

Appendix 1

Mr Peter McNaney
Chief Executive
Belfast City Council
Adelaide Exchange
24-26 Adelaide Street
BELFAST
BT2 8GD

17th December 2009

Dear Mr McNaney,

Re. Local Government Reform Continuing Engagement in Developing the Way Forward

- 1. General update on progress**
- 2. Developing an acceptable model to facilitate regional collaboration**
- 3. Consideration of the provision of funding from local government to support Reform**

This is a critical time for all of us in Local Government, members and officers alike. I am sure you need no reminder from me to know that the decisions the Minister makes now will have consequences for a long time to come. We are therefore pleased that the Minister, rather than imposing models, has entered into a genuine dialogue with us to inform his ongoing deliberations.

As President, on behalf of the four other Office Bearers, I would like to invite you to proactively consider the important issues detailed below to ensure we can demonstrate to the Minister that councils are committed to improvement and to taking the necessary steps to securing more modern and efficient services for citizens, in line with best practice in other regions.

General Update

There was significant progress made at the SLB meeting on 9th December. Members approved the policy proposals to support the Reform process and welcomed the steady progress in the majority of work areas. An overview of progress at the SLB is detailed in Paper 1. Additionally, the final NILGA response detailed in Paper 2 and the overview of the local government responses available on the 8 December detailed in Paper 3 were presented to the Minister.

At the meeting the Minister welcomed the views and requested that further work be undertaken to address two key issues.

Firstly, the Minister accepted the preference of local government to have a small Improvement Service (enabling organisation) as opposed to a statutory BSO. He asked however that the

sector would demonstrate that there is willingness and commitment to support joint working and to articulate how such a voluntary model would support regional collaboration to ensure the necessary efficiencies, as described in the PwC report, could be made.

Secondly, the Minister outlined issues around the current economic environment and asked councils to consider how the reform process could be supported with funding from the sector itself.

At the NILGA Executive on 11th December members agreed a number of actions to support this work. Members agreed to write to councils to seek their views on the two key questions posed by the Minister. They also agreed to hold an early meeting of the RPA Working Group on 13th January to give focused attention to the issue, in consultation with officer groupings. Finally, they agreed that the issues could be fully discussed at the NILGA Full Meeting on 29th January, before agreeing a response to submit to the Minister at the next SLB meeting in early February.

1. Commitment and Methodology to support Council Collaboration

The Minister recognised the unanimous rejection of the BSO model as described, and strong support for the need to facilitate regional collaboration through an 'enabling' organisation or improvement service.

The Minister voiced his concerns that Councils did not have a good track record in facilitating collaboration, except where there was external pressure or funding to do so. Therefore to support his further consideration of the issue, he asked local government to undertake further work to demonstrate that the model being proposed would be robust and could deliver the necessary efficiencies. NILGA has agreed to develop an early paper in consultation with officers, on how collaboration on a voluntary basis could be supported. This paper will be shared with councils as soon as possible. However, in parallel, to ensure full council involvement in this process, NILGA would seek your views on the following:

1a – Does the Council / Transition Committee agree with the Improvement Service / Enabling Service model proposed (See section 3.3 and Annex B in the NILGA Response to Local Government Service Delivery).

1b - What commitment, guarantees or mechanisms can the council propose to give assurance to the Minister that a voluntary regional arrangement would achieve full participation of councils, to ensure efficiencies as proposed in the PwC Report are achieved?

1c – Additionally, it would be helpful if you could also provide a list of the projects your council already collaborates in, to support the collation of an evidence paper

which can be presented to the Minister.

2. Consideration of the Funding Model to support Reform

At the SLB, Minister Poots explained that his position was that central government should fund some elements of the Reform process. He indicated that the Finance Minister did not agree with this view, largely because local councils would benefit from Reform and therefore they themselves should fund the process. Additionally, he explained that Minister Wilson had confirmed that there is a significant shortfall in central government funding and that it was unlikely that funding councils would be a priority when compared to other pressures on the budget. Minister Wilson did however propose that the Reform could be financed with loans to councils, with payback being required subsequent to council savings.

To support negotiations within the budget process, Minister Poots pressed members to consider which elements of the Reform process would be appropriate for councils to fund. While members again reiterated the local government position was that local government expected that central government should fund the change and that the rates would be held neutral for citizens, Cllr Mathews agreed to undertake further work in discussion with constituent councils and bring back a further paper for the Minister.

NILGA again will work with officers to develop an early consideration paper. However it would be most helpful if councils would give early consideration to the following two questions.

2a. Do you think it is appropriate for local government to pay for some elements of the Reform process? If so which elements?

2b. Do you think it is inappropriate for local government to pay for some elements of the reform process? If so which elements?

Conclusion

It is recognised that there is limited time available to bring forward a full and considered response to the above questions. Therefore, we have proposed the above process which is intended to make best use of the time available.

Your council therefore has an opportunity to feed your early views into the RPA Working Group on 13th January. (Please email views to i.black@nilga.org by 4pm on the 12 January) Additionally, if you have written comments forwarded to us before 21st January these can fed

into a draft paper to be considered at the full NILGA Meeting on 27th January. Please note we will invite representatives of the transition committees to the Full Meeting to facilitate as inclusive a discussion as possible.

The final paper will not be presented to the Minister until early February and therefore we will be able to accommodate written responses up until Friday 5th February. Responses should be sent to I.black@nilga.org.

In closing, I trust you will excuse the detail in this letter as it may seem excessive; however I felt it essential that there is clarity about what the Minister has requested from the sector, specifically concerning council's willingness to work collaboratively and to contribute to funding the Reform process.

I trust you find the above process helpful. Please do not hesitate to contact the office if you have queries or wish to discuss the matter further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Mathews', written in a cursive style.

Cllr John Mathews
President

Enclosures

1. Update from the 9 December SLB Meeting
2. NILGA Response to the PwC Report, Local Government Service Delivery
3. Overview Table of Local Government responses