

# Shadow Strategic Policy and Resources Committee

Friday, 24th October, 2014

## MEETING OF SHADOW STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor Stalford (Chairman);  
Councillors Attwood, Browne, Groves,  
Hargey, Hutchinson, Jones, Kingston, Long,  
McCabe, McNamee, Ó Muilleoir,, Robinson,  
Rodgers and Spence.

In attendance: Mrs. S. Wylie, Chief Executive;  
Mr. R. Cregan, Director of Finance and Resources/  
Deputy Chief Executive;  
Mr. G. Millar, Director of Property and Projects;  
Mrs J. Minne, Director of Organisational Development;  
Mr. J. Walsh, Town Solicitor;  
Mr. S. McCrory, Democratic Services Manager; and  
Mr. J. Hanna, Senior Democratic Services Officer.

### Apologies

Apologies for inability to attend were reported from Councillors Beattie, Boyle and McVeigh.

### Minutes

The minutes of the meeting of 26th September were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 7th October, subject to the decision under the heading "Regeneration and Housing Bill" being amended to provide for the addition of the following sentence, "The Shadow Council is eager to receive these regeneration powers and calls upon the Executive to progress the Legislative Bill to the floor of the Assembly without delay."

### Declarations of Interest

Councillor Jones declared an interest in respect of Item 3b in so far as he was the Chairman of the National Association of Councillors (Northern Ireland Region).

### Investment Programme

#### Area Working and Capital Programme

The Director of Property and Projects reported that the Strategic Policy and Resources Committee had, at its meeting on 17th October, considered reports in respect

of an Area Working Update and the Capital Programme and had agreed the following:

### **Area Working Update**

The Committee had noted the contents of the report and considered a proposal which had been put forward by the South Belfast Area Working Group that the 50% match funding requirement for Belfast Investment Fund projects be reviewed. It was agreed that that could be reviewed on an interim basis while the outcome of the Regeneration and Housing Bill was awaited, the status of Department for Social Development funding for projects was confirmed and as the emerging Community and Area Planning framework became clearer.

### **Capital Programme**

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

- Proposed Movements – Capital Programme: Roselawn Section Z2-Z4, that the proposed Roselawn project be progressed from Stage 2 – Uncommitted to Stage 3 – Committed and that the project be advanced to the invitation of tenders, to be awarded on the basis of the most economically advantageous tenders received with a full commitment to deliver. The Committee had noted that the Director of Finance and Resources had recommended that £1.55 million be the maximum amount made available for the project.
- Project Updates: Waterfront Exhibition and Conference facility – Venue Management System (IT system): to the procurement of a new integrated Venue Event Management System for the Belfast Waterfront Hall and that the project be advanced to the invitation of tenders, to be awarded on the basis of the most economically advantageous tenders received and with a full commitment to deliver. The Committee had noted that the cost for the project would be covered by the £450,000 which had been agreed by the Committee in August for ICT projects related to the Waterfront Hall.
- EU Projects Update – Giant's Park Environmental Resource Park – noted that a Letter of Offer for up to £6 million of European Regional Development Fund funding, managed via Invest NI, had been received for that project and that, in accordance with the Letter of Offer, the official title for the project was now the Giant's Park Environmental Resource Park, to which the Council was contributing £2 million.
- Multi-use Games Area Programme – noted the update on the Multi-use Games Area Programme and agreed with proposed

refurbishments to the areas at Dr. Pitt Park, Springfield Park, Canmore Street, Stewart Street and North Queen Street as part of Phase 2a of the Programme. Approval was also granted to initiate the necessary procurement processes (including the invitation of tenders and/or the use of appropriate “framework” arrangements) with contracts awarded on the basis of the most economically advantageous tenders received, with a full commitment to deliver. The Committee had noted that a maximum budget of £400,000 had been agreed for those refurbishments which would be funded out of non-recurrent underspend. The refurbishments would be due to be completed by March, 2015.

The Committee endorsed the decisions of the Strategic Policy and Resources Committee.

**Physical Programme - Proposed Process for the Development for New Programme 2015-16 Onwards**

The Committee considered the undernoted report:

**“1.0 Purpose of report**

**1.1 To update Members on the proposed programme for the development of the Council’s new Physical Programme for 2015/16 and beyond.**

**2.0 Relevant Background Information**

**2.1 Members will be aware that the Council’s overall physical programme is a key element of the Investment Programme and includes capital projects which are delivered under a range of funding streams including -**

<b><u>Funding stream</u></b>	<b><u>KEY DETAILS</u></b>
<b>Capital Programme</b>	<b>Rolling programme of investment which either improves existing Council facilities or provides new facilities</b>
<b>Local Investment Fund (LIF)</b>	<b><u>£5million</u> fixed programme of investment in non-council neighbourhood assets. Minimum investment of £15,000 - Maximum £250,000</b>
<b>Belfast Investment Fund (BIF)</b>	<b><u>£20million+</u> rolling programme of investment in non-council city assets <b>50% match funding requirement. Minimum council investment £250,000</b></b>
<b>Feasibility Fund</b>	<b><u>£250,000 fund</u> established to enable feasibility work to be undertaken on proposed projects to bring them to a point where Members make informed investment decisions</b>
<b>Planned Maintenance Programme</b>	<b>A rolling programme of ongoing maintenance the Council’s existing asset base</b>

Non –recurrent projects      A fixed programme of non recurring projects funded from the capital financing budget.

Leisure Transformation Programme      £105million programme to transform the Council's leisure estate

2.2 Members will however be aware that the Council's new Physical Programme from 15/16 onwards will have to reflect both the Council's enhanced boundaries which will see an additional 53,000 households joining the Belfast council area together with new and enhanced roles and responsibilities. The SP&R Committee has already agreed to reconsider BIF and LIF in the context of the changing role of the Council. There will also be a need to reconsider the Maintenance Programme in terms of transferring assets and the leisure transformation programme.

2.3 It is recommended that Members read this paper in conjunction with the 'Area Working Update' paper which is also on the Committee's agenda for discussion as the papers are closely linked.

### 3.0 *KEY ISSUES*

3.1 Members will appreciate that the Council has limited financial resources and these will be stretched even further over the coming years in terms of the increased boundaries and roles and responsibilities and the Council is under increasing pressure to deliver more with less.

3.2 The SP&R Committee, as the Council's investment decision maker, has a responsibility to focus on delivering the projects which can have maximum benefits and investment return for the city and local areas. For the interim period in terms of the new Physical Programme this will be the responsibility of the Shadow SP&R Committee.

3.3 Members therefore need to properly consider the opportunity costs of approving one project over another project. This will raise a number of key issues and hard decisions for Members in terms project prioritisation. It is therefore key that investment decisions are not taken in isolation and it is important the links and inter-dependencies between projects are taken into consideration.

**3.4 Members will therefore be aware that there are a number of key inter-dependencies in relation to the development of a new Physical Programme, including:**

- it is intrinsically linked to the rates setting process and must be seen within this context as this is how the Programme is financed
- The emerging city visioning and outcomes frameworks as part of the Community Planning process as all agreed capital projects should deliver
- the emerging area planning framework and the future role of the Area Working Groups;
- the Council is already delivering a major physical programme under its Investment Programme with over 70 projects on the Capital Programme including major projects at Connswater Community Greenway; Waterfront; Innovation Centre, a range of emerging BIF projects and over 50 LIF projects and the £105million Leisure Transformation Programme – work on these will continue beyond April 2015 and has significant resource requirements
- decisions which need to be taken under Phases 2 and 3 of the £105million emerging Leisure Transformation Programme
- the emerging Social Investment Fund (SIF) projects
- the need to consider other projects being delivered across the city by partner organisations including central government departments, the education institutions, the community and voluntary sector to ensure that the projects are looked at on a strategic city-wide basis
- the deferral of the Regeneration and Housing Bill and confirmation of which projects will be progressed by DSD –this is particularly important in the case of capital projects which were due to receive match funding from DSD and the implications this has for the Programme

**3.5 Given the above and in light of the financial pressures that the Council is facing it is important that any new capital projects which are proposed are looked at from a Programme level and not on an individual project by project basis. A number of emerging projects for transferring areas have already been put forward by Members but is vital that these are not decided upon in isolation but that the Physical Programme reflects the needs of the whole city.**

**3.6 The engagement of Members will be key to informing the development of the new Programme and it is therefore planned**

that a series of workshops are organised over the coming months to look at the whole physical programme. It is intended that a draft Capital Programme is brought to January with the final Programme to be brought back to Committee in February at the same time as the rate is agreed. It is also proposed that a prioritisation matrix, which reflects the emerging city vision and outcomes framework is developed against which emerging projects can be tested.

## **5.0 Recommendations**

### **5.1 Members are asked to note the contents of this report and**

- note the interdependencies between the development of the new Physical Programme and a range of strategic pieces which are currently underway
- note that it vital given the financial pressures that these are seen at a Programme level and not on a project by project basis
- agree that a series of workshops are held in November and December to inform the new Physical Programme 2015/16 and beyond
- agree that a draft Capital Programme is taken into Committee in January with the final Programme to be taken in February to coincide with the rates setting process.”

The Committee adopted the recommendations.

## **Leisure Transformation Programme**

(Mr. A. Hassard, Director of Parks and Leisure, attended in connection with this item.)

The Committee considered the undernoted report:

### **“1.0 Relevant background information**

- #### **1.1 At its meeting in August, the SP&R Committee were updated on the contractual arrangements being put in place in relation to the Leisure Transformation Programme, in accordance with Committee’s direction and legal advice.**

Members will be aware that following consideration of expenditure control the Shadow Council gave its consent to the award of a contract for the leisure trust at its meeting in July 2014.

## **2.0 Key issues**

- 2.1 SP&R Committee at its meeting on 17 October 2014, considered a lengthy report on the mobilisation plans for the transfer of leisure services.**

**Committee noted the work ongoing to prepare a set of agreements which will give effect to the Council's strategic direction. Expert legal and business advisors continue to support Council officers in ensuring that the agreements and funding mechanisms are in line with relevant legal frameworks; maximise VAT efficiency; and reflect industry good practice.**

**Committee also considered a number of important elements in relation to the implementation of its decisions in April 2014.**

## **2.2 Finance and funding mechanism**

**The Director of Finance and Resources has now finalised the financial figures. The Council's budget would have been £8,855,101 but the payment to the Operating Partner will be £6,851,325 which demonstrates cash savings to the Council of £2,003,776.**

**Therefore, for 2016/17, the contract value will be £6,851,325 which includes the 3 transferring centres and assures Committee that the contract will guarantee cash savings of £2,003,776 by April 2016. This is in line with the capital financing strategy agreed by Committee at its meeting in June 2013.**

## **2.3 Recommendations**

**Committee agreed the following recommendations:**

- 1. Approved the overall direction outlined including the proposed pricing principles, property maintenance framework, branding proposition, pensions arrangements and staff interest issues for integration into the contractual agreements;**
- 2. Recommended that the agreements are advanced and awarded on the basis of the guaranteed £2million savings and the most economically advantageous arrangements for the Council, with full commitment to deliver against the social objectives agreed previously agreed by Committee;**

3. In line with the strategic principles agreed by Committee in April 2014, authorised the Deputy Chief Executive and the Town Solicitor to give effect to the that direction and finalise the necessary documents, negotiating in the interests of the Council with Active Belfast Limited and GLL;
4. Approved the Council's accountability and governance framework for the scrutiny of performance reports and annual plans from Active Belfast Limited
5. Noted the continuing engagement with the Belfast Trade Unions Group, including formal consultation on the transfer of staff as legally required
6. In consultation with the leisure Strategic Operating Partner, authorised officers to seek an ESCo contractor for the replacement of the Council's Combined Heat and Power units and to agree that this project is advanced to the invitation of tenders, to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver
7. Authorised the Directors of Parks and Leisure and Property and Projects to prepare and submit an Expression of Interest in partnership with the Templemore Users Trust to the Heritage Lottery Fund; and
8. Noted the conclusions of the EQIA and authorised its final publication.

In discussion, Members requested a further paper on the suggested composition of Active Belfast Limited's Board of Directors, for consideration at a future meeting.

### 3.0 Resource Implications

**Financial:** A revenue grant is made available to Active Belfast Limited, up to £45,000 per annum to allow the Board of Directors to fulfil their obligations under charitable law e.g. preparation of annual audited accounts; and independent legal advice. This will be funded through in-service savings and re-alignment of existing revenue budgets.

For 2016/17, the contract value will be £6,851,325 which includes the 3 transferring centres and assures Committee that the contract will guarantee cash savings of £2,003,776 by April 2016.

**Staff:** This is a major service transformation process and the implications for staff will continue to be assessed as part of the



transfer process, with continuous consultation and engagement with staff and trade union representatives.

**Assets:** Legal Services and Estates are developing a suite of leasing arrangements, to sit within the overarching contracts, to ensure the continued protection of the Council's physical assets.

#### **4.0 Equality Implications**

The Leisure Transformation Programme was screened in for a full Equality Impact Assessment. The final report will be published on the Council's website in accordance with its Equality Scheme.

#### **5.0 Call-in**

This report is subject to call-in.

#### **6.0 Committee decisions required**

Committee is asked to note the decisions taken at the meeting on 17 October 2014 which guarantees £2million from 1st April 2016 in line with the decision of Shadow Strategic Policy and Resources Committee in July 2014."

The Committee adopted the recommendation.

### **Democratic Services and Governance**

#### **Notice of Motion re: Recording of Committee Meetings**

The Committee was reminded that the Shadow Council, at its meeting on 7th October had, in accordance with Standing Orders referred the undernoted Notice of Motion, which had been proposed by Councillor Long, to the Committee for consideration:

*"In order to increase openness and transparency, so far as is reasonably practicable, this Council will make an audio and potentially video recording of so much of any Committee meeting of the Council as is open to the public and the recordings will be made available to the public at City Hall and published on the Council website."*

After discussion, the Committee agreed that a report on potential options, costs and proposed venues for such meetings be submitted in due course.

**Request to make a presentation – National Association of Councillors (Northern Ireland Region)**

The Committee was advised that a request had been received from the National Association of Councillors (Northern Ireland Region) to make a presentation to the Committee on the important role of the National Association of Councillors in representing Members' interests, in particular, in relation to the formation of the new Councils in April, 2015.

The Committee agreed to accede to the request and to receive a presentation at an appropriate meeting.

**Finance/Value-for-Money**

**Support for Employability – European Social Fund**

(Mr. J. McGrillen, Director of Development, attended in connection with this item.)

The Committee considered the undernoted report:

**“1 Relevant Background Information**

- 1.1 Members will be aware that the overall strategic aim of the European Social Fund (ESF) is to help reduce economic inactivity and increase workforce skills by promoting access to employment, social inclusion and skills for growth.**
- 1.2 In Northern Ireland, the programme is administered by the Department for Employment and Learning (DEL). Funding is allocated by means of an open call for projects. Successful projects attract funding of up to 65% of the total project cost and project promoters are expected to find the remaining 35% funding from other sources. Currently, Belfast City Council provides match funding for five projects and supports its own programme (HARTE) – which is delivered by a partnership of local training providers.**
- 1.3 At the September Development Committee meeting, members were advised of the upcoming call for projects and noted that there was a potential that the council would be significantly over-subscribed for match-funding requests. The committee agreed to ten guiding principles proposed to steer future council decisions concerning support for employability and skills development activities. These were:**

1. Need for a citywide approach
  2. Need to consider targeted interventions and differentiated approaches
  3. Partnership between Belfast City Council, DEL and others
  4. Support is needed for older males, lone parents, persons with disabilities and minority ethnic communities
  5. The role of the private sector is critical
  6. Need to avoid duplication/local competition
  7. Need to improve data sources and information sharing
  8. Need to focus on outcomes and tracking progress
  9. Employability and skills cannot be considered as stand-alone interventions
  10. Need for transparency in decision-making around funding.
- 1.4 It was resolved by members that a report would be tabled to October Development Committee to help agree priority areas for council intervention in advance of ESF opening for applications in November 2014. It was also noted that there was an opportunity for the council to make its own submission for funding and, if successful in drawing down resources, we would then commission service delivery to address the key challenges highlighted in the research report presented to members at the September committee meeting. This report for consideration today was also presented to the Development Committee on 21 October 2014.
- 1.5 Members acknowledged that, to date, the council has had limited resources to support employability initiatives. However successive reports have shown that economic inactivity is one of the most significant challenges for the city. As a result it is critical that the council gives consideration to how it can make a difference in this field.
- 1.6 The previous report suggested that the council resources could be substantially enhanced by accessing funding available as part of the transfer to council of responsibility for community development and regeneration powers from the Department of Social Development (DSD). At present, DSD provides match funding of around £700,000 to ESF projects in Belfast. At the August Transition Committee it was resolved that the council would agree in principle to retain this budget for employability and skills activity pending a further paper outlining the specifics of any aligned programme.

1.7 While there remains some uncertainty around budget transfer in advance of April 2015, and although there is a chance that the transferring budget will be reduced in line with overall departmental budget cuts, there could still be in the range of £600,000 available through transferring budgets to allocate towards employability initiatives. This would be in addition to a smaller budget allocation available within the Economic Development Unit budget (subject to approval of current estimates).

## 2 Key Issues

2.1 Members are advised that there are currently 44 ESF projects in the Belfast City Council area, with a further 18 projects based in Belfast but serving areas beyond the council boundary. This represents a cumulative financial allocation of almost £60million. A copy of some recently-updated research and analysis on skills and employability issues in Belfast is attached at Appendix 1.

2.2 While many of the projects are very successful in their own right, it is extremely difficult to measure the overall impact of the intervention and there is a significant risk of duplication of effort while opportunities for collaboration and economies of scale are not necessarily explored. However there is a balance to be struck as many of these projects are looking at localised challenges and trying to develop sustainable solutions to those. Given the nature and scale of the challenge in many of those communities, it is clear that there is a need for some local flexibility.

2.3 The ten principles previously agreed by the Development Committee represent an opportunity to ensure that the council's intervention is measurable, targeted and aligned to other interventions that both the council and other partners will be undertaking. While the need for a city-wide approach is critical, the council recognises that this does not mean a generic approach across the city. It requires a degree of local flexibility within an overall support programme that has some visibility and consistency of approach, regardless of where the provision is based.

2.4 DEL is currently working on its call for projects which will be launch in mid-November 2014. In preparation for the calls, the department has organised a series of road shows in October and November to provide potential applicants with information on the ESF programme and its priority areas, along with details of their application process. Projects will be assessed by a range of selection panels and it is expected that approvals will

be issued in late January or early February 2015. Projects will have a three year life span and match funding must be re-confirmed annually.

- 2.5 Although ESF is only one funding programme for employability and skills development, and its focus is primarily on those furthest from the labour market, it nevertheless presents a significant opportunity to make a positive impact on this target group – the numbers of which remain stubbornly high, particularly in some communities across the city.
- 2.6 The recent spate of job announcements in the financial and business services sector and IT industry are indicative of the future direction of the economy in Belfast. It will become increasingly service-sector focused, with the greatest job growth expected in administration, hospitality, IT and financial services. While many of these are high paid, highly skilled jobs, there are a range of entry level employment opportunities that provide an access point for individuals into the world of work. There is also a challenge to encourage employers to look at training opportunities for existing staff – with resources currently available from DEL for this activity – in order to move people through the grades and improve their employment status. This has the added impact of creating further entry-level opportunities.
- 2.7 In addition to the new investment announcements, there are a range of planned physical investments in the city in the coming years, as set out in the city centre regeneration and investment plan. It will be important to consider how any project can support the development and delivery of these schemes, thereby supporting not only the physical development of the city but ensuring greater social cohesion by putting in place interventions which will improve access to employment opportunities for those furthest from the labour market.
- 2.8 Research on skills in Belfast suggests that skills matter: the more highly skilled you are, the more likely you are to be in work. With just over 10% of future jobs expected to require no or low skills, there is a need to ensure that individuals can secure vocationally-relevant skills development support to improve their employment prospects.
- 2.9 Belfast is a micro business economy – with over 80% of companies employing 10 people or less. Conversely, less than 1% of the city's businesses can be considered as a large business (250+ employees). However these businesses support over half of the total employee numbers in the city –

whereas the micro businesses provide 10% of overall employment. It is clear that differentiated approaches are required to employer engagement and, while many are actively involved in employability support initiatives, others are more reticent to accommodate work placements or consider ring-fenced employment opportunities. Belfast City Council – as a key employer in the city – has a role to play in encouraging businesses to be more flexible in providing opportunities for those people trying to get into employment. The success of our outreach programme profiled through the Investment Programme has been widely acknowledged and puts us in a good position to encourage other employers to consider these approaches.

- 2.10** Taking into account the challenges and opportunities, and bearing in mind the relatively limited resources available to the council at this point, it is proposed that the council considers making an application directly to DEL for a citywide employability and skills development programme for the target groups identified within the ESF programme. This application will be based on the significant employability and skills research available to the council – with further work underway at present.
- 2.11** It is suggested that the council role is not that of a delivery partner – rather as a strategic oversight body ensuring focus on the areas and target groups requiring most support and ensuring alignment with complementary support provision (by us and other partners). Equally, we can provide a role in terms of employer engagement as well as considering specific and additional opportunities within our own organisation. From a governance perspective, we can ensure appropriate project management and compliance and can access the expertise of relevant financial and economic development staff.
- 2.12** Project delivery is likely to involve a consortium of partners from across the city with a range of specialisms, including community engagement, skills development, personal development, technical skills and training delivery. The overall objective will be to maximise the opportunities of finding employment for those engaged in the programme and to improve their experience of the engagement. This may include signposting them to further provision beyond the programme.
- 2.13** Members are reminded that ESF is a relatively small programme and represents only 7% of DEL's overall programme budget. In addition, there are commitments to a range of other schemes across the city through mainstream DEL provision (apprenticeships, further and higher education, Training for

Success, Steps to Success) as well as employability projects supported through the Social Investment Fund (SIF). The SIF proposals include:

- Belfast North Zone: employment fuel poverty project (£2m)
- Belfast South Zone: employment programme training in catering, hospitality, retail and IT (£2.2m)
- Belfast West Zone: integrated employment programme supporting people back to mainstream employment (£3.3m)

2.14 There is also an employability project in Belfast East Zone which is awaiting approval and there are a number of other projects across the zones that will have an impact on employability support including childcare and family support and early years interventions.

2.15 The council ESF project needs to take account of existing provision and support only interventions that can add value to the current offer, focusing on securing positive employment outcomes, in line with the guiding principles approved at September Development Committee.

### **3 Resource Implications**

3.1 Under the current NR Programme, DSD currently provides around £700,000 to match-fund 11 employability related projects part financed by the European Social Fund (ESF). If this funding transfers, it is likely to be subject to budget cuts, in line with other departmental transfers. At present, there is an indicative funding allocation of around £200,000 within the EDU budget estimates – which are still subject to approval.

3.2 Given that this funding will not be incurred until the 2015/2016 financial year, budgetary decisions will be subject to consideration by the Shadow Council.

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

4.1 Equality and Good Relations considerations will also be factored into the project application and will be monitored as part of the application process (in line with DEL requirements).

### **5 Recommendations**

5.1 It is recommended that members:

- Note the pending call for proposals under the ESF programme
- Endorse the council's proposed approach, based on extensive research and taking account of specific local needs while ensuring city-wide coverage and focusing on maximising positive outcomes for participants
- Agree to drawing together Council funds and resources transferred from DSD to provide the necessary match funding required for any bid to DEL, subject to final budgets."

After discussion, the Committee adopted the recommendations.

### **Department of 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</b>	<b>Contract duration</b>
Venue event management software for Belfast Waterfront	£180k - £200k	5 years plus 2 (to be confirmed)
Installation of roof edge protection system to various locations	£110k per annum	To be agreed
Supply and delivery of paper and degradable plastic sacks	£450k	1 year plus 2
Appointment of energy consultant	£100 - £150k	12 months

The Committee adopted the recommendations.

### **Kerbside Glass Collection Scheme**

(Mr. T. Walker, Head of Waste Management, attended in connection with this item.)

The Committee considered the undernoted report:

**"1 Purpose of Report**

**1.1 To recommend an approach for the provision of a kerbside glass collection service in the blue bin and Local Government Reform (LGR) areas, following discussions arising from the revenue estimate challenge process.**

**2 Background**

**2.1 The EU Waste Framework Directive places a statutory obligation on the UK to achieve a 50% recycling rate by 2020. The NI Waste Management Strategy 'Delivering Resource Efficiency' re-iterates this target locally and references the prospective requirement to reach a 60% recycling rate for Local Authority Collected Municipal Waste (LACMW) by 2020.**

- 2.2 In addition to the arc21 Waste Plan, the Council has developed the 'Towards Zero Waste' Action Plan 2012-15 (ZWAP) aimed at delivering these targets during this term of Council.
- 2.3 One of the initiatives contained within the Action Plan is the collection of glass from households in the blue bin area and, at the time of drafting this Plan, it was anticipated that once fully introduced this initiative would contribute an additional 2.5% to the Council's recycling rate.
- 2.4 Given delays in the original plans for a glass collection service procured by arc21 in 2012/13, Members from the Health & Environmental Services Committee had previously agreed to a pilot scheme, currently comprising 22,000 households. When the arc21 tender process was terminated due to affordability issues, Members agreed at the January 2014 Committee meeting that the Council should commence a procurement exercise to deliver this service specifically for Belfast.
- 2.5 As a result of this approval, Waste Management had liaised with Corporate Procurement Services and developed a timetable for the delivery of this exercise. The Service has also successfully applied for and been granted Department of the Environment (DOE) Rethink Waste capital grant funding of £276,000 with the proviso that this money must be spent in the 2014/15 financial year.
- 2.6 As part of the 2015/16 revenue estimates setting process and to determine the likely costs arising from Local Government Reform (LGR), the Service has been involved in a number of Challenge panels. At the latest Challenge panel in September the glass project was identified as a potential area for savings. In order to meet the project timetable and demands of the DOE grant funding process, the tender notification needs to twin track the council's governance procedures and should approval be declined the tender shall not be awarded.

### 3 Key Issues

- 3.1 This report examines the implications of a cancellation or delay of the kerbside glass collection scheme.
- 3.2 Cancellation – The introduction of kerbside glass collection scheme within the blue bin and LGR areas will be key to the Council achieving the 50% household recycling rate by 2020. This proposal has been projected to provide an additional

2.5% to the recycling rate and is the last of the 'easy wins' in terms of generating tonnage for the Council. As such, the cancellation of this project would jeopardise achievement of the 50% target.

- 3.3 **Delay** – If the introduction of the project was delayed for up to 2-3 years, there would be a number of advantages and disadvantages associated with this decision.

**Advantages**

- 3.4 **Financial** – a delay would result in an operating cost saving of around £211,000 per annum which could lessen the financial pressure upon the Council in early LGR years.
- 3.5 **Efficiencies** – the Service is aware that through the iESE discussions, and with the introduction of route optimisation in early 2015, efficiency gains are anticipated. This could reduce the resources required to collect the dry recyclable bins. As the contractor will be expected to match their box collection service with the same day as the recycling bins, if there is a rationalisation of the blue bin routes, it could be expected that something would similarly apply within the glass collection contract. A delay would allow any rationalisation to bed in and reduce the prospect of any in-built obsolescence and associated costs.
- 3.6 Further, arc21 is currently conducting a market scoping exercise on kerbside glass collection. Any delay could factor in the results of this work.

**Disadvantages**

- 3.7 **Financial** – The council will lose the £276,000 secured from the DOE. This sum would need to be added to the baseline cost in future years.
- 3.8 **Reputational Risk** – the reputational risk amongst a number of stakeholders is substantial should the Council's recycling rate plateau or start to decline and returning the grant funding at a late stage in this financial year is likely to cause scepticism and reputational damage amongst DOE officials,
- 3.9 **Householders** – Under ZWAP, with the introduction of the pilot scheme, and in discussions with the press and publications such as 'City Matters', statements/commitments have been made to householders in Belfast that the full scheme is likely to be rolled out in 2015,

- 3.10 *Pilot Scheme*** – The pilot scheme to 22,000 households is already operational and it would be beneficial to mainstream this scheme at the earliest opportunity, rather than remain a pilot requiring specific communications and additional costs for Cleansing Services associated with providing an incomplete service.
- 3.11 *Bring Banks*** – The council has a number of glass bring banks cited at Recycling Points and Centres which are likely to be impacted upon by this scheme. The Service proposes to carry out a review to determine whether the existing provision can be streamlined as part of this initiative in order to offset the costs of the new service. This review may show that these sites could be used to accept other materials.
- 3.12 *Additional Materials*** – It is intended that the glass kerbside collection contract will explore the option for accepting other materials, such as small WEEE, providing enhanced value-for-money, increased customer satisfaction and further instilling behaviour and attitude change and establishing recycling as the norm.
- 3.13 *Recycling Rate*** – In recent years, Belfast’s recycling rate has gained momentum and the council is now amongst the front runners in its benchmark group. Delaying the introduction of the last obvious waste stream is likely to result in this momentum being lost and the recycling rate plateauing.

#### **4 Resource Implications**

##### **4.1 Financial Implications**

The estimated, additional net cost for providing the glass collection service across the new Council area, post LGR, is £211,000 per annum. If the proposals are approved, these costs will be included within the revenue estimates for 2015/16 presented to Committee as part of the rate setting process.

##### **4.2 Human Resources**

There are no human relations issues associated with this report.

#### **5 Recommendation**

- 5.1** On considering the advantages and disadvantages of either cancelling or delaying the introduction of a full kerbside glass collection scheme, especially those connected with the

finances (both expenditure and grant aid) and the impact upon the recycling rate, it is recommended that the proposal proceeds as originally approved by Members in January 2014 (i.e. that procurement continues and the Service seeks to roll-out the scheme in the 2015/16 financial year, with delegated authority granted to the Director to award the tender).”

After discussion the Committee adopted the recommendations.

### **Minutes of Meeting of Budget Transformation Panel**

The Committee noted the minutes of the meeting of the Budget Transformation Panel of 9th October.

### **Funding for Major Event**

(Mr. J. McGrillen, Director of Development, and Mr. G. Copeland, City Events Manager, attended in connection with this item.)

The Director of Development presented a paper to the Committee regarding the potential of attracting a major event to Belfast in late 2015 to be broadcast on mainstream television. He explained that the event would bring significant economic benefit to the city due to the number “out of state” visitors which would be likely to attend and the associated spend in accommodation and hospitality. It would also attract a significant television viewership which in turn would provide an opportunity to present a positive image of the city to a very large audience.

The cost of securing the event to the Council would be £140k, of which £100k would be made available from a re-alignment of the existing events budget. It was recommended that the additional £40k be found from in-year underspends in the 2015/16 budget so as not to add any burden on the rate.

Following discussion the Committee agreed to allocate £140k towards staging the event, with £100k coming from the Events Budget and £40k from in-year underspend.

### **Asset Management**

#### **Future Cemetery Provisional – Potential Cemetery Site at Dundrod**

(Mr. A. Hassard, Director of Parks and Leisure, attended in connection with this item.)

The Committee was reminded that the Belfast City Council, as part of its approach to cemetery and crematorium development, had been engaged in a process to identify a site for development as a new cemetery. Decisions around that process had been submitted to the Council’s Parks and Leisure Committee for consideration.

The Director explained that the Council had been undertaking a process to identify a potential cemetery site for a number of years and several sites had been considered and rejected for a variety of reasons, including ground conditions, hydrogeology and location. Currently, the only site that was under consideration was one at Dundrod which had been identified through an expression of interest exercise which the Council had initiated.

That site had been put forward by an agent acting on behalf of a company who hold an option on this site. Officers from the Parks and Leisure Department, Legal Services and Estates Management Unit had held a number of meetings with the party who held an option on the site, along with their agent. The Council was aware of who the landowners were but, at this point, had no direct dealings with them.

The Director indicated that a number of studies had been undertaken in relation to the site at Dundrod and that those had identified a number of potential issues with it. To allow the Members to take a decision on the site, the Council had commissioned URS, who had undertaken previous assessments for the Council in relation to a search for a new cemetery site, to undertake an analysis of all the findings of the previous four studies around the viability of the site and to provide a concise view on the issues and constraints to developing the site.

He explained that a report outlining the findings of that piece of work had been submitted to the meeting of the Parks and Leisure Committee on 11th September, 2014, after which, that Committee had agreed that:

- (i) negotiations continue with the site owner or agent to ascertain whether or not a smaller portion of the site at Dundrod could be utilised for burial lands;
- (ii) a workshop be held early in the new year, at which all the information previously submitted to the Committee in relation to burial sites be submitted to enable the Members to review the current burial policy and the provision of crematoria; and
- (iii) an updated report be submitted to this Committee.

The Director pointed out also that, in relation to the actions which had been agreed by the Parks and Leisure Committee, there were potential procurement issues around undertaking negotiations regarding the purchase of a smaller portion of the Dundrod site.

After discussion, the Committee noted the information which had been provided and the decisions of the Parks and Leisure Committee endorsed at the Committee's recommendation regarding the holding of the workshop in the New Year and agreed that a review of the current burial policy be undertaken.

## Human Resources

### Organisational Development and Design

The Committee considered the undernoted report:

**“1 Relevant Background Information**

The purpose of this report is to update Members on work to ensure the organisation is fit for purpose for its new roles and responsibilities. In particular, the report outlines the processes and timeframes for the previously agreed Peer Review and Decision Making and Accountability processes and highlights the immediate organisational development considerations.

**2 Key Issues**

**2.1 Approach to organisation development and design**  
As Members are aware, alongside consideration of the Council’s strategy and priorities consideration is being given to the redesign of the organisation, to ensure it has the capacity to deliver those priorities and ambitions.

**2.2 Members previously agreed that the Local Government Association (LGA) would help with two key strands of this work over the next few months, that is, the corporate peer challenge process and 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.**

More detail on each of these processes is set out below

**2.3 Corporate Peer Challenge**  
The peer challenge is an opportunity to ‘sense check’ evolving thinking about how the new organisation needs to operate post April 2015. A team of external peers will draw on their experience of local government to provide observations and feedback on our plans and proposals for the future, and in essence be a ‘sounding board’ of critical friends with whom the Council can engage to test and stretch thinking further.

All LGA corporate peer challenges consider five core components/high level questions, and these will be used as an overall framework for the peer challenge at Belfast:

1. **Understanding of local context and priority setting:** Does the council understand its local context and has it established a clear set of priorities?
2. **Financial planning and viability:** Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
3. **Political and managerial leadership:** Does the council have effective political and managerial leadership and is it a constructive partnership?
4. **Governance and decision-making:** Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
5. **Organisational capacity:** Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

These are the areas that are fundamental to councils' performance and improvement. Exploring them will help provide reassurance and an indication about the organisation's ability and capacity to deliver on its plans, proposals and ambitions. The LGA however can work with the Council to develop and agree further specific questions and areas to explore within this framework.

#### **2.4 Dates of the peer challenge**

It is proposed that the peer challenge team will be onsite at Belfast City Council for a block of four consecutive days during either w/c 19th or 26th January 2015 (with peer availability helping to determine the best week).

#### **2.5 Peer team make-up and roles**

The peer team is still being considered but will comprise the following roles:

- Chief Executive of an English metropolitan or unitary council (preferably a core or key city)
- Two senior elected member peers (one Labour and one Conservative councillor) from English metropolitan or unitary councils
- A senior local government officer with a role that covers transformation, organisational development or strategic finance/corporate services
- A senior local government officer with a role that covers economic growth/regeneration/planning or external partnership working
- An LGA Peer Challenge Manager



**2.6 Organisational buy-in and communications**

Political and stakeholder buy-in is crucial to a successful peer challenge and appropriate communications to ensure the organisation and relevant external stakeholders are aware of the peer challenge, why we are undertaking it and what we hope to get out of the process will take place over the next few months.

It is proposed that the LGA provides a session(s) to elected members about the peer challenge approach during November.

**2.7 DMA (Decision Making Accountability)**

The DMA model offers a tested approach to organisations wishing to improve:-

- organisational design
- management of performance
- growth and development of the individual
- motivation, reward and retention
- identification and development of 'high potential'
- career and succession planning
- pace of organisational change and development

DMA is important to organisational health and effectiveness as:

- excessive numbers of decision-makers and channels of decision-making clog up and slow down the speed of response to consumers and customers
- lack of well-defined and clear accountability leads to organisational inefficiency.
- unhealthy features of both large and small organisations, whether private or public, all stem from the same source - a lack of accountability

Specifically DMA will help Members to:

- establish the number of layers of management an organisation needs to achieve its purpose effectively
- identify decision rights that managers at different levels require to be empowered
- create an effective organisation and efficient management structure.

**2.8 Proposed approach in BCC**

It is proposed the LGA will review the Chief Executives Department and the Finance and Resources Department in the

first instance and at the same time will train the council's HR and OD staff to then roll the approach across the organisation with the LGA acting as 'critical friend' throughout.

**2.9 Link to other Council priorities**

Both processes 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 a new structure with the capacity to maximise the benefit of the Council's new powers and ambition.

It is clear, while there are many areas requiring re-alignment of resources to newly established priorities and new functions, the organisational development and design work must also reflect previously agreed priorities such as the employability aspects of the Investment Programme and the Council's efficiency programme. Consequently consideration is being given to ensuring the organisation has the appropriate level of resources, skills and expertise aligned to this work.

**2.10 Other issues/immediate actions relating to organisation development and design**

While the organisation wide restructuring programme is progressing, work is continuing on previously agreed organisation development and design priorities including the following issues:

**2.11 Planning**

The Local Government Staff Commission (LGSC) has agreed the extended recruitment panel for the appointment of the Director of Planning and Place (with the panel comprising the chair and deputy chair of the Shadow Strategic Policy and Resources Committee and the chair and deputy chair of the Shadow Planning Committee); the Council has tendered for suitably qualified executive search providers and the job description has been developed for independent job evaluation. It is hoped the process will be completed by February 2015.

Town and Country Planning Association (TCPA) has been commissioned to design and deliver a number of bespoke capacity building modules and facilitate a best practice study visit to a relevant GB local authority.

**2.12 Parks and Leisure**

Work is progressing with managing the significant HR aspects of the Leisure Transformation Programme but

consideration must now be given to how the remaining functions within the department will operate following the transfer of the Leisure function.

Clearly this has to be factored in to the overall organisation design piece and the aforementioned LGA processes will be crucial to developing appropriate options in this regard. Such options may, for example include a 'City and Neighbourhood Services' approach (combining mainly regulatory, municipal, outreach and related Council functions which directly impact on and serve customers/residents/users in their day-to-day lives) the detail of which will take some time to develop, agree and implement.

It is proposed therefore that consideration is given to deleting the post of Director of Parks and Leisure from the organisation structure, releasing the Director of Parks and Leisure by way of redundancy and agreeing interim arrangements for the management of the remaining Parks functions pending options for the new organisation structure. Members will receive specific proposals on the release of the Director of Parks and Leisure and interim arrangements over the next two months.

**2.13 Performance management**

Members will be aware that the new Chief Executive's pay scale is different to the rest of the existing council pay scale in that it has three performance related increments and consequently a Chief Executive appraisal system must be developed and agreed.

The Joint Negotiating Committee for Chief Executives of Local Authorities in Northern Ireland (JNC) has given high level advice in this regard (attached at appendix one) which advises that the appraisal should be conducted by a small group of elected members. It is therefore proposed that the party group leaders of the Shadow Council should undertake the appraisal of the Chief Executive; that objectives covering the shadow period should now be formally agreed, with the appraisal of these objectives taking place at the end of March 2015 and objectives set at that meeting for 2015/2016. It is also proposed that relevant training is offered to Members undertaking the appraisal of the Chief Executive.

**2.14 Communications and engagement.**

Finally, ongoing open and clear communication across the organisation is vital throughout this significant period of change. The council's trade unions have been formally

advised of the Peer Review and DMA processes and engagement with them will be ongoing. In addition, a plan for ongoing staff communication has been developed including 'Ask the Chief Executive', a blog by the Chief Executive and senior management and cross council staff briefings.

**3 Resource Implications**

3.1 Costs for the work outlined are included as part of the funding allocation for capacity building.

**4 Equality and Good Relations Considerations**

4.1 All processes outlined will be taken forward within the context of the Council's equality and good relations frameworks.

**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:

- Agree to a briefing on the Peer Review by the LGA in November;
- Agree in principal that the Director of Parks and Leisure post is removed from the organisation structure (with the post-holder being released through the Council's redundancy scheme) following the transfer of the Leisure function; that interim arrangements are put in place for the management of the remaining Parks functions pending options for the new organisation structure; and that elected members will receive specific proposals in this regard over the next two months.
- Agree that the Chief Executive should be appraised by Party Group Leaders of the Shadow Council in March 2015 with objectives being agreed over the next few weeks."

The Committee adopted the recommendations.

**Recruitment of the Head of Audit, Governance and Risk Services**

The Committee considered the undernoted report:

**“1 Relevant Background Information**

- 1.1** On 23 June 2014, the Council’s Shadow Policy and Resources Committee agreed a number of priority measures relating to organisation development and design, including a review of the resource requirements and staffing arrangements of the Council’s Audit, Governance and Risk Services (AGRS) The main purpose of this review was to ensure the Council was in a position to meet its statutory requirements and provide adequate assurances on the local government reform programme.
- 1.2** A key element of this review was the review of the post of Head of Audit, Governance and Risk Services to ensure it reflects professional guidance and meets the Council’s needs. The purpose of this paper therefore is to seek the approval of the Committee to recruit the post of Head of Audit, Governance and Risk Services on a permanent basis. The decision to recruit this post on a permanent basis and the proposed process for this (also set out in this paper) were discussed and verbally agreed with the Audit Panel at its meeting of 21 October 2014.

**2 Key Issues**

**Review of Job Description**

- 2.1** The post of Head of Internal Audit is one that is prescribed in authoritative guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its publication ‘The role of the Head of Internal Audit in public sector organisations’ and also in the Public Sector Internal Audit Standards (PSIAS) as prescribed by the Chartered Institute of Internal Auditors and adopted across all of the UK public sector. The job description for the post of Head of Audit, Governance and Risk Services has therefore been updated to reflect these requirements as well as BCC needs.

**Trawling of Post**

- 2.2** In order to mitigate against potential redundancies within the local government sector, the post of Head of Audit, Governance and Risk Services will be trawled in the first instance for recruitment across all the NI councils (as set out in the agreed LGR Vacancy Control Procedure). If there is no suitable appointee within this pool, the post will be publicly advertised.

### Selection Panel

2.3 In accordance with the Local Government Staff Commission procedures for recruiting head of service posts, the selection panel for the post should comprise the chair of the controlling panel, two other elected members from political parties not represented by the chair and two directors. Given the direct reporting line from the Head of AGRS post to the Audit Panel (and the fact that professional guidance from CIPFA indicates that an Audit Committee / Panel should have a role in appointing the Head of Internal Audit) it is proposed that the selection panel is comprised as follows:

- Chair of Shadow SP&R Committee (Alderman Stalford)
- Chair of Audit Panel (Alderman Rodgers)
- A third elected member from Shadow SP&R to provide a balance in terms of gender and community background
- Director of Finance and Resources and Deputy CX
- Director of Organisational Development

2.4 In all circumstances, the selection panel must be balanced in terms of community background and gender and all panel members must have received recent training in non-discriminatory recruitment and selection techniques.

### Key Dates

2.5 The following recruitment and selection timeframe is proposed:

<b>Recruitment and selection activity:</b>	<b>Date / time:</b>
Local government trawl	Thursday 6 November 2014
Closing date for application forms	Thursday 20 November 2014
Panel shortlist (first stage)	Monday 24 November 2014
Candidate assessment centre	Wednesday 3 December 2014
Members' briefing on outcome of assessment centre	Thursday 4 December 2014
Panel interviews	Monday 15 December 2014
Appointment notified to committee	Friday 19 December 2014

## 3 Resource Implications

### 3.1 Financial

None. The cost of this post is already included within the service's estimates for salaries and wages.

**3.2 Human Resources**

None. The recruitment and selection of this post will be conducted fully in accordance with the Local Government Staff Commission's Code of Procedures on Recruitment and Selection and the appointment will be based strictly on the merit principle.

**3.3 Asset and Other Implications**

None.

**4 Equality and Good Relations Considerations**

4.1 None

**5 Recommendations**

5.1 That the Shadow SP&R Committee approves the recruitment of the Head of AGRS and notes the proposed processes and timetables set out above.

5.2 That the Committee agrees the composition of the selection panel to comprise the chair of the controlling committee (Alderman Stalford); the chair of the Audit Panel (Alderman Rodgers) and nominate a third elected member from the Shadow SP&R Committee ensuring that this nomination provides a balance in terms of gender and community background. (The panel will also include the Director of Finance and Resources and Deputy Chief Executive and the Director of Organisational Development).

5.3 That the selection panel be given delegated authority to make the appointment and report the outcome of the selection process back to committee for notation."

The Committee adopted the recommendations and agreed that Councillor Hargey be appointed as the third Elected Member from the Committee to the Panel.

**Cross-Cutting Issues**

**Request for Meeting – Dr Eddie Rooney,  
Joint Chair of the Belfast Strategic Partnership**

The Committee was advised that a request had been received from the Joint Chairs of the Belfast Strategic Partnership for the Committee to receive a briefing on the work of the partnership and the key strategic health issues facing the City.

The Committee agreed to accede to the request and that it be included on the agenda for the meeting on 28th November.

**Special Meeting**

The Committee agreed that a special meeting, to which all Members of the Shadow Council would be invited, be held at 4.30 p.m. on Wednesday, 3rd December to receive a presentation from Mr. Joe Burridge, Urban Strategies, on the City Centre Regeneration and Investment Framework.

Chairman