

Strategic Policy and Resources Committee

Friday, 20th January, 2017

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor Hussey (Chairperson);
The High Sheriff (Alderman Haire);
Aldermen Browne, Convery and Rodgers;
Councillors Attwood, Clarke, Corr, Craig, Graham,
Hargey, Hutchinson, Jones, Long, McCabe,
McVeigh, O'Donnell, Reynolds and Walsh

In attendance: Mrs. S. Wylie, Chief Executive;
Mr .G. Miller, Director of Property and Projects;
Mr. R. Cregan, Director of Finance and Resources;
Mr. J. Walsh, City Solicitor;
Mr. S. McCrory, Democratic Services Manager; and
Mr. J. Hanna, Senior Democratic Services Officer.

Apologies

An apology for inability to attend was reported from Councillor McAllister

Minutes

The minutes of the meeting of 16th December were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 3rd January.

Declarations of Interest

No declarations of interest were reported.

Restricted Items

The Information contained in the following three reports is restricted in accordance with Part 1 of Schedule 6 of the Local Government Acts (Northern Ireland) 2014

Revenue Estimates and District Rate 2017/18

The Committee considered a report which provided an update on the development of the revenue estimates for 2017/18 and the key issues which Members needed to consider as part of the rates setting process. The Committee was reminded that, at its meeting on 6th January, it had deferred a number of issues but would now be required to make a decision on those in order to set the cash limits for the other Committees of the Council.

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After discussion, the Committee made the following decisions:

Call-in

The Committee agreed that the report in relation to the Revenues Estimates and District Rate and associated decisions would not be subject to call-in as it would cause an unreasonable delay which would be prejudicial to the Council's and the public's interests in striking the district rate by the legislative deadline of 15th February, 2017.

3G Pitch Hire

The Committee agreed not to include in the district rate the loss of income of £17,500 as a result of the decision of the People and Communities Committee to reduce the price of 3G pitch hire by 25% for community and voluntary sector use and that the matter be referred back to that Committee to be considered within its cash limits for 2017/18.

Belfast Bike Scheme

Moved by Councillor Long,
Seconded by Councillor Jones,

That the Committee agrees to rescind its decision of 6th January to approve a revised pricing policy for the Belfast Bike Scheme and that the current policy as set out below remains in place until a review of the scheme is undertaken.

"The current pricing policy has two subscription options:

- *Annual membership at £20 per annum.*
- *Casual 3 day subscription at £5 per annum.*

On both options the first half hour of usage is free. Charges apply after this period at 50p for the next half hour of use and then £1 per hour thereafter.

Both subscriptions also allow for rental of up to four bikes which are charged at the standard usage rate."

On a vote by show of hands thirteen Members voted for a proposal and five against and it was declared carried

Membership of the Northern Ireland Local Government Association (NILGA)

Moved by Councillor Reynolds,
Seconded by Councillor Craig,

That the Committee agrees that the Council ceases to be a Member of the Northern Ireland Local Government Association.

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On a vote by show of hands five Members voted for the proposal and fourteen against and it was declared lost.

Accordingly, the Committee agreed to remain as a Member of the NILGA and to pay the annual subscription of £70,759.

Elected Members Personal Development Plan (PDP)

The Committee agreed that the Elected Members PDP budget be reduced by £22,000, with a limit of £730 per Member.

Belfast Agenda

Moved by Councillor Reynolds,
Seconded by Councillor Craig,

That the Committee agrees to include in the district rate a budget of £575,000 to support the delivery of the Belfast Agenda priorities, that is, Belfast Works £250,000; Smart City £250,000; and Small Business £75,000.

On a vote by show of hands five Members voted for the proposal and thirteen against and it was declared lost.

According, the Committee agreed to include in the district rate a budget of £750,000 to support the delivery of the Belfast Agenda priorities, that is, Belfast Works, Smart City and Small Business.

The Committee agreed also that monitoring reports on the Belfast Agenda be incorporated into the Committee's Quarterly Finance and Performance Reports.

Community Grants

Moved by Councillor Reynolds,
Seconded by Councillor Craig,

That the Committee agrees to provide 25% of the £588,000 funding required for the Community Support Programme, that is, £147,000 through the district rate and to consider funding the remaining balance as part of the Quarter 3 forecast and Quarter 4 outturn which would be considered by the Committee in February and June 2017.

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Amendment

Moved by Councillor Long,
Seconded by Councillor McVeigh,

That the Committee agrees to provide 50% of the £588,000 funding required for the Community Support Programme, that is, £294,000 through the district rate and to consider funding for the remaining balance as part of the Quarter 3 forecast and Quarter 4 outturn which would be considered by the Committee in February and June 2017.

On a vote by show of hands, seven Members voted to provide 25% of the funding through the district rate, with twelve Members voting against and it was declared lost.

On a vote by show of hands, twelve members voted to provide 50% of the funding through the district rate, with seven members voting against and it was accordingly declared carried.

Cash Limits

The Committee agreed that, taking into account the impact of the above decisions, the Cash Limits for each of the Committees for 2017/18 be set as follows:

a) Strategic Policy and Resources	£42,443,408
b) Capital Financing Budget	£18,751,901
c) People and Communities	£76,242,845
d) City Growth and Regeneration	£15,841,354
e) Planning	£1,520,440

District Rate

The Committee noted that the aforementioned decisions would result in an increase in the district rate of 1.89% and noted also the next steps in the setting of the district rate.

Leisure Transformation Programme – Assets Update

The Committee noted the contents of a report which provided an update on the development and implementation of the £105m leisure assets capital programme and agreed that consideration be given to the possibility of providing a temporary building in the locality following the demolition of the Clonduff Community Centre.

Asset Management

**Lock Keepers Cottage Visitors Centre –
Lagan Valley Regional Park Lease Renewal**

The Committee granted approval to the terms of the lease renewal in respect of the offices occupied by Lagan Valley Regional Park at the Lock Keepers Cottage Visitors Centre.

**Hanwood Centre – Proposed Licence Surrender and Grant
of New Lease to the Hanwood Trust Company Limited**

The Committee granted approval to the surrender of the existing 21 year lease agreement and to the granting of a new 25 year lease in respect of premises occupied by The Hanwood Trust Company Limited at the Hanwood Centre in Dundonald (Phase1), subject to terms to be agreed by the Estates Manager and Legal Services.

Lanyon Tunnels

The Committee:

- Approved Belfast City Council entering into a 25 year Lease with the Department for Infrastructure for the regeneration of the Lanyon tunnels; and
- Agreed to the sub-letting of the Lanyon Tunnels Lease to the Markets Development Association on completion of the refurbishment of the tunnels, subject to the terms to be agreed by the Estates Manager and Town Solicitor.

**Commission House, Gordon Street –
Potential Acquisition**

The Committee agreed to the Council acquiring Commission House, at the Land and Properties Services (LPS) valuation, as a strategic acquisition in line with the Belfast City Centre Regeneration and Investment Strategy, with the acquisition costs being provided from the City Centre Regeneration and Investment Fund and other sources such as Capital Receipts.

**Maysfield – Grant of Easements/Wayleaves to
Facilitate Developments**

The Committee granted approval to the Director of Property and Projects to enter into such legal agreements with various service and utility providers, subject to detailed terms to be agreed by the Estates Manager and the Town Solicitor, that would facilitate use and occupation of the Concentrix and Allstate developments currently progressing at the Council's former Maysfield Leisure Centre site.

Matters Referred Back from Council/Notices of Motion

**Notice of Motion - Outcomes Based Accountability
and Update the Area Events**

The Committee considered the undernoted report:

“1.0 Purpose of Report or Summary of main Issues

- 1.1** Following the Notice of Motion moved by Alderman Convery at the council meeting on 3 January, this report provides Members with an update on how use of the Outcomes Based Accountability methodology has developed within the council to date and plans for its on-going use.
- 1.2** The report also provides Members with a brief update on proposed area engagement events taking place over the coming weeks to support consultations on the Belfast Agenda and Local Development Plan (Preferred Options Paper).

2.0 Recommendations

2.1 Members are asked to:

- a) note the OBA methodology developments being explored within the council as part of the emerging Belfast Agenda, Corporate Planning and partnership development processes; and
- b) note the proposed area engagement events

3.0 Main report

Background

3.1 Notice of motion

As Members are aware the undernoted motion, which was moved by Alderman Convery (& seconded by Cllr Attwood) at council on Tuesday 03 January has been referred to the Committee for consideration:

- 3.2** ‘Belfast City Council notes that the Programme for Government has been developed under the Outcome Based Accountability (OBA) principles.

Belfast City Council notes that two Outcome Based Accountability (OBA) pilots have been taken forward in Whiterock and Inner East, as part of the Belfast Agenda.

Belfast City Council agrees to embed the OBA principles in all Council decision making processes in the Council to make sure we achieve outcomes which show measurable improvements for people and communities in every part of the city.'

3.3 Outcomes Based Accountability (OBA) in the Programme for Government

As the motion above notes the new Programme for Government has been developed using the Outcomes Based Accountability methodology. This has resulted in:

- A set of outcomes identifying the quality of wellbeing conditions the Northern Ireland Executive would like to see improved across the region. Alongside this, a set of population indicators is being proposed to enable the measurement of the achievement of the outcomes.**
- Emerging programmes of work being designed cross-departmentally and with partners that will result in improving these measures and improve the quality of life of residents.**

3.4 Work to date on OBA in the Council

Members will also recall that the Council has been exploring the use of the Outcomes Based Accountability methodology in a variety of ways over the past two years. Activities have included:

- Workshop Mark Friedman (developer of the OBA methodology) with Members and partners (Sept 2014)**
- OBA Capacity building programme with officers and partners (Spring 2015)**
- Briefings for Area Working Groups on the OBA approach and discussion of outcomes for local areas as part of AWG workshops;**
- Locality planning: testing the use of OBA across the city in locality settings with communities and partners to help local people shape targeted interventions and test the process with a view to further roll-out.**
- Belfast Agenda: as the lead partner for community planning in Belfast the council has supported the drafting of the Belfast Agenda for consultation to include:**
 - development of a long-term citywide outcomes framework seeking to improve the quality of life**

- over the next 20 years and align with Programme for Government population outcomes and indicators;
- development of a citywide performance framework in line with the principles of OBA (a City Dashboard);
- working with partners to develop the proposed broad work-streams in the Belfast Agenda into specific programmes which will include performance frameworks in line with OBA methodology.

Next steps

- 3.5 Since it is intended that the Belfast Agenda will form the framework for the council's future plans and key strategies, including the corporate plan it is inevitable that these will have a focus on delivering the long-term outcomes that have been set for the city as well as the targets that have been set for the next four years.
- 3.6 As Members are aware the council's new Corporate Plan is under development, following a workshop with the SP&R Committee on 28 October to which all Members were invited. The corporate plan will reflect and evidence the council's contribution to the Belfast Agenda programmes of work and population outcomes as well the specific programmes of work that the council will be delivering.
- 3.7 In the months ahead, the outcomes in the Belfast Agenda will continue to shape the councils emerging plans and strategies at both a city and local level. As ever, Members will lead and shape this process through a series of workshops, including the Committee workshops planned for February, through discussion at Area Working Groups and through the committee decision making processes themselves. The partnership work that Members play a leading role in will also help ensure alignment to our long-term goals with partnerships such as the Belfast Strategic Partnership on life inequalities, the Shared City

Partnership, the PCSP and others playing a key role in the ongoing development and roll-out of implementation plans. Regular reports on the work of these partnerships and the process of alignment will be brought to Members.

Area engagement events

- 3.8 To support the ongoing public consultation on the draft Belfast Agenda, and the upcoming consultation Local Development Plan

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(Preferred Options Paper), a series of area based engagement events are planned to take place in late January/early February 2017. These events are as follows:

North: Girdwood Community Hub	South: Olympia Leisure Centre	East: Skainos Centre	West: Innovation Factory
Monday 30 January 2017, 2.00-4.00pm	Thursday 2 February 2017, 6.30-8.30pm	Thursday 9 February 2017, 6.30-8.30pm	Monday 13 February 2017, 2.00-4.00pm

These events will provide an opportunity for members of the public to hear about the key plans affecting the future of Belfast and how to give their views, together with opportunities to provide some initial feedback.

3.9 Financial & Resource Implications

There are no additional resource implications as a result of this report. Alignment of resources to the delivery of the Belfast Agenda will be part of the on-going organisational and financial planning processes

3.10 Equality or Good Relations Implications

The Belfast Agenda includes outcomes related to improving equality and good relations in the city.”

The Committee noted the contents of the report.

Notice of Motion – Transfer of Regeneration of Powers

The Committee was reminded that, at the Council meeting on 1st December, Councillor McDonough-Brown had proposed the following motion:

“This Council expresses its profound disappointment in the decision of the Minister for Communities not to proceed with the Regeneration Bill and devolution of regeneration powers to local government.

The Council:

recognises that these powers would strengthen and enhance our ability to drive strategic regeneration activity, when used alongside community and land use planning;

believes this decision to be in conflict with the entire direction and ethos of local government reform and to be a significant missed opportunity; and

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reiterates our support for the devolution of regeneration powers to local government; and calls for the Minister for Communities to meet with the Council with a view to reversing his decision and proceeding with the Bill.”

The Motion had been seconded by Councillor Howard.

The Committee was reminded further that, at the request of Councillor McDonough-Brown, the Council had agreed, with all forty-eight Members present voting in support of the proposal, to suspend Standing Order 13(f) to enable the Council to debate point(iii)of the Motion. Subsequently the Council had agreed to adopt point(iii) and, in accordance with Standing Order 13(f) had referred points (i) and (ii), without discussion, to the Strategic Policy and Resources Committee. Those points were noted by the Committee at its meeting on 16th December.

It was reported that a response to point(iii) of the Motion had now been received on behalf of Minister Given. The response confirmed that the Minister would not be reconsidering his position not to proceed with the Regeneration Bill and devolve regeneration powers to local government. The response did, however, stress that, irrespective of where the legislative responsibility lay, local government played and would continue to play a significant role in insuring the successful implementation of the regeneration programmes. The response concluded by highlighting the importance of the Partnership Panel as a means of engagement between the Northern Ireland Executive and councils.

It was reported further that Council officers would continue to work alongside senior officials within the Department for Communities and the Belfast Regeneration Directorate with the view to unlocking prioritised regeneration and development schemes and to supporting that delivery. That relationship was underpinned by a Memorandum of Understanding which had been established between the Council and the Department for Communities which supported a joined up approach to be taken to progressing key schemes. That was currently being revised and a list of jointly agreed priority projects was being developed.

The Committee noted the response from the Minister for Communities and the information which had been provided.

Belfast Agenda

NI Executive and Ministerial Engagement

The Committee noted the contents of a report on the continued engagement with the NI Assembly and Executive Ministers and that engagement would continue with the NI Executive, Ministers and Senior Departmental officials over the coming weeks and months

Physical Programme and Asset Management

Area Working Update

Minutes of the Meetings of the Area Working Groups

The Committee approved and adopted the minutes of the meetings of the South Area Working Group of 19th December and the East Area Working Group of 5th January.

Local Investment Fund

The Committee noted that the East Area Working Group, at its meeting on 5th January, had requested officers to follow up with a number of Groups in relation to emerging proposals for its unallocated LIF, with details to be submitted to a future meeting of that group.

The Committee noted the two projects (WLIF2 – 08 – Berlin Swifts Football Club and SKLIF -07 – Holylands Area Improvement) which had previously been approved in principle had been scored and had met the minimum threshold and agreed that those be progressed to due-diligence.

Belfast Investment Fund

The Committee noted that the East Area Working Group, at its meeting on 5th January, had agreed that the Lagan Valley Youth and Community Group BIF project, which was currently at Stage 2 – uncommitted project, should be considered first if any funding became available under BIF.

The South and East Area Working Groups had also requested officers to follow up with a number of Groups in relation to emerging proposals for the Outer South and Outer East, with details to be submitted to the next meetings of those Area Working Groups.

Noted.

Finance, Procurement and Performance

Corporate Risk Management Update

The Committee considered the undernote report:

“1.0 Purpose of Report or Summary of main Issues

- 1.1 The purpose of this report is to provide Members with an update on the progress being made to manage the corporate risks that are of direct relevance to the Strategic Policy and Resources Committee.**

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2.0 Recommendation

2.1 The Committee is asked to;

- **Note the progress being made to manage the corporate risks and the proposed six monthly process for reporting. These are summarised at section 3.3 below and appended.**

3.0 Main report

3.1 The new corporate risk management process

Members will recall that the corporate risk register and related processes were subject to a fundamental review in 2015-16. This included a review and re-score of all the corporate risks, including target risk scores. For each corporate risk a 'Risk information form' was produced, detailing relevant controls, proposed actions (including timescales) and responsible officers. It was also agreed that management would begin to report to the relevant committees on the progress being made to manage these key risks.

3.2 Managing Corporate Risks to an Acceptable Level

CMT have reviewed and, where appropriate, have updated the assessment of the corporate risks, the results of which are plotted on to the corporate risk map (see Appendix 1). The corporate risk map shows the progress that is being made to manage the corporate risks.

The risks of particular relevance to the Strategic Policy and Resources Committee are as follows:

Ref.	Risks
1	ERDF projects - ERDF claw backs and financial penalties lead to BCC cost increases. In addition, failure to deliver project outcomes also presents a financial risk in addition to the reputational damage to the Council.
2	Information governance - Poor information governance results in non-compliance with legislation and best practice standards.
6	H&S - Failure to protect the Health and Safety of employees and

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	others and ensure compliance with Health and Safety legislation.
7	Physical Investment Programme - Failure to deliver the Physical Investment Programme within the affordability limits of the Council
8	Asset maintenance - Fail to resource, plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers value for money.
9	Agreement / delivery of Community Plan - 1. Fail to secure agreement and buy in from key partners for the Community Plan / Belfast Agenda 2. Failure to implement and deliver targets for the Community Plan / Belfast Agenda
10	Change management - If we do not manage change effectively then we will not deliver the Belfast Agenda / Community Plan.
11	Strategic Planning / Corporate Frameworks - We don't have corporate frameworks in place to deliver the Belfast Agenda and Corporate Plan.
14	Leisure estates programme - Fail to deliver the Leisure Estates Programme
15	Financial position of the Council - Failure to secure the financial position of the council in a sustainable way

Management have now prepared progress update reports on the above corporate risks and these are attached in appendices 2 to 9 of this report.

3.3 Issues emerging from the progress update reports

Some of the key issues arising from the progress updates are drawn out below.

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- a) **Of the sixteen corporate risks, reports have been produced for fifteen risks. The 1 exception relates to the Strategic Planning and Corporate Frameworks risk. With regard to this risk, the Deputy Chief Executive and Director of Finance and Resources has indicated that this involves an extensive piece of work. It therefore needs to be properly scoped and planned before the actions can be put in place to manage the risk.**
- b) **Management has indicated that the Leisure Estates Programme risk has reduced and moved closer to its target risk rating. The risk reduction has been attributed to ongoing controls which are in place to manage this risk, including the establishment of a Programme Office and the assignment of dedicated internal resources to the Leisure Programme and also the progress made to date. Through the ongoing improvement programme, management are working towards achieving the target risk rating.**
- c) **Management have indicated that the Community Planning risk has also reduced and moved closer towards its target risk rating. The reduced risk rating takes account of the recent agreement and launch of the draft Belfast Agenda, with focus now turning to establishing systems and processes to ensure that the targets are delivered.**
- d) **Members will be aware that the ERDF project risk was related to four key projects – Girdwood Community Hub, the Innovation Factory, the Waterfront Exhibition and Conference Centre and the infrastructure at the North Foreshore. All delivery on all of these projects has now completed and the assets have been handed over to the relevant departments/Standing committees and are all now operational. The risk level in relation to the ERDF Projects has not reduced yet, which recognises that the focus until recently has been on delivery of the physical buildings, and that further work is required to shift the focus to monitoring the delivery of the agreed outcomes. However this risk should reduce, once these new arrangements are fully implemented.**
- e) **Management have amended the risk description in relation to Asset Maintenance from ‘Failure to plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers compliant assets fit for purpose while offering value for**

money' to 'A failure to resource, plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers compliant assets fit for purpose while offering value for money' recognising that the additional assets that have been taken on will require additional resources, both financial and resources. Reflecting this, the risk assessment remains the same

- f) Members will be aware that the Council continues to deliver a substantial Physical Investment Programme and the risk assessment level for this risk has therefore not been reduced. However Members will be aware that over £100m of projects have been completed within the past year and it is key that the outcomes from this investment are delivered. Management are therefore looking at how ensuring that the benefits from the Council's overall physical programme are maximised and how this is encapsulated within the risk framework
- g) The risks relating to Strategic Planning and Corporate Frameworks and Change Management either relate to new areas of work for the Council that are at quite an early stage or relate to existing areas that require major programmes of work.
- h) The risks relating to Information Governance and the Financial Position of the Council relate to established areas of work for the Council but further work is required before the risk assessment can be reduced.
- i) The Health & Safety risk, at the request of members, was reported to SP&R Committee in September 2016 and is not included here.

Progress Updates to Committee

- 3.4 In order to ensure that members have an understanding of the corporate risks and have clear information on how they are being managed, we propose that the Strategic Policy and Resources Committee is provided with progress update reports on a six monthly basis, unless of course reports are required more urgently.

3.5 Financial & Resource Implications

None.

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3.6 Equality or Good Relations Implications

None.”

The Committee adopted the recommendations.

Contracts for Award

The Committee:

- (1) Approved the public advertisement and acceptance of tenders as listed in Appendix 1, table 1 below, through the Council’s electronic procurement system;
- (2) Granted delegated authority to the appropriate Director, using pre-agreed criteria, to accept the most economically advantageous tender, and allow extensions where contracts were under review as per table 2:

Appendix 1 - Schedule of tenders for consideration

Table 1 – New tenders

Title of tender	Senior Responsible Officer	Proposed contract duration
Employee counselling services	Jill Minne	1 year plus 1
Occupational health physician services	Jill Minne	1 year plus 1
Cleaning service at St George’s Market	Donal Durkan	1 year plus one plus one
Specialist heavy goods vehicle hire	Gerry Millar	2 years plus one*
Standard light goods vehicle hire	Gerry Millar	2 years plus one*
Vehicle breakdown recovery services	Gerry Millar	2 years plus one

* To be completed as two lots on one tender exercise

Scheme of Allowances

The Committee was advised that the Department for Communities had published consolidated guidance on Councillors’ Allowances, however, the Council was required to agree and publish its own Scheme of Allowances.

The Democratic Services Manager reported that the amendments to the existing guidance on Councillors’ allowances focused on the issue of Dependant Carers’ Allowances. In the new guidance, the rules on that allowance had been revised to make it more easily accessible to councillors who required to use the facility in order to attend

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Committee meetings or other approved duties. The Council's Scheme of Allowances had been amended to reflect that change, and a copy was available on the Council's website.

The Committee approved the amended Scheme of Allowances for Councillors.

Equality and Good Relations

Shared City Partnership Meeting

The Committee approved and adopted the minutes of the meeting of the Shared City Partnership of 9th January.

Operational Issues

Rates Consultation Response

The Committee considered the undernoted report:

“1.0 Purpose of Report or Summary of main Issues

- 1.1 This report provides a draft Council response to the Department of Finance consultation paper on 'Reforming the Rating System, Rates: Rethink, Spurring Economic Growth'**

The consultation paper was issued on the 16 December 2016 and the consultation period ends on the 16 February 2017.

2.0 Recommendations

- 2.1 The Committee is asked to;**

- Agree the draft Council response included as Appendix 2.**

3.0 Main report

Review of the Business Rates System

- 3.1 In November 2015 the (then) Department of Finance and personnel launched a public consultation seeking responses to a review of the non-domestic rating system. The Strategic Policy and Resources Committee agreed a response to this major consultation, together with a further consultation in March 2016 on the Review of rate liability in the Domestic Rental Sector.**

- 3.2 The current consultation document 'Rates: Rethink' further develops and broadens the issues previously considered and makes policy proposals which aim to deliver a fitter and more**

acceptable rating system for citizens and businesses and which spur economic growth.

Overview of the Consultation Paper

3.3 The consultation paper includes the following proposed measures:

- A new £22m a year Rates Investment Scheme for smaller retail and hospitality business.
- Piloting Business Empowerment Zones in two areas (Lower Newtownards Road and Lower Falls Road).
- Increasing rates on empty commercial premises.
- Charity shops to make a contribution.
- Charging the highest value homes more.
- Removing the early payment discount.
- Reducing landlord allowances.
- Student halls of residence to start paying rates.
- A 3 year rates holiday for first residents of new energy efficient homes.

3.4 The following paragraphs provide a brief summary of the policy proposals in each area and the proposed Council response as detailed in Appendix 2.

Investment in Small Business

3.5 Proposal to replace the existing Small Business Rates Relief Scheme (SBRR) with a new scheme targeting retail and hospitality. A commitment to provide £22m to fund the scheme which should double average awards. The proposals include two options for allocating relief, one of which favours lower Net Annual Values (NAV's)

3.6 The Council has previously responded supporting the replacement of the SBRR Scheme with a scheme which would include a focus on new start-ups and expanding SME's.

Small Business Empowerment Zones

3.7 Proposal for two pilot Zones (Lower Falls and Lower Newtownards Road). Zone reliefs to be in place for 3 years, with automatic 50% relief within zone regardless of NAV (unless already receiving higher) and Back in Business Scheme (occupation of vacant properties) to be enhanced (75% Yr1 Relief and 50% years 2 and 3)

3.8 The Council is not in a position to comment on the specific proposals as the financial implications in relation to the

potential rates income losses and whether local government will be reimbursed for additional reliefs is unknown.

Revitalising our High Streets

- 3.9 Proposal based on Living over the Shops (LOTS) and Town Centre Living initiatives. Proposed 100% rates exemption for converted property, with exemption not transferrable.
- 3.10 The Council has previously responded in support of revitalising High Streets, but emphasised that interventions to encourage city centre living should include the wider private rented sector and not just for converted properties. City Centre Regeneration also requires the flexibility for temporary targeted business case relief for developments such as Grade A office accommodation and hotels.

Charity Shops

- 3.11 Proposals that charity shops should pay 20% rates (currently exempt) and that an upper threshold for relief of NAV £25k (same as SBRR Replacement Proposals) should be applied to discourage charities occupying prime retail sites and to reduce relief on planned new charity superstores.
- 3.12 The Council has responded previously with the view that charity shops should pay some rates.

Non-Domestic Empty Property Relief

- 3.13 Proposals to end the current 3 month 100% vacancy exemption and to reduce the current relief from 50% to 25%.
- 3.14 The Council would strongly object to the removal of the 3 month 100% exemption as this could have a negative impact on city centre development projects. The council would support the reduction in relief after the 3 month period from 50% to 25% to more align with Britain. N.B. Relief would still be more favourable than in England Nil after 3 months, Scotland 10% after 3 months.

Halls of Residence

- 3.15 Proposal to remove existing 100% exemption for University Halls of Residence.
- 3.16 The Council has already argued for this exemption to be removed as it is unfair to those students in private accommodation who pay rates and citizens who pay for

services which will be required for new accommodation. New student accommodation in Belfast is an important outcome of the City Centre Regeneration Strategy and Growing the Rate Base.

Hardship Relief

- 3.17 Proposal to review the definition of the scheme and widen the decision making beyond LPS.
- 3.18 The Council would support a review of the definition and the input of local government.

Sports & Recreation Relief

- 3.19 Proposal to include spectator stands that do not generate income in sports and recreation assessment. Also proposal to review the non sporting area 20% disregard 'de minimus' anomaly.
- 3.20 On a principle of fairness the Council would support the spectator stands and de minimus proposals.

Domestic Rates Cap

- 3.21 Proposal to remove the existing Domestic Capital Value Rates Cap of £400,000 for the regional rate element of the rates bill.
- 3.22 Responses to be considered by individual political parties, however if any change is made it should benefit local government and not just central government.

Early Payment Discount

- 3.23 Proposal to remove existing 4% domestic rates discount for up-front payment.
- 3.24 The Council currently incur a loss of 45% (district rate element) of the 4% discount, with no benefit, as rates payments are made to the Council based on 1/12th of estimated income.

Landlord Allowance

- 3.25 Proposal to reduce the current allowance from 10% to 5%. This applies to Landlords who are responsible for paying rates (rather than tenant) i.e. Mandatory if Capital value under £150,000 or Voluntary option by the Landlord. This includes Social Landlords e.g. NIHE.

Reduce current 10% allowance to 5%.

- 3.26 Council position is that allowance should remain. The Council would support a reduction in the allowance, although there is no information available on the likely impact of voluntary registrations of allowance being reduced.

Energy Efficient New Homes

- 3.27 Proposal for a 3 year domestic rates holiday for first occupants of newly constructed energy efficient homes.

- 3.28 The proposal is supported.

3.29 Financial & Resource Implications

There are no finance implications at this point.

3.30 Equality or Good Relations Implications

There are no Equality or Good Relations Implications at this point.”

Appendix 2

RATES RETHINK CONSULTATION – BELFAST CITY COUNCIL DRAFT RESPONSE

Belfast City Council welcomes the consultation document “Reforming the Rating System #Rates – Rethink Spurring Economic Growth”. It considers many of the issues that have interested the Council in the delivery of its services. Each individual question is answered as the consultation request however the following general comments on rate reform we believe are worthy of attention as you take the process forward.

Belfast City Council supports the majority of the proposed reforms and believes they will help the regeneration and revitalisation of Belfast. There are some aspects of the proposals which will inhibit this process and they are highlighted in the following paragraphs. However these negatives are vastly outweighed by the positives.

Commercial Rates Reform - Reform of the Small Business Rate Relief (SBRR)

In general Belfast City Council supports the replacement of SBRR to support the strategic development of businesses but would prefer if this was targeted to new start-ups and expanding SME’s. However the Council recognises the importance of the retail and hospitality sectors to the economy and the range of small businesses which it is proposed will be classified as retail or hospitality. In addition potential exists to consider how the scheme should be targeted towards those sectors expected to deliver higher economic growth and productivity returns, as a means of maximising the economic benefit of the SBRR scheme.

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Investment in Small Business

Question	BCC Response
Do you agree that retail should be the subject of any SBBR Replacement scheme?	<p>Yes, any scheme should be available to all who satisfy the criteria. Any scheme should emphasise the need to stimulate retail activity and there should be an incentive which is linked to other rating matters to encourage participation in a vibrant small business community. Additionally whilst retail is a key sector within the city consideration should be given as to how SBBR can be used as a tool to maximise economic growth.</p> <p>It is the Council's view that any replacement scheme should have a focus on new start-ups and expanding SME's providing relief for a defined period. Consideration should also be given to targeting key growth sectors expected to significantly contribute towards economic growth of the city such as knowledge economy, creative industries, business and financial services etc.</p>
Do you agree that hospitality should be the subject of any SBBR Replacement scheme?	<p>Yes, any scheme should be available to all who satisfy the criteria. The hospitality industry is an important element of small business activity and should be actively encouraged to participate in a retail community. It is particularly important that this sector is supported because it has a wider role in relation to the revitalisation of the high street. It is the Council's view that any replacement scheme should have a focus on new start-ups and expanding SME's providing relief for a defined period. As above whilst hospitality is a key sector within the city consideration should also be given to targeting key sectors expected to significantly contribute towards economic growth of the city such as knowledge economy, creative industries, business and financial services etc.</p>
Will the policy proposal address the issue of helping to regenerate our towns and cities?	<p>Yes, any measure that enables businesses to survive and prosper in the current period of uncertainty should be applauded. As stated above, small business rate relief scheme should be treated as an investment in the sector and should be looked at in conjunction with other incentives to maintain employment and stimulate business activity particularly in the high street. Small businesses also have a major role to play in maintaining a vibrant street scene. However as stated previously whilst the retail and hospitality sectors are key sectors consideration should be given to supporting sectoral growth for those industries expected to contribute most significantly to economic growth and productivity improvements. While small businesses play a vital role in our towns and cities, City Centre Regeneration requires major developments which would fall outside the scope of this relief. This requires a combined central and local government package of measure to support regeneration. This type of relief should be subject to proven business cases, which prohibits relief where displacement of existing ratepayers occurs. Sectors to target could include</p>

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	hotel developments, Grade A office space development and the redevelopment of vacant properties or derelict land.
What uses should be considered retail and hospitality (and what should be excluded)?	All uses should benefit from the scheme and we agree with the listings in Annex A. We believe they are comprehensive and with the proper application of the power should play a major role in encouraging small business activity.
Do you agree with the proposed conditions for entitlement	Yes if these are the sole range of criteria rules available. As a living wage employer the Council would particularly support the reference to accreditation with the Living Wage Foundation. There is also an opportunity to expand the parameters of the scheme and base it on ability to pay and thus helping those businesses which do not have any easy path to success.
Should the balance of available relief be targeted at lower value or higher value properties?	It is difficult for the Council to respond to this question without analysis of the impact of relief proposals on the small business community in the City.

Small Business Empowerment Zones

The Council support the targeting of specific zones and the focusing of regeneration activity to support the economy, stimulate job creation and boost growth in the rate base. The innovative idea of small business empowerment zones would therefore be supported in principle by the Council as would the use of pilot areas to test the business case for such zones. The Council is not however in a position to comment on the specific proposals in the consultation as the financial implications in relation to the potential level of losses of rates income and whether local government will be reimbursed for additional reliefs provided though the scheme is unknown.

Question	BCC Response
Do you agree with piloting empowerment zones in these two areas?	See above
Do you agree with the special measures proposed for the zones?	See above
Are there other ways in which the rating system should be used to help business in these areas?	Yes, other features of the rating system; such as hardship relief and empty rate exclusions should be available to assist in the development of the empowerment zones.
What partnership arrangements should be out in place in order to maximise the potential benefits of this proposal?	It is important that business organisations are in partnership with local authority in which the empowerment zone is located. These schemes should be part of the normal consultation process which encourages regeneration of any particular area.
What criteria should be used to judge the success of this proposal?	It should be judged by the number of created and sustainable businesses within the empowerment zone.

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Revitalising our High Streets

Question	BCC Response
Do you agree that the rating system should be used to incentivise behaviour?	<p>Belfast City Council views the rating system as part of the tools which can help incentivise city centre development. As stated previously the rating system could be utilised to foster entrepreneurship and accelerate the growth of key sectors. While we would support the proposal for converted properties, we also believe that revitalising our high streets requires the targeting of key developments such as hotels and Grade A office space as aligned to local needs and the development of the private rented sector in the City Centre.</p> <p>Additionally to support economic growth potential exists to utilise the rates system to incentivise investment including FDI activity. We would view the 100% exemption for three years as being excessive and that partial relief should apply. As in the issue with Empowerment Zones clarity needs to be given as to how this relief will be financed i.e. will this be a loss of income to local government? The economic impact of the proposed Empowerment Zones should be analysed on completion of the pilots to determine the impact of such an approach at a citywide level.</p>
Do you agree that this proposal will help demand for these properties?	<p>We have no evidence to comment on this proposal either way; however we are certain that investment in the street scene is an essential element of revitalising the high street. We believe that any scheme that encourages the use of vacant property should be supported. We recognise that the high street is changing and that it is reverting back to a mixed approach of retail, other business sector uses and residential needs to be recognised. However it is important that any conversions to residential use blend into the street scene and do not create a pattern of occupation that appears to be disjointed.</p>
Do you agree with limiting the incentive to the first occupier?	<p>No. We believe that relief should be transferrable within the three year period in order to create stability and maintain a viable street scene.</p>
What criteria should be used to judge the success of this proposal?	<p>The criteria should be vacancy rates and sustainability and economic growth.</p>

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Charity Shops

Question	BCC Response
Should charity shops be asked to pay a relatively small contribution to rates revenue?	BCC believes that charity shops should make a small contribution to rates revenue. An amount of 20% as in Britain would be reasonable.
Should exemption be capped at £25,000 NAV? Do you agree with the proposal to make commercial landlords liable for rates on short term Do you agree that this proposal will help demand for these properties?	Yes.

Empty Property Rates

Question	BCC Response
Are there reasons as to why vacant property locally should be treated differently to other regions?	Yes, the Belfast is going through a significant period of change that is likely to last several years. During this period of change there will be new and altered buildings which will be available on the market. During the marketing period landlords should still be able to benefit from the 100% relief for the initial period of vacancy in order to support any efforts to find tenants. Removal of this relief is not supported by the Council and would damage efforts to achieve timely lettings.
Should a 75% charge apply here?	BCC would support a 75% charge as outlined, provided this was applied after the first 3 months of 100% relief. This 25% relief level would reflect local market conditions by providing a more favourable level of relief than Britain e.g. England Nil, Scotland 10%.
Are there other reasons why empty factories should not incur a vacant rating charge?	A full review of all excluded properties should take place. The Council believe that all properties, including empty factories, should pay a charge after the initial three month 100% vacancy relief period.

Mines

Question	BCC Response
What are the implications for the mining sector of removing this relief?	No comment.

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Halls of Residence

Question	BCC Response
Do you agree that the current Halls of Residence exemption currently treats some students more favourably than others?	Yes. The Council's response to the earlier consultation on this issue highlighted the Council's belief that the current exemption is unfair to the students who reside in the general private sector in Belfast because those students are charged rates in with their rent and the large majority of them do not have access to rate rebate. It is therefore reasonable to put forward the equitable argument for removing the exemption from rating for premises used as student accommodation which is provided by certain educational establishments.
Do you agree with the Department's assessment of this issue, following the earlier consultation this year?	Yes the Council supports removal of the exemption. As stated in the Council's previous response, the Council believes that the current exemption is also unfair to all residents in Belfast that a proportion of occupiers make no contribution to local services irrespective of their personal financial circumstances. The removal of the exemption would also increase the overall tax base for the Council to help offset the additional costs incurred by the Council in providing services to new student accommodation developments in the City.

Hardship Relief

Question	BCC Response
Do you consider that hardship relief is necessary?	Yes we do consider that hardship relief is necessary.
If so, what changes are needed?	There needs to be increased signposting of the scheme to increase its awareness.
What criteria should be used?	There needs to be a reconsideration of the definition of exceptional circumstances to take account of local impact.
Please provide views on how this can be done without duplicating the coverage provided by insurance?	Insurance is event driven, hardship has a much wider criteria. Any hardship scheme should always have regard to any likely income from alternative sources, these will include; insurance awards, damages awarded by any court, and any other source of "one off" revenue. Any hardship decision should be built around a clear data and circumstance evidence.

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Do you think hardship support should be administered differently?	Must have local authority input into the decision making.
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Sports and Recreation Relief

Question	BCC Response
Do you agree that spectator stands that do not generate income should be treated as part of the sport and recreation assessment?	Yes, and therefore entitled to relief.
Do you think that the present “de minimis” criteria creates an unfair advantage to some clubs?	Yes and we think that these anomalies should be removed

Domestic Rates Reform: The Rates Cap - Political Response

Question	BCC Response
Do you agree that the capped system of domestic rates is unfair to the vast majority of ratepayers?	
Do respondents consider that sufficient mitigations are in place to assist low income households (particularly asset rich income poor pensioners) that will be affected by this policy?	
Do you think that additional safeguards need to be implemented in order to mitigate hardship caused by the proposal to lift the cap in respect of the regional rate element of the bill?	<p>There are other issues that require consideration in relation to the rates cap:</p> <ol style="list-style-type: none"> 1. Why is the proposal to lift the cap in respect of the regional rate element only, and 2. Why does the current proposal allocate all additional income raised through this levy to central government rather than apportion on a pro rate basis to central and local government in keeping with other income raised through the rating process?

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Early Payment Discount

Question	BCC Response
Do you agree with the Department's assessment that the Early Payment Discount is unnecessary and unaffordable?	Yes.
Do you agree that the policy should be phased out, before its removal?	No, the policy should be abolished with immediate effect.

Landlord Allowance

Question	BCC Response
Do you agree with the proposal to reduce landlord allowances to 5%?	The Council would not favour removing the allowance but would support a reduction to 5%.
What impact do you think this will have?	There is no information available as whether a reduced allowance figure would be adequate to compensate landlords. Some landlords will make tenants liable and collection will be more difficult.
Do you agree that the cut in allowance should be applied universally across all sectors?	The information available is inadequate for the Council to come to a view on this.

Energy Efficient New Homes

Question	BCC Response
Do you agree with the proposal to provide a rates incentive for newly built energy efficient homes?	Yes.
What are your views on an appropriate standard, reliable assessment and safeguards?	There are now statutory measurement of the energy efficiency in dwellings. These rules should be sufficient to make any scheme viable.
Do you agree with limiting the incentive to the first occupier?	Yes.
What criteria should be used to judge the success of such a measure?	The criteria should be the number of new low carbon and zero carbon homes developed.

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The Committee approved the draft Council response to the Department of Finance consultation paper on “Reforming the Rating System, Rates: Rethink, Spurring Economic Growth”.

**Minutes of the Meeting of the
Budget and Transformation Panel**

The Committee approved and adopted the minutes of the meeting of the Budget and Transformation Panel of 12th January.

**Requests for the use of the City Hall
and the Provision of Hospitality**

The Committee considered the undernoted requests for the use of the City Hall and the provision of hospitality:

Appendix

Organisation/ Body	Event/Date - Number of Delegates/Guests	Request	Comments	Recommendation
IEEE MEMS 2018 Conference	IEEE MEMS 2018 Conference Reception 21st January, 2018 Approximately 400 attending	The use of the City Hall and the provision of hospitality in the form of a drinks reception	Delegates will be staying in accommodation in Belfast and the Congress will take place within the city. This event would contribute to the Council's Key Themes of 'City Leadership – Strong, Fair, Together'.	The use of the City Hall and the provision of hospitality in the form of a drinks reception Approximate cost £500
Ulster University	2018 British Human Computer Interaction Conference Dinner 4th July, 2018 Approximately 200 attending	The use of the City Hall and the provision of hospitality in the form of a drinks reception	Delegates will be staying in accommodation in Belfast and the Conference will take place within the city. This event would contribute to the Council's Key Themes of 'City Leadership – Strong, Fair, Together' and 'Better Opportunities for Success Across the City'	The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception Approximate cost £500

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<p>European Federation for the Science and Technology of Lipids</p>	<p>Congress Dinner for the European Federation Lipid Congress 18th September, 2018 Approximately 250 attending</p>	<p>The use of the City Hall and the provision of hospitality in the form of a drinks reception</p>	<p>Delegates will be staying in accommodation in Belfast and the Conference will take place within the city. This event would contribute to the Council's Key Themes of 'City Leadership – Strong, Fair, Together' and 'Better Opportunities for Success Across the City'</p>	<p>The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception Approximate cost £500</p>
<p>Queen's University Belfast</p>	<p>European Symposium on Clinical Pharmacy 2018 Welcome Reception 23rd October, 2018 Approximately 500 attending</p>	<p>The use of the City Hall and the provision of hospitality in the form of a drinks reception</p>	<p>Delegates will be staying in accommodation in Belfast and the Conference will take place within the city. This event would contribute to the Council's Key Themes of 'City Leadership – Strong, Fair, Together' and 'Better Opportunities for Success Across the City'</p>	<p>The use of the City Hall and the provision of hospitality in the form of a pre-dinner drinks reception Approximate cost £500</p>

The Committee approved the requests for the use of the City Hall but agreed, in line with its decision of 6th January to amend its policy and cease the provision of hospitality for City Hall events, not to provide hospitality for any of the events listed in the Schedule of Applications.

Director of Organisational Development

The Chief Executive advised the Members that Mrs Jill Minne, Director of Organisational Development, had been appointed to a post within the Civil Service and would be leaving the Council in due course. She advised the Members that she would be submitting reports to future meetings of the Committee on how the functions undertaken by the Director would be dealt with in the short and longer terms.

The Committee noted the information which had been provided and several Members paid tribute to the work undertaken by the Director.

Chairperson