

## Regional Transition Operational Board

Thursday 24 May 2012, 14.00 – 16.30

### NOTE OF DISCUSSIONS

#### **CHAIRMAN'S OPENING REMARKS (Leo O'Reilly, Permanent Secretary)**

- The purpose of the RTOB is ensure all the issues re the reform programme are addressed
- The RTOB will act as the co-ordinating group for the reform programme
- The RPA is recognised as a challenging & complex agenda – important it is recognised as a journey
- LG will have an increasing role to play around taking key decisions as part of the reform process – how future LG services are delivered, structured etc
- The RTOB will act as important forum in building stronger relationships between local & central government, based on a spirit of co-operation

#### **OBSERVATIONS FROM RTOB MEMBERS**

- A significant political disconnect exists arising from the absence of sufficient political engagement with LG – this needs to be managed by the Minister
- LG needs to accept that in reality reform is happening – the issues need to start to be addressed
- The Minister needs to enlist the support of Executive colleagues & other NICS Departments to provide support to the reform programme – see transferring functions & the future role of LG
- “Olive branches” are required from the Minister (e.g. financial assistance)
- Not convinced it's a true partnership – LG wants to input into the debate – engagement with the Sector needs to be meaningful
- Governance structures need to be realistic to support the programme but the LG Sector as a whole needs to be sufficiently engaged in the process
- A fundamental issue is the lack of information flow – reinforces the perception that LG is not being engaged
- The debate needs to shift-back from the rates neutrality of the transferring functions to the rates neutrality of the reform process

#### **OFFICIALS' RESPONSE**

##### *(i) Engagement / Reform Implementation Structures*

- Minister accepts the need for wider engagement with the LG Sector but the governance of the programme must recognise that reform is moving towards an 11-Council model
- The current structures reflect a desire for a direct connection with the 11 Transition Committees and the 11 Transition Management Teams (based on comments from LG in 2009)
- The Minister recognises both NILGA & SoLACE have a role to play but that role needs to be defined so as to provide the reform process with the support it requires
- Officials will consider organising a series of ongoing engagement events with the LG Sector

(ii) *Funding*

- The Minister is submitting a bid for funding as part of the Executive's June budget monitoring rounds. The provision of this funding will support the transition process in Councils.
- The Minister is also prepared to consider longer-term arrangements for funding reform – Officials have been tasked with exploring possible options. No preferred solutions have been identified as yet.

### **RTC MEETING UPDATE**

- Draft minutes are currently with the Minister for consideration & approval – draft minutes will be issued for the consideration of Transition Committees (subject to the approval of the Minister)
- Minister was pleased with progress at the inaugural meeting – considered the engagement with LG as a “listening” exercise
- Further discussions are now required between LG & Central Government re the transferring functions – a structure will need to be put around these
- Significant emphasis is placed by the Minister on maximising LG efficiencies, including I.C.E.
- Minister is actively considering providing Councils with a general power of competence re well-being
- The Minister is committed to ongoing meetings with Transition Committees

### **FINANCING REFORM**

- Identifying the cost of reform will be based on “transition lite”
- The view of some LG Chief Executives was that DFP & the DoE should be supporting Councils around identifying the cost of reform – a critical piece of work would be to start some modelling across the Sector as a whole around rating. Important this work is done holistically.
- Critical that a principle of transparency is adopted by NICS Departments – LG *must* have access to data-sets that will support the wider reform programme & the new role for LG (see LPS & non-domestic rating)
- Officials are currently considering whether the economic appraisal needs to be simply refreshed or started anew. Some LG Chief Executives observed that of greater importance would be a benefits realisation matrix for the entire programme. Key tasks could then be tracked back from this.

### **REFORM DELIVERY TIMETABLE**

- Challenging legislative timetable lies ahead but the timetable can be met
- Boundaries Order has now been approved by the Environment Committee – will be presented for the consideration of the Business Committee on the 11 / 12<sup>th</sup> June 2012 – this meets NIO deadlines in respect of the forthcoming work around District Electoral Areas (DEAs)
- Reorganisation Bill – an opportunity to consult on it will be presented in the Autumn when placed before the NI Assembly. Expected to be implemented by mid-2013.
- Significant amount of subordinate legislation will follow the enactment of the Reorganisation Bill – relevant NICS Departments will also be bringing forward legislation to support the transfer of functions

- Statutory Transition Committees (STCs) – Officials are currently looking at means to introduce them sooner than planned (possibly in the Autumn). Opportunity exists to establish STCs as “*bodies in corporate*” with key powers attached to the ability to hold budgets & make appointments. The DoE will consult in the Autumn around this potential scenario.
- Officials briefed the meeting that the key differences between the STCs and Shadow Councils is that the latter will determine the rate for the new Council & make final decision in respect of the local programme (organisational structures, capital programme etc). The STC will be responsible for taking forward convergence activity & taking early decisions around critical issues.
- The Miscellaneous Provisions Bill is the default position however a political debate will probably need to take place around what powers the Shadow Councils will want to retain and what powers they will want to delegate to the constituent Councils in the shadow period (2014/15). NI situation is closely mirroring that of Welsh LG reform.
- More work to be undertaken concerning the migration from voluntary Transition Committees to Statutory Transition Committees

### **GUIDANCE & TERMS OF REFERENCE FOR TRANSITION MANAGEMENT TEAMS**

- Some LG Chief Executives observed that during the last reform programme Transferring Functions’ Officials didn’t sufficiently engage with Transition Committees. When they did, they were not empowered by their respective Departments to contribute in any significance to the local debate.
- Critical that the Transferring Functions meaningfully engage at the local level – this point was accepted by Officials.
- DoE will provide all Transition Committees with the names of “Liaison” Officials once these have been returned by the respective NICS Departments. DoE Officials confirmed that Planning Service representatives will reflect the current Areas Managers.

### **APPOINTMENT OF TASK & FINISH GROUPS**

- Some LG Chief Executives were critical of the appointments process – point accepted by DoE Officials but the apportionment of names was an initial draft (based on the membership of previous groups) – the DoE will write out to Councils this week seeking representatives for the various groups & a commitment that these Officers will be available for the duration of the programme.
- All working groups will be tasked with meeting shortly to scope the key issues, draft a project plan & resource plan to be presented at the September meeting of the RTOB
- The purpose of the Working Groups is to identify all the key issues that should be considered as part of the reform process
- LG is asked to identify whether any gaps exist in terms of draft terms of reference – specifically for the Finance Working Group (*winding-up arrangements?*)
- Also need to identify whether there is a requirement to draw on external expertise for specific areas

### **DATES OF FUTURE MEETINGS**

- Thursday, 26 July 2012 @ 14.00
- Wednesday, 26 September 2012 @ 14.00
- Wednesday, 5 December 2012 @ 14.00
- Wednesday, 27 February 2013 @ 14.00

- Wednesday, 24 April 2013 @ 14.00

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