



Report to:	Strategic Policy and Resources Committee
Subject:	Local Government Reform (RPA) – Update
Date:	18 May 2012
Reporting Officer:	Peter McNaney, Chief Executive
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1.0	<u>Relevant Background Information</u>
1.1	Since the last update provided to the Committee in April 2012, there has been a number of further developments in regards to the Local Government Reform process, as outlined below, which Members should be made aware of.
2.0	<u>Key Issues</u>
2.1	<i>Local Government Boundaries</i>
2.1.1	<p>Members will recall that an independent Boundaries Commissioner had been appointed in 2009 to consider and make recommendations as to the proposed boundaries for the 11 new councils. The Boundaries Commissioner published his Final Recommendations Report on 26 June 2009. In terms of the Boundaries Commissioners’ report recommended:</p> <ul style="list-style-type: none"> (i) the new Belfast boundary would incorporate parts of the adjoining Castlereagh Borough, Lisburn City and a small part of North Down District Council areas i.e. <ul style="list-style-type: none"> - Castlereagh –Tullycarnet, Gilnahirk, Braniel, Hillfoot, Merok, Cregagh, Wynchurch, Glencregagh, Belvoir - Lisburn – Colin Glen, Poleglass, Lagmore, Twinbrook, Kilwee & Dunmurry - North Down - inclusion of part of Cedar Grove, Knocknagoney (ii) the number of electoral wards, and therefore councillors, would increase from 51 to 60, with an average of 40 electoral wards for the other 10 new council areas (iii) as a result, the new Belfast City Council would increase its population base from 277,000 to 315,000 (approximately).
2.1.2	On 24 April 2012, the Environment Minister submitted for the consideration of the NI Assembly, a draft Local Government (Boundaries) Order (Northern Ireland) 2012. This legislation will confirm the boundaries of the eleven new local government Districts (including Belfast) as well as the number, boundaries and names of the wards into which each district will be divided. A copy of the draft Order is attached at Appendix 1 .
2.1.3	Members should note that with NI Executive agreement, there are two modifications set out within the draft Order in respects to the boundary between the new Belfast district and Lisburn and Castlereagh district. The proposed modifications are detailed in a ‘ <i>Statement of Reasons for Modifications of the Recommendations of the Local Government Boundaries Commissioner</i> ’ which has been submitted to the Assembly alongwith the draft Order. The modifications relate primarily to the non-transfer of Forestside and Castlereagh Civic Headquarters into the new Belfast boundary.
2.1.4	Now that the draft Boundary Order has been laid in the NI Assembly, work will commence with Land and Property Services to undertake a detailed analysis of the impact of the boundary change on the Belfast rates base. This analysis will facilitate early modelling of EPP scenarios and enable the Council to start to plan for any financial implications resulting from the extension to the Belfast boundary. There are a number of rating issues which need to be addressed as part of the RPA transition process as outlined below.

	<p>(i) Rates Convergence - One of the key issues that needs to be addressed is how the convergence of District Rates within each new Council area will be managed. Based on work previously undertaken by DFP and DoE in 2009, some of the differences between the estimated rates of the new councils versus the rates of the legacy councils varied greatly. Much work is needed to ensure that the overarching principle of the rates neutrality of the reform process is maintained. There is a requirement to review and refresh this work and provide options for how rates convergence can be achieved.</p> <p>(ii) Legacy Issues - Legacy rating policy decisions will be required to determine the management of legacy debt write-offs and rating appeals.</p> <p>(iii) Data sharing - The successful management of rates transition will be underpinned by the availability of information about the new councils' rates base. At present, all rates information is held by LPS. It is recommended that a protocol for sharing data between LPS and councils is developed as a matter of urgency.</p> <p>(iv) LPS Accountability - Currently, LPS is accountable to the Minister of Finance and Personnel for its rates collection performance. It is recommended that consideration is given to how LPS accountability to local government in the context of 11 district councils can be enhanced.</p> <p>A detailed report on the aforementioned rating issues will be brought back to the Committee for future consideration.</p>
2.2	<u>Regional Transition Committee</u>
2.2.1	The first meeting of the reform programme's Regional Transition Committee (RTC) took place on 25 April 2012 and had been attended by the Chair of the Committee, Councillor Deidre Hargey and the Chief Executive. The RTC has been established to provide political leadership to the overall reform programme and to link in with the new Council clusters who will be responsible for delivering reform at the local level.
2.2.2	<p>Whilst DoE will issue an official minute of the RTC discussions which will be circulated to Members, a internal note of discussions is attached at Appendix 2 for Members information. Some of the high-level points raised during discussions included:</p> <ul style="list-style-type: none"> - Environment Minister stated the wish of the Department to work in partnership with local government to take forward the reform programme and highlighted the need to take a structured and disciplined approach to implementation - Environment Minister informed the group that the draft Local Government (Boundaries) Order (Northern Ireland) 2012 has been submitted to the NI Assembly - some elected Members advocated the need for central government to provide an element of funding to kick-start reform albeit recognising the need for further work around the nature of any such funding; - clear recognition of the need for transferring functions to be fit-for-purpose and rate neutral at point of transfer - Minister stated that it will be important that there are adequate resources within planning offices to ensure service continuity and to create certainty in terms of the contribution of planning in supporting wider economic and regeneration activity - Environment Minister informed the group that work is underway to identify the optimum level of resources required to deliver the planning function over the next three years – this will ensure that the function is adequately resourced at point of transfer - Environment Minister acknowledged the need to build capacity among all parties over the coming years to ensure the planning function is adequately delivered post transfer.

2.2.3	<p><i>Engagement with Lisburn and Castlereagh</i></p> <p>During discussions at the RTC, an elected Member from Lisburn City Council enquired as to the current position regarding (i) potential representation from Lisburn and Castlereagh on the Belfast voluntary Transition Committee and (ii) process for discussions among Lisburn/Castlereagh and Belfast regarding potential transfer of assets and liabilities.</p>
2.2.4	<p>The DoE Deputy Permanent Secretary outlined the current position in regards to these issues i.e.:</p> <ul style="list-style-type: none"> (i) stating that there is no requirement for representation from Lisburn and Castlereagh on the Belfast <u>Voluntary</u> Transition Committee; however, there will be a requirement for representation on the <u>Statutory</u> Belfast Transition Committee albeit this representation will need to be representative of the areas to transfer. (ii) stating that the current position regarding the potential transfer of assets and liabilities from Lisburn and Castlereagh to Belfast, is that discussions will be taken forward on the basis of negotiation.
2.2.5	<p>Cllr Deidre Hargey outlined the Council's desire, as previously stated by the SP&R Committee, to engage at an early stage in discussions with both Lisburn and Castlereagh to progress a number of transition related issues.</p>

<p>4.0 Resource Implications</p>
<p>There is no HR of financial implications contained within this report.</p>

<p>5.0 Recommendations</p>
<p>Members are asked to note the contents of this report and agree that the key pieces of rating work, as set out at paragraph 2.1.4, be now progressed.</p>

<p>6.0 Appendices</p>
<p>Appendix 1 Draft Local Government (Boundaries) Order (Northern Ireland) 2012</p> <p>Appendix 2 Internal BCC note of RTC meeting on 25 April 2012</p>