

Shadow Strategic Policy and Resources Committee

Friday, 30th January, 2015

MEETING OF SHADOW STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor Stalford (Chairman);
Councillors Attwood, Beattie, Boyle,
D. Browne, Carson, B. Groves, Haire,
Hargey, Hutchinson, Jones, Kingston, Long,
McAteer, McCabe, McNamee, McVeigh,
Robinson, Rodgers and Spence.

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

Declarations of Interest

Councillor McAteer declared an interest in respect of Item 3h "Bidding for International Events" in so far as she was a member of the West Belfast Partnership Board; and Councillor Spence declared an interest in Item 3a in that he was on the Board of the Ulster Orchestra.

Democratic Services and Governance

Appointment of Political Members to the Belfast Policing and Community Safety Partnership and the four District Policing and Community Safety Partnerships

The Committee considered the undernoted report:

"1 Relevant Background Information

- 1.1 **The Council is required, under Part 3 of the Justice Act (Northern Ireland) 2011, to establish the Belfast PCSP and the four DPCSPs. The Council must, under this legislation, make the appointments, so far as is practicable, to reflect the**

strength of the Parties on the Council. A diagrammatic representation of the structure has been circulated.

- 1.2 Furthermore, Part 3, Section 6 (1) (f) of the Local Government Act (Northern Ireland) 2014 makes provision for the filling of positions of responsibility. Under this legislation, Political Members appointed to the PCSP and the four DPCSPs are considered positions of responsibility.

2 Key Issues

2.1 Appointment of Political Members to the Principal PCSP

Members are reminded that, in 2012 the Council decided to appoint a 19 Member Policing and Community Safety Partnership which comprised 10 elected Members appointed by the Council and 9 Independent Members appointed by the Northern Ireland Policing Board. There were also representatives from 7 statutory bodies and the voluntary and community sector, however there is no formal appointments process for these members.

- 2.2 The Justice Act (Northern Ireland) 2011 provides that the Council may decide to appoint either 8, 9 or 10 Political Members to the PCSP. The number of Independent Members is to be set at one less than the number of Political Members. The decision which the Committee must make on the number of Political Members to appoint needs to factor in both the size of the partnership, but also its political make up.

- 2.3 At appendix 1, Part A, a copy of which has been circulated, sets out the allocation of places to the political parties on the Council based upon a PCSP (the citywide partnership) comprising 19 Members, 17 Members and 15 Members (numbers include both Political and Independent Members). This is based on the quota greatest remainder formula which the Council uses for sharing out of Committee posts and other posts where it is entitled to nominate representatives to outside bodies. This formula works on party strengths and is aimed at providing proportionate representation reflecting party strengths in the Council.

- 2.4 However, this is further complicated as the legislation also provides that the Political Members of the PCSP shall include the persons who hold the Office of Chair of each of the DPCSPs. This means that 4 of the Political appointments to the PCSP each year will be reserved for the Chairs of the 4 DPCSPs.

- 2.5 In addition, for any particular DPCSP there is a requirement that, *so far as is practicable*, the Chair will be held in turn by the 4 largest Parties on the Council during the 4-year term (although there is a slight difficulty with this as discussed below in 2.8). Accordingly, when considering the political nominations to the PCSP, it needs to be remembered that some Parties will already have obtained places through the Chairs of the DPCSPs. The breakdown is represented in Part B of Appendix 1.
- 2.6 The political make up of PCSP, depending on whether it has 19, 17 or 15 members is summarised in the table below (see Appendix 1 Part A for more detail):

	19 Members	17 Members	15 Members
SF	3	3	3
DUP	2	2	2
ALL	2	1	1
SDLP	1	1	1
UUP	1	1	1
PUP	1	1	0
TOTAL	10	9	8

- 2.7 The Committee is then firstly required to determine whether it wishes to appoint a PCSP comprising of 19 Members, 17 Members or 15 Members. In making this decision Members should be mindful of the fact that additional multi-sectoral members could add at least a further 10 people to the partnership.
- 2.8 Allocation of places and the appointment of the Chairs on the DPCSP's
- The 4 DPCSPs will have 6 Political Members each (as determined by the legislation), giving a total of 24 Political Members. The legislation requires that, so far as is practicable, the political membership of all 4 DPCSPs taken together reflects the balance of the Parties immediately after the last local election.
- 2.9 Part C of Appendix 1 shows the results when applying the standard formula used by the Council in respect of appointments to the DPCSPs. This is summarised below:

Party	Total
SF	8
DUP	5
ALL	3
SDLP	3
UUP	3
PUP	1
TUV	1
Total	24

2.10 Chairs of the PCSP

Under the legislation, the position of Chair of the PCSP is to be rotated, *so far as is practicable*, amongst the 4 largest Parties represented on the Council.

2.11 Accordingly, in the 4-year term, the position of Chair would, in accordance with the spirit of the legislation, be held in turn by the Sinn Féin, Democratic Unionist, Alliance and Social, Democratic and Labour Parties.

2.12 However, when applying the normal formula used by the Council this would not be possible with the current party strengths on Belfast City Council as the 3rd and 4th largest political parties on the Council, the Alliance and the Social Democratic Labour Parties, would only be entitled to 3 places each across the four DPCSPs. Accordingly, if this model is applied, there would always be a DPCSP that would not have an Alliance or Social Democratic Labour Party representative.

2.13 The Council previously sought legal advice on the approach that it would be advised to take in these circumstances. This advice, which was provided by Junior Counsel, is attached in Appendix 2, a copy of which has been circulated. Although the advice does not rule out the possibility of the Council deciding not to apply its normal formula rigidly (i.e. it would be within the powers of the Council to do so), it concludes that on balance the Council would be best to continue to apply the process which the Council has habitually used, i.e. appointments to the DPCSPs should be shared out on the basis of the model used by the Council without adjustment.

2.14 This recommendation is also made based on the sequencing of the Council's obligations contained within the legislation. It is when exercising the power to appoint Political Members to the DPCSPs that the Council is required to ensure that membership of the DPCSPs is proportionate to party strengths. The obligation to rotate the DPCSP Chairs arises

not when appointing Political Members but when actually appointing the Chairs each year.

2.15 The outcome of this approach would also have an impact on the composition of the PCSP as the Chair of each DPCSP is entitled to membership of the PCSP. Furthermore, the vacant Chairs would have to be allocated to the largest Party groupings which would result in both Sinn Féin and the Democratic Unionist Party holding two Chairs of the DPCSPs during the affected years.

2.16 The Committee is required to determine whether it wishes to appoint Political Members to the 4 DPCSPs based on the legal opinion as outline in Appendix 2.

2.17 Once the decisions are made by Committee, a meeting of the relevant Party Leaders will be necessary to allocate places using a d'Hondt based table of choices.

3 Resource Implications

3.1 Financial Resources

£122,500 of service delivery costs per annum until March, 2016. This has already been agreed via the revenue estimates.

3.2 Human Resources

None.

3.3 Asset and Other Implications

None.

4 Equality and Good Relations Considerations

4.1 None at present.

5 Call In

4.1 This decision is subject to Call In.

5 Recommendations

5.1 The Committee is asked to:

1. Determine whether it wishes to appoint a PCSP comprising of 19 Members, 17 Members or 15 Members.

2. Determine whether it wishes to appoint the Political Members to the four DPCSPs based on the legal advice.”

After discussion, it was

Moved by Councillor Robinson,
Seconded by Councillor Kingston,

That the Committee agrees to appoint a Policing and Community Safety Partnership comprising 9 political members and 8 independent members.

Amendment

Moved by Councillor Attwood,
Seconded by Councillor Long,

That the Committee agrees to defer until its monthly meeting in February consideration of the report.

On a vote by show of hands twelve Members voted for the amendment and five against and it was declared carried.

The amendment was put to the Committee as a substantive motion and passed.

Finance/Value-for-Money

Prior to consideration of the report on the Revenue Estimates 2015/16, the Chief Executive advised the Members that there were a number of reports which the Committee would have to consider in conjunction with that report, namely, the Capital Programme – Update, the Non-Recurrent Expenditure Requirements 2014/15 and 2015/16 and the report on Bidding for International Events, since any decisions taken in relation to those reports could have an impact on the setting of Rates.

Capital Programme - Update

The Committee considered the undernoted report:

“1.0 Purpose of report

1.1 Members will recall that at the Shadow SP&R meeting on 16th January they were presented with a detailed report in relation to the Capital Programme which outlined a number of key issues for Members to consider in terms of progress and also projects which require additional monies to progress and the impact of these decisions. Members at that stage were asked to consider the issues outlined in the report further and a series of party group briefings have been held. It was agreed

that the final recommendations would be presented to Shadow Committee on 30 January. Members are asked to note that it is important that decisions in relation to these projects are taken at Committee today as any delays will have further financial implications for the Council.

1.2 The Council's Capital Programme is a rolling programme of investment which either improves existing Council facilities or provides new facilities. This report provides –

- an update on the Capital Programme 14/15 which was presented to SP&R in February 14
- an update on the capital financing for 2015/2016 and an update on the capital financing implications of the Leisure Transformation Programme
- specific project updates – Innovation Centre, North Foreshore, Waterfront, Creative Hub and Council Accommodation which require decisions at today's meeting.

1.3 Members are asked to note that it is important that this paper is read in conjunction with the Rate Setting and the Non-Recurrent Update reports which are also on the agenda for discussion at today's meeting.

2.0 Relevant Background Information

Update on 2013/14 Capital Programme

2.1 Significant progress has been made in the delivery of the capital programme since it was agreed by SP&R Committee last February. The Property & Projects Department is happy to arrange site visits for Members/ Party Groups to any Council funded capital project.

2.2 Key highlights since the Capital Programme was agreed last February include-

General

- the Investment Programme set a target of leveraging in £50m of external funding up to March 2015. This target has now been surpassed and nearly doubled with nearly £100m of external funding levered in or secured for a range of projects including Girdwood, CCG and the East Belfast Flood Alleviation works, Super-connected, the pitches strategy, Tropical Ravine. While this is good news it also puts pressure on the

Council's match funding requirement and on completion timeframes

Projects completed (since February 14)

- the new Adventurers Learning Centre at the Zoo; the new pavilion at Suffolk; the £4m Phase 1 of the Connswater Community Greenway project; the roll-out of Phase 3 of the Alleygating Programme; new 3G pitch at Marrowbone; MUGA refurbishments at six sites across the city

Projects currently on the ground

- construction works are continuing on the extension to the Waterfront to provide dedicated conference and exhibition facilities, Phase 2 of the Connswater Community Greenway, the £11.7m Girdwood Hub; the new £1.7m 3G pitch at Cliftonville; upgrades and refurbishments at Half Moon Lake and Drumglass Park and an extension at Roselawn
- work will begin this month on the new Olympia leisure facility within the new Windsor stadium, the installation of the 30 docking stations across the city centre for the Public Bike Share Scheme and the new pavilions at Dixon and Waterworks as part of the £15m pitches strategy
- Super-Connected – Nearly 950 applications have been received for connection vouchers and wi-fi will be installed in 119 public buildings including the City Hall by the end of the March

Projects at tender preparation stage

- Preparatory work is continuing on a wide range of projects including the remaining sites under the pitches strategy at Musgrave, Woodlands, Victoria, Ballysillan, Ormeau, Cherryvale and Falls; new MUGAs at Annadale, Clarendon and Springfield Avenue; the £3.7m upgrade of the Tropical Ravine; new boxer statues, new accommodation, the Whiterock Community Corridor

- 2.3 Members are also asked to note that over and above the Capital Programme, substantial work is continuing on the management and delivery of the Council's £5million Local Investment Fund.

- 62 projects have been allocated in principle funding of which 57 projects worth over £4m have been through the rigorous due-diligence process with 20 projects completed, 9 currently on the ground with another 28 at tender preparation stage which will go on ground this year.
- Due-diligence work is continuing on the other projects which have been approved in principle and officers are working closely with the groups to ensure all necessary information is being forwarded to the Council.

A breakdown of these projects is attached, has been circulated. A detailed update report on LIF and BIF will be brought to Committee in February.

3.0 **KEY ISSUES - Capital Programme**

Capital Programme and Capital Financing – Impact of Members’ decisions

3.1 Members are asked to note that the Council incurs both capital expenditure and capital financing costs in the delivery of its Capital Programme.

- Capital Expenditure is the expenditure incurred in the actual delivery of contracts e.g. the actual payments to the contractor for a construction contract.
- Capital Financing is the method the council uses to fund the capital expenditure. The capital financing costs include loan repayments (principle and interest); revenue contributions (cash payments to repay or avoid taking out loans); capital receipts and external funding. This is an important area for Members to understand as the level of capital financing is intrinsically associated with the rate setting process and has an impact on how much money the Council has available to deliver capital projects.

3.2 Members therefore need to be aware that each decision they take in relation to progressing a capital project or agreeing additional money towards any one project has a consequential impact on the level of financing that is available for other capital projects and each individual decision therefore subsequently limits the capacity of the Council to progress other capital projects thereby potentially necessitating some difficult decisions for Members in terms of prioritisation.

- 3.3 Table 1 below summarises the capital financing budget currently available for the capital programme 15/16 which shows that £1.05m of the capital financing budget remains unallocated to support emerging projects already on the Capital Programme and any future additional proposals.

Table 1- Existing Capital Financing Budget 2015/16

Existing Capital Financing Budget	£10,137,676	
<u>Plus</u> Increase for Transferring Loans Lisburn/Castlereagh (From Rate Base)	<u>£677,319</u>	£10,814,995
<u>Less:</u> Capital Programme Commitments	£7,172,252	
Existing BCC Loans	£1,909,896	
Lisburn / Castlereagh Transferring Loans	£677,319	<u>£(9,759,467)</u>
Balance Remaining		£1,055,528

- 3.4 Members are asked to consider the above in the context of the issues which are laid out in this report as there are a number of current projects which require additional capital monies –
- The Innovation Centre (£1.86m) and the North Foreshore (£952k) which are part funded by the Council, ERDF and InvestNI. The explanation for these additional requirements is set out in detail below but is primarily due to delays in receiving the Letters of Offer (LOOs) and differences in amounts allowed for certain aspects of the work in those LOOs.
 - To accelerate the essential planned maintenance and upgrade works to the existing Waterfront to bring it up to an acceptable standard to complement the extension and new use at a cost of £2.9m.

Combined these projects require an additional £5.67m of capital expenditure which requires £418k of annual capital financing. This would reduce the available capital finance to £637k and therefore limit the availability of capital finance for future projects.

Specific Project Issues requiring additional monies

- 3.5 Members will be aware that there are a range of projects under the Investment Programme which are subject to EU funding. Members have previously been updated on a number of occasions on the issues and risks associated with these projects including two key issues:

- Impact of the delays in receipt of LOOs – All EU (ERDF) funded projects are subject to an immovable deadline of 31st Dec 2015 for expenditure (set by the EU). Therefore, whilst INI will continue to provide its match funding post December 2015, the Council is required to meet the remaining cost of any expenditure post this date. However whilst this is an immovable deadline the front end start dates for these projects have been continually changed due to the delays in receiving LOOs.
- Reductions in LOO amounts (Innovation Centre)- This has a financial impact for the Council as the overall projects costs have not changed however the reductions in LOO amounts for the Innovation Centre means that the project is facing a shortfall in funding above what the Council has already approved.

3.6 Members are asked to note that draft LOOs have now been received for the Innovation Centre and the North Foreshore projects. A LOO has not yet been received for the Creative Hub. These LOOs have not yet been signed by the Council as there were a number of onerous funding conditions which the Council wished to renegotiate which have now been resolved. The letters are also now being redrafted by InvestNI to reflect the change in their funding conditions to allow the InvestNI match funding contribution to run until the 30th June 2016. The ERDF deadlines remains as the 31st December 15. It is expected that these new LOOs will be with the Council within 10 days.

Innovation Centre

3.7 The Innovation Centre is a 55,000 sq ft capital build project designed to act as a catalyst for the development of the Forthriver Industrial Estate which has been vacant since its development over a decade ago and to help address the levels of unemployment in the neighbouring wards. It is anticipated that the Innovation centre will provide support to over 100 companies and 5 collaborative networks, will support at least 167 jobs in the operation of the Centre by 2020 as well as encouraging local and foreign direct investment. The Council had previously agreed a commitment of £2.275m towards this project on the basis of receiving £6.825m of funding from ERDF and InvestNI. Committee previously agreed (Nov 2012) that up to £250k can be spent at risk on this project and to date £200k has been spent.

- 3.8** Members are asked to note that the funding amount in the LOO received for the project is less than the Council applied for (£6,153,255 compared to £6,825,000). This reduction in funding was primarily because the land acquisition costs were deemed to be ineligible (due to ownership issues) along with some professional fees. However the overall project costs have not changed. The Council has discussed this funding shortfall with InvestNI but it has been confirmed by their officials that there is no opportunity for this shortfall to be addressed. Therefore if the project is to proceed this £671,745 deficit must be filled by the Council.
- 3.9** The delay in receiving this LOO has also had a consequential impact on the programme. The construction programme for this project shows a 16 month build and assumes a start date of this month. Work could not be started before this without a signed LOO in place. On this draft programme the project will not be completed until April 16 (i.e. 4 months past the eligible expenditure date for ERDF). The Council is working closely with the integrated design team to look at ways that this programme can be expedited to bring this back as close to the 31st Dec timescale. However the Innovation Centre is a 'design and build' project and therefore the overall programme will not be known until the contractor is appointed which can only happen once a LOO is signed. InvestNI have confirmed that their match funding contribution will run until 30th June 2016 which lessens the financial impact for the Council. However this will still necessitate a further additional cost above the current Committee approval to cover the funding shortfall. The cost of the delay in receiving the LOO is £1.2m as the Council will not be able to reclaim any ERDF funding for this 4 month period. Efforts will continue to bring this deadline forward as far as possible.
- 3.10** Members are asked to note that this project therefore now requires commitment to an additional £1.86m to proceed. This cost increase has been outside of Council's control and despite intensive discussions with InvestNI it has been confirmed that they cannot address the shortfall. If agreed, this would bring the Council's overall contribution to this project to £4.1m. Members are further asked to note that if this project does not progress this month then the overall costs to the Council will continue to increase as it will mean that a further month(s) of ERDF grant cannot be claimed.

North Foreshore - Giant's Park Environmental Resource Park

- 3.11** This is an innovative regeneration project which will create a 65 acre Cleantech business cluster as part of the proposed Environmental Resource Park. The components of the ERDF project, representing the 1st phase of the project, comprise 1,734m of access roads and preparation works to create 30 acres of development sites. This project is also critical to unlocking the potential of the wider site. The Council had previously agreed a commitment of £2m towards this project on the basis of receiving £6m ERDF funding. The LOO is for this amount. Committee previously agreed (Nov 2012) that up to £150k can be spent at risk on this project and to date £110k has been spent.
- 3.12** The delay in receiving this LOO has had a consequential impact on the programme. The construction programme for this project shows a 12 month build and assumes a start date of March 2015 which is the earliest that it can be started given that the LOO has not yet been signed off. On this draft programme the project will not be completed until March 16 (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 to bring this back in line with the 31st Dec timescale. InvestNI have confirmed that their match funding contribution will run past the 31st December deadline which lessens the financial impact for the Council. However this will still necessitate a commitment to further additional cost above the current Committee approval to cover the funding shortfall. The cost of this overrun is £592k as the Council will not be able to reclaim any ERDF funding for this 3 month period.
- 3.13** In addition Members will be aware the North Foreshore is a former landfill site and is therefore a unique and complex site to develop. Detailed site investigation and design work has now shown that the extent of fill material and site preparation works are greater than initially estimated, due primarily to the site topography and ongoing differential settlement due to the non homogeneous nature of the underlying waste. The additional costs of this are £360K. Members should note that as detailed site investigation work is costly, it is not carried out until the Council has agreed to commit to proceed with the application and to spend money at risk. Therefore this could not have been foreseen at an earlier stage. It should also be noted that with such a complex site, more clarity on the detailed site works required will not be clear until the tender exercise is complete.

- 3.14 Members are asked to note that this project therefore now requires commitment to an additional £952k to proceed to the tender stage. The majority of this cost increase has been outside of the control of the Council caused by the delay in receipt of the LOO. If agreed this brings the Council's overall contribution to the project to £2.952m. As with the Innovation Centre Members are further asked to note that if this project does not progress this month then the overall costs to the Council will continue to increase as it will mean that a further month(s) of ERDF grant cannot be claimed. Given the complex and unique nature of the site, a further report will be brought back to Committee on completion of the tender exercise. Only at this stage will Members be asked to give the final go ahead for this project.
- 3.15 Members are asked to note however that the North Foreshore project can be considered an 'Invest to Save' project as it is intended to dispose of the development sites created by way of lease with an annual rental return or capital premium to the Council (similar to Balmoral, Gasworks etc). The completed developments will also provide additional rates income, private sector investment and jobs. There are also important environmental benefits and, dependent on the nature of future occupiers, this could also contribute towards the NI renewable energy and recycling targets. It is estimated that the Phase 1 30 acre Environmental Resource Park and the 3 Renewable Energy Sites will yield an annual rental and rates income of £1.5m, lever in £112m of private sector investment and create 406 jobs. (These figures are based on a KPMG Economic Appraisal commissioned by INI.) Without the infrastructure to be provided under this project, none of this development will be possible.

Belfast Waterfront (Existing Venue)

- 3.16 One of the flagship projects under the Investment Programme is an extension to the Waterfront to provide dedicated exhibition and conference facilities which will enhance the city's economic and tourism/conference infrastructure. £18.5m of external funding has been secured for this £29.5m project (£14.5m ERDF and £4m NITB) together with the Council's investment of £11m. Works are continuing and the extension works are due to be completed by end of December 2015. An update report on the operator model will be presented to the Shadow SP&R committee in February.

3.17 The existing Waterfront was built in the 1990's and opened in 1997. At this time the building was considered state of the art. A detailed condition survey has highlighted that substantial upgrade works will be required in order to bring the existing facility into line with current regulatory standards, levels of technology and fit-out in the new extension to achieve the required venue customer experience and to effectively market the entire venue as world class. Much of this upgrade and maintenance work would be required in future years even if the extension was not happening. Detailed work has been undertaken on working up the costs of these enhancements and examining how this work can be progressed in parallel with the existing works in order to ensure that any synergies and efficiencies are realised. This has shown that £2.9m will be required in order to upgrade the existing facility as outlined below -

1. **Existing building and services** - the most significant area which requires upgrading is in relation to the existing mechanical & electrical plant and equipment, specialist auditorium equipment, including outdated dimmer replacement, CCTV installation and general building finishes – the majority of which have not been upgraded since the venue's opening. A significant failure in one of these areas (lighting, plant) would force the closure of the entire venue resulting in significant disruption and loss of income. Over the past 12 months it has become increasingly difficult and inefficient to keep some of the equipment operational as in many instances product support is no longer available from the supplier due to technology being outdated. In addition this allows for a general upgrade to the overall 'look and feel' of the building to ensure a seamless transition from the new extension into the current facility to deliver world class customer satisfaction and economic results – *the costs of these upgrade works is £2m.*
2. **Security upgrades** - The PSNI have recently examined the Waterfront as part of a national policing initiative that seeks to reduce the vulnerability of 'Crowded Place'. They have recommended that the Waterfront's glazing, security, CCTV, security control room, access and alarm facilities are all significantly upgraded in accordance with the recommendations of the PSNI CTSU CONTEST Strategy Recommendations Report –

October 2014 *The costs for this work are approx. £286k.* It should be noted that the Council is not obliged to progress these recommendations however, the Waterfront is categorised as a Tier 2 building and on occasions Tier 1 which reflects the highest rating of security risk in terms of the risk.

The budget also includes for statutory and planning fees, professional fees and risk allowance which are standard parts of any project budget (approx. £600k). A breakdown of these costs is attached at Appendix D.

- 3.18 Members are asked to note that if this work is not progressed then the Waterfront will effectively become a building of two halves (the old and the new) and will be more difficult to market as a world class destination. The Waterfront's main auditorium will continue to be the key focal point for any conference/exhibition and currently there is a risk that if this is not upgraded in line with the new extension that the venue will not attract the type of conferences required. These works will essentially 'future proof' the venue to ensure it can become a 21st century, world class leading conference and visitor centre capable of delivering a seamless customer experience and realising the funding conditions outlined in the LOO.
- 3.19 Members are asked to note the requirement for £2.9m to upgrade the existing Waterfront as part of a parallel project. This would mean the Council's contribution to the Waterfront extension remains at £11m but that £2.9m is also required to upgrade the existing facility. Members are asked to note that any works to the existing venue are outside the scope of ERDF funding and would not have received funding under this. The Council has had in-depth discussions with NITB to investigate if there are any other alternative funding streams available for this work however this has not proved possible and therefore these costs will need to be covered by the Council.
- 3.20 If Members agree that additional monies are allocated to this project then it is recommended that this work is progressed while the extension works are ongoing in order to maximise any efficiencies and to ensure minimal disruption to the building. Therefore it is recommended that this is added as a sub-set of the existing Stage 3 approved Waterfront project on the Capital Programme. Members are asked to agree that the appropriate procurement strategy for this project is progressed with authority delegated to the Director of Property & Projects in respect of any tenders etc. required.
- Summary of impact

3.21 As outlined above the combined annual financing cost of the additional expenditure required for these projects (£5.67m) will reduce the capital finance available from £1.05m to £637k. In light of this Members are asked to:

- *Innovation Centre* - agree if this project should be progressed and a contractor appointed for the design and build phase and that if so, if an additional £1.86m is allocated to cover the reduced funding amount and the funding shortfall caused by the delay in receiving the LOO. This brings the Council's contribution to the project to £4.1m.
- *North Foreshore* - agree if this project should be progressed to tender stage and that if so, if an additional £952K is allocated to this project to cover the funding shortfall caused by the delay in receiving the LOO and increased project costs. This brings the Council's contribution to the project to £2.952m.
- *Belfast Waterfront* – agree to allocate the £2.9m required to upgrade the existing Waterfront

Lessons Learned – EU funded projects

3.22 As highlighted in 2.2 above the Council has levered in or secured almost £100m of external funding for a range of projects including over £30m in ERDF funding for the projects above and over £11m for other EU funded projects including Girdwood Hub, the relocation of the Welcome Centre and the new Adventurers Learning centre at the Zoo which represents a massive investment in the city. However Members will appreciate from the issues outlined above that externally funded projects, particularly EU funded projects, are complex, lengthy and bureaucratic processes which are resource intensive. All of the Council's EU funded projects experienced significant delays in getting through the appraisal/approval processes (it took on average 18mths/2yrs for the ERDF projects to receive a LOO from an application being submitted with the Girdwood project taking approx 4years to receive a final LOO). Many of the projects also experienced other issues including changes in requirements from the funding authorities during the process (e.g. CPD being brought in late in the process) or lack of flexibility over spend profiles all of which impacted the Council .

3.23 Members will be aware that new rounds of ERDF and PeaceIV funding are opening soon and these will continue to be significant funding streams for the Council in terms of leveraging external money into the city. However there are a

number of key lessons which the Council can take from the current round of funding both internally in terms of project scoping and development and externally in terms of the processes, timescales and requirements of funding authorities. Members are asked to note that a detailed 'lessons learned' session will be undertaken internally to ensure learning is put in place for the next rounds of EU funding. Externally however it will also be key that the Council works closely with central government and the funding managing authorities (SEUPB and InvestNI) to see how the application, appraisal and claims processes for EU funded projects could be better managed and streamlined going forward to ensure that the current situation is not repeated and the amount of funding can be maximised.

4.0 Capital Financing - Leisure Transformation Programme

- 4.1 Table 2 below shows the profile of capital financing agreed to be ring-fenced as part of the Leisure Financing Strategy. This was agreed by the Strategic Policy and Resources Committee on the 21 June 2013 to support the £105m capital investment in the Leisure Estate. This is separate to the financing for the capital programme as outlined above.

Table 2- Leisure Capital Financing Budget 2015/16

Andersonstown / Olympia (<i>Committed Exp £38m – from BIF</i>)	£3,230,000	
New Boundary Rate Base (<i>See Table in 4.3 below</i>)	£2,000,000	
Year 1 LTP Savings (<i>See Appendix G</i>)	<u>£765,000</u>	
Total Commitment 2015/16		£5,995,000
Balance of LTP Savings (2016/17)		<u>£1,235,000</u>
Total Financing Secured (will deliver £85m capital expenditure)		£7,230,000
Financing still to be delivered (by 2017/18) (to met £105m)		<u>£1,700,000</u>
Total Leisure Financing Required		£8,930,000

- 4.2 Members are asked to note that £765k of the Year 1 leisure savings has been allocated towards financing non-recurring planned maintenance works to the leisure estate. A breakdown of these works is attached at Appendix G and includes current facilities and those transferring under LGR. These works will all be carried out during 15/16.
- 4.3 As part of the Leisure Capital Financing Strategy, the SP&R Committee agreed to ring fence £2m of the additional income from the new rate base for investment in the leisure estate.

Given the profile of leisure capital expenditure this element of financing is not required for leisure in 2015/16 it is recommended that the £2m from the new boundary rate base is applied to projects in the new boundary area which are shown in Table 3 below. All of these projects can be completed during 2015/16.

Table 3 - Allocation of £2m New Boundary Capital Financing

Brooke Playground Replacement	£230,000
Mount Eagles Playground Replacement	£230,000
Areema Drive Playground Replacement	£230,000
New playground (Poleglass)	£230,000
Twinbrook Wildlife Park	£80,000
Roddens Crescent Playground Upgrade	£70,000
Lisburn Bridges Repairs	£150,000
Prince Regent Road Depot	£480,000
Sally Gardens	<u>£300,000</u>
Total Financing	£2,000,000

** Members are asked to read this in conjunction with the Non Recurrent report which is also on the agenda for consideration at the Committee meeting*

- 4.4 Members are asked to note that an asset planning report on Phases 2 and 3 of the Leisure Transformation Programme will be brought to Committee next month.

5.0 **Capital Programme – Update on other projects**

Creative Hub

- 5.1 As outlined in 3.6 above a LOO still has not been received for the proposed Creative Hub project, which involved the refurbishment of a property located at 19-21 Donegall Street to support the city's creative and digital media industry. This application was submitted in June 2013. Council officers have worked hard with officials from InvestNI on supplying additional information in support of this project however it is currently still being economically appraised. The construction programme for the Creative Hub is estimated at 9 months.
- 5.2 The Council has discussed the current status of this project with InvestNI and it has been proposed that this project should be withdrawn from the current ERDF programme and resubmitted under the 'Investment for Jobs and Growth' programme which has a longer timescale. Members are asked

to note that this does not change the scope of the project but eliminates any potential loss of EU funding due to the December 2015 deadline for ERDF. The projected cost of the project remains at the level previously approved by the SP&R Committee.

- 5.3 The project does remain at risk however as a LOO has not yet been secured and is dependent upon the property in Donegall Street remaining available for purchase at the agreed price when a LOO is finally received. The SP&R Committee (Feb 14) has previously approved the acquisition of the premises in Donegall Street subject to receipt of a LOO for funding from InvestNI.

Council Accommodation

- 5.4 Members approved in June 2014 the commencement of a tendering exercise to procure new build office accommodation in the city centre on the basis of a 'design and build' contract. Members are asked to note that this has now entered a competitive dialogue process.

- 5.5 The building of the new accommodation will be self-financing as this will be secured through savings from the occupational costs including rents currently incurred on leased accommodation across a number of sites. However there will be a cost for the land acquisition for the site. It is proposed that these costs will be funded via capital receipts and a proposal will be brought back to Committee regarding the use of capital receipts for the acquisition of the site subject to the successful conclusion of the competitive dialogue process.

6.0 Physical Programme 15/16 and beyond – conclusion

- 6.1 The Council's Investment Programme outlined a target of investing £150million in terms of physical investment in the city. We have already delivered, or are in the course of delivering, more than £120m of physical projects under our capital programme (see detailed update at Section 2) and Members are asked to note that the Council will actually spend over £330m on capital projects in a decade, with schemes for all parts of the city, including our new boundary. This includes £105m to transform our leisure estate and modernise services, including provision for new areas. In addition over £4m of projects have already gone through under Local Investment Fund and we are continuing to work on a range of BIF projects. The SP&R Committee has already

agreed to reconsider BIF and LIF in the context of the changing role of the Council given LGR. There will also be a need to reconsider the Maintenance Programme in terms of transferring assets and the LTP.

6.2 However as evidenced by the detail in this report this level of investment cannot be sustained at this rate in the future given the budgetary pressures facing the Council and the wider public sector. Members should also note that this massive investment into the city's physical infrastructure is inconsequential if physical projects are simply seen as the stand-alone development of a facility/asset. As noted above, many of our major physical projects are now at construction phase with the ensuing demands that this places upon resources, both in terms of project management, community engagement and establishing effective revenue budgets to deliver the programmes that will make a difference on the ground. This is likely to require future growth in the revenue budgets. Communities are the lifeblood of our city and assets will only succeed if they are properly planned and programmed from the outset in order to ensure that they meet the needs of local communities and the city and to deliver real and tangible community and economic benefits. It is therefore vital that assets and facilities are intrinsically linked to the social, community and economic outcomes of the Council with associated programming and input from the Council and other partners/agencies. The emerging Belfast Agenda and the development of Area Plans will provide the opportunity to do this.

6.3 Members are asked to note that the financing of the Council's capital financing budget in the context of LGR and other financial pressures is discussed in the rates report which will be presented to Committee at this meeting.

7.0 Recommendations

7.1 Members are asked to note the content of this report and –

Capital Programme

- Levered in monies - note that with the external funding that will be secured for both the Innovation Centre and the North Foreshore project that the Council has now levered in nearly £100million in external funding towards capital projects – this has exceeded the target outlined in the Investment Programme.

Capital Financing – Update and impact of decisions

- note that each decision taken in relation to progressing a capital project or agreeing additional money towards any one project has a consequential impact on the level of financing that is available for other capital projects.
- note that the 'Rates Setting' report which is also on the agenda at today's Committee includes an increase to the capital financing budget of £677,319 to cover the annual loan repayments transferring from Lisburn and Castlereagh.
- note that the capital financing budget currently available for the capital programme for 2015/16 is £1.05m.
- note that there are a number of projects which require additional capital monies - combined these projects require an additional £5.67m of capital expenditure which requires £418k of annual capital financing. There is £637k of capital finance available. In this context Members are therefore asked to consider the individual projects as set out below -
 - *Innovation Centre* - agree if this project should be progressed and contractors appointed for the design and build phase and that if so that an additional £1.816million is allocated to this project to cover the reduced funding amount and the funding shortfall caused by the delay in receiving the LOO. This brings the Council's contribution to the project to £4.1m.
 - *North Foreshore* - agree if this project should be progressed to tender stage and that if so that an additional £952k is allocated to this project to cover the funding shortfall caused by the delay in receiving the LOO and increased project costs. This brings the Council's contribution to the project to £2.952m. Members are asked to note that an update on the outturn of the tender process for the project will be brought to Committee.
 - *Belfast Waterfront* (existing) – agree to allocate £2.9m to upgrade the existing Waterfront to bring it into line with the new extension and ensure a seamless customer experience and ensure that the facility can deliver the funding

conditions as outlined in the LOO. If agreed, Members are also asked to agree that the appropriate procurement strategy for this project is progressed with authority delegated to the Director of Property & Projects in respect of any tenders etc. required and that this is added as a sub-set of the existing Stage 3 approved Waterfront project on the Capital Programme.

- note the profile of capital financing agreed to be ring-fenced as part of the Leisure Financing Strategy as outlined in Table 2 and note that £765k of the Year 1 savings from the LTP will be used for non-recurring planned maintenance works to the leisure estate as previously agreed.
- agree the allocation of the £2m new boundary capital financing as laid out in Table 3 at Paragraph 4.3 above.

Other project updates

- Creative Hub — agree if this project should proceed under the new ‘Investment for Growth and Jobs’ Programme at the net cost of £1.2m already agreed by the Council and that in line with the previous SPR Committee decision of February 2014 that the Council moves to acquire the building at 19-21 Donegall Street on receipt of a letter of offer.
- Council Accommodation – note that an update will be brought back to Committee regarding the use of capital receipts for the acquisition of the site for the new accommodation to include an update on the award of the tender subject to the successful conclusion of the competitive dialogue process which is currently underway .

8.0 Call In

This report is subject to call-in.”

The Committee noted the contents of the report and approved the additional capital monies for those projects as outlined, namely, the Innovation Centre, the North Foreshore and the Belfast Waterfront Hall; the allocation of the £2 million New Boundary Financing as set out in Table 3; and agreed that the Creative Hub Project should proceed to an application under the new “Investment from Growth and Jobs” Programme at the net cost of £1.2 million.

**Non – Recurrent Expenditure Requirements
2014-15 and 2015-16**

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

“1.0 Relevant Background Information

1.1 This report presents the non-recurrent expenditure requirements for 2014/15 and 2015/16 and makes recommendations as to how these can be financed.

2.0 Key Issues

Non – Recurrent Expenditure 2014/15

2.1 The Strategic Policy and Resources Committee has already approved £2,962,241 of non-recurrent expenditure for 2014/15. This is summarised in Table One below. Members agreed, as part of the half year finance report, that this expenditure would be financed from the forecast year end under spend of £4,307,000.

Table One: 2014/15 Non-Recurrent Expenditure

Leisure Mobilisation 2014/15	1,171,233
WFH Mobilisation	700,000
Innovation Centre	130,000
Temp Accommodation	80,000
Vehicles parks	164,461
Total Assets	2,245,694
Data Transfer (Building Control)	38,753
Cleansing	80,393
Ulster Orchestra*	100,000
SP&R Approved Funding Requests	153,500
Pensions	238,181
Total Other	610,827
Condition surveys and remedial works	9,000
Removal costs from Bedford House	38,720
Fit out costs of new building	50,000
Connection costs to new building	8,000
Total Transfer of Functions	105,720
Total 2014/15	2,962,241

*DCAL has confirmed that the requested one-off funding will be made available to the Ulster Orchestra as a result of January monitoring. DCAL has asked the Arts Council to administer and allocate this funding under the terms of its current Letter of Offer to the Ulster Orchestra.

Non – Recurrent Expenditure 2015/16

- 2.2 Table Two below outlines the non-recurrent expenditure requirements for 2015/16. The key drivers of these costs are the delivery of Investment Programme projects and transitional arrangements associated with local government reform.

Table Two: Non-Recurrent Expenditure 2015/16

Employees	1,694,736
Assets	573,052
Other	920,023
Transfer of Functions	323,000
Total	3,510,811

2.3 Employees

For the past three years temporary staff employed to support the delivery of Investment Programme projects and local government reform have been financed through the Waste Plan and the Local Government Reform Fund. These funds will come to an end on 31 March 2015. Table Three provides a summary of the temporary employee funding requirements by department. A detailed breakdown by post is provided at Appendix One.

Table Three: Temporary Employees 2015/16

Chief Executive's	408,458
Finance & Resources	126,718
Property & Projects	635,953
Health & Env. Services	133,385
Development	305,854
Car Parks	33,776
Planning	50,592
Total Temp Employees	1,694,736

Assets

- 2.4 Table Four details the one-off costs associated with the assets transferring from Lisburn and Castlereagh. Detailed surveys of the assets have been carried out and maintenance costings have been prepared. Appendix Two provides a summary of the proposed work by asset transferring.

Table Four: One – Off Asset Costs 2015/16

Property Maintenance - Assets transferring	393,235
Parks & Open Spaces/Tree & Path Works	127,307
Pitches Improvement	10,510
Street Signs	12,000
Building Signage	30,000
Total Assets	573,052

Other

- 2.5 These costs include £429k to support the alignment of the Council's grant aid programmes for areas transferring from Lisburn and Castlereagh. A separate report on the alignment, on a one-off basis, of the events and festivals funding for the transferring areas and the development of a city events and festivals strategy is to be considered at today's meeting.

Table Five: Other Costs 2015/16

Licences	105,000
Community Planning & City Competitiveness	100,000
Grant & Community Support	429,023
Events & Festivals	200,000
Decade of Centenaries	86,000
Total Other	920,023

Transfer of Functions

- 2.6 Corporate signage on car parks must comply with legislative requirements and an additional £30k will be required to ensure compliance. Additional printers and computers will be required for the planning staff (45 staff) at a cost of £43k. The major additional expenditure requirement is £250k for advertising

costs associated with planning applications. These are advertised in four local newspapers to ensure planning equality and legislative requirements are met.

Table Six: Transfer of Functions 2015/16

Corporate Signage to car parks	30,000
IT Hardware	43,000
Planning Advertising	250,000
Total Transfer of Functions	323,000

Sources of Funding

- 2.7 Table Seven shows that through a combination of sources £4.3m of finance is available. It is recommended that a transition fund of £3.31m is established to cover the one-off costs for 2015/16.

Table Seven: Sources of Funding 2015/16

2014/15 Year end balance	1,344,759	
LGR Fund	331,511	
LTP Fund	420,000	
Capital under spend	<u>2,219,843</u>	
Total funding available		4,316,113
Funding required		<u>3,510,811</u>
Balance remaining		805,302

- 2.8 In terms of the remaining balance of £800k Members have a choice of transferring this to reserves or using it to support other priorities. At the Budget Panel it was agreed that further detailed discussion is required about the future of the Local Investment Fund, Belfast Investment Fund and the potential establishment of a Support Fund. A detailed report on this matter will be brought to Committee in February and it is therefore recommended that the allocation of the £800k balance should be considered as part of this future report.

3.0 Recommendations

Members are requested to agree to:

- The non-recurrent expenditure outlined in tables 3 to 6 for 2015/16.
- The establishment of a transition fund of £3.51m to finance this expenditure.”

The Committee adopted the recommendations.

Bidding for International Events

The Committee considered the undernoted report:

"1 Purpose of Report

1.1 The purpose of this report is to:

- (i) Ask Members to consider the issue of funding for bidding for future international events as requested by the Development Committee at its meeting in December 2014;**
- (ii) Consider funding towards a festival in each of the areas transferring from Castlereagh and Lisburn to Belfast;**
- (iii) Consider two invitations to bid for international events**
 - UK National Piping Championships 2016, 2017 and 2018**
 - World Irish Dancing Championships 2018**

2 Key Issues

2.1 At the Development Committee meeting October 2014, Members asked the City Events Manager to bring forward a list of potential events which the Council, along with other regional partners, could bid for over the next 5 years.

2.2 The City Events Manager presented a paper to the December meeting of the Development Committee setting out a list of international events which had been identified by the City Events unit and other regional partners which, subject to adequate funding, could potentially be secured by the City between 2016 and 2021. These events are set out in summary form in Table 1 below with the potential costs and benefits detailed in Appendix A, a copy of which has been circulated.

Table 1

Year	Event	Cost to Council	Total Cost of the Event
2016	UK National Piping Championships	£180,000	£180,000 – totally funded by BCC
*2016	All-Ireland Irish Dancing Championship	£250,000	£250,000 – totally funded by BCC
2017	National Triathlon Series event	£100,000	£200,000
2017	World Music and Dance	£100,000	£1,700,000

	(WOMAD) Festival		
2017	UK National Piping Championships	£180,000	£180,000 – totally funded by BCC
2018	European Triathlon Series event	£200,000	£400,000
2018	World Irish Dancing	£220,000	£400,000
2018	UK National Piping Championships	£180,000	£180,000 – totally funded by BCC
2019	World Triathlon Grand Final	£500,000	£2,000,000
2020	All Ireland Fleadh Cheoil	£500,000	£1,500,000
2021	Commonwealth Youth Games	£500,000	£3,000,000
	Total Cost	£2,660,000.00	£9,740,000.00

*This event has been agreed at a cost of £250,000 as per decision of Council November 2010.

2.3 Since 1999 Belfast City Council in partnership with a range of Government departments has been successful in bidding for, securing and delivering a range of international events for the City. These events include the IAAF World Cross-Country Championships, the IABA World Amateur Boxing Championships, the UEFA Under 19 European Football Championship, the IRB Under 19 Rugby World Cup, Sail Training International's Tall Ships Races, Viacom's MTV EMAs, the World Police and Fire Federation's World Police and Fire Games, RCS Sports' Giro d'Italia and various national and international competitions connected to the World Irish Dancing Commission.

2.4 It is recognised that hosting large-scale international and national events has a very positive impact on cities in terms of economic return to the business community, enhancing the civic involvement of local communities and building pride and confidence in their city and promoting a positive image globally to potential visitors and investors. Examples of the benefits to Belfast of recent events include:

- Tall Ships 2009 generated £16 million for the local economy;
- The Giro d'Italia created a skills programme for over 1500 volunteers and had an audience of 375,000 people;
- MTA Music Awards was viewed by an estimated 1.2 billion people and generated 669 million media opportunities;

- The World Police and Fire Games attracted 7,000 athletes from 50 countries with an economic return of £3.6 million.

2.5 The Development Committee noted that whilst the list of events set out in Appendix A have been agreed with other Government bodies, the cuts to budgets such as the NITB Events Fund means that there is no guarantee the funding required to secure these events will be available in future years.

2.6 In previous years international events have been funded through a specified reserve. This reserve had been built up over a number of years from in-year corporate re-allocations. This fund is sufficient to meet the costs of events planned for the 2015/16 however, consideration will have to be given as to how international events are to be funded from 2016 onwards if the Council wish to host one major international event each year as proposed in the Belfast Strategic Tourism Framework.

2.7 The Development Committee also asked that the Shadow Strategic Policy and Resources Committee consider two invitations to bid for events which will require responses in early February and early March namely –

- UK National Piping Championships 2016, 2017 and 2018;
- World Irish Dancing Championships 2018

2.8 UK National Piping Championships 2016/18

The Royal Scottish Pipe Band Association has invited the Council to bid to host the UK National Piping Championships for a 3-year period commencing Summer 2016 through to 2018. This follows on from an unsuccessful bid to secure the World Championships over the same period.

The projected cost to the Council to secure the Championships is £180,000 per annum.

2.9 World Irish Dance Championships (WIDC)

The cost of hosting the WIDC is estimated to be £400,000 with £220,000 required from Belfast City Council.

2.10 City Events and Festivals

Historically the Development Department organises and manages a range of city events and festivals. On average the City Events Team delivers twelve large-scale public events which are aimed, in the first instance, at the City's residents. These events include the St. Patrick's Day Festival, Halloween Celebrations and the Christmas Lights Switch On.

The Council's Tourism, Culture and Arts Unit also provides grant funding of £1.55m to a range of organisations to deliver

a city-wide programme of events and festival including a number of the City's flagship events including Feile an Phobal, Culture Night, Belfast Festival at Queen's and the Cathedral Quarter Arts Festival. The grants are distributed through two specific grant programmes, ie the Cultural Multi-Annual Fund (£1.4m) and the Community Festival Fund (£150K, 50% of which comes from DCAL).

2.11 Areas Transferring to Belfast City Council from Castlereagh and Lisburn

As a result of the Council's investment a strong and vibrant Culture and Arts infrastructure has been developed across the City creating a capacity to deliver events at both a city and neighbourhood level. The areas which are due to transfer from Lisburn and Castlereagh, however, have not enjoyed the same level of investment in the Culture and Arts sector as has been the case in the current Belfast area. As a result, there is unlikely to be the same level of community festival and arts activity in these areas without the support of Belfast based organisations. In order to fill the void, which will be experienced in these areas during the first year following transfer, Members may wish to allocate the non-recurrent funding to Feile an Phobal and Eastside Arts to deliver festivals in these areas in the 2015/16 financial year.

2.12 Subvention Funds for International Conferences

With the opening of the new Conference and Exhibition Centre Belfast will have the potential to attract large scale international conferences to the City. In essence these are international events in their own right. This is a highly competitive market place in which Belfast will have to compete with cities across the globe. Other cities such as Dublin, Manchester, Liverpool, Edinburgh and Glasgow have subvention funds of around £500k annually which they use to attract these conferences to their city. Historically Visit Belfast has had a subvention fund of £140k per annum, funded equally by BCC and NITB. Moving forward it will be important that other potential funders are brought to the table including Invest NI and possibly the Airports and Universities to help the city compete. It is recommended that BCC commission a piece of work to develop a City Subvention

Fund with other stakeholders to coincide with the opening of the WFH in 2016.

2.13 Future Strategy and Funding

Given the resource pressures across both the Council and other public sector bodies the Development Committee agreed that a strategic review of events and how they might be funded in the future should be undertaken. The Committee also expressed the view that any such review should take account of the recommendations within the Belfast Integrated Tourism Framework and the social and economic impact of the events to be supported.

3.0 Resource Implications

3.1 The Council has already secured the All Ireland Dancing Championships in 2016 at a cost of £250,000 following approval by the Council to bid in November 2010.

3.2 If the specific bids set out in Paragraph 2.2 above were to be approved and successful the following resources would be required:

Year	Cost	Event
2016	£250,000	All Ireland Dancing Championships
	£180,000	UK Piping Championships
2017	£180,000	UK Piping Championships
2018	£180,000	UK Piping Championships
	£220,000	World All Ireland Dancing Championships

3.3 £200K has been identified within the Non-Recurrent Expenditure Requirements Report 2014/15 and 2015/16 to be allocated for the deliver community festival activity in the new areas transferring from Castlereagh and Belfast during 2015/16 by Eastside Arts and Feile an Phobal along with the costs associated with a Strategic Review of Events and Festivals.

3.4 The cost of conducting a strategic review of Events and Festivals should not exceed £30K.

4.0 Equality Implications

As with all major civic events, public events like those listed have the potential to bring together people from a wide range of backgrounds and, therefore, promote good relations in the City.

5.0 Recommendations

5.1 Members are requested to:

- Note the work being undertaken to secure international events for the City;
- Agree that a Strategic Review of Events and Festivals be commissioned and that the Director of Development be given authority to appoint a consultant upon evaluation of quotations;
- Agree to the development of a City Subvention Fund with other stakeholders;
- Consider allocating £200K from non-current funding to finance the following:-

Eastside Arts and Feile an Phobal delivering community festival activity in the new areas transferring from Castlereagh and Belfast during 2015/16;

A strategic review of Events and Festivals outlined above;
The development of a Belfast Conference Subvention Fund.

- Note that following the strategic review consideration will have to be given as to how international events are funded from financial year 2016/17 onwards;
- Consider the specific invitations to bid for the UK National Dancing Championships (2016 to 2018) and the World Irish Dancing Championships 2018.”

The Committee adopted the recommendations and agreed to accept the invitations to bid for the UK National Dancing Championships (2016-2018) and the World Irish Dance Championship 2018.

Revenue Estimates 2015/16

The Committee considered the undernoted report:

“1 Relevant Background Information

- 1.1 The purpose of this report is to provide the financial information to support Members to make decisions on the following:

- The level of district rate to be set for 2015/16.
- The departmental revenue budget allocations and cash limits for 2015/16.
- The revenue budget allocations and cash limits for the transferring functions 2015/16.
- The capital financing budget.
- The adequacy of general reserves.
-

The report will also provide details of the impact of the decision on the district rate on the ratepayer in the context of the rates convergence scheme agreed by central government and the non-domestic revaluation.

2 Key Issues

2.1 Rate Income

This will be the first rate set for the new Council. This means that the rate base now includes all domestic and non-domestic properties transferring from Lisburn and Castlereagh. The final Estimated Penny Product (EPP) provided by Land and Property Services (LPS) and validated by Council officers and the Institute of Revenue, Rating and Valuation (IRRV) is £5,616,420. This means if the Council sets a zero rate an additional £13,400,133 of rates income would be raised, bringing the total rates income to £143,116,491 for the new boundary area in 2015/16.

2.2 De-Rating Grant

In addition to district rate income the Council also receives an industrial de-rating grant from DOE. The de-rating grant compensates the Council for the loss of rate income due to the statutory de-rating (lowering of rates) of certain properties. LPS has notified the Council that the de-rating grant will increase by £461,046 to £5,091,162.

The DOE, however, at the time of writing, has not confirmed the level of de-rating grant to be paid. Members will be provided with a verbal update on the de-rating grant position at the committee meeting.

2.3 In summary, this means that the total additional rates income based on a zero rate amounts to £13,861,179. Therefore, any additional expenditure agreed by the committee for 2015/16 must be within this cash limit if a zero rate is to be agreed.

2.4 Summary Position

Table 1 below provides a summary of the proposed allocation of the available £13.86m.

The report will make specific recommendations in relation to:

- Discretionary elements of net departmental expenditure
- Additional funding for the running of the transferring planning service
- The creation of a regeneration budget
- Additional capital financing to support the debt being transferred from Lisburn and Castlereagh.

Table 1
Cost of Running the New Council in 2015/16

	Cost (£)	Increase (£)
Net Departmental Expenditure	<u>127,752,877</u>	9,544,079
Transfer of Functions	735,554	
Regeneration	<u>634,912</u>	<u>1,370,466</u>
Belfast Investment Fund	2,770,000	
Total Revenue Costs	131,893,343	10,914,545
Capital Finance	16,810,946	3,443,270
Less Reserves Contribution	<u>-496,636</u>	<u>-496,636</u>
Total Net Expenditure	148,207,653	13,861,179

2.5 Net Departmental Expenditure

Table 2 below shows how the £9.54m increase in net departmental expenditure is distributed. It shows that £11.05m is a result of cost increases beyond the control of the Council. It also includes £1.33m of costs which are at the discretion of Members to agree on and £2.85m of cash savings have been removed from the departmental budgets. The details of the main headings are provided below.

Table 2
Net Departmental Expenditure – Uncontrollable Costs and Budget Proposals 2015/16

	£(m)	£(m)
Staff Transferring from Lisburn & Castlereagh	3.38	
Employee Pay Rise and Pension Costs	2.43	
Transferring Assets Repairs and Maintenance	0.33	
New Council Members Allowances	0.52	
Waste Convergence and Disposal Costs	4.29	
Commissioner of Complaints	0.10	

Total Uncontrollable Costs		11.05
New Posts for LGR	0.72	
Cuts to Government Grants	0.28	
Ulster Orchestra	0.15	
Political Assistance	0.18	
Total Discretionary Elements		1.33
		12.38
Less		
Leisure Transformation Year 1 Efficiencies	-0.77	
Corporate Efficiencies	-2.08	-2.85
Net Departmental Budget Increase		9.54

2.6 Uncontrollable Costs

Staff Transferring from Lisburn and Castlereagh (£3.38m): The details of all 141 staff from the Lisburn and Castlereagh Councils who will transfer to Belfast on the 1 April 2015, under the LGR transfer scheme, have been received and validated by the Human Resources Section. The costs associated with these transfers have been incorporated into the revenue estimates and the detail of the posts to be added to the establishment has been circulated.

2.7 Employee Pay Rise and Pension Costs (£2.43m): This covers the increase in employee costs arising from the national pay settlement and the increased NILGOSC pension contribution costs arising from compliance with the auto enrolment pension regulations.

2.8 Transferring Assets Repairs and Maintenance (£330k): This is the increase in existing planned maintenance budgets required for the annual maintenance and upkeep of assets transferring to Belfast.

2.9 New Council Members Allowances (£520k): The central government funding provided for Members allowances during the Shadow Council will end at the 31 March 2015, resulting in an increase in the net expenditure requirements for 2015/16.

2.10 Waste Convergence and Disposal Costs (£4.29m): This includes the provision of waste management services to the new boundary area, including the additional recycling, haulage and

landfill gate fee costs. It also includes the increased costs associated with the implementation of the waste plan to ensure the Council's compliance with statutory waste management targets.

2.11 Discretionary Elements

New Posts for LGR (£720k): In addition to the transferring posts, the departmental estimates include the funding for 17 posts required to ensure the delivery of services on a converged basis. Details of these posts has been circulated.

2.12 Cuts to Government Grants (£284k): This is the loss of income from existing grant funding streams provided to the Council by the DOE, which the DOE have advised will cease in its revised budget proposals for 2015/16. Further detail is provided in Appendix 3.

2.13 Ulster Orchestra (£150k): This represents the additional cost of the free use of the Ulster Hall proposed as part of the overall funding package to secure the future of the orchestra. A revised business plan has been provided by the orchestra and DCAL has confirmed that work is continuing on finalising the details of the 5 year government funding package.

2.14 Political Assistance (£175k): This budget heading was presented in the 16 January rates report. If Members are not minded to support the creation of this budget then it is recommended that the £175k is transferred to support the capital financing budget.

2.15 Efficiencies

The departmental estimates include the year 1 leisure transformation programme savings of £766k which have been removed from departmental budgets (Table 3) and transferred to the capital financing budget. The estimates also include the £2.08m of savings generated through the corporate efficiency programme and removed from departmental budget (Table 4) including savings in the procurement of services and running costs of energy, security, fleet as well as maximising income though additional income generation for ICT services and budgetary challenge across expenditure and income budgets.

**Table 3
Leisure Transformation Programme Year 1 Efficiencies**

Chief Executive's	54,396
Property and Projects	346,982
Parks and Leisure	8,281,614
Health and Environmental Services	31,357
Pay Rise	<u>243,928</u>
Total Reductions	8,958,277

GLL Year 1 Payment	<u>-8,192,326</u>
Year 1 Savings	765,951

Table 4
Corporate Efficiency Programme

Chief Executive's	51,503
Development	131,801
Finance and Resources	233,150
Health and Environmental Services	1,271,554
Parks and Leisure	55,395
Property and Projects	341,587
Total 2015/16 Savings	2,084,990

2.16 Regeneration

Members will be aware that as part of the preparatory work for the transfer of regeneration powers a significant shortfall had been identified in the proposed transfer of resources to support City Regeneration. While the transfer of regeneration will not now take place until 1 April 2016 it would be prudent for the Council to ring fence resources for regeneration during 2015/16 which could be used to support the preparation for the transfer of regeneration powers and the City Centre regeneration plans. A separate budget of £635k has been included in the estimates for regeneration.

2.17 Transfer of Functions

The arrangements for the transfer of functions to local government include the transfer of associated budgets. The DOE have advised that any funding for transferring services will be made on the basis of the net funding of all services transferring.

2.18 A core principle of the transfer arrangements was that the transfer should be rates neutral. However, as the Deloitte report (considered by the Committee at its meeting in November 2014) highlights, central government has changed this position to being budget neutral. The implication of this is that if costs are

incurred by the Council which have not been budgeted for by central government then no funding associated with this expenditure will transfer. The cuts to central government funding have also increased the pressure on central government budgets available for transfer.

- 2.19 In the Rate Setting report to Shadow Strategic Policy and Resources Committee on the 16 January 2015, it was reported that a funding gap of £1m existed between the net expenditure estimated by the Council to operate the transferring functions of Planning, Off Street Car Parking and Local Economic Development. Since that date, as the result of further challenge and meetings with central government, the budget gap has reduced to £736k, with this all relating to the Planning Service.
- 2.20 A summary of the cash limits for the transferring functions is set out in Table 5 below, with further explanation provided in the following paragraphs.

Table 5
Cash Limits for Transferring Functions

	Net Exp (£)
Off Street Car Parking	-1,365,000
Planning	1,310,447
Local Economic Development	411,984
Reduction to Regeneration Transfer	378,123
Transfer of Functions Cash Limit	735,554

- 2.21 Off Street Car Parking: Off street car parking will provide an operating surplus for the Council as the difference between the estimated income (£2.07m) and the estimated expenditure (£0.70m) will provide net operational income of £1.37m in 2015/16.
- 2.22 Planning: The net cost of the planning service for 2015/16 is £1.3m. Made up of gross expenditure of £2.9m less £1.6m of fee income. This gross expenditure of £2.9m includes the £1.6m for staff transferring from the central government and a further £460k of employee costs to cover the additional posts of the Director of Planning, Head of Service, Business Manager, Clerk and 2 Solicitors. The remaining costs cover accommodation, ICT, advertising and external specialist legal support.
- 2.23 Local Economic Development: This is expenditure for local economic development grants which were previously provided by DETI. The amount of expenditure for 2015/16 has been agreed with DETI.

2.24 Capital Financing

A separate Capital Programme report is being considered by Members at this Committee meeting.

2.25 The capital financing budget for 2015/16 proposed in the revenue estimates is summarised in Table 6 below.

Table 6
Capital Financing Budget 2015/16

Existing (Capital Programme) Budget 2014/15	£10.137m
Existing (Leisure Estate) Budget 2014/15	<u>£3.230m</u>
	£13.367m
Increase:	
Growth to cover Lisburn/Castlereagh Loans	£0.677m
Growth Leisure Transformation Savings Year 1	£0.766m
Growth Leisure Estate (From New Rate Base)	<u>£2.000m</u>
Total Capital Financing Budget 2015/16	£16.811m

Total Capital Financing Budget 2015/16 £16.811m

2.26 Belfast Investment Fund

The current annual contribution to the Belfast Investment Fund is £2.77m. There is no requirement to increase the current level of contribution to the Belfast Investment Fund during 2015/16.

2.27 Application of Credit Balance from Reserves

The Strategic Policy and Resources Committee agreed the funding of running costs for 2 projects - Public Bike Hire and Innovation Centre, on an incremental reducing balance basis. The application of a credit balance transfer from reserves of £497k has been included in the draft estimates to ensure that these costs are not added to the district rate in 2015/16.

2.28 Departmental Cash Limits

A summary of the movement in departmental net expenditure and the cash limits for 2015/16 is included in table 7 below. Explanation of the main movements and the impact of local government reform on departments are included in the following paragraphs.

Table 7
Departmental Movements and Cash Limits for 2015/16

Department	2014/15	2015/16	Var (£)	%
Chief Executive's	7,793,199	8,918,825	1,125,627	14.44%
Finance and Resources	11,207,998	11,283,403	75,405	0.67%
Property and Projects	12,371,713	13,174,093	802,380	6.49%
Corporate Priorities	1,123,192	1,013,633	-109,559	-9.75%
Development	19,076,867	20,279,177	1,202,310	6.30%
Parks and Leisure	23,824,202	16,768,339	-7,055,863	-29.62%
GLL		8,192,326	8,192,326	
Health & Env. Services	41,941,628	46,267,008	4,325,380	10.31%
Employee Pay Rise	870,000	1,856,072	986,072	113.34%
Total Net Expenditure	118,208,798	127,752,887	9,544,079	8.07%

2.29 Chief Executive's Department – Appendix 4, a copy of which has been circulated, provides a breakdown by service

Net expenditure for the Chief Executive's Department has increased by £1.1m. This includes £520k of Members Allowances as the central government funding provided for Members allowances during the Shadow Council period will end at the 31 March 2015. Staffing cost increases for Local Government Reform (LGR) 6 transferring staff (£171k Appendix 1) and 6 additional posts (£212k Appendix 2) relating to the new Community Planning role of the Council and FOI / Data Protection requirements are also included. The estimates also include the provision of £175k for political assistance which will be considered as part of the recommendations of this report.

2.30 Finance and Resources Department - Appendix 4 provides a breakdown by service

Net expenditure has increased by £75k arising from the transfer of 3 staff as part of LGR (Appendix 1).

2.31 Property and Projects Department - Appendix 4 provides a breakdown by service

Property and Projects net costs have increased by £802k arising mainly from the transfer of an additional 51 sites to Belfast representing a 20% increase to the BCC Estate. (BCC currently has 264 sites). These costs include £84k (Appendix 1) for the 4 staff transferring to the Council and £336k in increased annual repairs and maintenance costs. The estimates also include increased pension costs of £140k and £390k for 8 new posts (Appendix 2) 6 of which are Project Sponsor posts (which will replace current temporary positions) with the other 2 Estates related posts.

2.32 Corporate Priorities

A corporate priorities budget of £1m is required for 2015/16 which includes the recurring invest to save budget, carbon reduction charges, external audit and commissioner for complaints costs.

2.33 Health and Environmental Services- Appendix 5 provides a breakdown by service

The most significant increase in departmental expenditure budgets in 2015/16 is associated with waste management. An additional £4.29m is required to cover the provision of waste management services to the new boundary area, including the additional recycling, haulage and landfill gate fee costs. It also includes the increased costs associated with the implementation of the waste plan to ensure the Council's compliance with statutory waste management targets.

The extended boundary will result in the provision of Council services to an additional 21,000 households, 53,000 citizens residing in approximately 690 streets and the transfer of approximately 800 businesses and 160 commercial waste customers. It is estimated that:

- the number of noise complaints and public health and housing complaints will increase in line with the population increase i.e. by 20%.**
- an additional 1.5 million bin collections per year with an additional 21,000 tonnes of waste collected, treated/recycled and disposed of as appropriate.**
- the number of bulky household waste collections per annum will rise by 20% to 50,000**
- approximately 312 additional miles to be cleansed weekly along with an additional 270 litter bins to be emptied and maintained.**
- Pest Control service requests will increase by approximately 18% to 5402 per annum and that there will be a 28% increase in the number of manholes to be baited from 66,715 per annum.**
- an additional 800 premises (food and other business) will require inspection by the Environmental Health service.**

- Building Regulations workload is anticipated to increase by an additional 33%
- 32 dangerous or dilapidated buildings have been identified.. These will be triaged against the impact matrix and then built into future submissions for additional funding should it arise or, where the Council can take action.

The estimates of the Health and Environmental Services Department include £1.5m for the transfer of 58 LGR staff (Appendix 1) to services in the department and 1 new Environmental Protection Officer post. (Appendix 2). The loss of £284k of income from government grants has also been included from existing grant funding streams provided to the Council by the DOE, which the DOE have advised will cease in its revised budget proposals for 2015/16. Further detail is provided in Appendix 3, a copy of which has been circulated.

2.34 Parks and Leisure Department- Appendix 6 provides a breakdown by service

The total net expenditure budget required for the Parks and Leisure department for 2015/16 is £24.9m. This includes the separate payment to GLL of £8.1m in 2015/16. Year 1 leisure transformation programme savings of £766k have been transferred to the leisure capital financing budget for 2015/16. The remaining estimates for Parks and Leisure include £1.3m of costs for the 56 LGR staff transferring to the Council (Appendix 1), additional pension costs of £424k and £72k relating to 2 new posts (Appendix 2).

In 2015/16 an additional 7 pitches, 4 MUGAs, 10 parks, and 15 playgrounds, 1 allotment site, 1 cemetery, 2 bowling green's and 1 BMX track, visitor centre, cottage and barge and 7 pavilions will transfer to Belfast. 19,400m of pathways plus additional structures (e.g. bridges, fences) and significant tree stock will also transfer. In addition to the physical portfolio, it is estimated that the transferring new boundary area will include approximately 60 sporting organisations, a wide range of community development organisations and 9 bonfire sites.

2.35 Development Department- Appendix 7 provides a breakdown by service

The estimates of the Development Department have increased by £1.2m, although this will be partly offset by a reserves contribution of £496k to avoid the loss of income during the closure of the Waterfront Hall and the lead in costs of the Public Bike Hire being included as a recurring cost to the ratepayer. The remaining costs, including £279k for 14 staff transferring to the Council (Appendix 1), arise from the transfer of 8 community assets from Castlereagh. This includes 5 directly

managed assets and 3 managed under lease and funding arrangements. In addition 25 community organisations will come into the new boundary area and currently 17 are supported by a council grants programme.

The Development Department estimates also include an increase of £150k to allow for the free use of the Ulster Hall by the Ulster Orchestra. This will be considered as part of the recommendations of this report.

2.36 Local Government Finance Act (NI) 2011

The Local Government Finance Act (NI) 2011 requires the Director of Finance and Resources to provide assurance to Members on the robustness of the revenue estimates and the adequacy of the Council's reserves position as part of the rate setting process.

Given that the revenue estimates for 2015/16 must meet the cost of delivery of converged services for the new boundary and incorporate adequate resources for the delivery of transferring functions, the development of the estimates commenced in June 2014. In addition to the normal scrutiny and challenge of estimates undertaken by the Finance and Performance Section, the 2015/16 estimates process included additional external challenge by iESE on the proposed new boundary service delivery models.

Validation of the new base was also undertaken by finance staff, working with LPS and with the support of the Institute of Revenues, Rates and Valuation (IRRV). The later stages of the estimates process included challenge interviews undertaken by the Chief Executive and the Director of Finance and Resources.

As a result of this process the Director of Finance and Resources is satisfied that the estimates presented should provide adequate financial resources to support the running costs of the new Council for 2015/16 and that reasonable consideration of the financial risks to the Council have been made in the preparation of the estimates including the delivery of services to the new Council areas and the functions transferring from central government.

The Council's general reserves position is forecast to be £16.5m by the end of 2014/15. As part of the validation of the new rate base, Members have been advised of the risk associated with appeals arising from the non domestic revaluation as such appeals can only be lodged from 1 April

2015 and currently those appeals that progress to the final lands tribunal stage can take up to 4 years to complete.

The Director of Finance and Resources believes that maintaining the general reserves at the forecast level would significantly reduce the Council's exposure to the backdated element of revaluation appeals.

The Director of Finance and Resources is therefore satisfied that the reserves position is adequate for the Council and will not require enhancement through the district rate in 2015/16.

2.37 Impact on Ratepayer

A rates bill is made up of 56% regional rate and 44% district rate. The regional rate will increase by 1.4%. The proposed zero district rate will mean that an existing Belfast ratepayer's bill will increase by 0.78%.

Members are aware that central government has agreed a £30m rates convergence package for ratepayers who face increased rates bills as a result of boundary convergence. The scheme will provide relief for four years – starting with 80% in 2015/16.

Members will be provided with details of the impact on ratepayers at the meeting as the calculations cannot be completed until the regional rate poundage is announced.

2.38 Non Domestic Revaluation

Rate bills for non domestic properties are calculated using the Net Annual Value (NAV) of the property, whereas bills for domestic properties are calculated based on the capital value of the property. Given this difference the Council is required to strike a separate district rate for non domestic and domestic properties using a conversion factor provided by Land and Property Services (LPS).

The conversion factor for 2015/16 has been increased by the LPS following the non domestic revaluation to ensure that domestic rate bills are not affected by the revaluation. The increase in the conversion factor means that if the domestic rate is frozen at the 2014/15 level of 0.3094, the non domestic rate for Belfast will reduce by 5.7%.

The actual district element of a non domestic rate bill (which represents 44% of the rates bill) will depend on the NAV set by the non domestic revaluation. If the NAV for a non domestic

property does not increase as a result of the non domestic revaluation, then the ratepayer will see a 5.7% reduction the district rate element of their bill.

As agreed by the Shadow Strategic Policy and Resources Committee, two briefing sessions on the non-domestic revaluation (8.30am to 9.00am and 12.30pm to 1.00pm) have been arranged for businesses in Belfast on Thursday 5 February 2015 in the Banqueting Hall in the City Hall.

Each session will include an introduction by the Shadow Council Presiding Councillor and the Chair of the Shadow Strategic Policy and Resources Committee. This will be followed with a presentation by Alan Bronte, Commissioner for Valuation on the non domestic revaluation in Belfast and the appeals process. After these presentations there will be the opportunity for general questions from the floor to a panel of the Presiding Councillor, Chair of Shadow SP&R and the Party Group Leaders and the Commissioner for Valuation.

A number of LPS staff will be in attendance at the event and there will be the opportunity for businesses to engage with these LPS staff on a 1-1 basis after each session.

The event will be promoted through the Council's social media and copies of the information sheet for businesses will be provided to all Elected Members.

2.39 Key Messages

A summary of the key messages and lines to take will be distributed to Members at Committee.

3. Recommendations

3.1 Members are requested to agree the following:

- The inclusion of £723,109 for the new posts detailed on Appendix 2.
- A cash limit of £634,912 for Regeneration to be held as a central budget.
- The establishment of a new budget of £175,000 for political assistance.
- The provision of free use of the Ulster Hall for the Ulster Orchestra to a limit of £150,000 within the usage terms agreed by the Director of Development with the Ulster Orchestra.

- A contribution of £496,636 from reserves to offset non recurring departmental costs in 2015/16.
- A cash limit for the Chief Executive's Department of £8,918,825 for 2015/16, subject to the decision regarding the designation of a political assistance budget as detailed in the separate recommendation below.
- A cash limit for the Finance and Resources Department of £11,283,403 for 2015/16.
- A cash limit for the Property and Projects Department of £13,174,093 for 2015/16, subject to the decision regarding the designation of new posts within the department detailed in the separate recommendation below.
- A cash limit for the Corporate Priorities of £1,013,633 for 2015/16.
- A cash limit for the Development Department of £20,279,177 for 2015/16.
- A cash limit for the Parks and Leisure Department of 24,960,665 for 2015/16, subject to the decision regarding the designation of new posts within the department detailed in the separate recommendation below.
- A cash limit for the Health and Environmental Services Department of £46,267,008 for 2015/16, subject to the decision regarding the designation of new posts within the department detailed in the separate recommendation below.
- A cash limit of £1,856,072 for the employee pay rise for 2015/16 to be held as a central budget.
- A rates contribution of £735,554 to the Planning Service.
- A cash limit for the transferring functions as follows:
 - Car Parking - £1,365,000
 - Planning £1,310,447
 - Local Economic Development £411,984.
 - Maintain the £2,770,000 rates contribution to the Belfast Investment Fund.
- The capital financing budget of £16,810,946 for 2015/16.
- That the increase in the domestic district rate for 2015/16 should be zero, based on the estimated penny product of £5,616,216 which means that the domestic rate for 2015/16 is recommended to be 0.3094 and the non domestic rate to be 25.4818.
- Note that the amount to be raised through the district rate in 2015/16 will be £143,116,491.

- **The Minimum Revenue Provision (MRP) Statement (Appendix 8) as required by the Local Government (Capital Financing and Accounting) Regulations (NI) 2011”.**

During discussion, it was suggested that no budget be provided for political assistance and that the monies be reallocated to provide assistance to the Citywide Tribunal Representative Service.

In response, the Director of Finance and Resources explained that the proposed budget was for recurring expenditure and if the Committee was so minded it would be better realigned to the Capital Financing Budget and that he would submit a report to the next meeting outlining how the Council could potentially fund the Citywide Tribunal Representative Service from non-recurrent expenditure as part of a potential support fund.

He pointed out also that the level of rate to be set was subject to confirmation by the Department of the Environment on the level of the de-rating grant to be paid.

After further discussion, the Committee adopted the recommendations as set out in paragraph 3.1, subject the Political Assistance Budget of £175,000 being reallocated to the Capital Financing Budget.

The Committee noted also that the setting of the rate was subject to the Department of the Environment confirming the level of the de-rating grant to be paid.

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 contracts which had already been presented to the Council's Strategic Policy and Resources Committee:

Contract name	Estimated value over period of new contract	Contract duration
Business support programme	£600k	3 years
Business start up programme (entrepreneurship)	£1.8m	3 years
Signage	£200k	3 years
Baled feed and bedding for the Zoo	£180k	3 years
Treatment and recycling of mattresses	£100k	4 years
Treatment of hazardous waste - various lots	£200k	4 years
Haulage/hook lift	£1.25k	5 years
Framework for supply of stationery and computer consumables (NI Framework)	£1.2m	4 years
Provision of arboricultural services	£900k	5 years
Provision of young street tree maintenance	£750k	4 years

Supply of plumbing materials	£115k	3 years
Land at Maysfield	£2.0 m	Land Disposal
Lease of 21 Linen Hall Street	£292.3k per annum (£219k initial year)	5 Year Lease

The Committee adopted the recommendations.

Council Support for Employability - Proposed Approach

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

"1 Relevant Background Information

- 1.1 Members will be aware that, over the past few months, officers have been working on a number of employability issues. These include the development of an Employability and Skills Strategy for the city and looking at how the impact of any investment in European Social Fund (ESF) projects can be maximised.**
- 1.2 The European Social Fund aims to reduce economic inactivity and increase workforce skills by promoting access to employment, social inclusion and skills for growth. The fund is managed by the Department for Employment and Learning (DEL) in Northern Ireland. While some funding is ring-fenced for mainstream DEL programmes, much of it is allocated through 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. The most recent call for projects closed on 9 January 2015.**
- 1.3 While the council was originally planning to submit its own bid for funding, using its resources and resources to be transferred from the Department for Social Development, the delay in the transfer of regeneration powers meant that this approach was no longer feasible. An alternative approach – working to draw funding in through other DEL-funded programmes – was also**

not possible after further investigation. The council therefore decided not to bid directly for funding under the ESF call. However, the council did provide letters to a number of projects that were making applications for support. DEL had confirmed that engagement with potential match-funders was a pre-requisite for any applications. However the letters from the council confirmed only that the organisation had made contact with the council, and there was no commitment to provide funding.

- 1.4 Given this change in approach, this report considers the proposed way forward for the council in terms of employability and skills development support, including support for European Social Fund activity.

2 Key Issues

- 2.1 Members will be aware that the council is currently in the process of developing an Employability and Skills Strategy. This work is likely to be completed by March 2015. There are currently four draft objectives against which a range of activities are being identified. These include:

1. To develop a coherent and city wide employability and skills partnership
2. To provide a rounded and whole-life package of entry and lower level skills development and provision
3. To generate higher level skills which meet the demands of employers and investors
4. To enable progression routes and employability skills for all.

- 2.2 It is anticipated that the strategy will provide a framework against which the council and its partners can invest their resources in a series of targeted activities that will address the key skills and employability challenges that the city is currently facing. Members will be aware that, for many years, economic inactivity has been one of the most significant drags on the city's competitiveness. Over the decade of significant growth from 1997-2007, economic inactivity rates in the city remained more or less constant as the jobs were filled by those commuting into the city for work. Likewise, the skills requirements in the city have changed significantly and there are many people who either have no formal skills training or whose skills are not appropriate to the needs of the current labour market.

- 2.3 While the issue has been on members' radar in recent times and emerged as a priority issue during the planning work on

the Belfast Agenda, the council currently has very limited resources to allocate to this activity. It is therefore critical that decisions about how the funding is used take account of how the greatest impact can be achieved and also how activity can lever funding from other partners.

2.4 At the Development Committee in September 2014, members agreed to ten guiding principles proposed to steer future council decisions concerning investment in employability and skills development activities. The principles 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**

2.5 It is suggested that these principles still remain valid and that, when decisions around council support for employability and skills activities are considered, they are assessed against their alignment with these principles.

2.6 At present, DEL is assessing the funding bids submitted on 9 January 2015. It is expected that the assessment process will conclude by 6 February 2015. Project promoters will then be advised as to whether or not they have been successful in their application. At this stage, they will be offered a letter of offer "in principle". This letter of offer is subject to the project receiving a positive appraisal from DEL economists and also to the project promoter being able to provide confirmation that they have secured the requisite amount of match funding. Project promoters will have up to three months to find their match funding. If they are not able to do so at this point, the letter of offer can be withdrawn.

2.7 In the run-up to the call for projects, DEL made a number of changes to project criteria and eligibility. One of the most

significant changes was that ESF can now only provide training to level 1. In reality, employment prospects really only improve significantly once individuals are trained to level 2 and above. This change will limit the impact that many projects can make and could considerably impact on employment outputs that they can expect to achieve from the intervention.

- 2.8 As with previous ESF calls, there are likely to be many projects that, while they are providing high quality local employability and skills training in their areas, are unlikely to meet all or many of the council's guiding principles identified in 2.4. Given that there will be more projects seeking funding than there are resources available, it is proposed that an assessment will be required to look at which of those projects most closely align with the council priorities and therefore can help deliver on the Employability and Skills Strategy objectives.
- 2.9 In addition, given that ESF only has a limited focus and – in particular – given that the funding is now limited to level 1 qualifications only, it is proposed that council decisions around how to allocate its resources look not only at match funding ESF projects but also at kick-starting some projects identified through the emerging Employability and Skills Strategy or adding value to ESF projects as opposed to just providing match funding support. DEL have agreed that, once they are in a position to award letters of offer, they will engage with the council to look at potential match funding requests and to see how these could be met from existing resources within the organisations, if possible.
- 2.10 Therefore, once all of this information is available, it is proposed that officers bring back a report to the relevant committee incorporating recommendations as to how available resources might be used to address employability and skills challenges in the city.

3 Resource Implications

- 3.1 An estimated budget within the Economic Development Unit budgets for 15/16 is £240,000.

4 Equality and Good Relations Considerations

- 4.1 Equality and Good Relations considerations will also be factored into the prioritisation and assessment process.

5 Recommendations

5.1 It is recommended that members:

- Note the update on the Employability and Skills Strategy and the ESF call for projects
- Agree to consider a future report incorporating proposals as to how the council can maximise the impact of its investment in employability and skills, including potential match-funding support for some European Social Fund projects.”

The Committee adopted the recommendations.

Super Connected Belfast Update

The Committee considered the undernoted report:

“1. Relevant Background Information

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

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

1.2 This report provides an update on the recent significant developments relating to the Super-connected Belfast Programme.

2. Key Issues

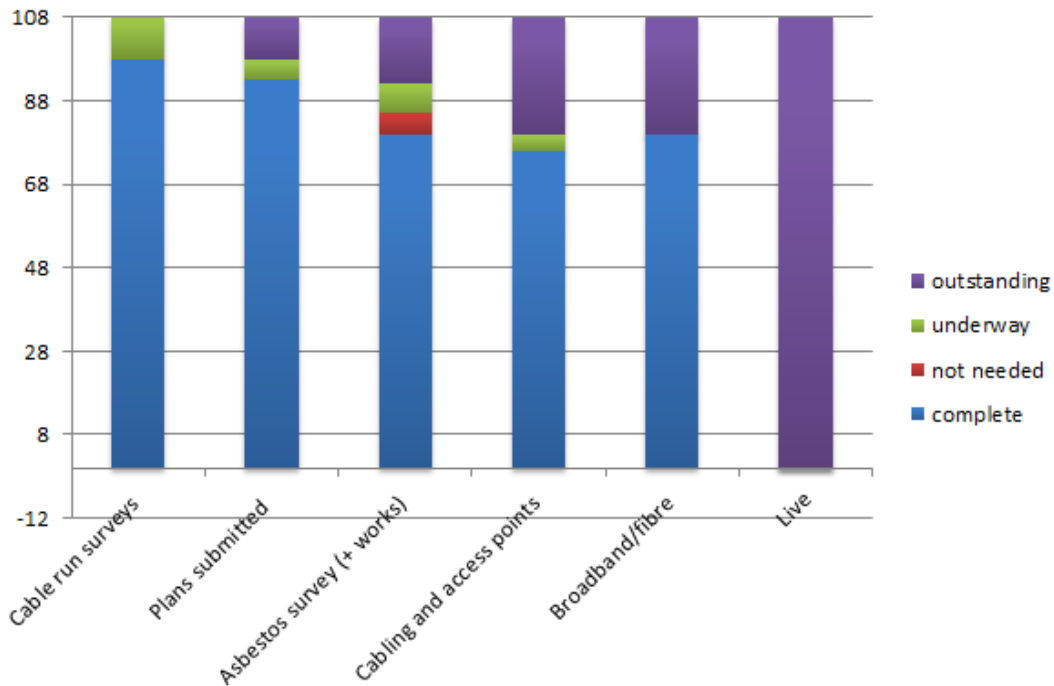
2.1 Public Sector Wi-Fi Hotspots

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, Wi-Fi equipment, wiring and the cost of installation.

2.2 The contract to install and supply these public Wi-Fi hotspots has been awarded to BT. The final revised list has identified 108 buildings for inclusion:

Belfast City Council	89
BCC incoming buildings from new boundary	11
NIHE	5
Department of Justice	2
DSD	1
Total	108

2.3 The chart below shows progress to-date and indicates that the project is on target to be delivered by April.



2.4 City Centre Metro Wireless

Following the original difficulties with the Metro Wireless procurement the council has decided to take ownership of the delivery of this project and are working to procure and implement a city centre Wi-Fi solution.

2.5 The European commission considers that public funding to a single recipient of up to €200,000 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 financial constraints.

2.5 Initial market research with telecoms suppliers indicates strong interest in a council funded Wi-Fi network and by focussing the installation of Wi-Fi cells on buildings and making use of the

ducting that has already been installed as part of the 'Streets Ahead' initiative we believe we can deliver a significant Wi-Fi zone concentrated on the city centre.

2.6 The specification for this procurement is currently being finalised with a view to going out to the marketplace in April when resource will be released following the completion of the Public Sector Hotspots project.

2.7 **Belfast Connection Voucher Scheme**

The voucher scheme allows small to medium sized enterprises 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.

2.8 In August 2014, the Department of Culture Media & Sport (DCMS) set each city a revised target for voucher uptake. The figure for Belfast was set at 690 vouchers, and the programme is currently well on course to achieve this target.

2.9 On 3rd December, as part of the Autumn Statement by the Chancellor of the Exchequer George Osborne MP, a decision was taken to extend the voucher scheme until March 2016. The government has allocated up to £40 million to extend the scheme to March 2016 and has made the scheme available to more cities. Vouchers will be available in the new cities by April 2015, and will be available on a first come, first served basis.

2.10 The new £40 million fund will be administered by DCMS centrally, with no cities receiving a set allocation of funds or performance targets.

2.11 28 new cities will be invited to participate in the scheme and existing cities are invited to submit plans to extend their postcode boundaries. This means that we have been invited to extend our scheme beyond the extended LGR boundary to neighbouring council areas.

2.12 All 3 strands of the Super-connected Belfast programme are supported as key projects within Digital Services programme of work and are delivered by staff in Digital Services with support provided by Economic Development, Corporate Communications, Audit Governance and Risk and Financial Services. The Connection Voucher team is also supported by 5 project team assistants employed on temporary contracts up to the end of March 2015.

2.13 The Connection Voucher team is well established in Digital Services and supports the administration of the Voucher scheme for both Belfast and Derry City councils. The role of the team is to drive demand, conduct seminars/ briefings and assist businesses in their applications. They are also responsible for liaising with suppliers to ensure the process is as clear and transparent as possible.

2.14 An update of the current project status is outlined in the table below:

Belfast Voucher Scheme (8th December 2014)	
Applications received	860
Vouchers Issued	454
Vouchers value	£1,161,735

2.15 From the information provided by applicants, it has been estimated that each voucher will contribute 3 jobs and £133,000 in turnover for each business over 3 years.

2.16 The current scheme funding and performance targets will terminate on 31st March 2015.

2.17 With an approximate SME population of 10,000 within the new Belfast City Council area, it is felt that whilst the current number of applications is above average compared with other participating cities, there is still more that can be done to drive take up.

2.18 All cities have been strongly encouraged to estimate future demand. This will require consultation internally as well as with external stakeholders such as industry representative bodies and suppliers.

2.19 The two key decisions that now need to be taken are:

1. Should Belfast City Council continue to allocate resources to deliver an extended Belfast Voucher scheme?
2. And, should we seek to extend the boundary of the scheme to take in other council areas?

This will require consultation with other councils in terms of how an extended scheme would be administered, resourced and audited and will require Digital Services to amend the online and back office systems to cater for additional areas. It will also require BCC to co-ordinate a business case for submission to DCMS for the new extended boundary, indicating

predicted voucher uptake and business benefits across the extended scheme.

3. **Resource Implications**

3.1 **Public Sector Hotspots**

Capital costs of £400,000 for installation of Public Wi-Fi Hotspots in BCC buildings will be met from DCMS funding.

On-going revenue costs £180,000 are already allocated in BCC revenue estimates.

3.2 **City Centre Metro Wireless**

Capital costs of £160,000 have already been included in the capital programme.

Revenue costs of approximately £20,000 are already included in revenue estimates.

3.3 **Belfast Connection Voucher Scheme**

It has been estimated that £250,000 (already within current budget estimates for 15/16) will be required to support a scaled down voucher team, advertising and system support to extend the voucher scheme to April 2016 within the Belfast boundary.

It should also be noted that 10% of any claims to DCMS may be used to recoup project administration costs.

4. **Equality and Good Relations Implications**

N/A

5 **Call In**

4.1 This decision is subject to Call In.

6. **Recommendations**

6. It is recommended that Belfast City Council supports an extended Belfast voucher scheme up to April 2016.

6.2 It is recommended that the Super-connected Belfast project team investigates if there is capacity to extend the voucher scheme to other council areas and to determine the logistics, cost and commitment of other councils to participate in an extended scheme.”

The Committee adopted the recommendations.

Support and Maintenance for existing server

The Committee considered a report in relation to the support and maintenance for the existing server and storage infrastructure and agreed that:

- (1) the Council renew support for the current server and storage environment for two years at a cost of £130,000;
- (2) the renewal be completed with the current supplier (Dell) due to the complex nature of the environment; and
- (3) digital services begin the process of preparing a business case for replacing the current environment to take account of improvements in the hardware, the flexibility of Cloud computing and to fit in with the Council's accommodation strategy.

Asset Management

Land at Old Golf Course Road, Dunmurry

The Committee was advised that the Northern Ireland Environment Agency currently owned land at the Old Golf Course Road, Dunmurry which it had recently declared surplus to requirements. The Land and Property Services Agency, in accordance with the D1 Disposal of Surplus of Public Sector Land Procedures, had notified the Council and other public sector bodies of the potential disposal and had sought expressions of interest in the land.

The Committee was advised that the land in question totalled approximately 14 acres. It was near two plots which had been sold as an area of existing Open Space and designated as an Urban Landscape Wedge and Community Greenway in the Belfast Metropolitan Area Plan 2015. The land was presently located in an area of Lisburn City Council that would transfer to Belfast City Council on 1st April, 2015 under Local Government Reform.

The Estates Manager reported that it was understood that locally elected Councillors had previously made representations to the Environment Agency about a potential transfer of the land to the Council. In accordance with Land and Property Services procedures, any interested parties had 15 working days from the date of the letter from the Agency (13th January, 2015) to register an interest in the subject land. It was unknown at this stage what the terms of any potential disposal would be, although Council officers had requested the Agency to provide further information. It was also understood that the Environment Agency was exploring the basis and terms of any potential transfer of the land to the Council. Given the short timeframe involved, Council officers had advised the Land and Property Services that the Council might have a potential interest in the land, subject to the Committee's approval and to the terms of any

disposal. The preliminary expression of interest was not binding on the Council.

The Committee noted the information which had been provided and that a report would be submitted to the Committee in due course seeking its direction on whether or not to proceed with the transfer of the surplus land and any terms associated therewith.

Cross-Cutting Issues

DSD Consultations - Shaftesbury Square Development Framework and South West Gateway Masterplan

The Committee considered the undernoted report and approved the draft responses to the consultation documents:

“1 Relevant Background Information

1.1 Members will be fully aware that the operational Transfer of Regeneration and Community Development from DSD to the Council has been delayed by 12 months until 1st April 2016. As part of their existing responsibilities and in parallel to the preparation for transfer of regeneration powers to Council DSD have continued to develop various projects, plans and policies under their remit for delivering Urban regeneration and Community Development functions.

1.2 As part of their ongoing work DSD commissioned consultants to prepare two masterplan documents:

- **Shaftesbury Square Development Framework**
- <http://www.dsdni.gov.uk/index/consultations/shaftesbury-dev-framework-consultation.htm>
- **South West Gateway Masterplan**
- <http://www.dsdni.gov.uk/index/consultations/consultations-south-west-gateway-masterplan.htm>

1.3 Draft responses to these documents have been prepared for Members' consideration and are attached in Appendices 1 and 2.

2 Key Issues

Strategic Issues

2.1 As part of its preparation for the transfer of regeneration powers the Council had compiled a baseline of DSD documents which comprise the broad operational / policy

context for regeneration activity in the City Centre and wider neighbourhoods across the city.

2.2 These documents provide the regeneration policy context within which DSD (through BRO and BCCRD) currently deliver the transferring Urban Regeneration and Community Development function. Any existing informal and formal policy instruments produced by DSD could be used to inform future Council regeneration policy and contribute to the Local Development Plan (land use planning context); the Belfast Plan (community planning context) and the emerging City Centre Regeneration and Investment Plan (an updated urban regeneration context for the city centre).

2.3 The Council consideration of the draft Shaftesbury Square Development Framework and South West Gateway Masterplan was carried out in the context of the emerging Council strategies and plans referred to above.

2.4 Financial Issues

The physical interventions proposed within this plan could have significant financial implications in the event of any commitment to these actions being delivered. It is essential that any proposed actions that can be delivered in advance of transfer of functions in 2016 are clearly identified and undertaken by the Department utilising existing budgets. Any interventions that lie beyond this timeframe should be set within the wider context of local government reform and recognise that financial implications associated with any proposals would not be binding on the Council.

In any final documents it should be clear that recommendations for the period post April 2016 that may not be the responsibility of DSD and can only be considered in the context of existing Council plans and projects as well as our future planning, community planning and regeneration functions.

2.5 Shaftesbury Square Development Framework

DSD appointed GM Design Associates to undertake the Shaftesbury Square Development Framework. The aim is to create a basis for the restoration of Shaftesbury Square as a successful urban space with vibrant local communities linked by attractive and active urban streets. See Appendix 1 for an outline of the study area and a draft Council response.

- 2.6** The Development Framework identifies a number of opportunity sites such as Posnett Street and Hope Street and has included indicative development schemes with various land uses on these sites. In addition to developing these sites the Development Framework aims to regenerate Shaftesbury Square as a major civic space.
- 2.7** Officers have sought to contribute to the development of the plan through comments and advice (via the project board). The contributions, in many instances, have not been taken into account in the draft document. Issues previously identified by Council which remain of concern and will be addressed in the draft response include:
- The need for greater clarity on the purpose of the development framework and what it aims to achieve
 - A more robust analysis is needed to assess the issues in the area such as dereliction and vacancy and identify the contributing factors for these issues and offer a rationale for the proposed interventions
 - The requirement for a defined boundary and the rationale for it explained. The transport interventions could impact on key junctions that currently sit outside the identified area
 - There is little to no understanding of projects / activity already planned in the area and how these have been incorporated into the development framework. Greater certainty on future schemes should be sought from DRD for projects such as future Bus Rapid Transit and potential southern routes in the city.
 - A large part of the development framework focuses on the realignment of the transport infrastructure, however, a transport assessment to analyse the practicalities of this should be prioritised.
 - The framework should identify responsible partners or delivery mechanisms to assist the process of taking forward the interventions with an emphasis on developing strong community involvement and responsibility.
 - There are opportunities for greater alignment with Council programmes and initiatives such as the Council's Masterplan and the City Centre Regeneration Strategy & Investment Plan and their respective themes.
 - Greater clarity must be given to what is meant by the proposed delivery of quick wins, short, medium and long term plans and who will be undertaking these actions.

- There is no mention of the potential for uses such as student housing and the opportunity for their inclusion in a positive manner as managed accommodation which could be the catalyst for wider regeneration.

2.8 South West Gateway Masterplan

The stated aim of this Masterplan is to identify a range of strategic actions that will underpin the regeneration of what is described as one of Belfast's most important economic areas. As with the Shaftesbury Development Framework Belfast City Council officers provided comments as part of the Project Board.

2.9 The area covered by this Masterplan includes the entire stretch of the Boucher road; Stockmans Lane from Balmoral Road to Kennedy Way; The Kennedy Centre; Westwood shopping Centre in the West and as far East as Windsor Park. See Appendix 2 for the study area and a draft Council response.

2.10 The Council is a substantial land owner in this area with land interests in the retail, industrial and commercial uses in the Boucher area but also parks and leisure interests given the proximity of the Olympia Leisure centre, Musgrave park, and the Boucher Playing Fields which are subject to some of the proposed interventions. Due to our land holdings and our existing plans for this area we would expect further engagement with the Council if this is further developed.

2.11 The Masterplan is very high level and aspirational proposing 10 actions for the area, some of which such as the Blackstaff Park, remain at a concept stage:

- 1. Positive Branding – the area needs a shared identity to pull together its leisure, business and retail uses**
- 2. Integrated Travel Plan – to tackle the issues of congestion, parking and poor pedestrian connectivity**
- 3. Civic transport Interchanges – improving connection to public transport links**
- 4. Quality Pedestrian and Cycle Corridors – installing good quality pedestrian and cycle paths, tree planting and signage.**
- 5. Quality Wild Life Corridors – enhancing the role of Blackstaff River to increase biodiversity in the area and reduce pollution**
- 6. Black Staff park (incorporating Boucher Playing fields, the vacant waste water treatment plant. Initial concepts designs show a connection of these areas of green space over the M1.**

7. Landmark M1 bridge – a proposed pedestrian and cycle bridge connecting Boucher Road and the Falls Road.
 8. Community Greenway – linking Musgrave Park, Milltown Cemetery and the Blackstaff River
 9. Community Development – increase direct relationships with businesses and local communities in this area.
 10. Proactive planning, design and management – to allow a long term, sustainable, transformation to take place.
- 2.12 Key issues that any final document will need to address are existing plans for the area including Olympia; our open space assets; the large commercial Council landholding and the opportunities that exist in this area. Some of the concepts proposed such as the M1 bridge and Blackstaff park could have major implications for our assets and existing commercial properties on both sides of the M1. Whilst these proposals are at a concept stage it is essential that there is more robust assessment and engagement with the Council before the completion of any draft plan.
- 2.13 Relevant to both plans, as outlined above, is the need for DSD to recognise that the Council will not be bound by any emerging proposals. The Council will consider the implications of these plans not only from the resourcing perspective but also from the viewpoint of deliverability within any future regeneration policy context. The plans should therefore avoid raising community expectations for delivery beyond 2016 as proposals will be considered alongside Council's existing commitments, plans and policies at that time.
- 3 **Resource Implications**
- 3.1 None
- 4 **Equality and Good Relations Implications**
- 4.1 None for Belfast City Council at this time.
- 5 **Call In**
- 5.1 This decision is subject to call in

6 **Recommendations**

6.1 Members are asked to:

- Consider the attached draft responses in Appendices 1 and 2 and agree for submission to DSD

Appendix 1

**Draft Belfast City Council response to Shaftesbury Square
Development Framework**

Belfast City Council welcomes the opportunity to comment on the draft Shaftesbury Square Development Framework. In the response below we have set out some overarching comments in the context of Local Government Reform and the potential resourcing implications aligned to this before outlining specific comments on the draft Framework.

Strategic Context

As part of its preparation for the transfer of regeneration powers the Council has compiled a baseline of DSD documents which comprise the broad operational / policy context for regeneration activity in the City Centre and wider neighbourhoods across the city.

These documents provide the regeneration policy context within which DSD (through BRO and BCCRD) currently deliver the transferring Urban Regeneration and Community Development function. These existing informal and formal policy instruments whilst not binding on the Council, could be used to inform future regeneration policy; contribute to the Local Development Plan (land use planning context); the Belfast Plan (community planning context) and the emerging City Centre Regeneration and Investment Plan (an updated urban regeneration context for the city centre).

The Council consideration of the draft Shaftesbury Square Development Framework was carried out in the context of the emerging Council strategies and plans referred to above.

The physical interventions proposed within this plan could have significant financial implications in the event of any commitment to these actions being delivered. It is essential that any proposed actions that can be delivered in advance of transfer of functions in 2016 are clearly identified and

undertaken by the Department utilising existing budgets. Any interventions that lie beyond this timeframe should be set within the wider context of local government reform and recognise that financial implications associated with any proposals would not be binding on the Council.

It should be clear in the final Development Framework that any recommendations beyond April 2016, which are not the responsibility of DSD, will only be considered in the context of existing Council plans and projects as well as our future planning, community planning and regeneration responsibilities. Whilst the Council is broadly supportive of the proposals in the Development Framework they do not necessarily relate to current Council priorities and should not be considered to commit the Council to implementation.

Draft City Centre Regeneration Strategy & Investment Plan

The emerging plan identifies the South Centre as a distinct area of the city centre and as one that should be the primary focus of Belfast's office sector. The South centre joins the Shaftesbury area and the city centre in a highly competitive inter-city environment, it must attract high quality employment by providing the kind of spaces that the knowledge economy is looking for. Whilst the city centre has other concentrations of office development, the South Centre must retain its primacy by revitalising its office function through a series of strategic moves.

Comments on the Development Framework

As part of the engagement process for this Framework Council provided the consultant team with a range of comments to help inform the draft document via the Project Board, meetings with the consultants and written responses. Many of these comments remain relevant and are re-stated in this response.

The Council is supportive of the general vision to create a basis for the restoration of Shaftesbury Square as a successful urban space with vibrant local communities linked by attractive and active urban streets, however, the boundary for the study area needs to be clarified and the rationale for it explained. The boundary needs to be clear especially if the transport proposals for Shaftesbury Square are to be realised. The impact of the proposed changes to the layout of the traffic infrastructure could only be considered in the context of the connections to roads sitting outside the study area including Hope Street, Bankmore Street and the incomplete

inner-city ring road southern section.

The Framework identifies the suggested quantum of development that could occur in the area up to the year 2026, including retail, office and residential development. The Council's Masterplan and emerging City Centre Regeneration Strategy and Investment Plan both support growing the city's residential population, improving the quality of the city's office stock in suitable areas and managing the city's retail offer. In terms of the scope for new development described in the Framework it would fit with Council's Tourism Strategy to increase the hotel provision in the City, however, 680 bed rooms (6 Hotels) may be an overly optimistic aspiration for what is geographically quite a small area. That being said there are a number of opportunities in the wider area for a variety of uses to be encouraged and developed. The figures in sq. ft for retail development and 'cafes, restaurants etc' need to be accurately converted from the sq metres figures printed (page 3 of the Development Framework).

The Framework identifies 34 sites with development potential in the study area. The Council is supportive of regeneration occurring in a holistic and planned manner, however, it is essential that this planning takes full consideration of the many different facets of development including the current ownership of sites and development that is already planned. Notwithstanding our earlier comments on implications of Local Government Reform, the final Development Framework could demonstrate an understanding of the site ownership in the area, the complexities of viability and funding of delivery and the intentions of respective land owners.

The suitability of the uses should be contextualised in relation to their acceptability from the planning policy or community/political perspectives. The general issue of underutilisation of property could be highlighted in relation to both overall vacancy and partial vacancy. The 'exceptionally high' terminology for ground floor vacancy and other measures need to be contextualised or expressed in quantitative terms for example by using absolute numbers or percentages. This should also be considered in the context of the wider area and economy to explore the viability of these, taking account of the regeneration potential in the area over the longer term and the interdependencies of city-wide regeneration and economic development.

The final version of the Framework could include greater detail on the contributory factors underpinning the vacancy issues in this locality. The reasons why property remains un-let or vacant should be captured and understood in terms of local factors and broader economic changes that have contributed to the current 'challenge' that is apparent across the area. This understanding would inform the potential measures or actions that could support positive change for the area.

It would further enhance the Framework if specific measures on targeting such issues as upper floor vacancy and dereliction or suggest locally specific changes that may address any adverse perceptions influencing the investment potential of the area. This could take the form of practical measures such as potential schemes, initiatives/support, policy changes, management of space etc. Links to existing interventions (e.g. LOTS, BIDS) and relief provided by other organisations, or appropriate examples of success measures that have addressed the challenge identified will enhance the final framework document. This work could also consider the potential for interim or meanwhile solutions which if placed within a framework context would not undermine or prejudice future development potential.

A key component of the Council's previous engagement for this Development Framework was the consideration of the role of purpose built managed student accommodation in this area located on the fringes of the Queen's University Campus. Recent research undertaken by Viewforth consultants identified the financial contribution of higher education students and their institutions to the local economy. Key findings from the research include:

Key findings for Belfast economy:

- **Belfast's share of Higher Education Institution staffing is 6019 FTE (out of 7205 FTE in NI).**
- **Belfast's share of the direct output of the HEIs was £485 million, directly generating £321 million GVA.**
- **Knock-on/additional output created in the city economy (in other industries) is £368 million, creating an additional 4525 fte jobs and contributing £187 million to GVA.**
- **Total impact of the HEIs on the city economy is output of £853 million, 10,544 fte jobs and £508million contributed to GVA.**
- **Impact of off campus expenditure of students coming to Belfast from outside the city (33,397 students in**

total) is estimated to be £384.5million output generated, 4212 FTE jobs created and £192.32million contribution to GVA.

- The total output generated by Higher Education and HE students in Belfast is £1.2 billion, creating 14,756 fte jobs, and contributing £700.3million to GVA.

The study area has many factors in its favour such as proximity to the traditional office core, excellent public transport connections, and proximity to Queen's university Belfast - one of the City's major anchor institutions. What is lacking is a catalyst to lift the vitality and vibrancy of the area. Perhaps further consideration could be given to purpose built managed student accommodation as a catalyst for wider regeneration in the right location as part of a balanced approach to other uses in the area, especially in the context of the new University of Ulster Campus under construction in the north of the city centre.

The Vision

The Council is generally supportive of the stated vision in terms of developing the area as an attractive link between the city centre and the south of the city. As outlined earlier this aligns closely with our Masterplan and the emerging City Centre Regeneration Strategy and Investment Plan.

The Council is also supportive of rebalancing the ratio of roadspace to pedestrian / civic space where this is appropriate. Shaftesbury Square performs an important function for vehicle transport in the city and proposals to amend this roadspace will have to be considered in terms of potential impact on the surrounding road network. 'Sensitively managing' traffic as described in the Framework would be welcomed where this fits with the demands of the road network and is deemed achievable by the roads authority. The realignment of Shaftesbury square and the knock-on effects of this will need further detailed analysis. The Framework could expand its boundary to enable consideration of the potential completion of the inner-city ring road southern section and the opportunities that road scheme could afford Shaftesbury Square if it was to be delivered in future.

The proposed response to the traffic-related issues in Shaftesbury Square will benefit from further engagement with DRD to ascertain more realistic timescales for major road interventions and the potential introduction of a north-south axis for Bus Rapid Transit.

The Draft Bicycle Strategy for Northern Ireland suggests that a comprehensive network comprising urban routes, quiet routes and greenways. In the development framework area the establishment of urban routes targeting residents for commuting purposes may be the main focus, however for these cycling lanes to be useful 'complete' routes need to be provided. Therefore the cycle lanes developed as part of the regeneration of this area must connect to existing routes and should incorporate the locations of the Belfast Public Bike Share docking stations.

When creating the dedicated cycle routes through the redesign of Shaftesbury Square the Council would highlight the docking stations included in the Belfast Public Bike Share Scheme in the development framework area. The Belfast Public Bike Share Scheme will be operational from Spring 2015. The docking stations are highlighted in the enclosed map.

The impact of increased pedestrian crossings on traffic and the surrounding area must be considered. If traffic is slowed and stopped for longer periods of time increasing pollutants the impact on the existing Air Quality Management Area in Cromac Street must be considered and any issues arising mitigated for.

The Framework provides indicative development schemes for key sites in the study area. Whilst these are useful for showing the potential for sites in terms of massing it is important to consider the impact this can have on community expectations, particularly where no planning or viability assessments have been undertaken. In terms of the uses identified in for these sites greater clarity is needed on what is meant by 'specialist residential accommodation' and what type of cumulative impact certain uses can have. An oversupply of a particular use can result in detrimental impacts such as proliferation of hot food bars, to give one example, and the associated effects on environmental quality through fumes and litter. The Framework would benefit from an assessment of planned development for the sites identified as development opportunities.

The plan will need to consider identifying the responsible partners or delivery mechanisms and this will be important going forward in terms of ownership of proposals and managing expectations related to the short, medium and long term goals. Whilst the Council would support partnership the

focus at local level must be to ensure that the right skills, organisations and structures are in place to deliver effective regeneration.

Whilst the Council is supportive of greening the city and introducing trees to help soften the urban landscape we understand the financial implications of such measures in terms of maintenance which is currently carried out by Transport NI.

In conclusion, the Council is generally supportive of what is a well intentioned plan however all such plans and proposed interventions must be considered as part of a wider context in which they sit. Given the planned transfer of regeneration powers to local councils in 2016 it is essential that the final version of this Framework is cognisant of the future planning and regeneration context that is on the horizon and as such any proposed interventions cannot come with any commitment of Council delivery.

Appendix 2

Draft Belfast City Council response to the Southwest Gateway Masterplan

Belfast City Council welcomes the opportunity to comment on the draft Southwest Gateway Masterplan. In the response below we have set out some overarching comments in the context of Local Government Reform and the potential resourcing implications aligned to this before outlining specific comments on the draft plan.

The Council has been involved in the development of this plan through participation on the Board and as a substantial land owner in this area with land interests in the retail and commercial uses in the Boucher area but also parks and leisure interests given the proximity of the Olympia Leisure centre, Musgrave park, and the Boucher Playing Fields which are subject to some of the proposed interventions. Due to our land holdings and our existing plans for this area we would expect further engagement with the Council if this is further developed.

Whilst the Council is broadly supportive of the stated aim to strengthen the social and economic role of the study area by improving its environmental quality and connectivity, it is essential to consider not only the existing governance context but also the implications of Local Government Reform which

will result in Belfast City Council becoming the planning authority for the city in April 2015 and becoming the regeneration authority for the City in April 2016 (and receiving DSD masterplans and development frameworks as part of this transfer).

Strategic Context

As part of its preparation for the transfer, the Council has compiled a baseline of DSD documents which comprise the broad operational / policy context for regeneration activity in the City Centre and wider neighbourhoods across the city.

These documents provide the regeneration policy context within which DSD (through BRO and BCCRD) currently deliver the transferring Urban Regeneration and Community Development function. These existing informal and formal policy instruments whilst not binding on the Council, could be used to inform future regeneration policy; contribute to the Local Development Plan (land use planning context); the Belfast Plan (community planning context) and the emerging City Centre Regeneration and Investment Plan (an updated urban regeneration context for the city centre).

The draft South West Gateway Masterplan is one of this suite of documents. The Council will consider the potential implications for the emerging Council strategies and plans referred to above, as part of the work informing the transfer of Planning and Regeneration and Community Development, and the responsibility for the Council to prepare a Community Plan for Belfast.

The physical interventions proposed within this plan could have significant financial implications in the event of any commitment to these actions being delivered. It is essential that any proposed actions that can be delivered in advance of transfer of functions in 2016 are clearly identified and undertaken by the Department utilising existing budgets. Any interventions that lie beyond this timeframe should be set within the wider context of local government reform and recognise that financial implications associated with any proposals would not be binding on the Council.

Olympia leisure centre

The Council is investing £19m in the Olympia Regeneration project as part of a £105m capital investment in the leisure estate. The Olympia project is linked to the stadium redevelopment programme led by DCAL with the relevant

sporting bodies. The Olympia Regeneration project will create a sporting village incorporating a new building for leisure and community use located at the redeveloped Windsor Park stadium, accessed via a new attractive boulevard. Under these plans, the site where the centre is currently located would be redeveloped into a more attractive open space, forming part of the stadium entrance.

Public consultation carried out by the Council in 2013/14 sought input from the public on the potential facilities, layout and design of the Olympia Regeneration project but comments were also received on the wider area. Several of these comments from the public are pertinent to the DSD's Draft South West Gateway Masterplan's proposed strategic actions, and the key points are summarised as follows:

- Requests for closer integration, connectivity and access between the retail, residential and sporting environments in the Olympia/Boucher Road area
- Concerns from businesses and residents alike over traffic congestion and parking in the Olympia/Boucher Road area particularly around large scale events.
- Requests for improvements to public transport i.e. a new bus stop

The investments totalling over £50m at both Olympia and Windsor Park will result in high quality public realm and environmental improvements. Complementary activity in the surrounding area such as improved paving, planting and lighting could realise the potential 'sparkle effect' of the investments and inspire further development in the area.

It should be noted that while the Council is broadly supportive of the proposals in the plan they do not necessarily relate to Council priorities and should not commit the Council to implementing their plan or study findings.

The Actions

1. Positive Branding

The Council is generally supportive of this proposed action. The Boucher area could benefit from coordination of the assets which range from open space, industrial, business and retail uses and the new Windsor Park stadium and leisure development currently under construction. The area identified as the South West Gateway is more like a conglomeration of

distinct areas insofar as the westerly elements including Kennedy Centre and Westwood shopping centre currently function as destinations in their own right and distinct from the Boucher road area. In this sense it will be challenging to unify these areas with a brand especially given that many uses are replicated in the areas e.g retail stores in Boucher retail park, Kennedy Centre and Westwood Centre.

2. Integrated Travel Plan

This action is closely linked with Action 3. It is not clear how the ambition to reduce congestion and car parking aligns with the ambition to increase car parking capacity. Greater pedestrian activity and reduced emissions would be welcomed for this area which is identified as an Air Quality Management Area due to the high levels of emissions including nitrogen dioxide. Efforts to reduce these emissions are generally supported and the plan could develop on the opportunities for greater sustainable travel and access from the surrounding areas.

3. Civic transport Interchanges

One of the main challenges for this area is congestion. Boucher Road, Stockmans Lane, Kennedy Way and this section of the Falls / Andersonstown Road. The areas adjacent to the Southwest gateway contain excellent public transport links - the Lisburn Road is well served by Metro Bus and the Boucher area is constrained by the Belfast – Portadown rail line. The Western fringe of the study area is well served by Metro and Black Taxi services and will benefit from Bus Rapid transit in coming years. None of the existing provisions service the Boucher area in any meaningful way, nor does it connect the respective Boucher and western areas of the study area. The result of this being that it is difficult to use public transport to actually arrive at the main uses in the area – retail / commerce / open spaces. The challenge will be to connect the study area with the public transport opportunities on the edges. This could be better physical connections from existing rail halts such as Balmoral but particularly Adelaide or analysing opportunities / demand for bus services into and through the area.

4. Quality Pedestrian and Cycle Corridors

This again is linked with actions 2 and 3 in terms of an improved environment for pedestrians and cyclists will

encourage a modal shift away from the private car and which in turn would reduce congestion levels and improve air quality. The open space and leisure opportunities lend themselves to active uses but currently the areas of Boucher Playing Fields, Musgrave Park, Olympia Leisure Centre all suffer from a lack of inter-connectivity. There are opportunities for improved movement generally and also for better signposting.

5. Quality Wild Life Corridors

Linking the environmental assets in the area could be beneficial not only in terms of biodiversity but also for achieving the aims of creating pedestrian and cycle corridors and the aspiration for Blackstaff Park.

6. Black Staff Park

The masterplan area has a number of open space and leisure assets in the ownership of Belfast City Council namely Olympia Leisure Centre, Boucher road Playing Fields, Musgrave Park and Falls Park on the western periphery. As mentioned previously there is merit in an approach that improves connectivity between the aforementioned open space / leisure assets, however, there are a number of considerable challenges with the concept of Blackstaff Park. The major concern is the deliverability of such a project in both financial and physical terms. The M1 is a major barrier to this suggested action and the physical challenge of spanning the motorway coupled with the current status of the waste water treatment facility results in major feasibility issues with this aspiration. If this is something that the final plan considers achievable in future then Council would be happy to engage further on how such a scheme may be progressed, however, detailed analysis of the funding options and other aspects of deliverability will be essential. There will be a need for engagement on potential use of park and on the types of active recreation space that may be created and the local demand for it. Notwithstanding the earlier comments on the implications of LGR and future Council plans it should be noted that investments in Council's open space and leisure facilities are taken in the context of the wider Council budgets and specifically the ongoing city-wide Leisure Transformation Programme.

7. Landmark M1 Bridge

The Council is generally supportive of proposals that will encourage greater use of sustainable modes of transport. As with the comments above, the proposed bridge presents numerous challenges in terms of deliverability, feasibility and funding. The bridge would have a significant impact on our Boucher Playing fields which, as the plan acknowledges, has been used increasingly for a range of sporting/ leisure events. The proposed bridge would also have implications for a range of commercial land uses on the western side of the M1 motorway, including our existing recycling centre. The lands located between our recycling centre and the Falls Road / Andersonstown Road have various planning permissions attached. The existing layout of these sites and the potential future layout are key considerations which will influence the deliverability of such a bridge. As with the previous action the masterplan could provide further analysis of how this might be achieved, identify the necessary stakeholders and offer analysis of the deliverability including funding opportunities.

8. Community Greenway

As with the previous actions on wildlife and pedestrian corridors the Council is broadly supportive of attempts to improve usage of the city's open spaces and environmental assets. Linking the open space assets in this part of the city to the broader area including Falls park, Bog meadows and other existing pedestrian and cycle routes will have a positive impact on the city and its residents.

9. Community Development

The Council is supportive of interventions that will help raise the skills level in our communities. The final plan should give further detail on the specific training programmes envisaged and how these link with existing training programmes carried out by Council and our partners. The final plan could consider how proposals for development could be linked to community development and support existing activities.

10. Proactive planning, design and management

The Council supports the action to take a proactive approach to planning and design for identified areas

that will enable coordinated change to take place. Planning for areas such as the South West Gateway must be cognisant of the new place shaping powers coming to Council as part of LGR – Area Planning, community planning, and regeneration powers (transferring from DSD in 2016).

In conclusion, the Council is generally supportive of what is a well intentioned plan however all such plans and proposed interventions must be considered as part of the wider context in which they sit. Given the planned transfer of regeneration powers to local councils in 2016 it is essential that the final version of this masterplan is cognisant of the future planning and regeneration context that is on the horizon and as such any proposed interventions cannot come with any commitment of Council delivery.”

Safeguarding (all ages) Consultation Response

The Committee considered the undernoted report:

“1 Relevant Background Information

- 1.1 Members may recall Council is a partner on the Belfast Trust area safeguarding panels which are set up separately for children and adults as part of the regional safeguarding structures known as SBNI and NIASP. There is a mandatory duty on Council to safeguard children and an accepted expectation to safeguard adults. It is generally promoted that safeguarding (all ages) is ‘everyone’s business.’
- 1.2 An internal review of Council safeguarding practice and ongoing needs has taken place over the past year and this has been aligned to current policy for continuous organisational improvement. Officers are currently finalising the review and will present recommendations to CMT early this year. Initial findings however would support a new Safeguarding all age policy to best fit the future organisational needs (following guidance by Volunteer Now). If agreeable this will be developed in the coming months for future Member review.
- 1.3 Any new approach will build on Council’s positive track record (since 2002) in managing child protection and ensure the policy, principles, procedures and practice best meet the diverse needs of the organisation and its service provision safeguarding the rights and needs of children and adults specifically those at risk of harm or abuse.

2 Key Issues

2.1 At this time there are two external consultations. Members are requested to consider the draft responses which are enclosed in appendices 2 & 4.

- **Consultation 1 is for SBNI's Child Protection and Safeguarding Learning and Development Strategy and Framework**
- **Consultation 2 is DHSSPSNI adult safeguarding policy draft consultation response.**

2.2 Consultation 1: SBNI's Child Protection and Safeguarding Learning and Development Strategy and Framework (children)

This consultation directs respondents to provide general feedback primarily focused on informing the equality screening process.

The enclosed response generally welcomes the co-ordination of safeguarding children training & development within the proposed framework. It particularly welcomes the co-ordinated direction presented in the framework which includes a minimum standard based on key learning outcomes to support our safeguarding role protecting children.

Council's response provides key comments including recommending a training needs analysis of each partner organisation, as well as the community and voluntary sector, to ensure the framework is suitably flexible and can address the learning/ development needs of all sections of the community. This should also support council officers as they deliver a diverse range of services to children and young people.

The framework should capture all of the work of SBNI and its partners and learn from service delivery. It is key that it represents all the activities of each organisation. For council this includes the work of each Member and related safeguarding learning or support which may be required.

Further information is also sought on structures, roles, responsibilities and anticipated resources and how this will relate to Council's existing commitment to the 'keeping children safe' training programme

2.3 Consultation 2: DHSSPSNI released a consultation on safeguarding adult policy.

This consultation document is the proposed regional adult safeguarding policy which reinforces the structures and guidance put in place in 2010. It confirms a collaborative approach providing a concise list of definitions related to adult safeguarding and presents proposals for prevention and protection of adults at risk of harm or abuse.

Council's response follows the prescribed approach and generally welcomes and concurs with the principles and proposed way forward in the document which suggests that local government should be an active and collaborative partner. The response however suggests that to support this effective collaboration, there needs to be a greater reflection of council business needs mainly in two areas: in the definition of adult safeguarding and in terms of the heavily outlined protection section in the document.

The response suggests that further consideration should be given to the exclusion of self harm and neglect from the definition of adult safeguarding or that further assurance given. In recent years Council has experienced growing interaction with adults requiring protection from their own behaviour, for example, via a third party complaint about the fitness of a home or where an individual comes to our attention through substance abuse etc. Often the individual readily permits an intervention on their behalf however both cases might be considered as an example of self harm or neglect. Assurance is sought that the proposed policy provides suitable protection to support this area of work and to ensure that council receives the collaborative support from its partners. This would be reinforced as the future power of wellbeing is enacted.

Accompanying the consultation is the Commissioner for Older People NI commentary which proposes specific adult safeguarding legislation including corporate neglect. The response welcomes the general need for zero tolerance of harm or abuse and accepts Council will comply with any legislative basis to continue to do so.

3 Resource Implications

3.1 There are no resource implications attached to this report.

4 Equality and Good Relations Considerations

4.1 There are no Equality and Good Relations implications attached to this report

5 Recommendations

5.1 Members are asked to approve the draft Belfast City Council (BCC) response to the consultations and raise any additional issues, relating to the consultation document, which they would like included.”

The Committee adopted the recommendations and noted that full copies of the responses were available on the Council’s website.

arc21 Collaborative Arrangements

The Committee considered the undernoted report:

“1 Purpose of Report

1.1 To seek approval from Committee for the Council to continue to be a member of a newly reconstituted arc21, post local government reform, when the number of councils shrinks from 26 to eleven and to consider a proposal received from Newry, Mourne and Down District Council to also join the reconstituted arc21.

2 Background

2.1 This report is being submitted primarily to ensure that the administrative purposes of the Council continue without interruption over the local government reform period. Members are reminded that the Department of the Environment (DOE) is responsible for the development and publishing of a waste management strategy setting out policies in relation to the recovery and disposal of waste and councils are responsible for the publication and implementation of Waste Management Plans setting out their arrangements to collect and treat these wastes.

2.2 In 2000, eleven councils stretching from Ballymena Borough to Down District Council came together to form arc21, which is one of three Waste Management Groups in Northern Ireland, to fulfil these responsibilities. It was set up as a waste management joint committee under the Local Government Act (NI) 1972 with body corporate status giving it the legislative authority, in its own right, to employ staff, acquire assets and enter into contracts.

- 2.3 The DOE has advised arc21 that, in terms of local government reform, an early decision on the future arrangements for waste management is required to allow time for the necessary legislation to be put in place
- 2.4 The body corporate legislation for arc21 lists the existing 11 constituent councils of the arc21 Joint Committee but these will cease to exist as of April 2015. At this time, arc21 will be providing the following on behalf of Belfast and some of its constituent councils:
- a landfill contract
 - a garden & food waste treatment contract
 - the emptying and recycling of bring banks
 - the supply of bins
 - the supply of kitchen caddy liners and
 - a materials recovery facility (MRF) contract.
- 2.5 In addition, arc21 is entering into the final stages of the procurement for the development of major waste infrastructure for the long term treatment of residual waste which will facilitate the Council in achieving its statutory waste targets.
- 2.6 As the current constituent councils cease to exist, it would appear timely for the new councils to consider the adequacy of the existing waste management structure for delivery of their future waste management functions and, in particular, whether the governance and decision-making arrangements are fit for purpose.
- 2.7 here are several potential delivery models for the future which might include:
1. The establishment of a single waste authority, either voluntary or mandatory
 2. The establishment of multiple joint committees, either voluntary or mandatory or
 3. No cross-council co-operation
- 2.8 Since its early days, arc21 has been advocating that the first model could provide the best delivery model for Northern Ireland which has been endorsed by the constituent councils a number of times but, currently, the development of a single waste authority, either voluntary or mandatory and the development of mandatory joint committees would require

changes to existing policy and primary legislation and are not achievable in the short term.

- 2.9 Therefore, to reflect the existing contractual arrangements and allow time for all options to be identified and fully considered, it is proposed to continue with a reconstituted arc21 which will permit the existing arrangements to continue. The Council's Legal Services section is currently working with arc21 on revising the Terms of Agreement and, in light of progress made to date, a draft copy of these has been appended to this report (see Appendix 1). Given the close involvement of Legal Services in revising this document, Members are requested to grant authority to the Chief Executive once the document has been finalised to expedite the necessary arrangements with the DOE for reconstituting arc21 and to ensure that delivery of the contracts above does not falter.
- 2.10 The original joint committee was established in perpetuity and the reconstitution process is to ensure continuity of the Joint Committee arrangements with the new councils. This is especially pertinent given that the new councils are taking on the liabilities of the old councils. Post April 2015, the new councils will then need to decide the longer term arrangements for the provision of waste management group services as per 2.6 above. Following such a strategic review, the new councils, which will have become participant councils in the reconstituted Joint Committee, will then be required to formalise any such arrangements with the DOE including, if required, winding up the Joint Committee.
- 2.11 Arising from the changes to council boundaries associated with local government reform, Newry & Mourne District Council will merge with Down District Council to form Newry, Mourne and Down (NMD) District Council. In late 2014, the issue of the membership of NMD District Council was raised with the arc21 Joint Committee and Members present expressed support for this council becoming a constituent council of arc21, subject to ratification of this decision by the shadow councils. A formal proposal seeking membership has been received by arc21 from NMD District Council, to ensure the continuity of the services needed, and associated contribution, to fulfil the obligations of Down District Council, in the short term.
- 2.12 Currently, Newry and Mourne District Council is a member of another Waste Management Group (SWaMP2008) but the contractual arrangements in place within SWaMP2008 mean that this council directly manages its own waste contracts. The new NMD District Council proposes to formally end its

relationship and join arc21. As a consequence, the proposal from NMD is for one year to allow this formal process to be undertaken, including meeting any liabilities of ending its relationship.

- 2.13 Belfast City Council has now received a letter from the arc21 Chief Executive, on behalf of the Joint Committee, enquiring if the Council is in a position to consider proceeding to become members of a reconstituted arc21 Joint Committee and also to ask if it would be in a position to consider the proposal received from Newry, Mourne and Down District Council to join arc21.

3 Key Issues

- 3.1 Local government reform now means that the constituent councils of arc21 will cease to exist after April 2015.
- 3.2 Notwithstanding that, the adequacy of the existing waste management structure in terms of providing continuity of service for a number of existing contracts, needs to be maintained. Members are now being asked to become members of a reconstituted arc21 Joint Committee.
- 3.3 Furthermore, Members will also be asked, if they support joining a reconstituted arc21, to consider the proposal received from Newry, Mourne and Down District Council to also join the reconstituted arc21.

4 Resource Implications

4.1 Financial Implications

There are no direct financial implications for the Council with regards to this proposal.

Human Resources

- 4.2 There are no direct HR implications for the Council with regards to this proposal.

5 Equality and Good Relations Considerations

- 5.1 There are no relevant equality and good relations implications associated with this report.

6 Call-In

- 6.1 This report is subject to call-in.

7 Recommendations

- 7.1 Members are recommended that, to ensure service continuity from 1 April 2015, the Council agrees to continue with a reconstituted arc21 arrangement. Members are also requested to grant authority to the Chief Executive once the Terms of Agreement have been finalised to expedite the necessary arrangements with the DOE.**
- 7.2 Finally, Members are recommended to support the proposal received from Newry, Mourne and Down District Council to join the reconstituted arc21.”**

The Committee adopted the recommendations.

Chairman