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Dear colleagues

## **STATUTORY TRANSITION COMMITTEES: FOCUS GROUP EVENTS – POLICY PROPOSALS SUMMARY PAPER**

I refer to my letter of 15 January 2013 about the focus group events in early February for local government, the public sector and other stakeholders to discuss the policy proposals for Statutory Transition Committees.

The Department has received a number of nominations to attend the sessions on the following dates (please note the change of venue in Ballymena):

5 February – The Show Grounds, Ballymena (2:00pm)

7 February – City Hall, Belfast (10:00am)

7 February – Lough Neagh Discovery Centre, Craigavon (2:00pm)

8 February – Strule Arts Centre, Omagh (2:00pm).

It would be appreciated if you could notify Ruth Northey ([ruth.northey@doeni.gov.uk](mailto:ruth.northey@doeni.gov.uk)) and Mark Mulholland ([mark.mulholland@doeni.gov.uk](mailto:mark.mulholland@doeni.gov.uk)) of any further nominations by **Friday 1<sup>st</sup> February 2013** at the latest, in order that the Department can conclude on arrangements for the events.

In the meantime, please find enclosed for your consideration a brief summary paper of the policy proposals to be discussed at the focus group sessions.

If you need to contact Ruth or Mark please call 028 90416739.

I look forward to seeing you at one of the events.

A handwritten signature in blue ink that reads "Linda Machugh". The signature is written in a cursive style with a large initial 'L'.

**LINDA MACHUGH**

**Local Government Reform**

**Establishing Statutory Transition  
Committees**

**Policy Proposals**

January 2013

<b>Contents</b>	<b>Page</b>
Purpose	3
Background	3
Enabling Power	4
Policy Issues	4
Functions & Duties	4
Financial Controls	5
Membership	6
Governance & Procedures	7
Co-operation	7
Staffing	7
Premises & Facilities	8
Winding – Up	8
Departmental Contact	9

**LOCAL GOVERNMENT REFORM**  
**POLICY PROPOSALS FOR ESTABLISHING STATUTORY TRANSITION**  
**COMMITTEES**

**Purpose**

1. The Department of the Environment is seeking feedback at the forthcoming focus group sessions on its policy proposals for the establishment of Statutory Transition Committees (STCs). The Committees will be responsible for taking key decisions in the run up to the new councils being appointed in shadow form. A policy consultation on STCs was previously carried out in 2009 (closing on 31 May 2009); however, given that this was carried out in the context of STCs being established in place of a shadow period, the Department has decided to carry out targeted stakeholder engagement with local government in order to gather updated views. Councillors, council officers and representatives of other local government bodies have been invited to four events in early February. The outcome of these events will inform the drafting of the regulations.

**Background**

2. In order to drive the convergence of the programme for local government reform, the Minister has decided to place Voluntary Transition Committees (VTCs) on a statutory footing, as soon as possible. In early 2012, the Executive agreed to the provision of a shadow period following the next set of local government elections. The Secretary of State has agreed in principle to legislate for the next local government election to be held in June 2014. This timing allows for a shadow period for the new incoming council to run from the date of the elections until 1 April 2015, thereby allowing the new councils preparatory time to adopt their full range of functions and duties.

3. In broad terms, the incoming councils, during the shadow period, should be the decision making bodies in respect of key decisions necessary to ensure the establishment and effective operation of the new councils, whereas the role of the STC should be to undertake preparatory duties to inform the key decisions of the incoming council during the shadow period in respect of the new councils, when they assume full power.
4. However, given that there is a short time period to prepare for April 2015 and that there is a desire for certainty in some areas as soon as possible, the Department believes there are incidences where it may be appropriate for key decisions to be taken by the STCs.

### **Enabling Power**

5. The Department proposes to make subordinate legislation for STCs using the enabling powers contained in sections 15 to 18 of the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 2010 (“the 2010 Act”) (attached at Annex 1).

### **Policy Issues**

6. A number of policy details need to be settled now to take forward draft regulations for STCs. The Department’s proposed approach is set out below and feedback will be welcome at the targeted stakeholder focus group events planned for February 2013.

### **Functions & Duties**

7. It is intended that a Statutory Transition Committee will drive convergence between merging councils and begin the preparatory work for the new councils in advance of the shadow period. This is intended to ensure that the transition from 26 to 11 councils is as seamless as possible, that service delivery is maintained and that the

new councils are in a position to discharge their new functions and deliver on their vision for their district. The range of functions identified by the Department to be taken forward by STCs is set out in the Programme Implementation Plan (attached at Annex 2). However, certain tasks within the Plan are deemed to be particularly critical and it is proposed that they are set out now in regulations; namely to:

- a. Prepare a draft corporate and business plan for the new council.
- b. Prepare a budget for the STC and the new council (shadow period).
- c. Develop financial systems for the STC and the new council (shadow period).
- d. Arrange first meeting of the new council (post election).

**Question:**

**Q1. Does any other task need to be specified in the regulations?**

Financial Controls

8. Under the 2010 Act, sections 10 to 14 make provision for placing controls on councils in regard to land disposals and entering into capital and non-capital contracts in the run up to reorganisation. The Act requires the existing council to obtain the written consent from the relevant STC. It is proposed that the STC regulations should give effect to these provisions<sup>1</sup>.

**Question:**

**Q2. Should the Department require that existing Councils get the consent of STCs if intending to dispose of land or enter into new contracts?**

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<sup>1</sup> NB. The 2010 Act did not make provision for controlling local government borrowing or local government reserves. The Department therefore intends to introduce further controls via the Local Government (Reorganisation) Bill.

## Membership

9. The Department intends to provide that each STC will be permitted to have up to 16 members, with two exceptions. The Causeway Coast and Glens will be permitted to have 20 members since it is the only cluster with four constituent councils. Belfast will be permitted to have 25 members since the 2010 Act requires representation from Castlereagh Borough Council and Lisburn City Council.
  
10. It is proposed that, as with VTCs, membership of STCs will consist only of elected members from the existing councils and should proportionately reflect the political composition of those existing councils. The Department expects that most STCs will retain the same members as the former VTC. To mark the new phase members will be nominated anew by the merging councils, which will fill any vacancies arising as soon as possible. The regulations will require STCs to notify the Department of their membership and any subsequent changes. It is also proposed that if a member fails to attend meetings for a period of 3 months, without a satisfactory explanation, they will cease to be a member of the STC and will be replaced. In terms of an allowance for councillors sitting on an STC, the Finance Working Group has proposed £60 per meeting. However, a lump sum allowance (of an amount to be determined) has also been proposed rather than an attendance allowance for each meeting.

### **Questions:**

**Q3. Given that all clusters have now constituted VTCs, is it sensible to replicate the same membership arrangements for the statutory phase?**

**Q4. It is proposed that a member of an STC would be removed if he/she did not attend for 3 months. Should this period be shorter or longer?**

**Q5. Should there be a lump sum allowance, rather than an attendance allowance for each meeting? If a lump sum is paid, how much should it be?**



## Governance & Procedures

11. The Department will provide model standing orders to guide councils on how STCs should structure, manage and execute their business in regard to governance and procedural issues. It will be important that the work of convergence and transition is carried out in an organised way with decisions being taken in an open and accountable manner. The arrangement for STCs will generally mirror those currently in operation for the VTCs.

### **Question:**

**Q6. Do you agree that governance and procedures for STCs should reflect those presently in place for VTCs?**

## Co-operation

12. It is proposed that there should be a duty on:

- a. existing councils to provide information to STCs;
- b. STCs to pass information to the incoming councils;
- c. STCs to share information with other STCs.

### **Question:**

**Q7. Do you agree with the duty for sharing information? If so, should it be extended to any other bodies?**

## Staffing

13. From a leadership and management perspective, it is important that a senior officer (i.e. a Chief Executive) is appointed to lead the change management process as soon as possible. This could be an interim, fixed term or permanent appointment. It is also expected that STCs will wish to appoint finance and human resources staff at an early stage.

14. STCs will also require administrative teams from the outset. Initially, these should be provided on a temporary basis by existing councils. However, it is proposed that STCs should appoint their own administrative teams, as soon as is practicable.

**Question:**

**Q8. Do you agree that STCs should appoint Chief Executives and other senior staff?**

**Q9. Do you agree existing councils should supply administrative staff on a temporary basis, prior to STCs appointing own staff?**

Premises and Facilities

15. The Department proposes that STCs should use the premises and facilities of existing councils. Consequently, it is proposed that constituent councils should agree and make available suitable accommodation.

**Question:**

**Q10. Do you agree constituent councils should provide accommodation?**

Winding Up

16. It is intended to provide for the winding up of STCs 21 calendar days after the election of the new council, once they have arranged the first meeting of the new council in shadow mode. Any assets and liabilities will pass to the newly elected councils.

**Question:**

**Q11. Do you agree with this approach?**

## Contact

17. If you have any queries in relation to the proposals, you should contact:

### **Mark Mulholland**

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