



Belfast City Council (SHADOW)

Report to:	Shadow Strategic Policy and Resources Committee
Subject:	LGR - Transfer of Functions Due Diligence
Date:	19 June 2014
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1	Relevant Background Information
1.1	An important element and benefit of local government reform will be the transfer of a number of new place-shaping functions and powers from central government departments to local government in April 2015.
1.2	Councils will be given operational responsibility for spatial planning, regeneration and community development, off-street car parks, additional regulatory housing functions including Houses of Multiple Occupations (HMOs) and housing unfitness, as well as an enhanced role in supporting local economic development and tourism. Attached at Appendix 1 is correspondence received from the then Minister for Environment, Alex Attwood outlining the package of functions agreed by the NI Executive to transfer to local government.
1.3	The transfer of such functions, coupled with new statutory community planning powers, will further enhance the ability of councils and local elected members to respond to the needs of local communities and shape, in partnership with others, the future development of their city.
2	Key Issues
2.1	Members will note that in agreeing the package of functions to transfer from central to local government, the NI Executive also agreed the following guiding principles would underpin the transfer of functions/powers to councils: <ul style="list-style-type: none"> (i) Will be sufficiently funded at point of transfer (ii) Will be rates neutral at point of transfer (iii) Will be fit-for-purpose at point of transfer
2.2	In order to establish a clear understanding of the what is to transfer, Deloitte had been commissioned by the regional Transfer of Functions Working Group, to undertake a detailed due diligence assessment of the baseline resources (e.g. budget, staffing, assets and liabilities) attached to those functions and powers transferring to local government. The objective of the due diligence work is to provide the local government with details and assurances regarding transferring budgets and to highlight issues which need further work. Members should reference

	that some of the actual figures (including specified notional costs) are under review with DFP and other departments and should in no way be taken as final definitive figures.
	<i>Resource Allocations for 11 Councils</i>
2.3	It should be noted that the Due Diligence assessment provides a regional overview of the resources to transfer and does not set out the proposed resource (budget, staff, asset) allocations across the 11 new councils (including Belfast).
2.4	The allocation of resources by individual central government departments will be a decision for each Minister. To date, the Department of Social Development has been the only department to date who has issued specific proposals in regards to the allocation of resources including £20.418m (a separate paper on transfer of regeneration and community development powers is on the agenda).
2.5	The DoE has confirmed that each of the other transferring departments will present in early summer 2014 proposals regarding budget allocations with final allocations late Autumn 2014 in line with council's rate setting processes. Attached at Appendix 2 is a draft critical decision route map prepared by DOE which outlines how a number of outstanding transfer issues, highlighted in the Due Diligence report, will be progressed.
2.6	Members should note that Council officers are already in intensive engagement with respective transferring functions departments (including DSD, DOE Planning, DRD, DETI) to carry out its own due diligence around the potential resources to transfer to the council. An update report on Transfer of Functions is on the Transition Committee's Agenda and more detailed updates will be brought to Committee in August.

3	Resources
3.1	There are no financial or human resource implications contained within this report

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

5	Recommendations
5.1	The Committee is recommended to note the contents of this report and the appendices attached.

6	Documents Attached
Appendix 1 Deloitte Due Diligence Report	
Appendix 2 DOE Critical Decision Route Map	