



Belfast District Council (Shadow)

Report to:	(Shadow) Strategic Policy and Resources Committee
Subject:	DoE Expenditure Controls
Date:	29 August 2014
Reporting Officer:	Ronan Cregan, Deputy Chief and Director of Finance and Resources Ext 6184 Gerry Millar, Director of Property and Projects Ext 6217
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1.0	<u>Relevant Background Information</u>
1.1	In May 2014 The Department of the Environment issued to all Councils, a Departmental Direction and Guidance in relation to the introduction of expenditure controls for the period during which the 11 new councils will operate in shadow form. A copy is attached at Appendix 1.
2.0	<u>Key Issues</u>
2.1	<p>The Departmental Direction is made under Section 10 of the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 2010 and states that existing councils may not, without the written consent of the new council:-</p> <ul style="list-style-type: none"> (a) make any disposal of land, if the consideration for disposal exceeds £100,000; (b) enter into any capital contract where <ul style="list-style-type: none"> i. under which the consideration payable exceeds £250,000 ii. which includes a term allowing the consideration payable to be varied (c) enter into any non-capital contracts where consideration exceeds £100,000. Such contracts may include <ul style="list-style-type: none"> i. employment contracts (e.g. individual employment contracts over £100,000 over annum and fixed-term contracts of employment exceeding £100,000 in total over the fixed-term period) ii. service contracts (e.g. asset maintenance contracts); iii. revenue contracts (e.g. accountancy or legal services) <p>Members will note that a similar expenditure controls process was introduced by the DoE during the operation of the Statutory Transition Committee period.</p>
2.2	It is important to note that the release of this guidance does not preclude the necessity to follow Belfast City Council Standing Orders and the associated processes for entering into contracts and land disposals, requiring approval through the Strategic Policy and Resources Committee and Full Council.
2.3	The guidance states that “Councils should have their three year capital plans and revenue expenditure forecasts examined and approved by the new council (in shadow form) at the beginning” which would mean that only those transactions above and beyond what are in the three

	year capital plans and relevant expenditure forecasts would be subsequently have to be referred to the new council (in shadow form).
2.4	The guidance further states that all other disposals, capital contracts and non-capital contracts and borrowings outside of the three-year capital plans and revenue expenditure forecasts should comply with the DoE Direction as set out above.
2.5	Capital Contracts In July as part of the expenditure control process the Shadow Council endorsed the Capital Programme for 2014/15 – 2016/17 as agreed by the Statutory Transition Committee.
2.6	Members will note within their papers for approval is an update on the capital programme for 2014/15. This report also seeks Members to endorse movements in relation to the capital programme however there are no capital expenditure approvals required this month.
2.7	Non-Capital Contracts Appendix 2 outlines the list of proposed non-capital contacts which have secured or are due to seek BCC approval. These are submitted for consideration and consent of the Committee and new council (operating in shadow form).
2.8	Land disposals/acquisitions There are no land disposals or acquisitions for consideration this month.
2.9	Leisure Transformation Belfast City Council's Strategic Policy and Resources Committee considered the next steps in the implementation plan for Leisure Transformation at its meeting on 22 August 2014, see report attached at Appendix 3. Members will be aware that following consideration of expenditure control the Shadow Council gave its consent to the award of a contract for the leisure trust at its meeting in July 2014. The Strategic Policy and Resources Committee noted that Greenwich Leisure Limited has been appointed as the Strategic Operating Partner for the new Leisure Trust and commends to the Shadow Strategic Policy and Resources Committee the contractual agreement for the Trust (Active Belfast Limited) and Greenwich Leisure Limited that will guarantee the £2m efficiencies by April 2016 as required for Phase II of the Leisure Capital Investment Programme.

3	Resources
	<u>Finance</u>
3.1	The financial resources for these contracts will be met within the current departmental budgets.
	<u>Human Resources</u>
3.2	There are no additional human resource implications
	<u>Assets and other implications</u>
3.3	The asset and other implications associated with this report are covered within the capital programme update

4	Equality and Good Relations Implications
4.1	There are no equality implications from this report.

5	Call in
5.1	This decision is subject to call in.

6	Recommendations
6.1	<p>The Committee is recommended to:</p> <p>(i) give consent to the non- capital contract as set out at Appendix 2 which have already been presented to BCC Strategic Policy and Resources Committee;</p>
7	Decision Tracking
7.1	Both, Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources and Gerry Millar, Director of Property and Projects will be responsible for ensuring the council decision is adhered to.
8	Abbreviations
8.1	<p>DoE; Department of Environment</p> <p>BCC; Belfast City Council</p>
9	Documents Attached
	<p>Appendix 1 DoE Guidance and Direction 'Expenditure Controls'</p> <p>Appendix 2 List of proposed capital and non-capital contacts</p> <p>Appendix 3 Report to the Strategic Policy and Resources Committee dated 22 August 2014</p>