



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Review of Public Administration - Transfer of Functions Update
Date:	24 th April, 2009
Reporting Officer:	Peter McNaney, Chief Executive
Contact Officer:	Kevin Heaney (ext. 6202)

1.0	<u>Relevant Background Information</u>
1.1	Members will be aware that a Transfer of Functions Working Group was established, under the auspices of Review of Public Administration (RPA) Policy Development Panel C, to examine the package of functions proposed to transfer from central to local government resulting from the RPA and provide greater clarity in terms of the scope of the transferring functions; the resources (or otherwise) attached to the functions; and to identify those issues which needed to be addressed or required further clarification prior to transfer. The Transfer of Functions Working Group was chaired by the Chief Executive of Belfast City Council, with several other local government Chief Executives as members of the Group.
1.2	It was recognised from the outset that there was an urgent need for engagement between central and local government officials to ensure that there was greater clarity around the functions transferring and appropriate consideration given to the potential consequences for councils of the transfer proposals in relation to issues such as efficiency, resources and liabilities.
1.3	To support this process a series of Technical Sub-Groups (e.g DoE Planning; DRD Roads; DETI; DARD; DCAL) was established comprising of senior officials from both transferring Departments and local government. Constructive engagement and dialogue between central and local government officials has taken place over the last number of weeks to work through the operational, technical and managerial issues associated with the transfer of functions. Members will note that senior officers from within Belfast City Council had been directly involved in this process.
1.4	As part of these discussions consideration was given to potential proposals in regard to marginal changes to the transferring functions where this was justified on a service delivery basis and taking into account the principles of strong local government; the role of local government in supporting place shaping; the need for single point accountability at the local level; ensuring improved customer centric services; and value for money considerations.
2.0	<u>Key Issues</u>
2.1	This work has culminated in the development of a suite of initial detailed draft reports from each of the Transferring Functions Sub Groups and an over-arching covering paper setting out the high level issues which needs to be addressed in moving forward (copies of which are attached at Appendix 2 for Members consideration). The papers were presented to Policy Development Panel C at its meeting on 26 th March and the Strategic Leadership Board at its meeting on the 10 th April 2009 for initial consideration.
2.2	I would refer Members to the recent presentation delivered to SLB on 10 th April 2009 (attached at Appendix 1) which sets out the high level cross-cutting issues which need to be taken into consideration and contains initial proposals emerging from the Technical Sub Groups in regards to marginal changes to the transfer of functions including the <u>NON TRANSFER</u> of potential functions

	<p>(e.g. particular roads functions including salting footways, grass cutting, weed spraying, gully emptying and street lighting; and travellers transit sites) and the transfer of ADDITIONAL functions (e.g. on-street car parking from DRD and the Living Over the Shops programme from DSD). Such proposals are still subject to further political consideration, Ministerial direction and NI Executive approval. Whilst the detailed rationale underpinning the proposals put forward by the relevant Sub Groups is set out at Appendix 2, a summary of the key cross-cutting issues and proposed marginal changes is outlined below for Members consideration.</p>
	<p><i>Cross-Cutting Implementation Issues</i></p>
2.3	<p>The work undertaken to date has answered some key questions, it has also identified a number of areas that will need further consideration and which need to be worked through over the next number of months. Some of the high level implementation issues identified include:</p>
2.3.1	<p>i) <i>Budget & Resources:</i> Issues around resources and budgets are becoming increasingly complex as the process of initial due diligence continues to highlight the current shortfalls and uncertainties around the future funding of transferring functions. There is real concern around the insufficiency of funding available to deliver the majority of functions proposed to transfer to local government. There are significant under estimates of the true cost of the current delivery of some of the functions proposed to transfer and, therefore, there is a need for a more thorough due diligence review of resources (both budgets and staffing) to be undertaken in advance of transfer.</p> <p>There is a need also for early engagement and negotiation with central government and, in particular, DFP regarding the future funding regime for transferring functions and the impact this might have on local rates. This is further exacerbated by the fact that a large number of the proposed functions to transfer will be subject to CSR bidding as part of the new CSR period in 2011. Therefore, it will be important that local government be engaged in this process as it will become the future statutory owner of the function and be responsible for its delivery.</p>
2.3.2	<p>ii) <i>Allocation of budget and resources:</i> Further consideration must be given to the means by which budgets and resources are to be disaggregated across the 11 new councils with the transfer of functions post 2011. Under the current policy frameworks, a large majority of central government investment (e.g. particularly DSD physical regeneration and programme related spend) is targeted towards addressing multi-deprivation and, therefore, Belfast is a key beneficiary of such funding.</p> <p>It is likely that in moving forward within the RPA process, there will be a growing lobby from other parts of local government to revisit the future allocation of funding with a view to evenly spreading the available resources across all local government. As discussed at the recent cross-party briefings scheduled on a North, South, East and West basis, if there is a vacuum in the decision making process within the Council and an absence of an agreed package of projects/priorities on which the Council can bid for resources, there is a significant risk that substantial resources will be reallocated elsewhere.</p>
2.3.3	<p>iii) <i>Simplified Governance and Integrated Service Delivery:</i> With regard to the transfer of function proposals and associated 'statutory powers', if councils are to effectively deliver community planning and make a positive and lasting improvement to the wellbeing of communities, there must be greater integration/ co-ordination of public services and the targeting of resources at the local level. Consideration should also be given to the potential for closer integration of the transferring functions with other functions currently undertaken by councils. Clearly there are overlaps and connections between key functional areas such as planning, urban and rural development, local economic development, tourism development, community development etc. All efforts need to be taken to ensure service delivery is rationalised and potential synergies secured.</p>

2.3.4	<p>iv) Policy Development: Notwithstanding the final agreed position in regards to functions proposed to transfer, it is essential that local government continues to shape and influence public service delivery at the local level and has a greater role in informing policy development. If councils are to effectively deliver community planning and make a positive and lasting improvement to the wellbeing of communities, there must be greater integration and coordination of public services and the targeting of resources at the local level. A recommended requirement emerging from the Transfer of Functions Working Group is the need for a statutory based engagement framework between central and local government which is linked to the broader community planning agenda, incorporated within the governance proposals in regards to future central and local government relations and underpinned by the performance framework which is to be developed.</p>
2.3.5	<p>v) Consultation and Engagement: It is important to note that there are a number of policy frameworks and programmes under development (e.g. new Northern Ireland Enterprise Strategy, Second Tourism Strategic Framework for Action; Rural Development Programme) and strategic reviews and consultation processes underway (e.g. Barnett Review; Reform of the Planning Service) which are pertinent to discussions in regards to the transfer of functions and will inevitably impact upon the future delivery of such functions. Local government must ensure that it is actively engaged as a key government partner rather than merely a consultee in these processes.</p>
<p style="text-align: center;"><u>Proposed Marginal Changes to Transfer of Functions Proposals</u></p>	
2.4	<p>Whilst the Transfer of Functions Technical Sub Groups has raised a number of significant issues which will need to be worked through as we move forward into the implementation phase of the RPA, there are a number of proposals put forward by the Sub Groups with regards to potential marginal changes (e.g. both non-transfer and the additional transfer of specific functions from central to local government). The proposals relate primarily to the transfer of functions from both the Department for Regional Development (DRD) Roads Service and Department for Social Development (DSD).</p>
<p style="text-align: center;"><u>DRD Roads Service Technical Sub Group – NON TRANSFER Proposals</u></p>	
2.4.1	<p>There is a clear absence of any strategic framework, rationale or business case for the proposed transfer of the 11 fragmented public realm aspects of local roads.</p>
2.4.2	<p>Generally the functions proposed to transfer are significantly under-resourced and have major public liabilities. As the full responsibility for the maintenance of local roads is not proposed to transfer, the management of such liabilities will be very difficult and the sustainability of future funding uncertain. There is also a need for significant capital investment in the proposed transfer of functions which there is currently no budget. The transfer proposals offer little scope to develop a strategic approach and integration of local roads management within broader local development planning and urban regeneration functions which are all key levers to improving the wellbeing of communities.</p>
2.4.3	<p>Accordingly, the Sub Group recommended, for the consideration of both PDP C and the Strategic Leadership Board, a number of functions which local government should demand should not transfer including: the maintenance of amenity areas; salting of footways; grass cutting/weed spraying; gully emptying; and street lighting. The justification put forward included:</p> <p>i) Salting Footways</p> <ul style="list-style-type: none"> ▪ Considerable public liability risks and associated insurance costs ▪ Considerable costs to deliver ▪ No financial or asset transfer proposed ▪ Difficulty in separating public liability for footpaths and roads – accountability ▪ Existing arrangements adequate for Councils involvement if so desired

	<p>ii) Grass Cutting/Weed Spraying</p> <ul style="list-style-type: none"> ▪ Considerable public liability risks ▪ Grass cutting intrinsically linked to road safety ▪ weed spraying intrinsically linked to road maintenance ▪ significant Health & Safety issues and disposal of residual waste difficulties ▪ scope to enhance such areas without any transfer <p>iii) Gully Emptying</p> <ul style="list-style-type: none"> ▪ part of the overall local roads maintenance package ▪ significant public liability implications - links to flood control ▪ Would result in greater bureaucracy and confusion for the citizen ▪ Additional middleman in the process <p>iv) Street Lighting</p> <ul style="list-style-type: none"> ▪ closely related to other highway maintenance and road safety functions ▪ significant public liabilities ▪ significantly under resourced ▪ massive under investment in replacing stock – capital replacement time bomb ▪ significant capital costs in separating local street lighting network from the strategic road network ▪ create additional confusion for the citizen & reduce accountability ▪ councils can already contribute to improved lighting schemes – resource implications
	<p><u>DSD Technical Sub Group – NON TRANSFER Proposals</u></p>
2.4.4	<p>v) Travellers’ transit sites: The Sub Group put forward the proposition that the proposed transfer of Travellers’ Transit Sites should remain within the Northern Ireland Housing Executive as the regional strategic housing authority and delivered as one package. It should be noted that the transfer of responsibility for all Traveller accommodation to the NIHE resulted from a detailed consultation and EQIA exercise undertaken in 2003. Therefore, further clarification would be required in terms of the policy reasons and relevant business case to overturn this agreed position with the proposed transfer of Travellers’ Transit sites to local government.</p>
	<p><u>DRD Roads Service Technical Sub Group – NEW TRANSFER Proposals</u></p>
2.4.5	<p>vi) On-Street Car Parking: In terms of the proposal to transfer off-street car parking to local government, the Sub Group advocated the need to transfer both off-street and on-street car parking to local government as it would be inefficient to split the functions and would detract from service delivery and single point accountability. This would require Ministerial consideration and approval.</p>
	<p><u>DSD Technical Sub Group – NEW TRANSFER Proposals</u></p>
2.4.6	<p>vii) Living over the Shop: Given the potential capacity of the LOTs initiative to support town centre regeneration and neighbourhood renewal, and the potential integration with local economic development delivery and the synergies with Local Development Planning which is to transfer to councils, the Technical Sub Group called for consideration to be given to the inclusion of this function as part of the transfer proposals. Again, this would require Ministerial consideration and approval.</p>
2.4.6	<p>Members will note that further detail on each of the aforementioned issues is included in the SLB covering report attached at Appendix 2 as well as detailed consideration and commentary on the specific issues associated with each departmental functional area.</p>

3.0	<u>Next Steps</u>
3.1	Members will note that there has been broad agreement among PDP C and SLB in regards to those key issues which require further consideration and negotiation and in regards to the proposals around the transfer of additional functions from central to local government. However, there is no party political consensus on the proposals not to transfer specific functions from the DRD Roads Service with one party calling for all proposed functions to transfer.
3.2	Accordingly, it would be the intention that formal correspondence will be sent to the Environment Minister, Sammy Wilson, setting out where there has been both agreement and disagreement reached as part of the transfer of functions discussions, highlighting where further work is required and requesting the Environment Minister to begin negotiations at Executive Sub Committee level to address the outstanding issues. As there is no consensus on the functions proposed to transfer from DRD Roads Service, this matter will be referred to the DRD Minister for consideration and direction.
3.3	The initial discussions and consideration given to the transfer of functions should only be the beginning of an ongoing and evolving process between central and local government over the next 12-18months. It is important to note however, that there will be a number of issues in relation to, for example, agreeing the package of functions to transfer which will need to be fast-tracked given the fact that Government Departments must meet a tight legislative timetable for taking forward necessary tranches of legislation and drafting Transfer of Functions Orders. Appropriate flexibility must be build into the initial drafting of legislation to enable further discussions around issues such as resources, staffing, assets and liabilities etc to continue.
3.4	In regards to the Belfast situation, clearly the Council will need to continue to engage at both political and officer level with relevant central government departments and Ministers in regards to the transfer of functions issue and to determine the detail around what will transfer specifically to the new Belfast City Council. Consideration should also be given to the potential for the Council to take forward pilots or partnership projects with central government departments in advance of the transfer. Members will note that both DSD and DoE (Planning Service) have already nominated senior officials who it is intended would work with the Council's Transition Committee (i.e. Strategic Policy and Resources Committee) and Transition Management Team (i.e. Chief Officers' Management Team) to take forward detailed discussions around the transfer of functions and associated resources.

4.0 Resource Implications

There are no Human Resource or financial implications contained within this report

5.0 Recommendations

Members are asked to:

- a) note the contents of this report and the appendices attached; and
- b) provide any initial feedback/comments on the emerging proposals and issues identified in regards to the proposed transfer of functions from central to local government to Kevin Heaney, Strategic Planning and Policy Officer, Core Improvement Team (ext. 6202)

Documents Attached

Appendix 1	Presentation to SLB on 10 th April 2009 re: initial transfer of functions proposals
Appendix 2	Covering report from Transfer of Functions Working Group to SLB on 10 th April 2009
	<ul style="list-style-type: none"> ▪ <u>Annex 1:</u> DoE Planning Sub Group Report ▪ <u>Annex 2:</u> DRD Roads Sub Group Report

- **Annex 3:** DSD Sub Group Report
- **Annex 4:** DETI Sub Group Report
- **Annex 5:** DARD Sub Group Report
- **Annex 6:** DCAL Sub Group Report