



Department for  
**Social  
Development**  
[www.dsdni.gov.uk](http://www.dsdni.gov.uk)

**From: The Minister**

**5<sup>th</sup> Floor  
Lighthouse Building  
1 Cromac Place  
Gasworks Business Park  
Ormeau Road  
BELFAST  
BT7 2JB**

e-mail: [private.office@dsdni.gov.uk](mailto:private.office@dsdni.gov.uk)

**Tel: (028) 9082 9034**

**To:**

Your ref:

Our ref: SUB/1099/2013

18 December 2013

Dear Chief Executive

As you know, under the Executive's current plans for the Reform of Local Government, DSD's responsibility for operational delivery of local urban regeneration and community development will transfer to the new Councils in April 2015. As part of this transfer, DSD's budget for regeneration and community development will be allocated to the new Councils. To facilitate this, it is necessary to work out the basis on which the amounts to be allocated to each Council will be calculated.

I am determined that the Reform of Local Government changes should not unduly impact on the on-going delivery of regeneration work in our towns and cities. Business continuity has, therefore, become a core issue for this Department. Business continuity depends on the Department and new Councils having an agreed programme of projects and schemes to deliver where these would not be completed before the date of transfer. As regeneration projects typically have lead in period of several years, planning needs to start now for some projects we would seek to deliver in 2015 and subsequent years. Effective planning requires a good indication of the funding that will be available for the projects under consideration. Therefore, both the Department and local government need to know as early as possible in the transfer preparations an indication level of the financial resources that each new Council is to be allocated. This is why I am taking action to decide on the model for allocating the budgets that will transfer from my Department Urban Regeneration and Community Development budgets now.

My Department has developed an objectively based methodology for the apportionment of the budget and this is explained in the attached document.

I should point out that more up-to-date figures to support the proposed model will be available early in 2014, when NISRA will have updated the new Council population figures. It is also possible that the overall budget envelope will change depending on decisions taken as part of the 2015/16 Executive Budget process. At this stage, I am anticipating the need to deliver efficiency savings of a minimum 4% across my Department. For that reason, a prudent planning assumption would be that the 2014/15 provision my Department holds for activities that are affected by the reforms will be reduced by 4% and I have reduced the indicative planning figure accordingly. Until the Executive agrees the 2015/16 Budget, the proposed allocations will be indicative but provide a reasonable basis for planning. In the interests of facilitating preparations for the transfer, I believe it is preferable to release the model now rather than waiting several months for the updated figures.

It is my hope that the model for budget allocation be settled as quickly as possible to allow effective business continuity planning by the Department and the Statutory Transition Committees and Shadow Councils. To that end, I would ask that you let the Department have any representations you wish to make on the allocation model **by Friday 24 January 2014**. Please send your representations to:

RLG Project team  
3<sup>rd</sup> Floor, Lighthouse Building  
2 Cromac Avenue  
Gasworks Business Park  
BT7 2JA

Email: [rlg@dndni.gov.uk](mailto:rlg@dndni.gov.uk)

Yours sincerely

Nelson McCausland

**NELSON McCAUSLAND MLA**  
**Minister for Social Development**