

APPENDIX 1

DEPARTMENT OF THE ENVIRONMENT

31 March 2008

FOSTER ANNOUNCES FUNCTIONS FOR NEW COUNCILS

Environment Minister Arlene Foster today spelt out details of the future shape of local government.

In a statement to the Assembly, the Minister said that the Executive's vision for local government would mean a reduction in the number of councils but these would be responsible for added functions. The Minister said:

"Our vision is one of a strong, dynamic, local government creating communities that are vibrant, healthy, prosperous, safe, sustainable and have the needs of all citizens at their core. Central to this is the provision of high quality, efficient services that respond to the needs of people and continuously improve over time. It reflects the strong desire that central and local government should work in partnership.

"The current 26 council areas will be rationalised to create 11 new council areas. This strikes a balance between reducing some of the diversity between the existing areas in terms of population characteristics and rating wealth and promoting the ability of councils and their communities to identify and interact with each other.

"New innovative and creative models of service delivery will be developed to promote modern and efficient practice, by grouping councils together for the delivery of significant services, such as planning, regeneration, building control and environmental health. These will work in tandem with other service providers."

The Minister outlined that following consideration of the responses to the Emerging Findings report that was published on 19 October 2007 the functions to transfer to local government would include:

- local development plan functions, development control and enforcement;
- Local public realm aspects of roads functions including streetscaping; town and city centre environmental improvements; street lighting; off-street parking; permitting local events to be held on roads etc ;
- Urban regeneration and community development delivery functions including those associated with physical development, area based regeneration (such as Neighbourhood Renewal) along with some community development programmes and support for the voluntary and community sectors;
- A range of housing functions; and
- A number of functions associated with driving forward local economic development, local tourism and local arts, sports and leisure.

Arrangements will also be developed whereby local government will have a formal input to the decisions in relation to a number of responsibilities that are remaining with central government. The Minister continued:

“The strengthening of local government will be a process not an event. The Executive will review the family of functions to be delivered by local government 12 months after the new Councils become operational and periodically thereafter.

“The decisions I have set out today provide the firm foundations and framework for a once in a generation opportunity for us to create strong, effective local government that is at the heart of vibrant, safe and sustainable communities, delivering co-ordinated services for all our citizens.”

NOTES TO EDITORS:

1. The review of the local government aspects of the Review of Public Administration was launched by Environment Minister on 6 July 2007.
2. The review was overseen by an Executive sub-committee chaired by the Environment Minister Arlene Foster that included Ministers of Regional Development, Social Development, Finance & Personnel and Health, Social Services and Public Safety.
3. For media enquiries please contact DOE Press Office 028 9054 0014 or out of office hours, contact the EIS Duty Press Officer on pager 07699 715 440 and your call will be returned.



Department of the
Environment
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**DECISIONS ON FUTURE SHAPE OF LOCAL GOVERNMENT
STATEMENT TO THE ASSEMBLY
31 MARCH 2008**

I welcome the opportunity today to announce the decisions on the future shape of local government. It has been a long and sometimes difficult journey since I launched the review of the local government aspects of the Review of Public Administration, but the reform package that the Executive agreed on 13 March represents a solid foundation for the development of strong, effective local government that will deliver a broader range of services for all our citizens.

The Review of Public Administration was set up by the Northern Ireland Executive in 2002 to deliver wide-ranging and comprehensive modernisation and reform to the public sector. The full range of RPA decisions was included in two announcements in November 2005 and in March 2006. Following restoration of devolved Government on 8 May, the Executive reviewed the progress that had been made in implementing the RPA. An integral element of the process was the consideration of the strategic direction of the implementation programme. In that context, it was agreed that I would implement a review of the previous Administration's decisions on local government. That review, to consider what we expect local government to deliver in the context of a fully functioning devolved Assembly and Executive and in the context of the strategic direction of the review of public administration, was launched on 6 July 2007.

The work of the review was supported by desk research, undertaken by consultants, last summer to establish the characteristics of local government in Northern Ireland and elsewhere, including the other United Kingdom jurisdictions, the Republic of Ireland and further afield. The consultants also facilitated several stakeholder interviews and events to test the findings of that research. In parallel, the Executive Committee's sub committee comprising me and my ministerial colleagues from the Department of Finance and Personnel (DFP), the Department for Regional Development (DRD), the Department for Social Development (DSD) and the Department of Health, Social Services and Public Safety (DHSSPS) met on three occasions to consider the structural reform of the sector. In addition, I held several bilateral meetings with Executive colleagues.

That work culminated in the emerging findings report that I published on 19 October 2007. The publication of the report was followed by a valuable process of stakeholder engagement which provided the opportunity for representatives from councils and other organisations to engage in facilitated discussions on the initial proposals at a regional and four sub-regional

events. Stakeholders also had the option of making their views known in writing and some 59 responses were received.

The views expressed in these written responses, collated from the focused process of engagement, and the views expressed by this House during the Take Note debate on 13 November 2007 and the Environment Committee were all shared with relevant Executive colleagues and the Executive Sub Committee. The consideration of these views facilitated further discussion on what the final recommendations of the Sub Committee should be. These recommendations were agreed by the Executive at its meeting on 13 March 2008.

We recognise that it is important that local government should be closer to citizens and that there is a need for a balance of responsibility between the Assembly and local government. Local government has a clear role in providing strategic civic leadership, and acting as a consistent advocate for their area ensuring that local needs are met through more extensive engagement with the community in the planning of services, improvements in economic, environmental and social well-being, choice and customer service, and in the achievement of more sustainable development.

Our vision for local government is therefore one of a strong, dynamic local government creating communities that are vibrant, healthy, prosperous, safe, sustainable and have the needs of all citizens at their core. Central to the vision is the provision of high quality, efficient services that respond to the needs of people and continuously improve over time. This vision resonates with the Executive's Programme for Government and the strategic priorities contained within it. It also reflects the strong desire that central and local government should work in partnership to deliver both the Programme for Government and the vision for local government.

Successful local councils must be effective local champions, responding to the aspirations and concerns of their communities and guiding, in partnership with others, the future development of their area. Strong civic leadership needs to be at the very heart of the new council arrangements. Effective, inclusive local democracy is an essential foundation for strong community leadership and improved service delivery. Councillors, elected to represent their communities, play a unique role in linking the delivery of services with local people's needs and ambitions.

Critical to this delivery will be an effective, statute-based community planning process that the new councils will lead and facilitate. Local government must be at the heart of the process, operating as a junction box of public services in the locality. Community leadership exercised by elected representatives, acting in partnership with a full range of private, statutory, voluntary and community sector agencies can breathe new life into local democracy, and respond to the needs and aspirations of local communities. Councils will be required to consult all its constituents about issues that affect their lives and allow people to have a say in the way which their area is developed.

The Local Government Taskforce has already produced a report on community planning, which has been agreed across the five main parties. As we take forward the implementation

of the agreed reform package I will bring forward legislative proposals to embody that report's recommendations. The legislative proposals will ensure there is a clear statutory requirement placed on other public bodies (including policing, health and education bodies) to participate and support the community planning process and a clear duty placed on councils to engage with local communities in producing a community plan.

Councils will also have a new statutory power of well being to assist them in delivering community planning. This new power will allow councils to take any action, not already the responsibility of another agency, linked with the community plan that will improve the well being of the local community or local area. Such a power allows greater flexibility, and coupled with the additional functions transferring from other parts of the public services, will enable councils to respond creatively to local needs, ensuring accessibility and people-focused services that make a real difference to people's lives. Our aim is to put community leadership at the heart of every council, and in the hands of every councillor, bringing together public agencies and key stakeholders to act in partnership to secure excellent and efficient services and address local problems.

The over-arching aim of the Programme for Government is to build a peaceful, fair and prosperous society in Northern Ireland with respect for the rule of law. We expect local government to help deliver on this aim. A report on governance arrangements, agreed across the parties, has also already been produced by the Local Government Taskforce. This provides a starting point to develop new governance models. An integral and urgent part of the work of the Local Government Taskforce will be to develop a range of models with appropriate checks and balances that can be piloted and evaluated. These models will be designed mindful of the need to ensure effective and inclusive local democracy, to protect the rights of minorities, to prevent any direct or indirect discrimination, and to promote the need of equality of opportunity. These would include arrangements to allocate Council Chairs, Deputy Chairs and positions on Council committees and to facilitate cross community decision making.

As I have indicated previously in this House it will be my intention to embody the new council governance arrangements in statute, following their agreement by the Executive. This will ensure the protection of the rights of all people in Northern Ireland and also provide for fair, transparent and efficient decision making.

In order to deliver the agreed vision for local government the current configuration of 26 council areas will be rationalised to create 11 new council areas. In considering the three 11 council models on which views were canvassed in the March 2005 Further Consultation on the Review of Public Administration, the Executive agreed that model 11b provides the optimal grouping of existing councils into an 11 council model. The ability of councils to connect with and deliver for their communities is central to our vision for local government. This number of councils strikes a balance between reducing some of the diversity between the existing areas in terms of population characteristics and rating wealth, and promoting the ability of councils and their communities to identify and interact with each other.

In looking at the structural reform of local government we also considered the number of councillors that will be required under the new arrangements. We looked at the need for appropriate representation, against the background of a fully functioning Assembly and Executive, and the need to ensure efficient working and decision making. Weighing these factors we reached the view that Belfast should retain an upper limit of around 60 councillors and that the remaining councils would have an upper limit of around 40 councillors. The determination of the precise number of councillors for each new local government district will be informed by the report from the independent Local Government Boundaries Commissioner on the number of wards within each new district.

Linked with the rationalisation of the number of councils and councillors I will introduce a severance scheme, to recognise the contribution of long serving councillors who opt not to stand for re-election and to facilitate the modernisation and renewal of local government. The development of the detail of the scheme will be informed by the report and recommendations of the Councillor's Remuneration Working Group that reported in June 2006.

In addition, it is my intention to work with colleagues in the Northern Ireland Office to bring forward legislative proposals to end the "dual mandate" of those councillors who are also members of the Assembly and/or Parliament. In order to facilitate a smooth transition over a period of time, and in keeping with the desire that the Review of Public Administration should result in savings, I will also work with colleagues in the Northern Ireland Office to bring forward transitional legislative provisions to provide for any vacancies within local government that result the ending of the dual mandate to be filled on the basis of co-option rather than bye-election.

We acknowledge that the 11 council model presents challenges in terms of promoting the efficient and effective delivery of services, and will not provide for 1:1 coterminosity with other major service providers, such as health, or education. It will require the development of innovative and creative models of service delivery that will promote modern and efficient practice in a way and on a scale hitherto unseen, by grouping councils together for the delivery of significant services, such as planning, regeneration, building control and environmental health. We propose that these groups should provide the basis for developing coterminosity with other service providers. This will enable local government to play its part in achieving the Programme for Government strategic priority of delivering modern, high quality and efficient public services. Whilst there is some evidence that local government has been willing to promote the efficient delivery of services, there is scope to do much more.

Central government will support the sector in driving towards this by the development, in partnership, of appropriate performance management systems and by developing proposals for a modernisation challenge fund that will support innovative and efficient practice. The Budget announced by my colleague the Minister of Finance and Personnel on 22 January allocated all the funds available to the Executive. Clearly therefore we will need to take into account the implications for the amounts currently allocated to other public services in developing a modernisation challenge fund model.

In respect of each function that will transfer to local government, options for models of service delivery will be explored and developed, including the delivery by and to groups of councils that will ensure the efficient and effective delivery of such services. In addition, regional shared service arrangements will be developed to deliver common back office services, such as ICT, accounting services, payroll and procurement across all 11 new councils.

It is recognised and accepted that, if local government is to begin to realise the potential of our shared vision and take on the role of leader and shaper of communities, it requires direct responsibility for a family of services.

The Executive has carefully considered the functions which should transfer from central to local government. On the one hand, emphasis has been placed on the key objectives of strengthening local government and developing the principle of subsidiarity that seeks to ensure that powers are delegated to the most local level possible. On the other hand, the need to ensure effective and efficient service delivery has also been an important consideration. However, it must be acknowledged that the strengthening of local government will be a process and not an event, the speed and extent of which can only be dictated by whatever secures excellence in service delivery. A balance has had to be struck.

In order for the new councils to fulfil their role in place shaping they will have responsibility for local development plan functions, development control and enforcement. Responsibility for regional spatial planning will remain with central government. However, I will want to discuss with the Minister for Regional Development the roles of DOE and DRD in discharging this function at the centre, not only in the context of RPA implementation but also planning reform.

Responsibility for the public realm aspects of local roads functions will also transfer to local government. The local roads public realm responsibilities include Roads Service work in relation to streetscaping; town and city centre environmental improvements; grass cutting and weed spraying; gully emptying; street lighting; off-street parking; pedestrian permits; maintenance of amenity areas; alley-gating (which involves making traffic regulation orders facilitating alley-gating to avoid antisocial behaviour); permitting local events to be held on roads; and salting of footways.

Responsibility for mainstream local roads functions will be retained within the Department for Regional Development. However, there will be a formal and direct input by new councils to local roads decision making and an enhanced accountability framework within which the Roads Service relationship with local government will operate. This could take the form of an appropriate statutory framework setting out the respective roles and responsibilities of Roads Service and the new councils. It is also proposed that Roads Service would implement structural arrangements to facilitate coterminosity with new council boundaries.

Proposals in relation to public transport responsibilities are being considered by the Regional Development Minister, in the light of the decision to retain responsibility for mainstream roads functions within DRD, and taking into account the undesirability of separating these responsibilities. As with the local roads functions, mechanisms for ensuring local government input to public transport decision making will be developed.

Linking back to our vision for local government, the urban regeneration and community development delivery functions to transfer include those associated with physical development (such as environmental improvement schemes, comprehensive development and urban development grant), area based regeneration (such as neighbourhood renewal) along with some community development programmes and support for the voluntary and community sectors. Some of the Department for Social Development's funding programmes for these functions are already delivered through Councils and ways will be explored in which partnership working can be further strengthened through pilot projects during the transitional phase in the run up to the full transfer of these functions. This will provide valuable learning and experience which will inform and support the wider transfer. These partnering arrangements can be used to test the feasibility of transferring some of these functions in advance of the new Councils being established

The Northern Ireland Housing Executive will remain as the strategic housing authority. The Housing Council, which was to be abolished under the RPA proposals of the previous administration, is to be retained. This will ensure that local government will have a continuing involvement in strategic housing issues.

Some housing functions will, however, transfer. These are the registration of houses in multiple occupation and housing unfitness responsibilities, including repair and demolition notices. Although the Housing Executive will maintain its statutory role as the Home Energy Conservation Authority, the new councils will take the lead on energy conservation at a local level. They will also have responsibility for travellers' transit sites with the Housing Executive retaining responsibility for permanent housing, group housing and serviced sites for travellers.

In order to facilitate local government in driving forward local economic development a number of functions will transfer from Invest NI. These include Start a Business Programme and Enterprise Shows (which are focussed on supporting business which operate primarily in the local market); Youth Entrepreneurship (such as the Prince's Trust and Shell Livewire) activities which involve the promotion of entrepreneurship within the younger community; the Social Entrepreneurship Programme; Investing in Women (a programme specifically targeting female entrepreneurship); and Neighbourhood Renewal funding relating to enterprise initiatives.

The local tourism functions covering small scale tourism accommodation development; local tourism marketing; local tourism product development; Visitor Servicing; providing business support including business start up advice along with training and delivery of customer care schemes; and providing advice to developers on tourism policies and related issues will also transfer.

Other new or enhanced functions for local government are:-

- the delivery of the EU Rural Development Programme;
- the authority to Spot List (i.e. issue a temporary Building Building Preservation Notice) to enable Councils to add a building to the statutory list on a temporary basis, subject to ratification by my Department;
- the authority to draw up local lists of buildings that are of architectural and/or historic interest;
- Armagh County Museum;
- local water recreational facilities;
- local sports;
- functions of the NI Museum Council;
- local arts;
- local festivals (which was announced by the Minister of Culture, Arts and Leisure in this House on 4 December 2007); and
- Donaghadee Harbour

In addition, consideration is being given to proposals for the extension of local government responsibilities for civil contingencies arrangements and to proposals to place an additional duty on councils to produce good relations plans and strategies.

In addition to the transfer of responsibility for the delivery of services, a number of my Ministerial colleagues are also proposing to strengthen the relationship between their Departments and local government in delivering services. They are considering, or proposing to enhance, the involvement of local government elected members in the governance arrangements for bodies within their areas of responsibility.

Indeed, the Minister of Health, Social Services and Public Safety has already announced in this House, on 4 February, that his proposals for Health and Social Care reform would ensure greater potential for democratisation with public representatives as members of Local Commissioning Groups and on the Board of a new Regional Public Health Agency as well as having an active role within the future proposals for patient, client and carer representation. These proposals are now the subject of public consultation which will conclude on 12 May 2008.

Legislation is currently going through this House to establish a single library service for Northern Ireland under a new body, the Library Authority, which as a regional body will be accountable to the Minister of Culture, Arts and Leisure and to the Assembly. A proposed amendment to the legislation provides for reserved places on the Board of the Authority for elected members of District Councils. Subject to the passage of legislation, the Library Authority will come into effect in April 2009. To ensure the library service reflects local needs, management responsibilities will be established on an area basis, and consultative arrangements will be established, involving chiefly Councils but also other statutory as well as voluntary bodies. The consultative arrangements will apply until the community

planning responsibilities of the new councils are in operation. The effectiveness of these liaison and consultative arrangements will be reviewed after a year of operation.

In Education, legislation is currently being drafted that will establish a single Education and Skills Authority that, as a regional body, will be accountable to the Minister of Education and this House. The Minister of Education is currently considering whether or not to provide for reserved places on the Board of the Authority for elected members of District Councils. In addition, the Minister of Education is considering the arguments around the transfer of Youth Services to District Councils. The informal education and development provided by the Youth Service is an important and integral part of the education system as a whole. However, the Minister of Education proposes to establish some regional structures, within the Education and Skills Authority, which will be coterminous with the new council delivery groups. Mirroring the approach proposed in relation to library services, the Minister proposes to develop consultative arrangements, involving councils but also other statutory as well as voluntary bodies, to ensure that the services provided by the Education and Skills Authority reflects local needs. Again, these consultative arrangements will apply until the community planning responsibilities of District Councils are in operation. The effectiveness of these consultative arrangements will also be reviewed after a year of operation.

It is also acknowledged that there is a need to make the NI Fishery Harbour Authority more accountable to local government. The Department of Agriculture and Rural Development will, therefore, explore the options available to deliver an increased role for local government in fishery harbour management within the existing structures.

This family of functions that will transfer to local government currently accounts for annual expenditure of some £116 million and involves around 1,070 staff. This constitutes a 25% increase in the budget of local government and an increase of almost 12% in its staff complement.

However, as I indicated earlier, the strengthening of local government will be a process and not an event. Ongoing developments, such as the review of Non Department Public Bodies and Quangos, the outcome of the Assembly and Executive Review Committee and any implications arising from the restructuring of Departments, will clearly impact on this process. Against this background, the Executive will review the family of functions to be delivered by local government 12 months after the new Councils become operational and periodically thereafter.

Considerable challenges now lie ahead in implementing the structural and functional changes to local government. As I said in the Take Note debate in the Assembly, on 13 November 2007, my aim is to implement the agreed structural reform package by 2011. That timescale is extremely challenging and there are significant risks. We will need the full and active co-operation of our colleagues in the Assembly, local government, the Northern Ireland Office and the Electoral Commission if we are to achieve it.

The immediate priority is the appointment of an independent Local Government Boundaries Commissioner to draw up the proposed boundaries for the eleven new local government

A key part of the change process will be the role of the Local Government Staff Commission. I will shortly commission a review of the Staff Commission to ensure that it is resourced appropriately to continue to provide much needed support during the implementation of the decisions on the future shape of local government.

Whatever challenges lie ahead, central and local government are committed to working in partnership to deliver the change. This relationship has already been critical to delivering the outcomes of this review, with decisions being informed by an exchange of both experience and information. Like all effective relationships, the partnership between central and local government must be based on mutual trust, respect and confidence. We are committed to reinforcing and renewing this relationship in the years ahead in the pursuit of our shared goal of serving all the people of Northern Ireland and placing their needs at the heart of all we do.

I recognise that our decisions on the future shape of local government may cause concern for people working in the sector and for those working in the Northern Ireland departments on functions that will transfer. As we take forward the implementation of the reform and modernisation programme every effort will be made to address these concerns. We will consult as appropriate with the relevant trade unions and staff associations, and have due regard to the Public Service Commission's guiding principles to ensure the smooth transfer of staff to new organisations. I will also wish to engage fully with the Environment Committee throughout the programme.

As I said at the beginning of this statement it has been a long and sometimes difficult journey since I launched the review in July last year but I would not have been able to complete it without the support and co-operation of my Ministerial colleagues on the sub committee.

In closing Mr Speaker, I want to quote Sir Winston Churchill,

"Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning."

To some the review of local government aspects of RPA has been a long time in gestation but at long last we have truly begun and I look forward now to these functions set out today creating strong, effective local government that is at the heart of vibrant, safe and sustainable communities, delivering co-ordinated services for all our citizens.

districts. I will therefore be introducing, as a matter of urgency, a Local Government (Boundaries) Bill to provide for this appointment.

In view of the tight timetable, if we are to hold elections to the new councils in 2011, the Bill will need to be progressed by way of accelerated passage. When I meet with the Environment Committee later this week I will be outlining in detail the reasoning for such an approach.

I will also now be moving quickly to establish detailed implementation structures, building on the work of the Local Government Taskforce and the agreement of the previous administration with local government and the political parties on those structures. I do not propose to reinvent the wheel. The work of the Sub Groups of the previous administration's Local Government Taskforce will be taken as our starting point. Where there was agreement between the parties and the previous administration on how implementation would be taken forward in relation to a particular policy issue, such agreement will now be the firm basis for implementing this reform package.

I also need to integrate our continuing work on modernising local government into the implementation arrangements to ensure that we drive forward the modernisation of local government as an integral part of the process of structurally reforming the sector. Our focus will be on driving out inefficiencies and delivering high quality services to the public that improve over time. Central to our implementation strategy will be the development of service delivery structures, which are both efficient and appropriate. A key priority will be a detailed analysis of the delivery options, in order to ensure efficiency and best value. This analysis will be carried out in close co-operation with the sector, colleagues in DFP and transferring function departments.

The reform package that we will be implementing is fundamentally different to that announced by the previous administration, and the costs and benefits analysis prepared at that time is no longer relevant. My officials will therefore also be working closely with colleagues in DFP, the transferring function departments and the sector to develop a robust cost / benefit model for this programme.

Building the capacity of elected members and officers within local government, and preparing those in transferring functions for the transition to local government through the delivery of a comprehensive and effective capacity building programme, will be a critical part of the implementation programme. We need to equip elected members, in particular, and officers with the skills they need to manage the change process and to deliver effectively the functions for which they will be responsible. The Local Government Taskforce has been developing detailed proposals for a capacity building programme for elected members and officers. This will require substantial investment, both by central government, subject to funding, and local government, and is integral to our work in developing a modernisation challenge fund.