

# Shadow Strategic Policy and Resources Committee

Friday, 26th September, 2014

## MEETING OF SHADOW STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor Stalford (Chairman);  
Councillors Attwood, Beattie, Boyle,  
Groves, Haire, Hargey, Hutchinson,  
Jones, Kingston, Long, McCabe, McVeigh,  
Rodgers and Spence.

Also attended: Councillors Carroll and J. A. Corr;

In attendance: Mrs. S. Wylie, Chief Executive;  
Mr. R. Cregan, Director of Finance and Resources;  
Mr. J. McGrillen, Director of Development;  
Mrs J. Minne, Director of Organisational Development;  
Mr. D. Rogan, Head of Contracts;  
Mr. S. McCrory, Democratic Services Manager; and  
Mr. J. Hanna, Senior Democratic Services Officer.

### Apologies

Apologies for inability to attend were reported from Councillors Carson, McNamee, Ó Muilleoir and Robinson.

### Minutes

The minutes of the meeting of 29th August were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 9th September.

### Declarations of Interest

No declarations of interest were reported.

### Investment Programme

### Social Clauses Review and Policy for Consultation

The Committee was advised that the Strategic Policy and Resources Committee, at its meeting on 26th August, had approved a draft policy on social clauses. The report had provided Members with an update on the progress to date with the inclusion of social clauses in Council contracts using the interim policy position of the Construction Industry Forum for Northern Ireland criterion; sought the Committee's agreement to the extent of data capture for compliance verification; and agreement to a partnership approach to the

development of a third party delivery model for social clauses associated with employment. That Committee had agreed to that approach.

The Committee endorsed the decisions of the Strategic Policy and Resources Committee and noted that a copy of the policy was available on the Council's website.

### **EU Funded Projects - Update**

The Committee considered the undernoted report:

#### **“1.0 Purpose of report**

**1.1 Members will be aware that there are a range of projects under the Investment Programme which are subject to EU funding via either ERDF or Peace III. It was agreed last month that a report on these projects and the potential implications for the Council is brought to Committee in September. Members will appreciate that this is a detailed report given the complexity of these issues, however it should also be noted that the situation in relation to these projects continues to evolve and Members will be verbally updated at Committee on any related developments.**

#### **2.0 Relevant Background Information**

**2.1 7 projects are subject to EU funding - the £29.5m *Waterfront Exhibition and Conference facility*; the £430k *Adventurers Learning Centre at the Zoo*; the £1.86m *relocation of the Visit Belfast Centre*; the £9.1m *Innovation Centre*; the £4.1m *Creative Hub* and the £8m *infrastructure at the North Foreshore* which are funded via ERDF and managed via Invest NI/NITB and the £9.7m *Girdwood Community Hub* which is Peace III funded and managed via SEUPB. Together these 7 projects account for approximately £44million in external funding.**

**2.2 As EU funded projects these are all subject to an immovable deadline of 31st Dec 2015 for expenditure meaning that all monies have to be committed and spent by this date. The Council is required to self-finance the full cost of any expenditure post this date. There are two key issues arising in relation to these projects which present a serious financial and reputational risk for the Council which Members now need to consider.**

- 1. Ongoing delay in letters of offer (LOOs) for projects being received– we are now just over 15months from the 31st Dec deadline however final LOOs are still outstanding for the Innovation Centre and the Creative**

Hub. The implications of these ongoing delays are outlined in Section 3 and Members direction is sought over the next steps in relation to these projects.

2. Grant claims and lack of flexibility over spend profiles - Correspondence has also been received from the sponsoring organisations in relation to holding the Council to the spend profiles submitted as part of the application process. The implications of this are outlined in Section 4.

- 2.5 Members will appreciate that the Council has put significant resources into assuring that these projects are delivered within the tight timescales however the cumulative impact of the above issues now needs to be looked at a programme level. Discussions have been ongoing between the Chief Executive/Directors and senior officials in the DFP, DETI and the managing authorities and the urgency of these issues have been highlighted. Some key progress has been made however all the outstanding issues have not yet been resolved.

### 3.0 Key Issues

Ongoing delays in receiving letters of offer

- 3.1 Final LOOs still have not been received for the Innovation Centre, the Creative Hub and the North Foreshore, however, there has been significant movement in the last few days. The ongoing delay in receiving these not only has a major impact in terms of deliverability but also on the financial viability of projects. Members will also be aware that construction projects by their very nature are difficult as any number of unforeseeable situations can arise which have a consequential impact on the programme. Given the ongoing delays Council officers have now carried out an in-depth analysis of these projects including their current status, their deliverability and their financial risk to the Council. An overview of this analysis is presented below.

*Creative Hub – Current status and key issues*

- 3.2 The refurbishment of a property located at 19-21 Donegall Street to support the city's creative and digital media industry

*Appraisal and approval process*

- The application for the Creative Hub was submitted 16months ago in September 2013. A detailed chronology for the Innovation Centre has been circulated.

- There have been a number of iterations of the supporting business case in response to queries from the appraiser. In *August 2014 INI summarised three options to Council. i) proceed with the information submitted to date in anticipation of a negative economic appraisal ii) supply further information to strengthen the economic merit of the project iii) withdraw the application and seek programme support from ERDF in the next programme.*
- Option ii was agreed and a further 4 pages of queries were received from the appraiser which were submitted on 24th September
- The appraisal process is estimated to be 6/8 weeks from receipt of the supplementary information –i.e. end of November with the earliest provisional estimated date for the LOO being mid December (Original Programme was based on 7th July LOO date).

#### ***Property***

- This project requires the acquisition of a building and the Council has already delayed this twice while a LOO is awaited. There is a risk that the property will not be available to the Council by the time a letter of offer is received on the terms is previously agreed.

#### ***Design Team Appointment and Contractor Procurement***

- The construction programme for the Creative Hub is estimated at 9 months however as the Council has not yet acquired the building it has not yet been able to carry out a full condition survey - therefore there are still many unknowns which could have an impact on the programme.
- Procurement of the design team has concluded subject to receipt of funding. The design team appointment is a staged work programme with break clauses and staged payments so the option does exist to proceed with this on a stage by stage basis. Members are therefore asked to agree to appoint the design team at risk to progress this project subject to a satisfactory

outcome with the proposed meeting with Invest NI.

*General*

- Members are asked to note that the SP&R have approved that up to £150k can be spent at risk on this project. To date expenditure has been very low however given the level of risk now associated with this project it is recommended that any further expenditure is progressed with caution as all expenditure incurred is at risk.

*Innovation Centre – Current status and key issues*

- 3.3 A 55,000sq ft capital build with 35,000sq ft net lettable space located off the Springfield Road.

*Appraisal and approval process*

The application for the Innovation Centre was submitted 20 months ago in February 2013.

The Council understands that this project was positively appraised at the end of June by the InvestNI board and was forwarded to DFP for sign off and a LOO was originally anticipated in July. It is understood that a letter of offer for this project is imminent

*Construction Programme*

The construction programme for the Innovation Centre shows a 16 month design and build programme – it should be noted that this assumes that there will be no unforeseeable delays. It is therefore essential that the LOO is received as soon as possible in order for the construction to begin.

Planning permission was submitted in April 2014 and the project is being considered a large scale investment with an estimated assessment timeframe of approximately 6 months. Permission has not yet been granted and discussions with the planners have indicated that there a number of issues to be resolved including technical issues over the use classification, although these are not considered to be insurmountable.

The tenders for the Innovation Centre have been appraised and the Council is in a position to award this work however this cannot be done until a LOO is received and planning etc is in place.

### *Procurement of an Operator*

It is envisaged that an operator will be appointed to run the Innovation Centre on behalf of the Council. It will be Sept/Oct 2015 before this is in place. Members will be aware that they agreed last month that £130k be set aside to progress this procurement and for sales and marketing for the Centre. Further financial modelling work is underway on the ongoing implications for the Council in terms of revenue costs.

### North Foreshore

- 3.4 The development of infrastructure to support a green economy business park. This project will act as a catalyst in terms of unlocking the potential of the wider site and therefore can be viewed as an 'invest to save' project .

### Approval Process

- A draft LOO for up to a maximum of £6m for this project was received by the Council on 22nd September – this is still subject to Invest NI management and solicitors advice before a formal LOO can be forwarded. Invest NI have highlighted that they are working hard to expedite this process and it is anticipated that the final LOO will be forwarded week commencing 1st October. The Council will have 3 months to respond to this LOO.

### Letter of offer issues

- There are a number of issues in relation to the LOO (charges on land and procurement potentially requiring the use of CPD) however none of these are considered to be insurmountable.
- The LOO indicates that future amendments to the expenditure categories can be made with the agreement of Council & Invest NI (as long as the changes do not exceed the Total Grant).

### Construction Programme

- The construction programme shows a 12 month build programme and assumes a start date of March 2015 – it should be noted that there are a number of critical inter-dependences which have to be met before this including surveys and planning permission. On this

- draft programme the project would not be completed until the end of March – i.e. 3 months past the eligible expenditure date. The Council is working closely with the integrated design team to look at ways that this programme can be expedited and Members will be kept up to date in relation to this.

**3.5** *The Committee is asked to note the delays with these projects and that further reports will be put before them in the near future. Should the letters of offer not be forthcoming in the near future or should other risks escalate, then it may be necessary for the Council to considering withdrawing one or more ERDF applications.*

#### **Key Issues**

**4.0** Grant conditions and lack of flexibility

**4.1** Members will be aware that LOOs are already in place for the Girdwood and the new Adventurers Learning Centre at the Zoo where construction has already commenced and for the Waterfront where the enabling works have recently been completed. As part of the application process each project is required to submit an expenditure profile. As outlined above, correspondence has recently been received from the sponsoring organisations (NITB and SEUPB) in relation to holding the Council to the original spend profiles submitted for these projects which presents a risk in terms of grant recovery.

**4.2** In terms of both the Waterfront and the Zoo the correspondence highlights that the Council needs to adhere to October spend profile dates. The Council understands that the October deadline is for budgeting purposes only and has been set by the managing authorities in relation to internal management of ERDF funding which is particularly acute given the financial pressures within the NI Executive. Legal Services have reviewed the LOOs and there is no reference or implication in these in relation to this October profile. The Council has been in intensive discussions with the NITB in terms of the Waterfront and Zoo projects and SEUPB in terms of Girdwood where the Council is being requested to adhere to the spend profile for 14/15 to ensure the risks around the spend profiles for these projects are minimised. Updated profiles have been submitted for all these projects.

### **Waterfront Exhibition & Conference Facility**

**4.3 Members are asked to note that planning permission has now been granted and the construction notice has been issued to McLaughlin & Harvey which allows them to commence work on site. As outlined about the Council is aware, via the NITB, that the projected spend profile does present a financial risk but NITB have stressed their commitment to working with the Council and the contractor over the next couple of weeks to mitigate this risk.**

### **5.0 Recommendations**

- 5.1 Members are asked to note the contents of this report and**
- agree to a cross party meeting with Invest NI to resolve the issues around the Creative Hub.**
  - agree to appoint the design team at risk to progress this project subject to a satisfactory outcome with the proposed meeting with Invest NI.**
  - agree that the Innovation Centre, the North Foreshore and the Creative Hub projects are kept under review and that an update is taken to Committee next month.**
  - note that the insistence that the Council adheres to outdated expenditure profiles and targets is seriously impacting on both the deliverability and financial viability of some projects.**
  - as these issues are subject to change, agree to further reports on progress being presented to committee at regular intervals.”**

The Committee adopted the recommendations.

### **Super-Connected Belfast Update**

The Committee considered the undernoted report:

**“1. Relevant Background Information**

**1.1 The following report was presented to the Strategic Policy and Resources committee on 19 September 2014.**

**1.2 The Super-connected Belfast programme of work comprises three strands:**

- 1. Belfast Connection Voucher scheme**
- 2. Public Sector Wi-Fi Hotspots**
- 3. Metro-Wireless project**



1.3 This report provides updates on the first two strands of the programme and outlines recent significant developments relating to the Metro-Wireless project.

2. Key Issues

2.1 Belfast Connection Voucher Scheme

The Belfast Connection Voucher Scheme (BCVS) allows small businesses and social enterprises within the new Belfast City Council boundary area to apply for grants of up to £3,000, to obtain high-speed broadband connections.

2.1 The Belfast Connection Voucher team is well established in Digital Services and supports the administration of the Voucher scheme for both Belfast and Derry City councils. An update of the current project status is outlined in the table below.

2.3

Belfast Voucher Scheme (as of 4th September 2014)	
Applications received	679
Vouchers Issued	289
Vouchers value	£752,782

2.4 Voucher recipients have indicated that they expect to create 600 jobs and grow their businesses by over £30million in the next 3 years. Examples of two major applications in progress include:

- Townsend Business Park – 39 applications at a value of £115,000
- Conway Mill – 15-20 businesses

2.5 Following a comprehensive review of the Voucher scheme across all participating cities, the Department of Culture Media & Sport (DCMS) are now projecting that whilst there is strong evidence to show the vouchers concept is gaining momentum, voucher take-up will not reach initial predictions.

2.6 To ensure maximum take-up DCMS is now undertaking further work to streamline the scheme to enable suppliers and SMEs in all 22 cities to maximise the number of businesses benefitting, with changes expected to be put in place in September. DCMS are also launching a marketing campaign across all cities which will support our own demand stimulation activities.

2.7 The experience of the Voucher team suggests that direct engagement with businesses is the most successful way of driving up voucher applications. Feedback from early engagement with local companies also suggests that businesses require support to help them maximise the potential of the infrastructure. To this end 15 demand stimulation seminars are to take place across the city. The schedule is as follows:

2.8

30th Sep	Lunch	City Centre	The MAC
2nd Oct	Evening	City Centre	The MAC
2nd Oct	Breakfast	West	Workwest
9th Oct	Lunch	West	Workwest
15th Oct	Evening	West	BMC – Springfield Campus
6th Nov	Breakfast	East	Skainos
13th Nov	Lunch	East	Skainos
19th Nov	Evening	East	Skainos
8th Jan	Breakfast	North	Belfast Castle
15th Jan	Lunch	North	Belfast Castle
21st Jan	Evening	North	Belfast Castle
5th Feb	Breakfast	South	Malone House
12th Feb	Lunch	South	Malone House
18th Feb	Evening	South	Malone House

2.9 The schedule of seminars has been carefully planned with telecoms suppliers to ensure they correspond with, supplier roll out plans, areas of current demand and to minimise disruption as a result of physical works. The Voucher Team is planning to hold 3 seminars at each location, morning, lunchtime and evening, on different days to provide the maximum opportunity for businesses to attend.

2.10 With the support of the Lord Mayor and members, the profile of these demand stimulation seminars can be raised to levels that would ensure we connect with as many businesses as possible. The Lord Mayor will launch the seminars in the City

Hall on the 25th September and members are encouraged to promote the seminars within their individual constituencies and beyond.

- 2.11 Seminar content will include:
- a general overview of the scheme (Super-connected Belfast Team),
  - explaining how improved connectivity can make business more efficient (local case studies),
  - and, how improved connectivity can drive job creation and economic growth (expert speakers).
- 2.12 It is forecast that each event will have an average attendance of 35 equating to 525 attendees across all of the seminars. It is also anticipated that approximately 250-350 businesses will benefit from the vouchers as a result of the events. Should this be achieved, it would deliver almost £1 million of financial support to local businesses.
- 2.13 Public Sector Wi-Fi Hotspots  
The Public Sector Hotspots strand of the Super-connected Belfast programme aims to fund the installation of wireless/Wi-Fi equipment into buildings regularly visited by members of the public. The funding covers broadband connections and equipment, wiring and the cost of installation.
- 2.13 Public buildings eligible for funding must meet the following criteria:
- Hotspots will only be provided within public buildings (owned or long-leased, and occupied by the Council or other public bodies).
  - The funding is limited to capital works only with an obligation on the Council and its partners (NICS) to operate the service for a minimum of 2 years and to cover all annual revenue costs.
  - The scheme will cover the capital costs of wireless connectivity within buildings, cabling and where necessary the telecoms connection to the building.
  - Public Wi-Fi connectivity is primarily for members of the public, however, staff or other groups within a building may also make use of the connectivity if there is spare capacity.

2.14 In total 120 buildings have been identified for inclusion. These are listed in Appendix A below. The list is made up of 109 Council buildings and 11 NICS buildings.

2.15 The Public Building Hotspot procurement is underway. The tender closed on the 29th August. Six submissions were received and it is anticipated that the successful supplier will be selected by mid-September.

2.16 Metro Bus Wi-Fi

The Super-connected Belfast team are also actively working to ring-fence DCMS funding to facilitate the installation of Wi-Fi on the Translink Metro bus fleet. Following positive legal opinion on State Aid the project team are awaiting confirmation from Translink that they can meet the criteria stipulated by DCMS, namely:

- that the project can be delivered by March 2015,
- does not require State aid clearance,
- and has a clear and sustainable business case as required by HMT Green Book requirements for ensuring value for money.

A decision on whether this addition will be included will be made by the end of September. The estimated cost of the work is £600k and the operating costs will be met by Translink.

2.17 Metro-Wireless

The Metro Wireless concession contract, which aimed to deliver a city centre wireless zone, has experienced unexpected difficulties. Consequently we must now reconsider our approach to delivering this strand of the Super-connected programme.

2.18 Five Telecoms Providers originally applied to take part in the procurement exercise and four successfully met our pre-qualification criteria. However, three of the four pre-qualified organisations withdrew from the procurement during the competitive dialogue process, indicating they were unable to develop a viable commercial business case to sustain a city centre Metro-wireless rollout.

2.19 The remaining supplier (GOWEX) presented a highly attractive proposal which met the aspirations of the Council to have a sustainable widespread Wi-Fi offering in the city centre. The supplier also presented a number of impressive case studies of successful high profile city centre Wi-Fi projects which included, New York, Paris and San Francisco. Regrettably,

Gowex has experienced widely publicised financial difficulties which have invalidated their pre-qualification status.

- 2.20 It is now proposed that the Council takes ownership of the delivery of this project and procure and implement a city centre Wi-Fi service using funding already allocated within our capital programme. The European commission considers that public funding to a single recipient of up to €200,000 (£160,000) over a 3 year period, has a negligible impact on trade and competition, and does not require State Aid notification. Therefore, the Council is free to establish its own city centre Wi-Fi zone within these constraints.
- 2.21 Initial market research with telecoms suppliers indicates strong interest in a Council funded Wi-Fi network, where Wi-Fi cells are located in areas of high footfall like the grounds of the City Hall. By focussing the installation of Wi-Fi cells on public buildings and by making use of ducting that has already been installed as part of the 'Streets Ahead' initiative a significant Wi-Fi zone concentrated on the city centre can still be delivered. It should be noted that if this approach is successful at the end of the three year period another €200,000 can be invested to extend the original Wi-Fi zone.

3. Resource Implications

- 3.1 The Super-connected Project Team will continue to manage the three strands of the programme and the Belfast Voucher team will administer voucher applications for Belfast and Derry.
- 3.2 Belfast Connection Voucher Scheme  
Allocated funding of £9.8M will remain with DCMS and will be released based on the take-up of vouchers.
- 3.3 Public Sector Wi-Fi Hotspots  
£1.35M has been earmarked for this strand based on the building list estimates submitted and funding for Translink Wi-Fi.

	Capital costs	Revenue costs
BCC (109 buildings)	£400,000	£180,000 (BCC annual revenue)

- 3.4 Metro-Wireless  
€200,000 (£160,000) over a 3 year period can be allocated to this project without requiring State Aid notification.

4. **Equality and Good Relations Implications**  
N/A

5. **Recommendations**

- 5.1 **Members are asked to note the contents of the report and to support the series of demand-stimulation seminars that will take place across the city.”**

The Committee adopted the recommendations and noted that the Strategic Policy and Resources Committee had, at its meeting on 19th September, also agreed to support the series of seminars.

**Democratic Services and Governance**

**Overview of the Governance Process  
in Preparation for the New Council**

The Committee considered the undernoted report:

**“1.0 BACKGROUND**

- 1.1 **As Members will be aware, the initial one year ‘shadow period’ of the new Council will come to an end on 31 March 2015 with the new Council assuming full powers and responsibilities from 1 April 2015 onwards.**

**As the planning and regeneration authority for the city and with the new convening power of Community Planning, the Council and elected Members will play a more strategic leadership role within the city and will be a more outward facing organisation, working in partnership to deliver against identified city outcomes. Developing strategic relationships with key stakeholders at a city, thematic and area-level will be a cornerstone of the Council’s approach to community and strategic planning for the city and will be a key lever to stimulating continued investment and supporting the social, economic, environmental and physical renewal of the city and its neighbourhoods.**

**It will therefore be necessary for the new Council to agree upon a preferred set of governance arrangements (including a suitable form of governance and a new committee structure) for the four year term beginning in April 2015 and ending with the local government elections in May 2019.**

**The Local Government Act (Northern Ireland) 2014 provides for the new Council to hold a second Annual General**

Meeting (AGM) during the “shadow period”, in order to allow the Council to fill the Positions of Responsibility and to appoint Councillors to Committees in advance of 1 April 2015.

However, there are a number of key governance decisions which must be taken in advance of this AGM in order to ensure that the new Council is ready to function from the 1 April 2015 onwards. These include:

- agreement on the permitted form of governance (executive, traditional committee or prescribed)
- agreement on the committee structure (including the number, size and role of committees)
- agreement on the method for filling positions of responsibility
- agreement on the method for appointing Councillors to committees
- the remuneration of Councillors (including the allocation of Special Responsibility Allowances)

- 1.2 The purpose of this paper is to provide Members with an initial overview of the key decisions which will be required over the next number of months and to outline an indicative plan of work to ensure that the new Council has time to discuss and agree upon its preferred governance arrangements in advance of April 2015. (Appendix 1 provides a timeline of key decisions and associated papers which will be brought through the Committee decision making process)

Members will note that, commencing in October 2014, a series of Party Group briefings will be held in order to discuss the process with Members and to take direction on the proposed way forward.

- 1.3 The governance arrangements will also be informed by work with Members to develop the future strategic direction of the organisation and its organisational design.

## 2.0 KEY DECISIONS REQUIRED

- 2.1 The following section provides Members with a summary of each of the decisions which will be required to be made over the next few months. Many of these decisions were required for the establishment of the Shadow Council's governance arrangements for the one year shadow period and will therefore be familiar to Members.

- 2.2 Permitted Form of Governance**
- 2.2.1 The Council will be required to select an overall form of governance for the four year term 2015 to 2019.**
- 2.2.2 The Local Government Act 2014 provides for three permitted forms of governance. The default system is the “committee” system unless the Council decides to select either “executive arrangements” or “prescribed arrangements” - both of which would be subject to a qualified majority vote of the Council.**
- 2.2.3 A significant amount of consultation with party groups on permitted forms of governance took place as part of deciding the governance structures for the shadow period. All parties agreed that, in order to ensure an inclusive decision making process, the Council should adopt a traditional committee system and there was no support for an executive or cabinet model. Therefore a traditional committee model was adopted during the Shadow period with four standing committees, all of which report into the full Council. If Members are still in agreement that the traditional committee system is the most appropriate form of governance for the new Council then officers can proceed with developing options for committee structures on that basis.**
- 2.3 Council Charter / Name**
- 2.3.1 The new Council will be required to decide whether or not to continue the county borough charter and city status of the existing Belfast City Council.**
- 2.3.2 Regulations to make provisions in relation to borough charters of existing councils and their continuation in relation to a new council are due to be issued by the DoE in December. As one of the two county boroughs in Northern Ireland (along with Derry/Londonderry), Belfast will be given the option to continue the existing council’s county borough (and city) status. The two alternative options open to the new council; to apply for a new borough status, or to remain a district council would both result in the loss of Belfast’s city status.**
- 2.3.3 If the new council decide to continue with the existing county borough charter, then the council name would officially revert back to Belfast City Council with immediate effect on 1 April 2015 and both city and county borough status would be retained.**



**2.4 Committee Structure**

**2.4.1** The new Council will be required to identify an agreed committee structure including the number, role and size of each committee established for the four year term 2015 to 2019 and will also need to agree on the method for appointing Councillors to the committees.

**2.4.2** The selection of a preferred Committee Structure and the roles and responsibilities which will be allocated to each committee will be informed by the strategic direction the organisation wishes to take over the next four years. A separate report on the Committee's agenda, in respect of Organisational Development and Strategic Planning, deals with the processes being put in place to ensure that Members are supported by leading experts to develop this strategic direction to support decisions about the most effective and fit for purpose approach to governance and organisational design.

**2.5 Appointment Councillors to Committees**

**2.5.1** The agreed number and size of each committee will also have an impact on the method of appointing Councillors to committees (Quota Greatest Remainder or Droop Quota) and the resulting allocation of committee places to Parties. The appointment of Councillors to committees must be undertaken at the AGM of the Council in accordance with Schedule 2 of the Local Government Act 2014. Standing committees may be supported by working groups as required.

**2.5.2** Members will be aware, that for the operation of committees during the Shadow Period, the new Council selected the default Quota Greatest Remainder method of appointment.

**2.6 Positions of Responsibility**

**2.6.1** The new Council will be required to decide upon a method for filling positions of responsibility and must then proceed to allocate each position over the full four year term (April 2015 to May 2019) at the AGM in March 2015 in accordance with Schedule 1 of the Local Government Act 2014. The number of positions of responsibility will be dependent on the number of committees and also the number of external representatives of the Council on outside bodies.

- 2.6.2** The Act provides three possible methods for filling positions of responsibility - d'Hondt, Sainte Lague, and the Single Transferable Vote. The d'Hondt method is the default method unless a qualified majority of Members decide to select one of the other options.
- 2.6.3** During the Shadow Period, the positions of responsibility were restricted to the Presiding and Deputy Presiding Officers, the Committee Chairs and Vice-Chairs and the Partnership Panel (11 positions of responsibility in total) for one year only. Members will recall that the d'Hondt method was selected for the filling of positions of responsibility during the Shadow Period. Neither the positions filled during the shadow period nor the method selected to fill those positions will have any bearing on the filling of positions of responsibility (or the method to do so) over the subsequent four year term. The process is effectively beginning again.
- 2.6.4** For the forthcoming four year term, the positions of responsibility will be extended to include external representatives of the Council. It is not possible to calculate the total number of external positions of responsibility until the DOE have completed an exercise to identify those outside bodies which will require councillor representation and a further discussion of council will be needed to agree this.
- 2.7** Remuneration and Special Responsibility Allowances
- 2.7.1** The new Council will be required to agree upon the breakdown of the £108,000 Special Responsibility Allowance (SRA) between Members of the Council during the first year (2015/2016). The Minister for the Environment has already agreed the scheme of allowances payable to Members of the new Councils in April 2015 (basic allowance, travel and subsistence, caring or dependent carer's allowance, etc) so no decision is required on that aspect of Member's remuneration.
- 2.7.2** The division of the Special Responsibility Allowance is based upon the positions held by individual Members either as Chair and Deputy Chair of Committees or as Officers within the Political Parties. The Shadow Council agreed upon a SRA allocation during the shadow period which was based on the same general principles that have been used to determine SRA allowance in the past.

**2.7.3** It is anticipated that these same principles will be discussed with Members in order to determine a suitable allocation of SRA during the first year of the new Council (2015/2016). The main difference will be the removal of SRA allocations for the Presiding and Deputy Presiding Councillor as these positions are likely to be filled by Lord Mayor and Deputy Lord Mayor, who along with the High Sheriff position – will be subject to separate remuneration under a Civic Dignitaries Allowance.

**2.8**           **Constitution**

**2.8.1**       The new Council will be required to publish a Council Constitution by the 30th April 2015. The key supporting governance related frameworks required by the date of the AGM will be (i) agreed Standing Orders which will set out how the new Council and associated Committees will operate; and (ii) a Scheme of Delegation outlining the delegated authority from Council to Committee and from Committee to Officers

**2.8.2**       Members shall note that final direction from the DoE about the information to be contained in a council's Constitution, together with a model constitution, and regulations in respect of the content of Standing Orders with a model Standing Orders document, are all due to be issued in October 2014.

**2.9**           **Other Considerations**

**2.9.1**       Decisions taken over the next few months on the strategic direction of the organisation post 2014 and on the organisational design required to support this will inevitably directly impact upon the agreed governance arrangements. Other key considerations include:

- **Planning – as previously discussed with Members, given the quasi-judicial nature of planning and the associated statutory requirements placed upon the Council, it is envisaged that any new governance arrangements brought forward will include a Planning Committee. Any such Committee will require specific governance arrangements to be put in place in relation to, for example, the optimum size of a planning committee, code of conduct around planning, scheme of delegation etc. It should be noted that, typically, planning committees in England have between 10 and 15**

Members. Clearly these governance arrangements will sit within the wider governance framework in terms of the development.

- It is therefore recommended that work in relation to the establishment of the Planning Committee and associated supporting governance arrangements commence immediately; in parallel with the ongoing engagement and work with Members and Committee in relation to the development and agreement of the Governance structure and political management arrangements for the new Belfast council. It will be important that both the Shadow SP&R Committee and Shadow Planning Committee are fully engaged and input into the proposals brought forward around the Planning Committee and that this informs the Members capacity building programme being rolled-out.
- Working Groups - in moving forward and giving the expanded remit of elected Members and the associated capacity and resource pressures that this creates, Members will need to explore the future role and status of Member Working Groups (such as the Audit Panel and the Budget and Transformation Panel) and including the Area Working Groups reflecting the larger city.
- Support to Members and Party Groupings - the additional functions and responsibilities of the new Council will place a much greater demand on Members' time and will impact on their capacity to serve their constituents. A review of the current and required level of officer support to Members will be carried out with a view to producing options for Members around the potential provision of additional political / policy assistance to Party Groups.
- Civic Initiatives Fund - Further work will also be required to determine the scope and remit of a potential Civic Initiatives Fund for future.

## 2.10 Notices of motion

- 2.10.1 Members are advised that there were two Notices of Motion raised at the Shadow Council meeting on 9 September 2014 which have been referred to the Shadow SP&R Committee as they relate to governance issues. The two Notices referred to the Shadow SP&R Committee are listed below:

- Notice of Motion - Challenging d'Hondt
- Councillor Julie-Anne Corr moved that:

*“This Council, mindful of its responsibility to represent the diverse population of our City, agrees to re-examine the method it employs for appointing Members to positions of responsibility, namely, the d’Hondt system.*

*This Council agrees that it will give due consideration to adopting the Sainte Laguë method as the means for filling such positions since it is considered to be a more inclusive method of promoting diversity and equality.*

*The Council believes that such a step would be in accordance with the decision taken by the Shadow Council on 11<sup>th</sup> June when, in endorsing its Corporate Plan for the Shadow Council period, it had agreed that “inclusivity” would be added to the list of values which would guide the work of the Shadow Council”*

- Notice of Motion – Health Scrutiny Committee

Councillor Attwood moved that:

*“Belfast District Council (Shadow) notes with deep concern the scale of the potential cuts facing the Health service which will affect the most vulnerable sections of our community and which may put people lives at risk.*

*The Shadow Council recognises the dedication of our health service workers in hospitals, in the community and in social care who provide an excellent service to patients in difficult financial circumstances.*

*Accordingly, the Shadow Council agrees to consider the establishment of a Health Scrutiny Committee in Belfast to monitor and scrutinise the impact of health service cuts and to engage with the Belfast Health and Social Services Trust, health unions and health professionals to protect the health service in Belfast.”*

- 2.10.2 Members are advised that both of the Notices of Motion above refer to key decisions (i.e. the method of determining positions of responsibility and the committee structure for the new council) which will necessarily be considered as

part of the wider governance arrangements plan of work outlined at Appendix 1. As such, both decisions referenced will be considered in due course by the Shadow SP&R Committee and will be subject to full Council approval prior to April 2015.

**3.0 Resource Implications**

**3.1 None**

**4.0 Equality and Good Relations Implications**

**4.1 None**

**5.0 Call in**

**5.1 This report is subject to call in.**

**6.0 Recommendations**

**6.1 It is recommended that Members:**

- 1. agree that officers begin to develop options for new political governance structures based on a traditional committee system.**
- 2. note the above report and the key decisions required over the next seven months.**
- 3. agree that work on the establishment of a Planning Committee and supporting governance frameworks be taken forward in parallel with the wider engagement with Members on the new Governance structure and political management arrangements for the council; and**
- 4. agree that the decisions referred to in the two Notices of Motion (see paragraph 2.9), raised at Shadow Council on 9 September 2014, be considered by the Shadow SP&R Committee as part of the overall governance work plan outlined at Appendix 1.”**

After discussion, the Committee adopted the recommendations.

**Response to Consultation on The Apportionment of Costs Associated with the Ethical Standards Framework between Councils**

The Committee was advised that the Department of the Environment was seeking comments in relation to a consultation on the Apportionment of Costs Associated with the Ethical Standards Framework between Councils. The deadline for the response had been extended recently until 31st October.

The Committee was advised that the Local Government Act (Northern Ireland) 2014 had put in place a new ethical standards regime for Local Government, including a mandatory Code of Conduct for Councillors. The Northern Ireland Commissioner for

Complaints would be responsible for handling any allegations made against Councillors in relation to breaches of the Code. Part 9, Section 64 of the Local Government Act set out that before the commencement of each financial year the Northern Ireland Commissioner for Complaints' office must prepare an estimate of the expenses of the Commissioner for dealing with complaints. The Department must then apportion the amount estimated between all councils in Northern Ireland in such a manner as the Department, after consultation, considered appropriate.

The set up costs and any costs relating to casework of the ethical standards framework this year were being met by the Executive. The consultation, therefore, sought views on the proposed method for apportioning costs from April, 2015 onwards. Four options for appointing costs had been identified and are set out as follows:

- **Option A - number of councils (11).** This option would result in an equal split in costs between the councils which would put an inequitable pressure burden on the budgets of those less wealthy council clusters. This option is the easiest to administer.
- **Option B - number of councillors (462).** This method would give a more accurate representation as it includes the councillors in each cluster and has a clear link to the work and costs of the Commissioner. This option requires minimal calculation to apportion the cost and provides the most equitable solution. **(Preferred Option)**
- **Option C - total population (1,823,600).** This option gives an accurate representation of the total population, as it includes groups such as children and those not registered to vote. However, this could be interpreted as the more urban areas subsidising the more rural areas irrespective of the number of councillors in that cluster.
- **Option D - gross penny rate product (22,459,998).** This method represents the biggest disparity between the four apportionment methods. This method assumes that the only method of paying for reform is through the rates, and this is not the case. It also bears no relationship to the work and associated costs of the Commissioner.

The Finance Working Group, which consisted of senior Local Government officials, had assessed the options and considered that Option B was the preferred option to be consulted upon with councils and bodies representative of councils. The consultation had also recommended that the method of apportionment should be reviewed in 2017/18 when the actual costs and the impact of casework on the Commission had become available.

The proposed Council response is set out below for the Members' consideration:

*“The Council has reviewed the various options outlined in the consultation paper and would concur with the findings of the Finance Working Group and the Financial Matters Sub Group which concluded that Option B (allocating costs based upon the number of elected members in each council) would be the preferred option for apportioning costs between the councils.*

*The Council would also be supportive of the proposal that a review of the allocation methodology be undertaken in 2017/18 when the actual costs and the impact of the casework upon the Commissioners’ office can be analysed in detail”.*

The respective options would have the following resource implications for Belfast:

	Option A – number of councils	Option B – number of councillors	Option C – population	Option D – gross penny rate product
Belfast District	£34,545	<b>£49,350</b>	£69,598	£94,103

The Committee approved the Council response to the consultation.

### **Regeneration and Housing Bill**

The Committee considered the undernoted report:

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

**1.1 As Members are aware, the transfer of regeneration and community development powers from DSD to Councils is one of the most important and transformative aspects of local government reform. Whilst local government reform is being delivered through the Local Government Act, the legal instrument for the transfer of regeneration and community development powers is intended to be through a Regeneration and Housing Bill. The NI Executive has yet to consider this Bill.**

**In answer to an oral Assembly Question on the 9th September, the Minister for Social Development, Nelson McCausland MLA, indicated that he has ‘sought Executive approval to introduce the Regeneration and Housing Bill in the Assembly on a number of occasions’ but that Executive approval has not yet been given for the Bill to proceed. The timescale for the Bill to make its way through the necessary Assembly stages in time**



for the transfer of regeneration powers to take place in April 2015 is now extremely challenging.

## **2 Key Issues**

### **2.1 Delay in the passage of the Regeneration and Housing Bill has the potential to impact a wide range of functions, budgets and assets including:**

- **Transfer of 211 assets & liabilities, to include the Lagan Weir, Custom House Square; development sites; and public art;**
- **£14.7m of grants;**
- **Masterplans and strategic projects;**
- **Public realm and environmental improvement schemes;**
- **Operational responsibility for regulating HMOs; and**
- **Staff and Staffing budgets**

In particular, the delay in the passage of the Bill and consequent delay in the transfer of powers and resources would have the following consequences:

- **Adverse impact on community planning – regeneration and community development are key to the successful implementation of community planning, particularly at a local level. Members’ desire to see an integrated, outcomes-focused approach would be constrained, with policies, resources and governance remaining fragmented;**
- **The continued separation of local development planning (spatial planning) and regeneration will work against the creation of truly strategic ‘one-city’ development and regeneration plans. The Council will not have the opportunity to present a coherent ‘Belfast Agenda’ to drive growth, attract investment and improve quality of life. Ability to implement the city centre regeneration and investment framework will be significantly constrained.**
- **The development scheme and land assembly powers are essential to the Council playing a full role in and maximising the benefit of regeneration schemes;**

- The transfer of powers and resources in respect of neighbourhood renewal is essential to ensure the full transformation of this programme by 2017, as Members had intended;
- The absence of a budget for physical projects will mean that programmes such as the Belfast Investment Fund, LIF, SIF and others will continue as separate programmes, thereby losing the opportunity to maximise the impact of these combined resources for local people and for city development. The opportunity to create an integrated, strategic physical development programme for the city, linked to an agreed set out outcomes will be significantly constrained.
- Transfer of resources would have provided an important opportunity to maximise the potential to draw down ESF funding for a strategic programme of support for the long-term unemployed.
- The Council's ability to regulate HMO's will be lost at a time when housing pressure will increase;
- Resources transferring had been factored into the consideration of future staffing levels for the new Council and the consolidation of a number of posts.

Given the significance of the potential impacts of a delay in the transfer of powers and resources, the Committee is asked to consider the most effective way of engaging the Executive on this issue.

### **3 Resource Implications**

- 3.1 Delay in the transfer of regeneration, housing and community development powers to Council will have significant resource implications.

### **4 Equality and Good Relations Considerations**

- 4.1 Equality and Good Relations impacts will be considered as this issue emerges.

### **5 Call In**

- 5.1 Subject to call in.

## 6 Recommendations

### 6.1 The Committee is asked to:

- **Note the update on the Regeneration and Housing Bill;**
- **Consider the most effective way of engaging the Executive on this issue.”**

The Committee noted the contents of the report and agreed that the Minister be requested to receive an all-party delegation from the Council.

### Use of iPads

The Committee was informed that the City Council's Strategic Policy and Resources Committee, at its meeting on 21st September, 2012, had considered a business case for the introduction of iPads for Members. At that meeting, the Committee had agreed:

- to the provision of iPads and associated software to Members;
- to the “Terms of use” for the allocation of iPads;
- that Digital Services schedule a procurement programme, training and distribution of iPads to Members and a demonstration of the technology; and
- to continue with a dual system of paper reports and iPads from November, 2012 till the end of March, 2013

The Democratic Services Manager reported that, during that period, the programme had been successfully rolled out, with Members being provided with iPads and appropriate training. At that time, a number of Members had indicated that they were content to rely on the iPad for the provision of electronic papers and to cease to receive paper copies of reports from 1st April, 2013. However, due to a number of technical difficulties, it had been decided to continue with the dual issue of papers to ensure that the iPad “Modern.gov” app had been fully tested for resilience and robustness. During the intervening period, the app had proved to be effective and the Council was now in a position to cease the printing and issue of paper copies of Committee reports. Further training would be provided on the operation of the iPad generally and on the app specifically for any Member who requested that.

The Committee agreed that, for those Members of the Shadow Council who had received an iPad from the Council, the printing of paper copies of Shadow Committee reports should cease with effect from 1st November, 2014; and for the Shadow Council Minute Book with effect from 1st January, 2015.

### **Visit by Comptroller diNapoli**

The Committee was reminded that at the meeting of the Belfast City Council on 1st September, 2014, the Council had considered a Notice of Motion which acknowledged the investment which had been made by the New York State Comptroller, Tom diNapoli, in Northern Ireland investment funds and that he be invited to visit the City to explore further opportunities for investment.

The Committee was advised that Comptroller diNapoli was the Chief Financial Officer of New York State. In that role, he controlled \$172 billion (£101 billion) of investments, including substantial stock holdings in multi-national corporations with operations in Belfast. His portfolio included the pension funds from a range of New York public servants, including police officers, teachers and fire fighters.

It was reported that there was a possibility that the Comptroller might be in a position to visit the City in mid/late October, 2014, subject to final confirmation and subject to formal invitation. Accordingly, it was recommended, should the Comptroller accept the invitation, that a special meeting be organised as part of the visit programme with Elected Members from the Shadow Strategic Policy and Resources Committee, to which the Council's Development Committee would be invited.

### **Finance/Value-for Money**

#### **Rate Setting 2015-16**

The Committee considered the undernoted report:

“1 **Relevant Background Information**

1.1 **Two of the key tasks for the Shadow SP&R Committee will be setting the district rate and agreeing the revenue and capital budgets for 2015/16.**

1.2 **This report provides an update for Members on the key strands of the rate setting process as agreed by the Committee in June 2014 which will support the financial decision-making and the setting of the District rate in February 2015.**

2 **Key Issues**

2.1 **Table 1 below summarises the key issues relating to the rate setting process for 2015/16. The top half of the table deals with the revenue and capital estimates and the bottom half addresses the factors which will determine how much income will be raised through the rates base.**

2.2 **Table 2 summarises the rate setting process agreed by the Shadow Strategic Policy and Resources Committee on the 23 June 2014. The following paragraphs provide an update on the key strands of work within the rate setting process which will support the financial decision-making and the setting of the District rate in February 2015.**

- 2.3 Service Convergence Estimates: This element of the rate setting process focuses on the impact of the boundary change on existing Council services and the provision of services to residents across the new Council area.**
- 2.4 Departments have prepared a first cut of their estimates based on the new boundary area and as part of Phase 2 of this process, the estimates and the proposed service delivery model assumptions are currently being challenged by central Finance.**
- 2.5 Detailed analysis of the estimates is also being undertaken to clearly identify the recurring revenue costs, non recurring revenue and capital transition costs and efficiency savings associated with service convergence.**
- 2.6 This will process will validate the baseline and business case for the service convergence estimates and enable an affordability assessment against the new rate base. Further iteration of the convergence estimates will be undertaken before detailed budget proposals are presented to the Shadow Strategic Policy and Resources Committee in November 2014.**

Table One:

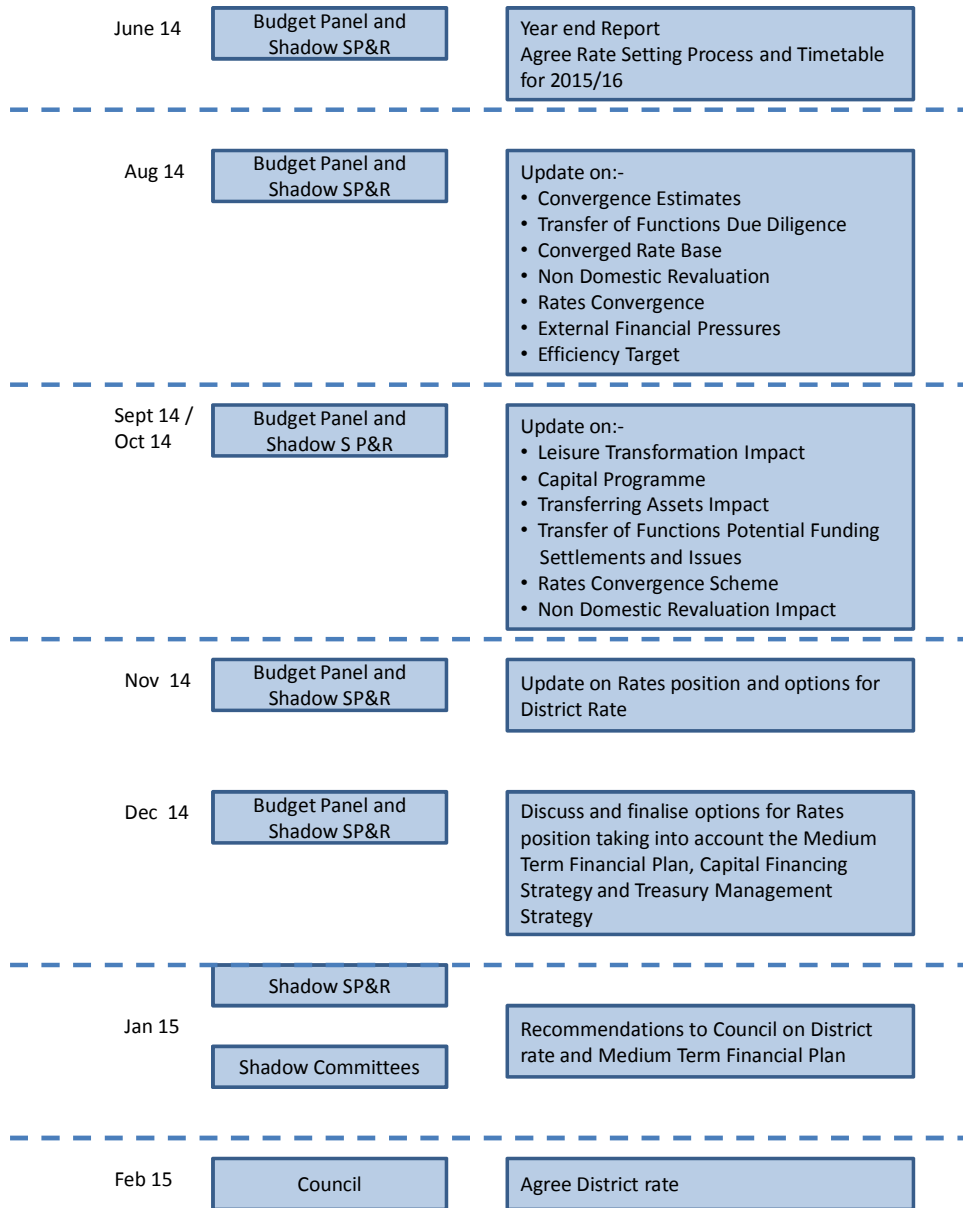
**Key Factors in the Rate Setting Process for 2015/16**



- 2.7 Leisure Transformation Programme (LTP):**  
 Detailed work is being undertaken to ensure that the £2m of efficiency savings in leisure, through the LTP are delivered by 2016/17. This work will be validated by Deloitte as part of the LTP Due Diligence review.
- 2.8 Capital Programme:** As part of the rate setting process the capital programme and capital financing implications for 2015/16 – 2017/18 will be presented to the Shadow Strategic Policy and Resources Committee. The revised capital programme will include existing projects, the leisure investment programme, capital implications of transferring assets and emerging projects relating to the new boundary areas and transferring functions.
- 2.9 Transferring Functions Potential Funding Settlements and Issues:** Council officers are continuing to engage with the relevant government departments to challenge the level of

**funding proposed at a regional and at a Belfast level to support the transfer of functions and this work is the subject ongoing reporting to Members.**

- 2.10 New Rate Base: The expanded rates base for the new council area will include the gross rate income less losses (including allowances, vacancies, irrecoverables and cost of collection). The output will be an Estimated Penny Product for the new council Area. Council officers are currently working with LPS and the Institute of Revenue, Rating and Valuation to estimate the likely levels of rates income associated with the new rates base. The first draft of the EPP will be presented to the Shadow Strategic Policy and Resources Committee in November 2014.**
- 2.11 Rates Convergence Scheme: Belfast City Council's submission to the consultation on the scheme was made in August 2014. The terms of the final DFP Scheme have still to be published.**
- 2.12 Non Domestic Property Revaluation: The impact of the rebalancing of non domestic property rate base following the revaluation of all non domestic properties is due to be published shortly. The outcome will be reported to the committee as soon as it becomes available.**



**3 Recommendations**

**Members are asked to:**

- 1. Note the report on the update on the rate setting process for 2015/16 and that further reports will be brought to Committee in line with the agreed rate setting timetable.”**

The Committee adopted the recommendation.



**ICT procurements – Local Government Reform Related**

The Committee was advised that this year would see unique pressures on the Council's resources as it coped with service convergence and the transfer of new functions as a result of the Local Government Reform. This would place a high demand for ICT resources and a number of ICT-related service convergence costs had been identified, the contracts for which exceeded £30,000 and therefore required Committee approval. The procurement of those services was essential to either facilitate data transfer from IT systems in Lisburn and Castlereagh or to provide additional capacity to cope with the requirements of service convergence and transferring functions. The expenditure which required approval was as follows:

<b>Project</b>	<b>Supplier</b>	<b>Cost</b>
HMO information transfer - NIHE to BCC	Civica	£52,000
Park Rangers data transfer	Civica	£32,000
Environmental Health data from Lisburn and Castlereagh – Software services, licensing and data transfer	Tascomi	£50,000
Clockwise – Time & Attendance – Additional requirements for LGR – Clocks, External development and licensing	SoftWorks	£68,000
Virtualisation software – Support & maintenance – Server capacity	Dell	£41,000
Resilient Network NI connection at DR site in Duncrue (for Planning Portal access)	Eircom	£30,000
	<b>Total Cost</b>	<b>£273,000</b>

The Committee approved the procurement of the services as listed.

**Transfer of Planning - Response to Finance Proposal Paper**

The Committee considered the undernoted report:

**“1.0 Background Information**

**1.1 Members are aware under the Local Government Reform Programme planning powers will transfer from DOE to Council on 1st April 2015. As part of the ongoing process to plan for the transfer the DoE have issued a consultation paper on the proposed resources and associated budget for the transfer of the planning function. The consultation document and covering letter was issued with closing date for comments of 3rd October 2014.**

**1.2 The Council is continuing to work with DoE to clarify the direct operation and associated costs of transferring planning functions. To assist this work the Regional Transition**

Operational Board (RTOB) commissioned Deloitte to conduct a due diligence to inform the transfer of functions process focussing on the current position and provisions. This due diligence assessment took account of the following principles:

- The transfer of functions and powers will be rates neutral to local government as a whole, at the point of transfer.
- Funding will be provided by Central Government for notional costs where it is anticipated these will become fixed charges for the new Councils.

1.3 Internal consultation and engagement with the local Belfast Planning Office has been carried out as part of the process to develop the response to this consultation.

## 2.0 Key Issues

2.1 There are a number of issues raised in the detail within the consultation documents that require clarification and areas for which there is insufficient information on which to assess the potential implications for the Council from a resource and finance perspective. The draft response set out in Appendix 2 details proposed comments for submission to the DoE.

2.2 The main issues relate to:

- a) requirements for further detail in respect of the tabulated information and the basis for the projected figures in order that the Council can complete an effective due diligence process as the basis for future estimating and budget setting.
- b) concerns that some of the proposed resource provisions, particularly to support aspects such as Development Planning and Legal Services, are insufficient for the reformed system the new Council will have to operate. Development planning is likely to be a costly process for the city of Belfast in the development phases.
- c) approaches to the allocation of resources and some costs does not reflect the particular complexities likely to be experienced by Belfast.
- d) proposals for a significant staffing team to be retained by the Department have not been explained or justified in the context of significantly decreased provision of staffing resources for the Council based offices.

- e) forecast of the longer-term resource implications associated with the transferring function do not appear to reflect need for growth .
  - f) how specialised activities such as habitats and environmental assessments are to be dealt with and the financial implications of these.
- 2.3 The detailed Draft response is set out in Appendix 2 for consideration as the basis for a response to the Department.
- 3.0 **Resource Implications**
- 3.1 The attached paper, in combination with the Deloitte work and ongoing due diligence, will be used to inform this estimating / budget setting processes which will be brought to the Committee as part of the overall revenue estimates process.
- 4.0 **Equality and Good Relations Implications**
- 4.1 There are no equality or good relations implications associated with this report.
- 5.0 **Call In**
- 5.1 Members are advised that any decision relating to the final protocol or governance of the committee would be subject to Call In.
- 6.0 **Recommendations**
- 6.1 It is recommended that Members consider and if appropriate support the submission to the DoE of the Draft response set out in Appendix 2.”

**Appendix 2**

**(Draft) Response to Transfer of Planning Finance Proposal  
Paper v0.4**

**Belfast City Council**

15 September 2014

**Foreword**

Belfast City Council welcomes the opportunity to comment on the paper, issued by DOE on 27th August 2014, outlining the proposed finance to support planning functions upon their transfer to local councils.

Planning is regarded as an integral element of the Council's future role in place-shaping and it is essential that it is adequately resourced to fulfil that function within the new planning system. The continued delivery of the new function in an effective manner for Belfast is critical; as managing and supporting development for the city as the economic driver has a broader benefit for the rest of the country. Belfast has to maintain its role, regionally and internationally, by providing administrative/governance processes that support the continued development of the region and attract investment. It is particularly important that the Council has sufficient resources and support in place to meet expectations for development management performance alongside the required investment in our development planning function.

Belfast City Council has therefore reviewed the proposal paper and has a number of observations and queries it wishes to submit. Finally, we wish to take this opportunity to request that there is further engagement with the Council in order to discuss the details of the proposals and to agree a settlement that is mutually acceptable.

#### Introduction

##### PARA 1.7

- DOE final income and expenditure figures are based on forecast/anticipated figures that are unknown until the end of October. The Council requests assurance from Deloitte that the method of forecasting used is accurate.
- The Council would also seek assurance that there is provision for inflation and/or increased costs moving forward; as opposed to a fixed contribution.

#### Overall costs and Income

##### PARA 2.1

- There is additional cost associated with additional applications passing to councils as a result of the subordinate legislation out for consultation. The report however only highlights additional income. The additional costs associated with the new system which cannot be calculated by the workforce model or similar projections from existing activity could be mentioned as a general concern especially for transition.

##### PARA 2.4

- The allocation of income is based on the average percentage of planning receipts received by each cluster over a 3 year period, we would require assurance from Deloitte using DoE (Planning Portal) data as to how these figures were reached – i.e. a breakdown of the planning receipts over the last 3 years NI wide with an assessment as to the retained Department caseload.

PARA 2.5

- Councils will be expected to process applications that have been received in 2014/15 but not processed by DOE prior to 31 March 15. We would require assurance that the deferred income transferred relates to the correct applications and that a timeline for drawdown of that income is established.
- The council would also wish to reach an agreement on the portion of fees for partially processed applications as part of transition.

PARA 2.6 – 2.9

- Staffing and salaries make up 80% of planning cost. These have been allocated using a workforce planning model based on the number of applications remaining the same as in 13/14 and the previous development management model.
- We would require assurance by comparison to the current staffing as to the capacity, and flexibility of the proposed model to cope with projected additional applications and the considerable resource requirements of development planning.
- In particular how this compares with the appropriate staffing levels a maintained development plan resource (including external consultancy) such as those put in place during BMAP.
- The Council also seeks reassurance that the financial resources for salary costs will take account of pay progression and any remaining incremental costs for the transferring employees.
- Perhaps the point should be made again at 2,8 about Council involvement in any changes significantly affecting the structures or staff likely to transfer to take account of the skills required for the new organisations
- It is also noted that estimates for staffing costs have been based on effectively the middle point of the scale - whereas Council to take account of the potential impact on budgets and rates would base its estimates on the top Spinal Column Point.
- Assurance is also required that statutory consultees will be required to meet the resource requirements of supporting the new arrangements/relationships for both the Development Management and Development plan functions.

**Administration & Programme Costs**

PARA 2.12

- The Council is concerned that there is no allocation made for legal costs in the Allocation of Programme Costs between DOE and Local Government. Legal advice and support is a requirement across the three transferring work areas. In addition Belfast is likely to have a greater proportion of complex and significant applications and provision should be made for some allocation, particularly in the transition phase for the financial year 15/16, as it is likely that the new Planning system and Act will be 'tested' through a number of administrative and legal challenges. As such the Council would

request that this is reflected in the final proposals.

- We would also seek assurance that the 2015/16 pay rise and cost of VER has been included.
- Insufficient information has been provided by the Department regarding any existing SLAs or contracts that the Council will be required to put in place post April 2015 to continue service delivery. As such the Council is unable to ascertain whether the proposed figures adequately reflect these costs. The Council would request that information, including the value, term and supplier, of all contracts or SLAs is urgently provided to the Council.
- The Council also seeks clarification that sufficient resource has been made available for (development management) advertising costs in Belfast. Figures (unverified) provided to the Council indicate costs of in the region of £8,000 per week. It is not clear from the paper whether this has been accounted for.

### **Development Plans**

#### **PARA 2.13-2.16**

- The paper suggested that a further £10k per council is available for development plan consultancy and £16.3k per council for publishing and printing.
- The Council would be of the view that this figure falls significantly short of the resources that will be required for the development and maintenance of the proposed Development Plans under the new Act and based on the past experience.
- Significantly greater resources are required to support this process in Belfast to address the specialist support required to ensure housing, employment, retail and transport strategies are robust and aligned to regional aspirations. The Council would like clarification, for example, of how this figure has been calculated and the comparison to the resources devoted to the production of BMAP and the technical supplements that support the final strategy. The notion of annual peaks suggested in the paper does not take account of the additional processes introduced within the new act including the requirements for regular reviews of plans.
- The Council would also highlight that the proposal paper also makes no provision for resources being transferred to councils (unless notionally within Administration) to cover the cost associated with the actual Inquiry or the associated processes that could include Judicial Review.

### **Habitat Regulation Assessments**

#### **PARA 2.17 HRA**

- The DOE is currently finalising options regarding this. The Council would like clarification as to whether there is any budget relating to this included within the proposed allocation. In the absence of the

budget provision there should be clarity as to the support to be provided in this regard and the associated processes.

### **Corporate Overheads**

#### **PARA 2.19**

- Greater clarity is required in relation to how each of the components within this section has been calculated and what costs these 'cover'. For example, are there ICT elements within the Information Management or Training Budgets and does this account for the lack of defined ICT budget transferring to Councils?
- The Council also notes that there is no clear provision to support enforcement. In the greater Belfast area between 300 and 500 enforcement actions are undertaken annually and as such the Council contend that there should be resources identified for the primarily legal specialist support that is required for case officers in respect of appeals, notices or other legal processes.
- The paper proposes £88k total funding to all 11 councils for legal costs. The Council requests clarification as to how this figure was calculated based on the existing levels of support from the DSO / specialist external sources and the level of support that an individual budget of approximately £8,000 per Council is anticipated as providing. This figure may only reflect miscellaneous legal advice by external providers as it is understood the DSO does not record the proportion of their time spent on planning. However from an initial assessment the Council is of the view that this is a gross under estimate of the potential legal support costs required to support the full range of functions.

#### **PARA 2.23**

- A more comprehensive breakdown is required of how the proposed £2k is reached to ensure it will adequately meet the actual costs.
- Upon initial assessment, however, the Council believes that the £2k proposed is insufficient to cover the overheads associated. In particular we would contend that this fails to take account of the increased costs associated with rent/accommodation in Belfast by comparison to elsewhere.
- The Council would also like confirmation that any agreed figure will be allocated to each transferring staff member, as opposed to each FTE. The Newry-Mourne-Down pilot for example as highlighted to confusion that can be caused by failing to take account of the number of staff versus the number of posts; and the Council would argue that notional costs are per head as opposed to per FTE.
- Finally, it is suggested that there is also a lack of clarity as to the treatment of the £400 relating to HR Connect.

### Overall Proposed resource Allocations

#### PARA 2.25

- The Council would seek assurance as to where the £400 per person is reflected in the proposed allocation.

### Shared Services

#### PARA 3.1-3.6

- It is suggested that the proposed annual maintenance costs of the Planning Portal will be allocated between DOE and councils on a per head basis. This proposal requires clarification in terms of the terminology – it is not clear if the suggestion is a split between the 12 planning authorities on an equal basis or some other interpretation of “per head”. On a general point it is not clear what the projected costs for the Portal actually are or where the ongoing /transitional costs have been included in the tables.

### Transitional Costs

#### PARA 4.1-4.11

- The paper contains insufficient detail on ICT costs - particularly with regard to the Portal SLA, Account NI, Property certificates. For example, it is unclear whether the £2k includes training costs or IT Assist.
- The Council notes that the likely licensing costs associated with HR Connect does not appear to be accounted for within the £400 and that there are likely to be variances between the NICS licensing costs and those of the Council.
- The Council would request further information on annual infrastructure costs e.g. Citrix Access gateway
- It is also noted that there is no budget reflected to fund any required changes to the system (approx. £60,000 per change) and no budget for system replacement and the system must be replaced by March 2019.
- The Council also highlights that there will be a revenue resource requirement to cover the annual support and maintenance of the Network NI connection in Bedford House (£12,000), resilient connection to the Planning Portal (est. £8,000) and Installation (£12,000) + annual support and maintenance, Mitel VoIP system which will be rolled out to Bedford House. There may also be a requirement for additional licensing. These figures do not appear to be reflected in the budget proposal.
- As DOE will be aware BCC are currently seeking to maintain a presence in Bedford House in the interim until suitable alternative accommodation is found. Belfast City Council would therefore request that relocation monies made available to other areas in 14/15 could be similarly made available to Belfast at the appropriate time.
- The Council notes that 2 PCs are required for a transitional period, and this cost is met by councils. However, if related to the transition period this should be clearly treated as a transition cost.



In addition the hardware is proposed to be provided for transition but there is no specified duration.

- For clarity the council would request further detail of what ICT equipment will transfer to the Council and any outstanding ICT equipment requirements including printing and scanning; and whether these costs will be met by DOE.
- The Council would seek assurance that councils will be remunerated for the cost of providing work stations for transferring staff.
- The Council notes that DOE assume that any increase in cost would be immaterial. Although this may not be the case for 39.5 staff, when the transfer of functions is viewed as a whole, a material increase will arise that will have to be met by councils. In addition to this there is also employer's liability and officers indemnity that will increase in line with the increase to the council's salary costs.
- Staff from DOE will be bringing key T&Cs, HR policies and payroll requirements which are not established in the Council's existing processes and systems. The council and our systems will therefore have to actively respond to the needs of transferring-in staff by adding to or developing their existing resources in order to cope and to meet their obligations under TUPE. This will clearly have significant resource implications both at the point of transfer and going forward, in managing these key differences.
- As such, we would like an assurance that an amount and terms would be agreed with each council for transitional costs that could be accessed upon the costs being incurred post April 2015.

#### **Annex B**

- Though the proposed staffing numbers (39.5) for Belfast reflect a considerable reduction from original estimates the Council is content that there is sufficient capacity to meet the demands of development management.
- However, the Council has significant concerns that there is insufficient resource being made available to support the new development planning function; both in terms of staffing support and the ability to avail of external/third party support. It would also contend that the current allocation fails to acknowledge the potential complexity of development planning in Belfast. The Council would therefore wish to review the proposed resource allocation in this light.
- There is a proposal to retain 75 staff in the centre along with an associated budget. There is an absence of any detail as to the roles or functions of this significant resource or any clear business case for this level of staffing either in the document or appendices. As this has a significant impact on the residual staffing of the individual Councils further explanation is required around this issue and the associated resource allocations.

### **Concluding Comments**

The council would once again like to thank the Department for the opportunity to comment upon the proposal paper and acknowledges that this is a preliminary draft that requires further work.

Certainly, greater detail is required on how the proposed figures were reached in order that due diligence can be carried out. Also, the council wishes to stress the importance of adequately resourcing both customer-facing and corporate services - such as HR, ICT, legal services, financial services and business support - during a period of significant change.

Belfast City Council would therefore like to have an opportunity to meet with the Department to discuss these comments in greater detail in order that the particular circumstances and needs of the city are reflected in the proposal.

#### **Further Information**

Eve Bremner, Programme Manager, Belfast City Council  
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The Committee approved the draft response.

### **Department the Environment Expenditure Controls**

The Committee was reminded that, in May 2014, the Department of the Environment had issued, to all councils, a Departmental Direction and Guidance in relation to the introduction of expenditure controls for the period during which the eleven new councils would operate in shadow form. The Departmental Direction, which had been made under Section 10 of the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 2010, stated that existing councils may not, without the written consent of the new council:

- (a) make any disposal of land, if consideration for disposal exceeded £100,000;
- (b) enter into any casual contracts:
  - (i) under which the consideration payable exceeded £250,000;
  - (ii) which included a term allowing the consideration payable to be varied.
- (c) enter into any non-capital contracts where consideration exceeded £100,000. Such contracts may include:
  - (i) employment contracts (for example, individual employment contracts over £100,000 per annum and fixed-term contracts

of employment exceeding £100,000 in total over the fixed-term period);

- (ii) service contracts (for example, asset maintenance contracts);
- (iii) revenue contracts (for example, accountancy or legal services).

It was pointed out that similar expenditure controls had been introduced by the Department during the operation of the Statutory Transition period and the release of the guidance did not preclude the necessity to follow Belfast City Council Standing Orders and the associated process for entering into contracts and land disposals requiring approval through the Strategic Policy and Resources Committee and the full Council.

Accordingly, the Committee was recommended to give its consent to the following non-capital contracts which had already been presented to the Council's Strategic Policy and Resources Committee:

<b>Contract name</b>	<b>Estimated value over period of new contract and duration</b>	<b>Contract duration</b>
ERDF funded business mentoring and support programme	£255k - the council is only liable for 25%	1 year
PS Enterprise renewal (HR and payroll system)	£240k	5 years
SAP support and maintenance (Finance and electronic procurement)	£145k	3 years
SAP licensing (Finance and electronic procurement)	£180k	3 years
Clockwise support and maintenance (Time and attendance)	£140k	3 years
Operator for Innovation Centre	To be determined through competitive dialogue process	8 years + 2
Interim management arrangements	£130k	20 months
Electrical supplies and lamps	£553k	3 years
Minibus/courier service	£280k	3 years
Taxi service	£110k	3 years

The Committee adopted the recommendations.

## **Asset Management**

### **Reports Considered by the Strategic Policy and Resources Committee**

The Committee was advised that the City Council's Strategic Policy and Resources Committee, at its meeting on 19th September, considered reports in relation to the Lord Mayor's Vehicle and the Fleet Livery and agreed the following:

#### **Lord Mayor's Vehicle**

The Committee had agreed:

- that the tender for the lease/purchase include all civic vehicles;
- that the options in relation to the replacement of the vehicles include the possibility of purchasing/leasing second hand vehicles; and
- that officers investigate the possibility of sponsorship for the replacement of the vehicle

After discussion, during which several Members expressed concern at the high level of the specification of the replacement vehicle, the Committee noted the decision of the Strategic Policy and Resources Committee.

#### **Fleet Livery**

The Committee was advised that the Strategic Policy and Resources Committee had agreed the following:

- to procure all future assets in one colour and apply the Belfast City Council decal estimated savings of which, whilst phasing out the older two-tone livery as vehicles ended their life cycle, would be £338,000; and
- granted approval to explore the benefits of advertising on the fleet assets with the potential to generate additional income and to promote key community messages of benefit to the Council and that a more detailed specific report be submitted to Members in due course.

The Committee endorsed the decision of the Strategic Policy and Resources Committee in relation to the fleet livery.

## **Human Resources**

### **Organisational Development and Strategic Planning**

The Committee considered the undernoted report:

**“1 Relevant Background Information**

**1.1 This purpose of this report is to update Members on work to ensure the organisation and its decision making processes are fit for purpose for its new roles and responsibilities. In particular, the report is intended to:**

- **Update Members on the outcomes based approach to city and Council strategy;**
- **Outline how this approach can inform Members’ considerations of the type of organisation they want the Council to be and consequently the type of governance and organisational design required;**
- **Outline the processes which will help to develop options for the new organisation structure;**
- **Update Members on the immediate HR and organisational development issues and in particular agree to establish and recruit a lead Planner post.**

**2 Key Issues**

**2.1 Developing the Strategic Direction – a prerequisite for governance and organisational design**

**In the past, Members have led the strategic (or long-term) planning process in the Council through the corporate planning process or through the development of other major policies and strategies such as the Investment Programme. The new duty of community planning now broadens the scope of Members’ role in strategic planning in that it is not limited to the role of the council but includes the long term future of the city and the strategic contribution of our partners.**

**Members have consistently said that the starting point for consideration of issues such as investment, governance and organisational development and design should be the outcomes that these are intended to achieve for both the city and its neighbourhoods, whether those be economic growth, reducing inequalities, improving skills levels or investing in physical infrastructure and facilities.**

**The process for the development of a ‘Belfast Agenda’ (working title) with clear outcomes will take place over the next 6 months. We intend to start this in the next few weeks by engaging an expert who will work with Members and other city stakeholders to establish agreed city outcomes which relate to both the city as a whole and its neighbourhoods. We will then use an approach known as outcomes based accountability (which Members of the Transformation Committee received**

training on) to identify what we need to do to achieve these outcomes and how we will measure success.

It is intended that the expert engaged to assist in this process is familiar with the system we currently use for corporate planning.

Members have already agreed a budget for supporting this work and are therefore asked to agree that it is now progressed as a matter of urgency. Members are asked to note that there will be significant engagement with them over the coming months so that progress in establishing a high level strategic direction can be made as quickly as possible.

The agreed priorities will then have an impact on the committee structures and organisational design.

## **2.2 Taking forward Organisation Development and Design**

As outlined, alongside consideration of the Council's strategy and priorities, it will be necessary to re-design the organisation, to ensure it is fit to deliver those priorities and ambitions. The proposed process for this is outlined below and Members will be engaged at each stage.

- (1) assess the organisation needs and priorities (in line with emerging strategic direction);**
- (2) agree the improvement opportunities and design principles;**
- (3) develop options, evaluate, test, refine and agree options; and**
- (4) implement and review.**

Members are asked to note, that as previously agreed, the Local Government Association (LGA) will help us undertake a corporate peer challenge process which is an improvement tool that assesses the organisation's performance across core competencies and identifies areas for improvement.

This will also support the development of the future governance arrangements and organisational design and help us to prioritise other organisation improvements. Members will be engaged in this key strand of our OD work over the next few months.

Work will also start in the very near future with the LGA on a detailed analysis of the number of layers of management that the organisation needs (and the units within it) to achieve our

purposes most effectively and the decision-making authority that managers in different layers require.

Both processes (ie the Corporate Peer Challenge and the Decision Making and Accountability analysis) are significant, far reaching and complex pieces of work which will require a major programme of internal communication and engagement activity with staff and trade unions across the whole organisation.

The resultant analyses along with the work on the strategic direction of the Council will ensure that Members are in a position to consider best practice, evidence-based options for an efficient and effective Council structure with the capacity to maximise the benefit of the Council's new powers and ambition.

### **2.3 Immediate actions - Lead Planner**

While the organisation wide restructuring programme is progressing, work has advanced on priorities previously agreed by Members for organisation development and design including:

- Interim arrangements for the Council's senior management team pending the new organisation structure.
- Temporary resources for Democratic Services to meet the increased demands of the shadow arrangements.
- Implementation of the Leisure Transformation programme.
- Identification of the strategic, legal, financial and HR issues associated with the service delivery model for the Waterfront Hall.
- Staff transfer from Lisburn and Castlereagh and central government.
- Assessment of the impact of the new powers and functions on support services such as Audit Governance & Risk and Legal Services.
- Ongoing delivery of a capacity building programme for Members and staff.

The issue of capacity is perhaps most urgent in terms of preparing for the transfer of the planning function to Council. As Members are aware, this is an important service that carries significant opportunity for the Council and the city as well as risks that need to be managed, in order that a fully effective service is provided on transfer.

Members are therefore asked to agree to the creation of a lead planning officer post to lead and manage the Council's spatial planning and place shaping functions ensuring the delivery and improvement of services that meet the needs of our city, citizens and stakeholders.

Given the pivotal role of the lead planner in ensuring the future development of the city is in line with Members' ambitions for growth and competitiveness and improved quality of life for citizens it is proposed that an executive search exercise is undertaken for the recruitment of this post.

A timely and targeted executive search exercise, to provide a strong and competent field of applicants for this post, will include research into current market conditions; assistance in defining search geography; advice on ways to attract talent; identifying and encouraging suitably qualified and experienced applicants to apply, providing impartial advice to applicants on their suitability or unsuitability for the role, undertaking a preliminary short-list of the candidates and, if required, conducting initial preliminary 'sifting' interviews for the selection panel.

Once executive search has provided a field of suitable applicants, the appointment of the Council's lead planning officer will be carried out in accordance with the LGSC Code of Procedures on Recruitment and Selection for chief officer appointments.

In line with this, it is suggested that the selection panel should comprise:

- the Chair of the Shadow Strategic Policy & Resources Committee;
- the Deputy Chair of the Shadow Strategic Policy & Resources Committee ;
- one other elected Member from the Shadow Planning Committee from a political party not already represented by the Chair or Deputy Chair
- the Chief Executive
- a council director;
- a professional assessor (who will have no voting rights); and
- a LGSC observer, if required, (also with no voting rights).

The composition of the selection panel must reflect a fair balance in terms of community background and gender and all



panel members will be required to attend recent and relevant training in non- discriminatory recruitment and selection techniques.

The following recruitment and selection timeframe is proposed:

<b>Recruitment and selection activity</b>	<b>Date</b>
<b>Executive search activity</b>	<b>Oct 2014</b>
<b>Public advertisement (to include MJ and LGC)</b>	<b>Nov 2014</b>
<b>Closing date for application forms</b>	<b>Nov / Dec 2014</b>
<b>Preliminary short-list</b>	<b>Dec 2014</b>
<b>*Panel short-list (first stage)</b>	<b>Dec 2014</b>
<b>Preliminary interview stage</b>	<b>Jan 2015</b>
<b>*Panel short-list (second stage)</b>	<b>Jan 2015</b>
<b>Formal assessment process</b>	<b>Jan / Feb 2015</b>
<b>*Panel short-list (third stage)</b>	<b>Jan / Feb 2015</b>
<b>* Panel interviews</b>	<b>Feb 2014</b>
<b>Appointment of BCC Lead Planning Officer</b>	<b>Feb / Mar 2015</b>
<b>Appointment reported to Committee and ratified by Council</b>	<b>Mar / Apr 2015</b>

\*Elected Members nominated to constitute the selection panel need only attend on these dates.

#### **2.4 Performance Management**

In July the Council agreed to interim changes to the senior management team, pending the development of the new organisation structure including adjustments to the director pay scale to align to the new Chief Executives' pay scale (based on independent advice from the LGSC and Local Government Association). Apart from the creation of the Deputy Chief Executive role directors did not automatically move their pay-points on the scale (in line with existing council agreed procedures movement through the scale is annual progression based on satisfactory performance , or, in exceptional circumstances, individual evaluation of significant additional duties).

Members should note however the Chief Executives of the new councils must conform to a performance appraisal process and it was agreed in July that senior managers in the Council will also be required to undergo similar performance appraisal. This scheme is therefore being reviewed and will be implemented in line with the timeframe for the Chief Executives appraisal. Members will be updated on the Councils individual performance management arrangements as part of the ongoing

work on organisation development and design.

**3 Resource Implications**

- 3.1** Costs for the work outlined have been factored into the budget estimates for 2014/15 or are included as part of the funding allocation for capacity building. This includes a budget to fund the engagement exercises and to meet the cost of additional expertise as outlined above. The cost of the executive search for the recruitment of the lead planning officer will be subject to a four quote specification process based on quality and price and will be within the limit set for delegated authority.

**4 Equality and Good Relations Considerations**

- 4.1** Equality and Good Relations will be key considerations in taking forward the development of the Council's strategy. The process will be subject to the Council's policies on equality and good relations.

**5 Call In**

- 5.1** This decision is subject to Call In.

**6 Recommendations**

- 6.1** Members are asked to note on-going work and to:

- Note the process for development of the Council's strategic direction so that this can inform considerations of governance and OD;
- Note the commencement of the process for organisational design (Peer Challenge and Decision Making and Accountability analysis);
- Agree to create and recruit a lead planning officer for Belfast City Council and agree the composition of the selection panel with authority delegated to the panel to make the appointment and report the outcome back to committee for notation.
- Note the process for taking forward directors performance appraisal."

The Committee adopted the recommendations and agreed that the Elected Member representation on the selection panel should comprise the Chairman and Deputy Chairman of the Shadow Strategic Policy and Resources Committee and the Chairman and Deputy Chairman of the Shadow Planning Committee.

**Cross-Cutting Issues**

**World Cafe Europe: Age Friendly Project**

The Committee considered the undernoted report:

**“1 Relevant Background Information**

- 1.1 World Café Europe is a non profit organisation that works to provide opportunities for individuals and organisations to come together to exchange knowledge and to work collectively to address the issues that matter.**
- 1.2 World Café Europe is planning to submit a proposal to the European Commission to use engagement to give citizens an authentic voice in the development of the Age-friendly City in which they live.**
- 1.3 The project aims through various forms of engagement to gather insights that will help shape EU policy making on Age-friendly Cities and Communities as well as providing inspiration and support to others.**
- 1.4 World Café Europe, with the support of the World Health Organisation, has identified five European cities that they believe can bring a unique perspective to this project from their efforts to create their own Age-friendly City. Belfast has been identified as one of these cities and invited to become a project partner together with Kristianstad (Sweden); Győr (Hungary); Ljubljana (Slovenia) and Udine (Italy).**
- 1.5 It is proposed as part of the project that Belfast would host a ‘World Café’ event for 200 invited participants including local older citizens and representatives from the four European project partners. The dialogue for this event will be agreed locally to address issues relevant to our City and planned with the support of World Café Europe. Similar World Café events will also be held in Győr, Ljubljana and Udine.**
- 1.6 During the World Café dialogue people will participate in intimate conversations at small tables in a relaxed atmosphere similar to a European coffee house. As the conversation unfolds, people move between tables, cross-pollinating their ideas around the questions that really matter to their lives or work. The innovative design of World Café fosters shared listening to everyone’s ideas and enables new perspectives to emerge, creating both mutual respect and innovative possibilities for action.**

## **2 Key Issues**

**2.1 Belfast, together with four other leading European Cities has been invited by World Cafe Europe to apply to the European Commission for funding to deliver a programme to engage citizens to help create Age-friendly Cities for all Europeans.**

**2.2 It is anticipated that the World Cafe event will provide Belfast with a unique opportunity to:**

- **identify an important local issue that effects older people in the city and to engage local citizens, with the support of World Cafe Europe, in an innovative way to share knowledge and action.**
- **support the community planning process,**
- **share learning with other leading European Age-friendly Cities,**
- **influence European policy development on Age-friendly Cities,**
- **train a number of older people in the City as dialogue facilitators,**
- **assist dialogue on the development of intergenerational age-friendly neighbourhoods,**
- **help us to expand involvement of isolated older people in the Age-friendly Belfast approach –for example older carers and minority ethnic groups,**

**2.3 World Cafe Europe will lead and coordinate the application and delivery of the programme. It is anticipated the 18 month programme would commence April 2015.**

**2.4 As project partner Belfast City Council would be expected to provide a local project coordinator who would:**

- **attend two project team meetings in Munich,**
- **send a representative to the world cafes events in other partner cities**
- **coordinate two site meetings with World Café Europe in Belfast to plan the event and meet local stakeholders,**
- **identify venues, plan, deliver and analyse a World Cafe event in Belfast,**
- **plan communications including a press conference and social media,**
- **provide project documentation including reflection on analysis and evaluation,**

**2.5 It is anticipated each World Café will be allocated a budget of 30,000 Euros. With approximately 20,000 Euros being allocated**

to the City Council to cover costs for required infrastructure, travel, project documentation etc. and approximately 10,000 Euros allocated to World Café Europe for project management and support services provided.

- 2.6 As project partner Belfast City Council would be required to provide the services of a project coordinator as its contribution in kind. It is anticipated that this will be provided for within the existing budget estimates and at no additional costs.

**3 Resource Implications**

**3.1 HR Implications**

Contribution of existing staff time for project

**3.2 Financial implications**

No financial implications as external funding anticipated to cover additional costs.

**3.3 Equipment Implications**

None

**4 Equality and Good Relations Considerations**

**4.1 None**

**5 Recommendation and decision**

- 5.1 To agree to Belfast City Council becoming a partner with World Cafe Europe and other leading European Cities to apply for funding to the European Commission to deliver the World Café project.

- 5.2 To agree to the use of the Council facilities to host the World Cafe event in Belfast.”

The Committee adopted the recommendations.

**Review of the Northern Ireland Tourist Board  
and wider Tourism Structures**

The Director of Development submitted for the Committee’s consideration the undernoted report:

**“1.0 Purpose of report**

**1.1 The purpose of the report is to provide members with a draft response to the current review of the Northern Ireland Tourist Board (NITB) and wider tourism structures which was launched by the Minister for Enterprise, Trade and Investment in summer 2014.**

**2.0 Relevant Background Information**

**2.1 The Minister of Enterprise, Trade and Investment commissioned an independent review of the Northern Ireland Tourist Board in December 2013. The work was carried out by John Hunter. The draft findings were issued for consultation in summer 2014. The closing date for submissions is 30 September 2014.**

**3.0 Key Issues**

**3.1 The document is wide-ranging and covers a range of issues from branding and marketing to governance, collaboration and skills development. While NITB is the main focus of the report, it also includes a range of other organisations actively involved in business support for the tourism industry including local councils, Invest NI, Tourism Ireland and Department for Employment and Learning (DEL).**

**3.2 It incorporates a range of key recommendations including:**

- Need for Northern Ireland Executive to publish an updated strategy for tourism**
- Need for NITB to continue its work with Invest NI to develop an economic development brand for Northern Ireland**
- Need for NITB should clarify roles and responsibilities with key partner organisations, including the new District Councils, through Memoranda of Understanding**
- Need for NITB and Tourism Ireland to deepen their relationship through improved communication and enhanced collaboration, with robust and clear targets for increasing tourism numbers based on the updated Strategy for Tourism**
- Proposal that NITB appoint ‘pillar managers’ for each of its five experience pillars, working alongside existing destination managers in order to coordinate its service provision more effectively**

- Proposal for Invest NI and DEL/People 1st should continue to provide business support services and training services respectively to the tourism industry, albeit with a call for greater clarity around roles as well as the need for improved communication to the industry in order to avoid duplication of activity
- Call for an overall review of the skills needs of the tourism sector by DEL in order to ensure that future growth prospects are met
- Proposal that internal re-structuring within NITB to ensure more coordinated delivery of its portfolio of services as well as ensuring that the service is more client focused
- Suggestion that, in order to signal the scale of its envisaged transformation, NITB should be re-named.

**3.3** The consultation document consists of a series of more than 30 specific questions that relate to these broad proposals and respondents are asked to make their comments against each of these. The proposed Belfast City Council response is attached as Appendix 1. Some of the proposed key comments are:

- Support for a Tourism Growth Fund with significant resources to meet the ambitions around future growth within the tourism sector
- Suggestion that an MoU is developed between NITB, Visit Belfast and Belfast City Council to clarify roles around visitor servicing and city promotion
- Recommendation that NITB and TIL work to address any ambiguity around roles and functions as well as consistency of message
- Commitment to developing a new ‘narrative’ for the city with the request that NITB use this in their campaigns and commitment to ensure that it complements the work already under way at regional level
- Suggestion that the current grading system for accommodation needs to be addressed, given the rising interest in concepts such as ‘Air B n B’ and taking account of accommodation shortages for major events
- Request that NITB and People 1st/DEL look at the skills issues within the sector, particularly higher end skills and progression routes within the industry.

**3.4** Members will be aware that Belfast City Council is currently in the process developing a new tourism strategy for the city, in conjunction with NITB and other partners. This reflects the

value of tourism to the economic future of the city. In 2012 tourism was worth in excess of £450m to the Belfast City/ Northern Ireland economy, equating to almost 10,000 full time equivalent jobs. Draft figures for 2013 show a similar economic impact.

- 3.5 The draft strategy will run to 2020 and includes a range of very ambitious targets, including generating an annual economic return of £876m to Belfast and Northern Ireland by 2020. This requires an increase of almost 100% on current performance by the strategy end date. This target has a number of caveats. These include addressing a number of macro issues including; air access, need for greater hotel provision within the City and need for investment funds. These proposals are included within the draft council response.
- 3.6 Members should note that the draft tourism strategy will be presented to the Shadow SP&R Committee meeting in October 2014 for input and endorsement. Subject to approval and ratification by council, it will then be issued for consultation.

#### 4.0 Recommendations

##### 4.1 It is recommended that members:

- Note the draft response to the review of NITB and wider tourism structures
- Agree to submit this as the council response, subject to ratification of Shadow Council in early October.

#### **Review of the Northern Ireland Tourist Board (NITB) and wider Tourism Structures**

##### **Draft Belfast City Council response – September 2014**

###### **Recommendation i**

**NI Executive should publish an updated Strategy for Tourism at an early date (page 16):**

The production of an updated NI Tourism Strategy would be a welcome addition. Belfast City Council in partnership with NITB will finalise a tourism strategy for Belfast City in 2014. According to NISRA around 60% of tourism revenues for Northern Ireland are generated in Belfast. Therefore it is vitally important that the tourism strategy for Belfast City is aligned with that of Northern Ireland and that the two are mutually supportive.

Belfast's role as a demand generator and gateway needs to be properly acknowledged in any new regional strategy for tourism. A draft Belfast Tourism Strategy report indicates that a realistic target for the economic value of tourism to Belfast in 2020 is £876m. This is subject to a number of caveats including enhanced partnership working with DETI and regional



agencies such as NITB. If fulfilled, this will go a significant way to delivering upon the regional agenda for tourism. NITB, DETI and Tourism Ireland officials been involved in the development of the strategy. Key macro issues highlighted in the strategy include improved air access into Belfast, the need for a significant number of additional hotel bed spaces, review of licensing laws, and access to relevant investment funds. A sense of urgency should be attached to this recommendation.

**Recommendation ii**

**DETI Minister should chair Inter-Departmental Group to oversee progress in the implementation of the new Strategy (page 17):**

This would be a very positive step and would help give the strategy the profile that we feel it merits, given the potentially significant return that can be expected from tourism in the region. DETI would naturally lead this process ensuring other Departments are aligned with the strategic priorities for tourism. Ideally any new regional Tourism Strategy would detail the responsibilities of each Department in respect of tourism under the stewardship of DETI.

This process should also engage with Local Authorities in some form as key delivery partners on the Regional Strategy. Belfast City Council would welcome the opportunity to be engaged in this process given the role that Belfast can fulfil in achieving overall regional targets.

**Recommendation iii**

**DETI should strengthen its accountability frameworks for NITB and TIL, based on the objectives and targets in the new Strategy (page 1):**

A fundamental point is still the lack of a truly robust system for monitoring the value of tourism. There are perceived flaws in the existing process undertaken through NISRA. Belfast City Council has for several years engaged the services of a third party company to produce qualitative and quantitative data. At times the figures produced through the process have not aligned with NISRA statistics, therefore could be perceived to lack integrity.

As part of the new Belfast City strategy, it is proposed that a new monitoring system will be put in place. This will be based on International best practice and will utilise new technology systems. We would therefore be keen to ensure NITB buy-in to this process in order to secure consistency of approach and to share resources attached to data gathering

We consider that one of the current issues in relation to data collection is the time lag between collection and the data being made available. New technologies mean that there are now much more sophisticated ways in

which real-time information can be made available.

**Recommendation iv**

**DETI should continue its efforts to secure improvements in air connectivity and improved visa arrangements (page 17):**

Air access is a major concern for Belfast City Council in realising the benefits of tourism. In the summer of 2014, Belfast City and Belfast International airport reported a combined decline of 7% in combined carrying capacity over the same period in 2013 (Stevens 2014). This set against the backdrop of an overall increase of 14% in air capacity to Ireland, centred on Dublin airport.

In February 2014 the UK Chancellor was able to take advantage of revised EU guidelines around state aid to invoke a start-up fund to support route development from regional airports. We understand that work is under way within DETI to identify key hubs and gateways in order to improve air route access to and from the region. Belfast City Council would be keen to input into this, given that there is one airport in our boundary and another in the adjacent council areas.

Belfast City Council will seek to work with partners in Visit Belfast and NITB to encourage Tourism Ireland to focus marketing efforts around existing airports with air access into Belfast to increase numbers of discretionary visitors coming to the City and Northern Ireland. This is a short term measure which could encourage more route development by airlines, making the business case more attractive.

**Recommendation v**

**NITB should continue its work with Invest NI to develop a NI economic development brand (page 18):**

A more defined Northern Ireland brand is vitally important to the wider economic agenda for Northern Ireland both from a tourism and investment perspective. Identifying those values that set Northern Ireland in an increasingly competitive global marketplace should be a priority.

Belfast City Council is also seeking to look at how it is positioned in terms of tourism, economic and education agendas. Institutions such as Queen's University have global reach and a stronger city and regional positioning can only assist the efforts of NI institutions and businesses.

Belfast City Council will work with the City's anchor institutions to deliver this repositioning agenda. As part of the new Tourism Strategy for Belfast City, the Internationalisation agenda will be to the fore. This will require a strong brand identity to support its delivery.

Belfast City Council is keen to work with NITB and Invest NI to ensure that

the Regional and City positioning/ branding is aligned and resourced.

**Recommendation vi**

**NITB should develop a model Memorandum of Understanding (MOU) as a basis for future partnerships with the new District Councils** (page 19):

This is a welcome suggestion. As part of the new Tourism Strategy for Belfast there is a desire within the city to see a MOU developed between Belfast City Council, Visit Belfast, Tourism Ireland and NITB. This is with a view to clearly defining roles and responsibilities and bringing all of the key organisations in line in terms of the agenda for Belfast City. If challenging targets are to be achieved this is vitally important.

The MOU should look at many aspects of tourism including governance, marketing, product development, events and visitor servicing.

Belfast City Council would like to see this type of arrangement fully developed in the current financial year, with a view to roll out from next financial year. We consider that, in this work, it will be critical to agree a range of outputs and outcomes and to monitor these regularly.

**Recommendation vii**

**NITB should work with NILGA in the provision of suitable learning opportunities for Councillors and their staff in the exercise of their new powers and responsibilities in regard to local tourism development** (page 19):

This initiative would assist the transition in the adoption of new powers. Belfast City Council will have a development process for new Members and existing officers during this current financial year leading to the adoption of new powers from April 2015. However, we would welcome working with external partners in a meaningful way to enhance this process, and are keen to share any learning emerging from our work.

**Recommendation viii**

**NITB's new client facing destination managers should be based at local level, where they could help develop and implement the tourism element of Council's Community Plans** (page 19):

Belfast City Council is unclear as to the added value of this idea. It is important that NITB engage more at a local level and build relationships so that they better understand the dynamic of the local tourism sector. However, in our view, a more appropriate arrangement might be for the destination managers to help support community plans rather than suggest that they will develop and implement the tourism element of those plans. Strong partnership working should overcome any challenges associated with working across a number of institutional boundaries.

Belfast City Council considers that the emerging tourism strategy for the city will form the tourism element of the community plan. As a partner to

that strategy, NITB will be fully engaged and their commitment will be central to ensuring its delivery.

**Recommendation ix**

**NITB should establish a new Tourism Growth Fund to be financed jointly by NITB and the new Councils, with financial support from other funders, including EU Structural Funds and the private sector (page 19):**

This is a welcome suggestion. The concept of a growth fund has been highlighted in the draft Belfast Tourism Strategy. This would allow for more strategic decisions to be made and fund regionally significant capital developments.

In order to deliver upon the Tourism Strategy for Belfast, funding will need to be secured from various sources so that the 'International class' aspirations for NI tourism can be achieved. As the major contributor to tourism growth in the region, we would be keen to ensure that resources are appropriately directed at key investments which will not only support tourism development in the city, but also in the wider region.

If Belfast City is to achieve the £876m revenue target by 2020 this has a number of caveats including continued investment in product development is required from various sources.

**Recommendation x**

**NITB should develop a new MOU with Visit Belfast (page 20):**

See comments in response to recommendation V1. We would suggest that it would be more practical to ensure that any MoU involved NITB, BCC, Visit Belfast and Tourism Ireland. This will allow for better alignment of resources and collective, collaborative planning. This formalised partnership arrangement is necessary for delivering collective agendas.

**Recommendation xi**

**NITB should develop a more customer facing relationship to its larger clients and sectors through the appointment of 'pillar managers' for clusters of organisations linked to the five experience pillars (pages 20-21):**

Any initiative which helps develop partnerships in this way is welcome. Engagement of the private sector in a meaningful way is fundamentally important to the delivery of any new tourism strategy. At a destination level, having clear points of contact in NITB is helpful in ensuring more efficient ways of working.

**Recommendation xii**

**NITB should extend the development of MOUs to more of its significant partner organisations (page 21):**

This is a sensible approach as a short term solution in advance of agreement around the Regional Tourism Strategy and laterally more formalised inter-Departmental working as described in the document.

Following the ratification of a new NI Tourism Strategy these MOUs can be more specific with clearer outputs.

One of the fundamental points made during a learning journey to Bilbao in November 2013 was the need to prioritise public-public partnerships. This recommendation is useful in developing this process.

The current organisational map in Belfast for tourism is crowded, particularly in the public sector. If regional and city targets are to be achieved at a time of financial challenge, resources need to be efficiently allocated to achieve target outcomes. This requires a mature dialogue among all partners in order to ensure that resources are invested in a way that will make a difference.

**Recommendation xiii**

**NITB should convene twice a year a relatively large representative advisory body** (page 22):

Given the range of existing structure and the proposals within this consultation for additional bodies, this advisory body would need a very clear terms of reference.

A large group made up of the public and private sectors worked towards the 2012 agenda. Experience showed the group worked well as there was a very definitive focus and target. However, after 2012 had been completed it became difficult to sustain the group in a meaningful way. There are effective models in operation that could be looked at as a reference point, such as the ITIC model in the Republic of Ireland.

**Recommendation xiv**

**NITB should continue to develop its skill base and its access to outside expertise** (pages 22-23):

It is important that NITB invest in staff to ensure they have the relevant competencies to deliver on a new agenda for the organisation. Where it is more cost effective to bring the expertise in from outside that is a sensible approach.

International benchmarking should be an element of this, engaging partners such as local authorities and the private sector in this process.

NITB needs to assume a leadership role in NI tourism hence the staff need to be equipped to deliver that function.

The draft Belfast City Tourism Strategy is purporting a much more International outlook for Belfast City. This will involve continually assessing International best practise. Belfast City Council would be keen

to engage meaningfully with NITB on this agenda.

**Recommendation xv**

**NITB should continue to develop its marketing techniques, not least in regard to use of new digital technologies** (page 23):

NITB provide a useful role in the promotion of Northern Ireland in the Island of Ireland. If there was more transparency with more lead in time to these campaigns there would be greater opportunity for collaborative marketing. Campaign schedules tend to arrive with a short lead in making it difficult to dovetail activity.

New developments in new technologies should be embraced. There has been significant investment in digital infrastructure e.g. superconnected Belfast and Derry/Londonderry projects. This investment should be exploited further to consider how it can be used for new marketing techniques in these key locations. Equally, the global increase in the use of internet technologies means that serious consideration needs to be given to re-focusing marketing activities towards these areas.

More consistent messaging in areas such as greater Dublin should realise greater benefits. Second tier destinations and products should be promoted in more targeted platforms as opposed to key source markets.

Closer alignment with Visit Belfast should be pursued in terms of joint campaigns and activity. Visit Belfast has significant marketing expertise that could be more closely aligned with NITB activity. Greater alignment with Tourism Ireland must also be a priority.

**Recommendation xvi**

**NITB and TIL should deepen their relationship through improved communication and enhanced collaboration** (page 24):

This is a cost effective way of realising research material and understanding marketing trends. This relationship should remain and be developed to maximise the benefits for Northern Ireland.

The link with Tourism Ireland and Visit Britain should also be developed upon in line with the new MOU between the two organisations.

**Recommendation xvii**

**NITB and TIL should deepen their relationship through improved communication and enhanced collaboration** (page 24)

We consider that this is critical. The tourism sector at large requires that both organisations work closely together to deliver upon the wider economic development and growth agenda.

Tourism Ireland has worked closely with Visit Belfast on a number of

campaigns and initiatives and Belfast City has seen the benefits of this collaboration. In order to ensure that this takes place in a more consistent manner, it will be important to ensure that there are clear and consistent regional and local messages that they can carry and promote.

While the private sector in Northern Ireland is represented on the Tourism Ireland Board, it is vitally important the Chief Executive from NITB also sits on this Board. This will ensure more continuity between the roles, remits and messaging from both organisations and will present greater opportunities for collaboration and resource sharing.

**Recommendation xviii**

**NITB and TIL should exploit the new NI economic development brand, when developed (page 24):**

This is an important development. If Tourism Ireland is to be asked to adopt the NI brand, it will be important to ensure that it is appropriately tested in those international markets identified as priorities for Northern Ireland, not just home markets.

In 2014 Belfast City Council will lead with City anchor institutions on the development of a new Belfast City brand/ positioning. This will be usable across tourism, economic and educational agendas. Belfast City Council is keen that NITB, Invest NI and others fully engage with this process to ensure alignment with the regional branding.

**Recommendation xix**

**NITB should undertake market research into the value of the current star grading system for accommodation (page 25):**

This would be a valuable exercise to undertake. While the current system has some considerable value, it does not fully reflect new trends and developments such as Air BnB.

As part of the Belfast Tourism Strategy, it has been suggested that consideration should be given to new types of accommodation to meet the needs of the target markets for Belfast City. It is unlikely that the current regulatory system would allow for new accommodation types to develop in the City so we would welcome a wider look at how this could be resolved. This could include initiatives such as pop up hotels and five star hostels. Belfast is currently bidding to host a major event which will require the development of novel approaches to meet the shortfall in accommodation. While the current system does provide assurances, it would be useful to reflect the growing areas of market demand and to consider how their accommodation requirements could be met within a grading system that remains transparent and robust.

**Recommendation xx**

**Invest NI should continue to provide business support services to the tourism industry, signposted by the NITB's new destination and pillar managers (page 26):**

It is our view that NITB continues to be the body most associated with tourism development. As a result, companies are more likely to be drawn to their support and the organisation has a range of expertise in dealing with these businesses. On the other hand, engagement between the tourism sector and Invest NI is relatively low at present, potentially the result of a lack of visibility of the services on offer.

The key issue is to be clear to those businesses requiring the support what is available to them and to be flexible in providing the support.

**Recommendation xxi**

**Invest NI should remain responsible for the administration of accommodation grants, pending the outcome of DETI's planned review (page 27):**

Belfast City Council considers that the grant administration is a secondary issue: the priority issue is the need to take a proactive approach to supporting future hotel developments in order to meet the projected demands for the city. For example, in order to realise the KPIs around the £30m development of the Waterfront Hall Belfast, it is estimated that an additional 3000 hotel beds will be required by 2020. A recent study by ASM Howarth indicates that it is likely that 500 more hotel bedrooms will come online by the end of 2016. This suggests a significant shortfall in provision in the city.

**Recommendation xxii**

**Invest NI should take the lead in evaluating major (multi-million pound) tourism with NITB support (page 27):**

Belfast City Council agrees with this recommendation given the expertise of staff members within Invest NI. NITB should support this agenda utilising staff experiences in this sectoral area.

**Recommendation xxiii**

**Invest NI and NITB should continue to explore joint initiatives as circumstances emerge (page 27):**

Greater cooperation and alignment between both organisations can only be a positive outcome. There is significant expertise within both organisations therefore closer working can only help deliver upon regional agendas. This theme is echoed across all our comments. Belfast City Council is also content to be part of that planning, with regard to developments within the city.

**Recommendation xxiv**

**Invest NI and NITB should co-locate when NITB's current lease expires in 2016 (page 27):**



Financially and logistically this would seem like a pertinent recommendation.

**Recommendation xxv**

**Invest NI and NITB should explore opportunities for the provision of common back office services as current contracts come to an end (page 28):**

Opportunities for synergies and operational efficiencies such as this should be developed where appropriate. We understand that this takes place already.

**Recommendation xxvi**

**Invest NI should take over the NITB's responsibility for processing grant payments (page 28):**

NITB have over the past number of years improved the grants system. However, as above, it may be useful to look at where the most appropriate fit for this service would sit. We are aware from other experience of engagement with Invest NI that they have a strong grant management and administration system in place.

**Recommendation xxvii**

**DEL should initiate a review of the tourism sector skills needs, in conjunction with NITB and People 1st, with substantial industry involvement (page 29):**

This is an ongoing challenge. Training excellence displayed in attractions like Titanic Belfast is not replicated across Northern Ireland and this needs to change if our growth ambitions are to be achieved.

Initiatives like Welcome Host are helpful but don't address many of the skills shortage within the industry.

The Belfast Tourism Strategy indicates the need to look towards international best practice in organisations like Cornell to truly move the tourism sector and wider hospitality sector to the standard expected by the visitor. This will in part overcome the leadership deficit within the sector.

We consider that this is a priority area. Excellence in standards across the tourism and hospitality sectors is required to deliver upon the regional and local objectives. The relocation of the hospitality and tourism faculty of the University of Ulster to its Belfast campus presents a significant opportunity to create flagship training schemes to support the growth of quality tourism products and service.

**Recommendation xviii**

**NITB should monitor the training needs of the industry** (page 30):

NITB will be well placed to monitor training needs if working at a local level. However, NITB need to work with partners to identify International best practice and proactively identify emerging tourism trends to allow the wider sectors to satisfy tourist demand for quality and service.

People 1st has a critical role to play in this work as well and they already produce a range of quality reports on standards and training needs across the industry.

**Recommendation xxix**

**NITB's new organisational structure should involve the restructuring of the Product Development Directorate as a Directorate of 'Destination Areas and Experience Pillars' around a combination of destination and pillar managers, with the latter covering clusters of regional organisations associated with each of the five experience pillars** (page 31-32):

This would seem a logical way of delivering upon the recommendations within the paper. However consideration may be given to the language which, outside of the sector, may not be clear. In this regard, NITB should consider, in particular, how businesses might regard these designations and how they may or may not be able to understand what they mean.

**Recommendation xxx**

**NITB's other Directorates should be remodelled to provide support for the new Directorate** (pages 31-32):

This seems a prudent approach, albeit that we assume that it will emerge as part of the wider organisational re-design.

**Recommendation xxxi**

**NITB's new Chief Executive should assume early responsibility for the development of the new organisation structure** (page 32):

The new Chief Executive should have the opportunity to lead the change management process. It is important to find the correct delivery model within NITB for the future delivery of tourism within Northern Ireland. Constant minor changes over the past number of years have caused some confusion externally. The early appointment of a new Chief Executive can help address this issue.

**Recommendation xxxii**

**NITB should engage in an organisation development and culture change programme to embed the transformation on the client** (page 32):

This is a logical approach and should ensure that activity is aligned with client needs.

**Recommendation xxxiii**

**NITB's name should be changed in order to signal the scale of the envisaged transformation** (page 32):

A new name should reflect the roles of the organisation. Visit NI may be a logical suggestion, given the 'Visit...' designations used by the regional cities in their tourism development and promotion activity."

The Committee approved the draft response.

**Reports for Notation**

The Committee noted the minutes of the meetings of the Audit Panel of 16th September and the Budget and Transformation Panel of 11th September, 2014.

Chairman