



Report to:	Strategic Policy and Resources Committee
Subject:	Local Government Reform Update
Date:	25 April 2012
Reporting Officer:	Peter McNaney, Chief Executive Ronan Cregan, Director of Finance and Resources
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1.0	<u>Relevant Background Information</u>
1.1	Members will be aware that the NI Executive has given a clear commitment within the Programme for Government and Investment Strategy for Northern Ireland, 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	On 15 February 2012, the Environment Minister wrote to all councils requesting that they restore necessary implementation structures to support the operational delivery of local government reform at the local level including Voluntary Transition Committees.
1.3	At its meeting on 23 March 2012, the Committee agreed to reinstate the Council's Strategic Policy and Resources Committee as the Belfast voluntary Transition Committee (vTC) with the addition of a member of the Progressive Unionist Party being nominated onto the vTC to provide cross-party representation. The Council agreed, at its meeting on 1 April 2012, agreed that the PUP member on the Belfast vTC would have voting rights.
2.0	<u>Key Issues</u>
2.1	The reform process is now entering a critical stage of implementation whereby primary legislation is being drafted, governance and implementation structures being re-established and active consideration being given to the transitional arrangements to be put in place to support local government reform within Northern Ireland together with ongoing transfer of functions issues.
2.2	The potential transfer of key functions such as planning and regeneration present a real opportunity for the Council to make a real and lasting difference in stimulating the local economy and improving the quality of people's lives across the city.
2.3	Whilst the Council will be less affected by the convergence issues which will be experienced by the other merging councils, the Council now need to restore its focus on planning for reform and shaping the approach taken by the wider local government sector.
2.4	<u>Belfast voluntary Transition Committee</u>
2.4.1	The primary role of the Transition Committee will be to provide overall political direction and to take the necessary decisions to ensure a coherent and co-ordinated approach is taken to implementing the reform programme.
2.4.2	The Council has recently received further correspondence from Linda MacHugh, Director of Local Government Policy Division, DoE (attached at Appendix 1) setting out initial Guidance on the operation and reporting arrangements for the Voluntary Transition Committees (vTCs). Members will note that the general principles set out within the Guidance documents regarding the proposed governance; decision making and reporting mechanisms for vTCs align with current Council practice.

	<i>Governance of Belfast Voluntary Transition Committee</i>
2.4.3	<p>In order to ensure there is a clear distinction between the business of the vTC and the Strategic Policy and Resources Committee, members are asked to consider the following proposed governance arrangements for the Belfast vTC:</p> <ul style="list-style-type: none"> (i) With effect from May 2012, the first SP&R meeting of the month will be designated, as appropriate, to deal with local government reform related business and recorded in minutes as VTC business; (ii) depending upon the amount of business to be dealt with by the VTC, there may be potential scope to revert back to SP&R related business immediately following VTC meeting; (iii) the nominated PUP member to the Belfast VTC will be invited to attend this meeting and will receive papers accordingly;
	<i>Programme of Work</i>
2.4.4	Attached at Appendix 2 is a DoE paper setting out an initial high-level timetable for the local government reform programme. Attached at Appendix 3 is an <u>initial 1st cut</u> assessment of the potential high-level programme of work to be taken forward by Belfast City Council to deliver the reform programme.
2.4.5	It is intended that this will be further developed and a more detailed draft implementation plan will be submitted for the consideration of the Committee in June 2012.
2.5	<u>Establishment of regional implementation structures</u>
2.5.1	The Environment Minister and DoE has recently put in place the new regional implementation and governance arrangements for taking forward local government reform. These are outlined in Appendix 4.
2.5.2	The governance and relationship between these structures, the Council and the wider local government sector is set out at Appendix 4 .
	<i>Engagement with NI Executive and Government Departments</i>
2.5.3	As previously stated by Members there is a need for the Council to initiate a focused and co-ordinated engagement programme with the NI Executive and relevant government Ministers on key issues impacting upon the city including local government reform.
2.5.4	Such engagement needs to be considered within the context of the delivery of the Investment Programme and the potential to initiate integrated pilots around planning, regeneration and local economic development activities.
2.5.5	As previously agreed by the Committee, meeting requests have been issued to all relevant Ministers (e.g. DSD, DETI, DEL, DCAL, DRD, DFP etc). Members will be aware that a cross-party delegation met recently with the Environment Minister.
2.6	<u>Legislative Programme</u>
2.6.1	There is a substantial programme of reform related legislation to be brought through the NI Executive over the coming months including the draft Local Government Reorganisation Bill.
2.6.2	The DoE are currently preparing the draft Local Government Reorganisation Bill and intend to present to the NI Assembly for consideration in Autumn of this year. DoE officials have indicated that they would anticipate that the Bill would be passed within a 6 – 8 month period and that the NI Executive and Environment Committee will consult as part of this process.
2.6.3	In response to Members stated desire to engage with and inform the development of this legislation, Council officers liaised with both DoE and the NI Executive's Committee for the Environment to register the Council's intent. Correspondence has been received on behalf of the

	Committee for the Environment stating that the Committee agreed, at its meeting on 17 April 2012, that they would contact the Council, in advance of any DoE departmental briefing on local government reform, inviting a written submission on any areas of concern for the Council. It also stated that the Committee is due to receive in the next few weeks the Department's Primary Legislation programme.
2.7	<u>Funding Local Government Reform</u>
2.7.1	Members will be aware that there is a growing lobby across local government advocating that central government should contribute a proportion of funding towards enabling reform to happen and to meet key up-front costs required. NILGA has written to all Councils including the Lord Mayor and Chief Executive, requesting the council to give its support to a campaign calling for (i) central government to make resources available to invest in and enable local government reform to happen; (ii) greater involvement of local government in supporting the delivery of reform (see Appendix 5). Members are asked to consider giving support to the NILGA campaign.
2.8	<u>Internal capacity to deliver</u>
2.8.1	Members will appreciate both the significance and scale of the reform programme and the need for the Council to ensure that it has the capacity in place to ensure effective delivery in addition to other substantial work programmes such as the Investment Programme, efficiency programme etc. Work is ongoing to establish the level of capacity required to deliver and the potential to realign resources to facilitate delivery. It is recommend that the Committee delegates authority to the Chief Executive to ensure that appropriate resources are available to support delivery of the local government reform at no additional cost to the ratepayer.

4.0 Resource Implications

- **Human Resources** – In terms of supporting delivery, it is proposed that this will be through realignment of resources with no additional costs to the ratepayer.
- **Financial** - Whilst there are likely to be resource implications for the Council emerging from the local government reform programme, the scope and scale of these are still to be determined. A business case on any financial implications will be developed and presented to the Committee for consideration.

5.0 Recommendations

Members are asked to:

- i. note the correspondence received by the Environment Minister regarding Guidance for the Voluntary Transition Committee;
- ii. agree the proposed governance arrangements for the Belfast voluntary Transition Committee as set out at para. 2.4.3 above;
- iii. consider the initial high-level draft programme of work for the Council linked to the reform programme;
- iv. note that correspondence has been issued seeking Ministerial meetings to discuss key issues impacting upon the city;
- v. note the intention of the NI Executive's Committee for the Environment to engage with the Council in taking forward its considerations around local government reform; and
- vi. consider that delegated authority is given to the Chief Executive to ensure that appropriate resources are in place to ensure the effective delivery of the reform programme at no additional cost to the ratepayer;
- vii. consider supporting the NILGA campaign advocating that central government contribute a proportion of funding towards enabling reform to happen and to meet the up-front costs required.

6.0 Appendices

Appendix 1 DoE correspondence re: Guidance for Voluntary Transition Committees

Appendix 2 DoE timetable for local government reform

Appendix 3 Initial draft high-level BCC reform programme of work

Appendix 4 Local government reform implementation structures and relationship with BCC

Appendix 5 NILGA correspondence