

Strategic Policy and Resources Committee

Friday, 2nd March, 2012

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor Hargey (Chairman);
the High Sheriff (Alderman M. Campbell);
Councillors Attwood, Convery, Garrett, Haire,
Hendron, Jones, Lavery, McKee, McCarthy,
McVeigh, Mac Giolla Mhín, Ó Muilleoir,
A. Newton and Reynolds.

In attendance: Mr. P. McNaney, Chief Executive;
Mr. R. Cregan, Director of Finance and Resources;
Mr. G. Millar, Director of Property and Projects;
Mr. S. McCrory, Democratic Services Manager; and
Mr. J. Hanna, Senior Democratic Services Officer.

Apologies

Apologies for inability to attend were reported from Aldermen Browne and R. Newton and Councillors Hanna and Maskey.

Minutes

The minutes of the meetings of 3rd and 17th February were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 1st March.

Declarations of Interest

There were no declarations of interest.

Local Government Reform Update

The Chief Executive submitted for the Committee's consideration the undernoted report.

"1.0 Relevant Background Information

- 1.1 Members will be aware that the NI Executive's draft Programme for Government and Investment Strategy for Northern Ireland, contains a clear commitment to proceed with local government reform (Review of Public Administration as it is known), based on the 11 council model, with elections to shadow councils in 2014, and the**

establishment of the new 11 councils in 2015. There is a commitment also to transfer key functions (e.g. planning, regeneration and community planning) to councils as part of the reform process.

- 1.2 In terms of the 11 council model, the Local Government Boundaries Commissioners' final recommendations report published in June 2009 proposed that the new Belfast City Council would increase its population base from 277,000 to 320,000 (approximately). The new Belfast boundary would incorporate parts of the adjoining Castlereagh Borough, Lisburn City and a small part of North Down District Council area. The number of electoral wards, and therefore councillors, would increase from 51 to 60, with an average of 40 electoral wards for the other 10 new council areas.
- 1.3 Subject to a Boundary Order being submitted for the consideration of the NI Assembly, the current position in regards to the proposed new extended Belfast boundary, as set out within the Boundary Commissioners' recommendation report, would incorporate the following areas:
- *Castlereagh District* – Tullycarnet, Gilnahirk, Braniel, Hillfoot, Merok, Cregagh, Wynchurch, Glencreagh, Belvoir
 - *Lisburn City District* – Colin Glen, Poleglass, Lagmore, Twinbrook, Kilwee and Dunmurry
 - *North Down District* - inclusion of part of Cedar Grove, Knocknagoney

A copy of the detailed Boundary Commissioners' Recommendations report is available at http://www.lgbc-ni.org/index/publications/final_recommendations.htm. Copies can be made available to Members if needed.

It is understood that the DoE are to submit for the consideration of the NI Assembly within the coming weeks a draft Local Government (Boundaries) Order laid in the Assembly which will give effect to the boundary changes.

2.0 Key Issues

Correspondence received from the Minister of the Environment

- 2.1 Correspondence has been recently received from the Minister of the Environment, dated 15th February, setting out initial proposals for taking forward local government reform. In his correspondence the Minister has requested that by the end of

March 2012, councils should restore key aspects of the necessary implementation structures to support the operational delivery of the local government reform programme at the local level. These include:

- (i) **11 voluntary Transition Committees** - voluntary joint committees representing the 11 council groupings which will co-ordinate and oversee the reform programme; and
- (ii) **Transition Management Teams** – joint executive teams representing the council groupings and providing support and advice to voluntary Transition Committees

The Minister outlined also his intentions in regards to:

- (iii) **Regional governance arrangements** - establish a Regional Transition Committee (RTC) to provide high level political leadership for the implementation of the reform programme. It is understood that membership will be comprised of the Minister and the Chairs of the 11 Transition Committees, which will be supported by a Regional Transition Management Team (RTMT) comprised of Council Chief Executives;
- (iv) **Transition Committee Funding** – NI Executive has decided that there will be no central government funding to support local government reorganisation. Indeed, councils will be required to provide the necessary resources (financial and human capital) to support preparations at the local level. The DoE had previously provided central government Transition Committee funding (including £2,700 pro-rata annual payment to Members of the voluntary Transition Committees).

- 2.2 The Council has received correspondence from the National Association of Councillors setting out the Association's concerns in regards to the absence of central government funding for key elements of the reform process including severance payments for members who may be displaced by the proposed reduction in the number of local councils in 2015. The Association has sought clarification from local government if they believe they can fund the reform programme or whether they expect central government to provide part funding.

- 2.3 How such costs are identified, planned and budgeted for on a potential 'invest to save' basis will be crucial. It is understood that the DoE are considering what financial instruments could be put in place to give Councils greater flexibility to fund specific one-off costs of reform.

Implementation Timetable

- 2.4 Whilst specific details are still to emerge from the NI Executive and DoE in regards to the implementation programme and timetable for local government reform, it is understood that the high-level key milestones include:-

By April 2012

- restore 11 *voluntary Transition Committees* to co-ordinate and oversee the reform programme at the local level

- restore 11 *Transition Management Teams* to provide support and advice to voluntary Transition Committee

By 2012 year-end

- bring forward necessary enabling legislation for local government reform:

- *Boundaries Order* which will deal with the creation of the new 11 council boundaries;

- *Local Government Reorganisation Act* which will deal with issues such as putting in place the necessary governance arrangements, establishment of Statutory Transition Committees and establishment of Shadow Councils

- establish *Regional Transition Committee* to provide high-level political leadership (at a regional level) for the implementation of the reform programme

By May 2013

- *Statutory Transition Committees* established representing those clusters of councils which are to merge together. The Statutory

Transition Committees will oversee the reform programme at the local level and make the necessary preparations for the establishment of Shadow Councils in 2014 and Councils in 2015.

- By June 2014
 - election to and establishment of 'Shadow Councils' to oversee implementation of reform programme.
- By April 2015
 - 11 new councils become operational as legal identities, with the transfer and integration of functions from central government to the new councils.

- 2.5 Members will appreciate both the scale of the challenge of preparing for local government reform, and the opportunity which it presents in terms of the planned transfer of key place-shaping functions such as planning and regeneration back to the Council, which will further enhance our ability to make a real and lasting difference in stimulating the local economy and improving the quality of people's lives across the city. Such functions would also be key enablers which would underpin the Council's ability to deliver its investment priorities as set out within the Council's draft Investment Programme 2012-2015.
- 2.6 Whilst the Council will be less affected by the convergence issues which will be experienced by the other merging councils, we now need to restore our focus on planning for reform and, in particular, the extension of the Council boundaries, including the associated operational and financial implications, and the transfer and integration of new functions.
- 2.7 To direct the Council's previous engagement and work around RPA, Members had agreed and put in place an implementation (transition) plan. Whilst the delivery of this plan was halted with the delays and then postponement of the RPA process, the key workstreams identified and initial work progressed remains valid albeit that it will need to be reviewed and refreshed. Members input into this process will be crucial and it is suggested that any emerging implementation plan will be an integral part of the Committees' future work programme. Examples of some of the critical issues which the Council will need to address in moving forward include:

- (i) Influencing key strands of emerging legislation which may affect the future governance and operational arrangements of the Council**
- (ii) dealing with the HR related matters associated with the potential transfer of new staff from neighbouring councils or transferring function departments**
- (iii) addressing the organisational and governance implications resulting from local government reform and transfer of functions**
- (iv) due diligence review of the potential transfer of assets and liabilities from Lisburn and Castlereagh and any associated financial implications**
- (v) identifying and managing the financial and operational implications of extending council services to those geographical areas coming within the new Belfast boundary**
- (vi) managing potential rates conversation issues resulting from the proposed extension of the Belfast boundary**
- (vii) ensuring that transferring functions such as planning and regeneration are fit-for-purpose at point of transfer**
- (viii) effective and continued communication with all key stakeholders**

As previously highlighted by Members, it will be important that the Council is professional in its approach to dealing with critical transition issues (as outlined above) and ensures that appropriate due diligence and benchmark reports are developed, examining potential options and any associated implications/consequences.

Members' Workshop Session

- 2.8 To inform this work, the Committee meeting on 2nd March 2012 will be a focused workshop session to identify and explore with Members the current status of local government reform, the potential governance and implementation structures necessary, the role of Members in driving the process forward and initial thoughts on the key workstreams which will form the basis of a forward work programme for the Committee.**

Governance - Belfast Transition Committee

- 2.9 Members will note that in establishing the previous RPA governance and delivery structures, the Environment Minister at the time, Sammy Wilson MLA, agreed that the Council's Strategic Policy and Resources Committee be designated as the Belfast 'Voluntary Transition Committee (vTC)' and that this committee would schedule an additional meeting each month to deal with RPA and transformation related matters. In addition, the Council's vTC established a joint political forum with Lisburn/Castlereagh vTC and had met on 3 occasions to identify and discuss important transition related issues. Given the postponement of the RPA this joint forum had been suspended.
- 2.10 In moving forward to re-establish the Belfast vTC as recently requested by the Environment Minister, Members may wish to recommend that the same governance arrangements be put in place i.e. that the Council's SP&R Committee be designated as the Belfast vTC. It should be noted however that this would mean that the PUP would not have a place on the vTC as no member of the PUP is presently on SP&R Committee. Party Leaders have briefly discussed this and expressed their willingness to invite a member of the PUP to join meetings of the vTC.

Engagement with Lisburn and Castlereagh

- 2.11 Notwithstanding, the Council will need to give consideration to how it would wish to engage with Lisburn and Castlereagh in preparing for any proposed boundary changes and planning/managing any associated transition matters (e.g. ensuring service harmonisation, transfer of assets and liabilities, mitigating potential financial risks, minimising the impact on rates etc).
- 2.12 It is understood from discussions with senior officials within the DoE that when the Statutory Transition Committees are brought forward through legislation, it is likely that there will be a pre-requisite that the Belfast '*Statutory Transition Committee*', should include political representation from Lisburn and Castlereagh. It will be important that this is proportionate and representative of those areas to transfer within the new Belfast boundary.

- 2.13 As the DoE will circulate, in due course, detailed guidance in respect to the role, remit and composition of Statutory Transition Committee, including the Belfast Statutory Transition Committee, it will be critical that the Council engages and discusses this with the DoE in advance.

Transfer of Functions

- 2.14 As previously agreed by the Committee, discussions are ongoing with the DSD, DoE and DoE Planning Service regarding the potential for the Council to support the delivery and integration of key functions such as planning and regeneration at a local level in advance of any formal transfer to councils in 2015. Such discussions will further amplify over the coming months as the Council and Party Group Leaders actively engage with the NI Executive, Ministers and government departments in regards to the delivery of the Belfast Investment Programme and key investment priorities for the city.

3.0 Resource Implications

There will clearly be financial and Human Resources implications for the Council in preparing for RPA; however, the scope and scale of these remain somewhat uncertain in the absence of further detail from the NI Executive and clarification on potential funding options.

4.0 Recommendations

Members are asked to:

- (i) note the indicative milestones for local government reform as set out within the report;
- (ii) note that the Committee meeting on 2nd March will be used as a workshop session to explore with Members the potential governance and implementation structures, the role of Members in driving the reform process and the key work strands required;
- (iii) agree that the Council recommends to the DoE that the Strategic Policy and Resources Committee be designated as the Belfast voluntary Transition Committee and determine whether the PUP should be invited to nominate a member to sit on the vTC; and

- (iv) **give initial consideration as to how the Council may wish to engage with Lisburn and Castlereagh in respects to important transition issues.”**

With the assistance of visual aids, the Chief Executive reviewed the context and vision for Local Government Reform, which included:

- A strong dynamic local government;
- Accessible, responsive, value-for-money services;
- A vibrant, healthy sustainable community; and
- to meet the needs of citizens (ratepayers).

He then outlined the purpose of the meeting which was to provide an overview of the background and current status of the Reform; examine the roll of Members in leading the process; to discuss the “big issues” which needed to be addressed, and create the next steps and agree the necessary momentum.

The Chief Executive summarised the history of the Review which had commenced in 2002, and the various milestones until its postponement in June, 2010. However, the Programme for Government in November, 2011 had provided a firm commitment to implementing the Review of Public Administration. Whilst specific details were still to emerge, an implementation timetable had been developed which included, by April, 2012, the restoration of the eleven voluntary Transition Committees to co-ordinate and oversee the reform timetable at a local level through to the eleven new Councils becoming operational as legal identities by April, 2015.

The transfer of new functions to the Council, for example, local planning (development plans, development management and enforcement), regeneration, limited housing functions, local economic development, the public realm aspects of roads and community planning.

The Chief Executive then outlined the main impacts of the Reform which were as follows:

- The reduction from 26 to 11 larger Councils;
- Previous estimates had indicated a transfer of a budget of £100 million, with 1000 staff transferring to local government;
- Belfast’s population rising from 277,000 to 320,000, incorporating parts of neighbouring Lisburn and Castlereagh Councils; and
- Belfast City Council Elected Members increasing from 51 to 60.

The Chief Executive concluded by highlighting the legislation which was required to be enacted, the boundary changes and the role of the Boundaries Commissioner, the requirement for effective Human Resource Management, how the reform of Local Government might be financed and the lessons which had been learned from the previous Review Process.

The Director of Property and Projects provided details of the possible roadmap and timetable from the pre-transition to the post-transition period and the proposed regional implementation of structures. He reviewed the role of the Belfast Transition Committee, both in its voluntary capacity from March, 2012 and in its statutory role from March, 2013 onwards, and the role also of Members in the reform process.

He concluded by emphasising the need for effective engagement with both Lisburn and Castlereagh Councils, the Northern Ireland Local Government Association and with the appropriate Ministers and Northern Ireland Executive Departments.

The Chief Executive and the Democratic Services Manager then answered a number of questions in relation to the Boundaries process, which would require the Boundaries Commissioner to define the new Local Government Boundaries and name the new Councils, together with the names and number of wards into which each district should be divided. This would be followed by a second process which would involve the Wards being divided into District Electoral Areas, the number of which would be determined at that stage. The Chief Executive also responded in relation to the potential new Governance arrangements and the possibility of weighted majority voting, the transfer of assets and the role of the shadow Councils.

In addition, the point was made that there would be increased time commitment required by Members regarding the implementation of the review and the increase in functions and there was an urgent need to develop the capacity of Members in preparation for that challenge. It was suggested that this could be undertaken through the Members' Development process which existed already.

After further discussion, the Committee noted the information which had been provided and agreed that:

- (1) the question of the establishment of the voluntary Transition Committee be deferred to enable it to be considered by each of the Political Parties on the Council and that a further report providing possible options for its membership being submitted to the Committee at its meeting on 26th March;
- (2) a report being submitted to the Committee in due course which provided an update on the discussions which had been undertaken regarding the transfer of Planning and regeneration functions; and
- (3) a report on the possible Governance arrangements, which had been considered during the previous review process, being submitted to the Committee.

**Review of the Size of the Northern Ireland Assembly
and Government Departments**

The Committee was advised that correspondence had been received from the Chairperson of the Northern Ireland Assembly and Executive Review Committee informing the Council of the initiation of a review of the size of the Northern Ireland Assembly and the number of Government Departments. The Committee had been invited to submit its views on the review by Wednesday, 28th March, 2012.

The Committee agreed that, given the potential political implications of the outcome of the review in terms of possible reductions in the number of Departments and/or MLAs, to refer the “call for evidence” to the individual Political Parties for consideration and for them to respond accordingly.

Chairman