



Report to:	Corporate Management Team
Subject:	Local Government Reform Update
Date:	8 February 2013
Reporting Officer:	Peter McNaney, Chief Executive Ronan Cregan, Director of Finance and Resources
Contact Officer:	Kevin Heaney (Ext. 6202)

1.0 **Relevant Background Information**

- 1.1 There is no doubt that the local government reform programme is now a reality and is entering a critical stage whereby primary legislation (i.e. Local Government Reorganisation Bill) is about to be introduced to the NI Executive; detailed consideration being given to the final package of functions to transfer and important operational issues (e.g. finance, HR including transfer schemes and appointment process for senior staff, and rating issues) are being worked through.
- 1.2 The purpose of this paper is to provide Members with a shared understanding of the current position of the reform programme at a regional level and to provide an update on the work of the established implementation structures put in place.

2.0 **KEY ISSUES**

DOE PROGRAMME TIMETABLE

- 2.1 The following table provides a high-level timetable for local government reform based on discussions with DoE.

Feb 2013	<ul style="list-style-type: none"> NI Executive confirm transfer of functions package NI Executive determination on Environment Ministers funding bid submission for local government reform.
Mar/April 13	<ul style="list-style-type: none"> Local Government (Reorganisation) Bill - submitted to NI Executive covering important issues such as future governance and decision making arrangements of councils, reorganisation, community planning etc.
Autumn 13	<ul style="list-style-type: none"> Statutory Transition Committees established representing those clusters of councils which are to merge together. The Statutory Transition Committees will oversee the reform programme at the local level and make the necessary preparations for the establishment of Shadow Councils in 2014 and Councils in 2015. The Belfast Statutory Transition Committee will have political representation from those areas from Lisburn and Castlereagh which are transferring to Belfast.
Jan 14	<ul style="list-style-type: none"> District Electoral Areas agreed
June 2014	<ul style="list-style-type: none"> Shadow Council elections. Responsible for establishing the governance, structural and financial arrangements for the new incoming Council
April 2015	<ul style="list-style-type: none"> 11 new councils become operational as legal identities, with the transfer and integration of functions from central government to the new councils.

	REGIONAL IMPLEMENTATION PROGRAMME	
2.2	The Council's Director of Finance and Resources has been working with the DoE programme office to inform the development of a detailed implementation plan and the identification of the critical path and key policy decisions which need to be taken. Attached at Annex 1 is a detailed programme plan which has been recently issued by DOE to all councils setting out what key activities are to be taken forward at both a regional and local level.	
2.3	To provide assurances that work is ongoing at a local level, all Voluntary Transition Committees (including Belfast) are required to report progress against key milestones on a bi-monthly basis. A template has been issued to Transition Committees to complete and submit for the consideration of the Environment Minister and Regional Transition Committee (attached at Annex 2). The key deliverables which the Council has been asked to report on at this stage include e.g.: <ul style="list-style-type: none"> • local transition plan in place • local communications plan in place • secured resources for Statutory Transition Committee period • audit of potential assets and liabilities 	
	COMMITTEE FORWARD WORK PLAN	
2.4	Members will note that the Council has in put in place its own implementation plan, as agreed by Committee in June 2012, to ensure that it appropriately prepares for and maximises the benefits of local government reform and the transfer and integration of important place-shaping functions such as planning and regeneration. The plan is kept under constant review to ensure that it takes account of external dependencies and delivery remains on target. In summary, the immediate short-term (next 6months) action plan is set out below for Members consideration and discussion.	
2.5	FORWARD WORK PLAN (6 MONTHS)	Timescale
	Legislation & Governance	
	1. Committee report on the emerging Local Government (Reorganisation) Bill proposals, the associated implications for the Council and a draft corporate response. Proposals for a Member led lobby campaign on critical issues.	Jan-May 13
	2. Preparation of an options paper outlining the range of governance models available to the council and the associated material considerations for political discussion.	Jan-May 13
	3. Options paper on possible composition of the Belfast Statutory Transition Committee, taking account of the requirement for representation from Lisburn and Castlereagh.	
	Boundary Changes and Convergence	
	4. In liaison with Lisburn and Castlereagh undertake a detailed assessment of the potential assets, and associated liabilities, which fall within the new Belfast City Council area. A due diligence template has been prepared and issued to both councils for completion.	Jan/Feb 13
	5. Detailed due diligence report on the potential transferring assets and liabilities including consideration given to key issues such as condition, potential investment requirements, restriction issues etc.	Feb/Mar 13
	6. Findings report on an initial high-level review of the potential assets and liabilities and staff which may transfer from Lisburn and Castlereagh and the associated financial implications including potential capital and/or maintenance requirements.	Feb/Mar 13

7. Detailed due diligence scoping report outlining the key service convergence issues which need to be addressed by the Council and an implementation and resource plan for taking these forward.	April/June 2013
Finance	
8. Work with LPS to undertake a review of the boundary changes on the Belfast rates base. Issues to be considered include: - impact on rates and EPP modelling - legacy debt issues - rates convergence issues	Feb 13 ongoing
9. Develop a template and guidance for capturing transition related costs attached to local government reform.	Feb 13
10. Undertake an assessment of transition related costs for Belfast City Council and identify potential funding options.	Feb/Mar 13
11. In liaison with DFP, DSD and DoE develop proposals for a city finance model which seeks to utilise and maximise available sources of finance to deliver city priorities.	May 13
Transfer of Functions	
13. Update report to Committee outlining the current position in regards to the proposed package of transferring functions.	Feb/Mar 13
14. Detailed due diligence review of the functions proposed to transfer of BCC and any associated financial, HR, operational and/or system implications for the council.	Mar/April 13
15. Develop an options paper outlining the range of possible delivery models for planning when transferred to local government and the associated key issues which need to be considered.	Feb/Mar 13
16. Co-design workshop with Members to examine and map out the potential OD implications and synergies between key transferring functions, community planning and existing Council functions.	Mar/April 13
17. Develop a detailed project and resource plan setting out how the Council will prepare for the transfer and integration of statutory planning functions and the associated capacity and OD implications	Mar/April 13/13
18. Develop a detailed project and resource plan setting out how the Council will prepare for the transfer and integration of regeneration related functions and the associated capacity and OD implications	Mar/April 13
19. Continue work in preparing the Council for community planning within the wider context of the transfer of regeneration and planning powers to local government.	Ongoing
21. Co-design workshop with Members to examine and map out the potential OD implications and synergies between key transferring functions, community planning and existing Council functions. N.B – the emerging work around future governance models will need to be taken into consideration.	Feb/April 13
Human Resources	
22. Implement BCC Capacity Building Programme for elected Members and officers as part on BCC ongoing Organisational Development work. Ensure effective internal communications on these matters.	Feb 13 ongoing
Communications and Engagement	
23. Implement communications activities pertaining to local government reform programme.	Ongoing

	<p>A key focus of recent activity has been communications and ensuring that both Members and staff are kept fully informed of key developments in respects to Local Government Reform. The external Council website has been updated recently to provide ease of reference key information on LG reform and what it will mean for Belfast City Council. Members can access the site at www.belfastcity/reform . Attached at Annex 3 is the DOE 'Reform Inform' bulletin which provides a update on latest discussions around funding, transfer of functions, councillors' severance consultation, first meeting of the Political Reference Panel and Communications</p>
	<p>MEMBERS' REMUNERATION</p>
2.6	<p>The Local Government (Councillors' Remuneration Panel) Regulations (Northern Ireland) 2012, which came into operation on 10 September 2012, provide for the establishment of the Councillors' Remuneration Panel for Northern Ireland. This is an independent panel which will conduct a review of councillors' remuneration and advise on the system and level of allowances that would be appropriate for the new councils. The DOE are currently undertaking an appointment process for the independent Remuneration Panel including a chairperson and four other members who are subject to the approval of the Minister of the Environment. The term of appointment will be for an initial 2 two year term from 1st May 2013.</p>
	<p>APPOINTMENT OF DISTRICT ELECTORAL AREAS COMMISSIONER</p>
2.7	<p>The Secretary of State, Theresa Villiers, has recently appointed Richard Mackenzie CB as District Electoral Areas Commissioner (DEAC) for Northern Ireland. The DEAC will make recommendations on the grouping of local government wards in Northern Ireland within district council areas for the purposes of elections to local councils in June 2014. It is anticipated that initial recommendations will be published in Autumn 2013 with the DEAs being finalised by end of calendar year.</p>

3.0 Resource Implications

There will clearly be significant HR implications for both elected Members and senior officers attached to the continued participation and input into the established regional implementation structures and ensuring that the best interests of local government and Belfast City Council is secured.

4.0 Recommendations

Members are asked to note the contents of this report and agree that the progress update report, as set out at Annex 2, be submitted to the DOE as requested.

5.0 Abbreviations

- Annex 1** DOE Local Government Reform Implementation Plan
- Annex 2** BCC progress report to DOE
- Annex 3** DOE Reform Inform communications bulletin