



Report to:	Strategic Policy and Resources Committee
Subject:	Local Government Reform – Moving Forward
Date:	23 March 2012
Reporting Officer:	Peter McNaney, Chief Executive
Contact Officer:	Kevin Heaney (Ext. 6202)

1.0	<u>Relevant Background Information</u>
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 and to transfer key functions (e.g. planning, regeneration and community planning) to councils as part of the reform process.
1.2	The Environment Minister has recently written to all councils requesting that they restore necessary implementation structures to support the operational delivery of local government reform at the local level (copy of correspondence received is attached at Appendix 1).
1.3	At the SP&R Committee on the 2 March, there was an initial discussion with Members on local government reform; examining some of the key challenges in moving forward including the need to inform/shape emerging legislation, establish appropriate governance and implementation structures and effectively engage with Lisburn and Castlereagh. The Committee agreed to defer consideration of the issue until its next meeting on 23 March to enable Members and Political Parties to give further consideration in advance of taking decisions.
2.0	<u>Key Issues</u>
2.1	At the SP&R meeting on 23 March 2012, Members views will be sought on the following key issues:-
2.2	<i>(i) <u>Belfast voluntary Transition Committee</u></i>
2.2.1	<p>Members are asked to give consideration to the political composition of the Council’s voluntary Transition Committee (vTC) which will provide political oversight and co-ordinate the Councils activities around local government reform. Potential options include:</p> <p>Option 1: SP&R Committee designated as Belfast vTC with 1 monthly meeting dealing with reform related matters; (would ensure proportionality)</p> <p>Option 2: SP&R Committee, with the addition of a PUP nomination to ensure cross party representation, designated as Belfast vTC with 1 monthly meeting dealing with reform related matters;</p> <p>Option 3: Belfast vTC to consist of Party Group Leaders and Chairs and Deputy Chairs of all Standing Committees (would ensure proportionality)</p> <p>Option 4: Any other political composition which SP&R and Council agree appropriate.</p> <p>Depending on the option chosen, consideration would have to be given to whether there was any impact on the Councils proportionality arrangements and whether any change was required to Standing Orders. In any event it is recommended that the vTC meet once a month to discuss reform related issues.</p>

2.2	(ii) <u>Transfer of Functions</u>
2.2.1	Members' authority is sought for the Council to intensify its discussions with DOE, DoE Planning Service and DSD regarding the potential initiation of a Belfast pilot which seeks to integrate planning and regeneration functions within the context, among other things, of the delivery of the Belfast Investment Programme. This has already been discussed when a BCC cross-party delegation recently meet with the Environment Minister and a meeting is now being sought with the DSD Minister
2.2.2	Authority is sought also to develop a joint training programme with the Planning Service to build the capacity of both Councillors and officers in relation to planning and their future statutory role.
2.3	(iii) <u>Engagement with Lisburn and Castlereagh</u>
2.3.1	Members are asked to consider whether the Council should formally write to both Lisburn and Castlereagh councils seeking to meet with them to discuss matters of mutual interest and to start to plan for any proposed boundary changes and associated challenges (e.g. ensuring service harmonisation, transfer of assets and liabilities, mitigating potential financial risks, minimising the impact on rates etc). A piece of work has already been authorised by the Committee to look at service needs in relation to future leisure provision.
2.4	(iv) <u>Funding Local Government Reform</u>
2.4.1	There is growing opposition across local government to the NI Executive's decision not to fund local government reorganisation but rather seeking local government to fund reform. 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.
2.4.2	The Council has received correspondence from the National Association of Councillors (copy attached at Appendix 2) 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.
2.4.3	The Council will need to consider whether it is willing to fund elements of the reform programme which offer the potential to secure future efficiency savings or service improvements for the Council.
2.4.4	It may be that Members would wish to support a lobby led by NILGA requesting the NI Executive to provide additional funding to enable Councils to deliver on the RPA (see Appendix 3 for a copy of recent NILGA press release). It is advised that the Council also seek authority for an increase in Special Responsibility Allowance from the DOE, to permit Belfast to fund the additional Member involvement which will be required by the RPA process if the NILGA lobby is unsuccessful.
2.5	(v) <u>Governance proposals and Council's decision-making processes</u>
2.5.1	<p>The Council must ensure that it engages with DoE and informs the emerging legislative proposals relating to the future governance and decision-making processes of Councils. Such proposals are to be set out in the draft Local Government Reorganisation Bill which it is expected to be issued for consultation by December 2012. Detailed consideration needs to be given to the practical and operational implications of any proposals relating to, in particular, :-</p> <ul style="list-style-type: none"> • 'Weighted Majority Voting' (e.g. 80% of Council members present and voting). Understanding that decisions relating to the statutory duties of the Council , e.g. striking the rate and those of a quasi judicial nature such as making bye-laws would be excluded from qualified majority voting. • 'Decision call-in' procurements (e.g. a call-in trigger being 15% of total Council membership).

	We need to ensure that adequate consideration is given to the practical implications
2.5.2	Members will note that a separate report on this matter is on the Committee's agenda for discussion.
3.0	<u>Proposed next steps</u>
3.1	Following discussion among Members at the Committee meeting, a detailed project plan dealing with, among other things, the various issues outlined above will be developed and brought back to a subsequent meeting of the Committee for consideration and approval.

4.0 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.

If the Committee agree to seek authority from the Environment Minister to extend the limit of its Special Responsibilities Allowance, any additional funding allocated towards this will be secured through realignment of existing budgets.

5.0 Recommendations

Members are asked to consider and agree:

- i. the political composition of the Belfast voluntary Transition Committee (vTC);
- ii. that the nomination process to the Belfast vTC would sit outside the formal Committee appointment process as set out within the Council's Standing Orders;
- iii. that the Belfast vTC meets at least once a month;
- iv. that the Council now actively engages with DoE, Planning Service and DSD regarding a Belfast pilot;
- v. Council officials work with DoE Planning Service officials to develop proposals for a joint training and capacity building programme around planning;
- vi. to formally write to both Lisburn and Castlereagh councils seeking an initial meeting to identify and discuss matters of mutual interest resulting from any proposed changes to Belfast's boundary;
- vii. whether the Council would be willing to fund key elements of the local government reform programme on a potential 'invest to save' basis and to respond to the correspondence received from the National Association of Councillors accordingly; and
- viii. whether the Council should write to the Environment Minister seeking authority to extend the limit of its Special Responsibilities Allowance scheme.

6.0 Appendices

Appendix 1 Correspondence received from the Environment Minister

Appendix 2 Correspondence received from the National Association for Councillors

Appendix 3 Recent NILGA press release

APPENDIX 1: Correspondence received from Environment Minister

From the office of the
Minister of the Environment



Department of the
Environment
www.doeni.gov.uk

DoE Private Office
8th Floor
Goodwood House
44 - 58 May Street
BELFAST
BT1 4NN

Telephone: 028 902 56019

Email: private.office@doeni.gov.uk

Your reference:

Our reference: SUB/184/2012

15 February 2012

Dear Council Mayors and Chairs

As you will be aware, the Executive decided in November 2011 that the reform of local government would be delivered on the basis of an 11-council model. As Minister responsible for implementation of the local government reform programme, I shall manage this decision in line with the 2015 timetable proposed in the Programme for Government 2011-2015. As a result, I will now be working to refresh this major initiative in partnership with the local government sector.

Consequently, I would ask you to restore, as soon as it is possible, the 11 Voluntary Transition Committees which are a key aspect of the implementation structures needed to bring about operational delivery of the programme in the council groupings. I would ask that the VTC for your constituent councils is established if possible by the end of March 2012 and confirm by e-mail to Linda MacHugh, Director of Local Government Policy Division (email linda.machugh@doeni.gov.uk) that the Committee has been re-established together with the name of the Chair, the Chief Executive (to act as the main point of contact for correspondence), the Transition Manager and a list of Transition Committee and Transition Management Team Members. I recognise this process will be more straight forward for those VTCs that have continued to meet.

Previous guidance circulars issued to Councils during 2008 and 2009 for Transition Committees will be refreshed accordingly to bring them into line with the reform programme going forward and re-issued as soon as possible. However, in re-establishing your Committee you should in the meantime, continue to follow the guidance in Circular LG 16/08 about the formation and membership of Transition Committees and Transition Management Teams, as it remains relevant to an extent. You should also note that Circular LG 19/08 about Transition Committee Funding is withdrawn. This is as a consequence of the Executive's decision that local government should bear responsibility for the implementation costs of the reform programme. I confirm that central funding will not be provided to support the work of

Transition Committees moving forward. This is a matter for the amalgamating councils to provide the resources necessary to undertake this work.

I appreciate that, in re-establishing the Transition Committees, this may entail additional duties for Councillors. Therefore, I draw your attention to the system of allowances under Section 36 of the Local Government Act (NI) 1972, which provides Special Responsibility Allowances for members.

For the purposes of leading the transition process, I will soon put in place a Regional Transition Committee to provide high level political leadership for the implementation of the programme. I will write to you again to set out the terms of reference, membership and date of the first meeting of the Regional Transition Committee and to invite the Chair of your Voluntary Transition Committee to join that Committee as a member.

Finally, I plan to visit each Voluntary Committee to discuss how, together, we take forward this important work.


I have copied this letter to the President of NILGA, Council Chief Executives, the Local Government Staff Commission, the Chair of the Local Government Reform Joint Forum, the Chair of the Public Service Commission, the Chair of SOLACE, the Chair of the National Association of Councillors and the Chair of the Environment Committee.

Yours faithfully

A handwritten signature in black ink that reads "Alex Attwood". The signature is written in a cursive, flowing style.

ALEX ATTWOOD MLA
Minister of the Environment

APPENDIX 2: Correspondence received from National Association of Councillors

National Association of Councillors
Northern Ireland Region 

8 February 2012

Mr Peter McNaney
Town Clerk and Chief Executive
Belfast City Council
City Hall
Donegall Square
Belfast BT1 5GS

Chief Executive's Office		
Date	10/2/12	
Seen by	GX	
Referred to		
AGX	Corp Comms	Dem Serv
GR	SPP	Bus supp
Dev	F&R	H&ES
P&L	P&P	Other
Ref	McN 38/02	

16/2
Emailed to
KHeaney
smcroy

Dear Mr McNaney

RE: FUNDING OF LOCAL GOVERNMENT REORGANISATION

Further to our earlier letter regarding severance payments to councillors displaced by local government reorganisation, we are concerned that the Environment Minister, Alex Attwood, has now made it clear to us that he expects the entire cost of reorganisation, including transfer of functions, additional member training, amalgamation of councils, transition committees and severance payments, to be borne directly by the councils with no funding input from central government.

We are concerned that local councils will not have sufficient resources to carry through all these changes adequately. We would be interested in knowing whether you believe this to be possible or whether you expect central government to provide at least part of the necessary funding.


Yours faithfully



Cllr Ronnie Ferguson
Regional Secretary, NAC

Krum,

Refer to this in RPL
paper for H&E, so
we can send a
response.

National Association of Councillors
Northern Ireland Region 

29 November 2011

Mr Peter McNaney
Town Clerk and Chief Executive
Belfast City Council
City Hall
Donegall Square
Belfast BT1 5GS

File: RPA
Severance arrangement

Dear Chief Executive

Our members are increasingly concerned that as yet there is no clear agreement about the award of severance payments to those councillors who will be displaced by the proposed reduction in the number of local councils in 2015.

Severance payments have been promised by a number of ministers going back to 2005, but the current Environment Minister, Alex Attwood, has told the NAC that unlike previous ministers he is not minded to approve severance payments.

Given this new uncertainty, we would be grateful if you and other chief executives of local councils could press the Environment Minister for a clear commitment to the award of severance payments on the same basis as those council officers who may also be displaced by the restructuring.

Yours faithfully



R FERGUSON
Secretary, NAC, Northern Ireland Region

RPAfile

Chief Executive's Office		
Date	11/12/11	
Seen by	[initials]	
Referred to		
ACX	Corp Comms	Dem Serv
GR	PP	Bus Supp
Dev	F&R	H&ES
P&L	P&P	Other
Ref	McN 04/12	

11/12/11

*remailed
6/12
Carmel
Hearney*

Administrative Assistant: Nick Rogers
National Association of Councillors, Sketrick House, Jubilee Road, Newtownards BT23 4YH
Phone 028 9181 9413 Email: naoc@btconnect.com
Regional Secretary: Councillor R Ferguson
c/o The Council Offices, 2 Church Street, Newtownards BT23 4AP 028 9182 4000 Fax 028 9181 9628

Appendix 3: NILGA Press Release



PRESS RELEASE 28th February 2012 COUNCIL REFORM NEEDS UP FRONT INVESTMENT FROM ASSEMBLY OR WILL “FAIL THE CUSTOMER”.

An intensive debate after the NILGA Annual Conference of 23rd February has galvanised Councillors across the Association’s 26 Council membership.

NILGA members called for a “serious, evidence based, cross-party summit” involving the DoE and wider Assembly interests to solve a clear barrier to progress i.e. getting the up-front investment needed to kick start, develop and achieve local government reform on time, by April 2015.

Derek McCallan, NILGA’s Chief Executive, referred to the collective will expressed by NILGA’s members. “Councils and NILGA were written to in mid February and told at conference that a legislated reform programme which is a target in the Programme for Government will have no investment provided by the Executive to achieve it. Similarly, the Environment Minister has offered a mechanism to achieve reform which needs to be further refined and understood - one which many Councils, officers and NILGA have fundamental reservations about.

Since November last year NILGA has sought a task and finish approach to reform, offered an investment partnership to achieve it, presented new ways to shape Council services around local people, worked to reduce costs and improve the quality of services through a formal programme with all Councils participating and negotiated the transfer of functions of other departmental functions in a business like, customer driven manner.

We do not want a “take it or leave it” approach and told we have to sweat the asset of local government even more – with nothing other than legislation and warnings coming from the Assembly. We don’t want to fail the customer – local ratepayers should not bear the full cost of legislative policy.”

Having presented ways in which elected members, officers and the Department can come together, in a dynamic, mutually supportive and results driven partnership, through modernisation and reform working groups, NILGA has been told that these are not statutory and would supplement other structures being set up.

He added “contemporary evidence from NILGA has confirmed that Challenge and Transformation funds in Wales and Scotland, and a dynamic, inclusive, task and finish partnership involving Ministers, Local Government Departments, LGAs and Councils completed what was required in these jurisdictions after legislation and local government’s responsibilities and a collective investment fund were agreed, in partnership. To succeed we want to work together to prepare a list of responsibilities, design a plan, co-invest and deliver a programme of work, on time.

NILGA has offered to co-ordinate this type of successful model, has 26 council support and yet, Councils have been offered an outline plan which defines certain processes and affirms that investment will be borne by Councils exclusively in terms of reform process costs”.

NILGA has sought to meet the Minister, has resolved to meet Executive Ministers, and the Assembly Environment Committee has offered an open invitation for the Association to work with it, with Committee members from all 5 political parties present at NILGA's Panel debate last Thursday stating that Reform needed central government investment.