was raised at the September Committee and an update report was requested.**
- 1.2 The former Grove Leisure Centre currently sits within the Councils Corporate Landbank, held by the Strategic Policy & Resources Committee & managed by the Property & Projects Department, pending future use options being considered by Committee. The site extends to approximately 1.27 acres; a location map is enclosed at *Appendix 1*.**

- 1.3 Demolition of the building had previously been proposed for inclusion in the Capital Programme with a budget estimate of £500k but it is currently sitting as an uncommitted proposal, pending a decision on funding availability. Demolition had not therefore progressed due to there being no identified funding and also on the basis of previous planning advice which had indicated that from a highway perspective there could be advantages in the building remaining in place prior to submission of a planning application. This was because the associated traffic with the previous use could potentially be factored into a planning application, whereas a cleared site might mean that 'nil-use' could be deemed for the site and no discount could be applied for 'committed/previous' trip in any Transport Assessment. This has been the position taken in respect of Maysfield for example, which has additional planning issues in relation to the adjacent apartment block, based on the advice of planning consultants. However, more recent advice from the planning consultants has indicated that this is not as relevant in the case of the former Grove Leisure Centre site which will entail a much smaller scale of development.**
- 1.4 It is expected that the demolition and associated works could be undertaken within the provisional budget estimate of £500,000, although this is subject to a detailed invasive (in that the fabric of the building will need to be opened up) survey of the building to identify issues, such as asbestos, which would need to be removed by specialist contractors.**
- 1.5 The Director of Finance & Resources has confirmed that funding could now be made available for demolition of the building should Members wish to proceed from revenue contributions to non loan funded capital schemes on the Committed Capital Programme. It is worth noting that the cost of demolition would inevitably have to be borne by the Council either as a direct cost now or by way of a reduced financial return for the site in the event of it being disposed as any purchaser or developer would factor the cost of demolition into any offer they would make.**
- 1.6 Members may wish to note that the total initial cost of securing the building, blocking of doors, windows and skylights and fencing off pool areas etc; retaining essential services (electricity, intruder and fire alarms); removal of contaminated water, chemicals, heating oil, de-gassing of fuel tank & cleaning contaminated areas was £34,000. The costs from November 2008 to date of insuring the building; keeping it alarmed; key holding and call out services and intermittent maintenance required has been approximately £21,250.**

- 1.7 In terms of future disposal and/or development options for the site Members may wish to note that a planning appraisal & site contamination report have recently been undertaken in order to assess future use options and any potential constraints. The planning assessment identified that a range of development mixes could be delivered on the site, potentially incorporating a range of commercial & community uses such as serviced office accommodation, related to local enterprise/social economy uses, or retail, restaurant or entertainment uses with residential development on upper floors. It also indicated that the site is suitable for a higher density residential led mixed use development. NIHE have, however, confirmed that the site is not located in an area of identified social housing need. The planning consultants had also commented that the former Grove Primary & Nursery School site could be suitable for complementary development.
- 1.8 Members may also be aware that a report was undertaken in 2009 by Colin Stutt Consulting on behalf of the Council to assess business accommodation and business incubation in Belfast. This study was one of the actions identified in the Council's Local Economic Development Plan 2006 – 2010. A number of conclusions & recommendations were made in this report regarding the Council's role in relation to business accommodation & incubation provision & potential proposals for a new business centre. The report had considered the availability of business incubation space and the role of the Local Enterprise Agencies in Belfast. One of the recommendations was that the Council may want to consider developing proposals for one or more sectorally focused business development centres in areas of the city requiring regeneration. Given that the work on the report was carried out in June 2009 which considered the economic climate and demand at that time, it is considered that there would be merit in getting an update on this needs analysis and there could be a focus on this location in North Belfast, with a view to potential consideration of the former Grove Leisure Centre site as a location for a business development centre or a social economy project.
- 1.9 Members may also wish to note that North City Business Park, a local enterprise agency, are considering expansion of their current social economy business park (located at Duncairn Gardens) and potential development of an additional site. Whilst their proposals are still at a relatively early stage and they are considering various sites, they have however indicated an interest in this particular location. Given the current property slump there is likely to be limited demand generally for development sites such as the Grove

site and whilst there has been this potential interest by North City Business Park it is only an initial expression of interest and equally there may potentially be other interest in the market. North City Business Park are aware of the Council's procurement & legislative requirements in terms of any disposal; and any recommendations that will subsequently be brought to Committee in relation to disposal or development will be in accordance with those requirements. Disposal by way of a Development Brief may possibly be one option but a more detailed report will be brought back to Committee in the near future with proposals on the way forward.

1.10 Members may also be aware that Grove Primary & Nursery Schools, located opposite the Grove former leisure centre site are now closed and have been earmarked for disposal. There may, therefore, be scope for joint consideration of disposal/development options of both sites and an initial preliminary discussion has taken place with BELB on this potential.

2.0 Key Issues

2.1 Demolition of the building had previously been proposed for inclusion in the Capital Programme but it is currently sitting as an uncommitted proposal, pending a decision on funding availability. Demolition was not therefore progressed due there being no identified funding and also on the basis of previous planning advice in relation to the effect demolition might have on any future planning applications.

2.2 The cost of demolition would ultimately be borne by the Council either as a direct cost now or by way of a reduced financial return on disposal of the site if purchaser/developer were to undertake demolition.

2.3 A previous report commissioned by the Council back in 2009 on business accommodation & incubation space in Belfast recommended that the Council consider developing proposals for a business development centre in areas of the city requiring regeneration. In order to inform the future use options for the subject site and following on from this 2009 report, it is recommended that an updated needs analysis is undertaken, which could focus on this particular location, with a view to potential consideration of the former Grove Leisure Centre site as a location for a business development centre or a social economy project. In addition, the terms of reference for the business case (as detailed above) that is being taken forward for a digital hub could include consideration of specific locations including the subject site.

2.4 It is also recommended that officers take forward discussions with BELB regarding any scope for joint consideration of disposal/development options for both the Council's site and the adjacent former schools site.

2.5 It is proposed that a future report will be brought back to Committee in the near future with proposals for future use options based upon the updated market analysis on business accommodation; as well as property demand generally; the business case findings in relation to a potential digital hub; the discussions with BELB, and any potential funding opportunities.

3.0 Resource Implications

Finance

3.1 A provisional estimate of £500,000 for demolition was shown in the uncommitted capital programme. It is expected that the demolition and associated works could be undertaken within this budget estimate cost of £500,000, although this is subject to a detailed invasive survey of the building to identify issues, such as asbestos, which would need to be removed by specialist contractors.

3.2 This cost will be offset in part by the ongoing costs of insuring & maintaining the existing building. Any financial return on disposal of the site will reflect that the developer /purchaser does not have to undertake demolition of the building.

Human Resources

3.3 Staff resource, primarily from Property & Projects in progressing demolition & future use/ disposal options.

Asset & Other Implications

3.4 Demolition of the building should diminish health & safety risks associated with an old vacant building, as well as improving the area from an aesthetic perspective. Consideration of future use disposal and/or development options should have economic, regenerative & financial benefits.

4.0 Equality and Good Relations Considerations

4.1 None at this time.

5.0 Recommendations

Members are asked to recommend:

- 5.1 To progress with the demolition of the building and proceed with the invitation of tenders for the demolition works and the award of contract to the most economically advantageous offer received.**
- 5.2 In order to inform future use options for this site that an updated report be undertaken on a needs analysis for business accommodation and incubation space in Belfast, which would also focus on this particular location.**
- 5.3 Officers take forward discussions with BELB regarding any scope for joint consideration of disposal/development options for both the subject site and the adjacent former schools site.**
- 5.4 A report will be brought back to Committee in the near future with proposals for future use options for the site based on the foregoing.**

6.0 Decision Tracking

- 6.1 The Director of Property & Projects to progress the above within 4 months.”**

After discussion, the Committee adopted the recommendation and noted that the report in relation to future options would be submitted to the Committee after consultation with the locally elected representatives. The Committee agreed also that a report on the costs associated with maintaining the former Maysfield Leisure Centre be submitted for consideration.

Smithfield Market Unit Lettings

In accordance with the authority delegated to him, it was reported that the Director of Property and Projects had let the following units at Smithfield Market:

- Unit 5/6 – Paul Livingston, 162 Longstone Street, Lisburn, at a cost of £800 per month for the purpose of rental, sale and repair of computers, computer parts and accessories;
- Unit 13/14 – Brendan and Ann McClarnon, 18 Glenwell Park, Newtownabbey, at a cost of £750 per month for the sale of carpets and rugs; and
- Unit 39 – Charles Brown, 26 Sprinkbank Drive, Dunmurry, in the sum of £460 per month for the sale of boxing and fitness equipment and associated products.

Noted.

Application by the North Belfast Paranormal Research Group to Undertake a Paranormal Investigation in the City Hall

The Committee was advised that a request had been received from the North Belfast Paranormal Research Group to undertake a paranormal investigation in the City Hall.

The Committee agreed not to accede to the request.

City Hall Security Breach and Proposed Enhanced Preventative Measures

The Director of Property and Projects reminded the Committee that an intruder had gained access to the City Hall on 11th July and had removed the Union flag from the building and caused criminal damage in the process. Following that incident, a review of security arrangements had been initiated and the proposed enhancements were independently validated by officers from the Crime Prevention Unit of the Police Service of Northern Ireland following an on-site inspection of the building. The Director of Property and Projects submitted a report which apprised Members of the proposed enhancements to the Closed Circuit Television and related systems and services arising from the review and details of a further unauthorised intrusion into the building on Friday, 7th October, 2011.

The Committee noted the contents of the report and endorsed the proposed improvements to systems and services and the associated expenditure as outlined in the report.

Request for the Loan of the Covenant Table

The Committee acceded to a request which had been received from the Leader, Deputy Leader and Officers of the Democratic Unionist Party to borrow the Covenant Table, which was currently displayed in the Council Chamber, for the Democratic Unionist Party's Annual Conference which was taking place at the La Mon House Hotel during the weekend 25th till 27th November, subject to the necessary loan agreements and insurance arrangements being put in place.

Good Relations and Equality

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

Minutes of Meeting of Good Relations Partnership

The Committee approved and adopted the minutes of the meeting of the Good Relations Partnership of 10th October.

Minutes of Historic Centenaries Working Group

The Committee approved and adopted the minutes of the meeting of the Historic Centenaries Working Group of 17th October.