

5 BELFAST LOCAL GOVERNMENT DISTRICT

DISTRICT BOUNDARY

5.1 My recommendation is that the existing Belfast local government district be expanded to reflect the outward growth of the city over the years. The boundary of the former Belfast County Borough Council was delineated in 1898 under the Local Government (Ireland) Act 1898. That boundary remained unchanged until 1973 when the boundary of the current Belfast City Council was defined.

5.2 The boundary, as defined in 1973, reflected some of the suburban post-war development and a number of areas were brought within the city limits -- with the inclusion of the localities of Knocknagoney, Stormont, Upper Malone, Finaghy, Ladybrook, Andersonstown, Suffolk, Hannahstown, Englishtown, and Bellevue. The northern boundary was defined by the M2 Motorway. In the south east, the boundary remained broadly similar to that which had prevailed since 1898.

5.3 The current boundary of the Belfast City Council does not include other areas of post-war development which lie into the urban form of the city and some areas which have expanded since 1973. I consider that it would be appropriate if those areas were brought within the boundary of the new Belfast local government district.

5.4 In considering the delineation of a revised boundary, I took account of the provision in the legislation that the new district council groupings should incorporate "the whole or the major part of" existing council areas. I also took account of the configuration of the proposed local government districts whose boundaries adjoin Belfast, namely Ards/North Down; Castlereagh/Lisburn City; and Antrim /Newtownabbey. I carried out a review of what would, in my judgement, be a consistent and understandable boundary for the expansion of the city limits.

5.5 Belfast has a natural setting between surrounding hills. To the north lies Belfast Lough, and in a southward direction there is the broad valley of the River Lagan. The hills and the Lough provide a readily identifiable boundary to the city on its northern, western and eastern sides.

5.6 There are, however, a number of localities where a boundary cannot be defined by these features. In the east the hills are divided by the Dundonald Gap, and to the south, by the Lagan valley.

5.7 In assessing how the boundary might be defined, other than by the hills, I considered that the statutory development plan for the conurbation which is the Belfast Urban Area Plan 2001, and the proposals set out in the draft Belfast Metropolitan Plan (BMAP) 2015, offered a useful starting point. The statutory plan zones certain "lands reserved for

landscape, amenity or recreation use". These zonings are repeated in the draft BMAP and are defined in gaps between the upland ranges:

- In the north, the zoning follows the slope of the Cave Hill as it protrudes in a north-easterly direction;
- On the County Down side, the zoning delineates the Knocknagoney locality;
- In the east, the zoning is defined by Knock Golf Course, Dundonald Cemetery and an area near Tullycarnet currently being developed as a leisure village;
- In the south, there is a significant area designated as part of the Lagan Valley Regional Park, and
- In the south-west the Derrytychy Linear Park is a further zoning, while the inner edge of the green belt separates Milltown from Lagmore.

5.8 My site visits confirmed that these zonings made for readily identifiable boundaries for most of the proposed new Belfast local government district except in two areas where major roads offer a clearer boundary line. In the north, the existing boundary of Belfast local government district follows the M2 from Bellevue to Greencastle and I propose no change. In the south I recommend that the boundary should follow the Outer Ring from the edge of the landscape zoning at Foster Green to Shaw's Bridge, with the exception of Edenderry village. The orientation of the road network in the vicinity of Edenderry points the settlement towards Belfast, and I recommend that the village and surrounding area should be included in the Belfast district.

5.9 Accordingly, I recommend that the new Belfast local government district should incorporate the whole of the existing Belfast district as currently defined, together with parts of the current Castlereagh, Lisburn City and North Down districts.

5.10 From the area of the existing Castlereagh district, I recommend that the localities of Tullycarnet, Glinahirk, Braniff, Hillfoot, Merok, Cregagh, Wynchurch, Glencregagh, and Belvoir should be incorporated in the Belfast district.

5.11 From the area of the existing Lisburn City district, I recommend that the localities of Collin Glen, Puleglass, Lagmore, Twinbrook, Kilwee and Durnmurry should be incorporated in the Belfast district.

5.12 From the area of the existing North Down district, I recommend that a relatively small area of housing at Cedar Grove, Knocknagoney should be incorporated in the Belfast district.

5.13 The recommended boundary of Belfast local government district is indicated on the map which follows.

Briefing on £118m transition costs

Background

PwC reports that Local Government Reform this requires an **initial net investment of approximately £118m** (in Net Present Cost terms) over the **five-year implementation period**.

Summary of costs

Table 1. Breakdown of Costs and Savings for Option 5

	Option 5
<i>Annual operating costs</i>	£'m
Local government	763.4
Central government	5.1
Regional organisations	3.5
Transition costs	8.8
Additional ICT costs	4.0
Transition savings	(10.7)
Transformation savings	(53.0)
Total Annual Costs	721.0
<i>One-off Implementation costs</i>	
Transition costs	36.1
Additional ICT costs	30.8
Transformation costs	59.7
Total One-Off Costs	126.6

Overview of Option 5 costs and savings

BELFAST CITY COUNCIL POSITION

- It is important to note that Belfast will be less affected by up-front costs of implementation (e.g. convergence and set-up costs) as it is not merging with any other Council and has well developed systems and processes already in place.
- There is less scope also for Belfast to secure large efficiencies as a result of the transition/convergence process.

Possible costs to be incurred by the Council may include:

- severance for members
- severance for officers (limited due to numbers at risk)
- remuneration costs for additional elected Members
- extending/harmonising service delivery (e.g. Lisburn/Castlereagh Area)
- capital investment requirements (e.g. inherit capital liabilities)
- accommodation costs (dependant upon staff transfer arrangements)
- branding – this will be a discretion of the Council
- Limited ICT outlay (e.g. access to Network NI)
- Capacity Building

Annual Operating Costs

- *Local government* - these are made up of direct council costs and income. They are based on annual returns from councils. It incorporates council capital budgets and those costs associated with the functions being transferred from central to local government.
- *Regional organisations* - includes the costs of NILGA, LG Staff Commission, LG Training Group and other Specified Bodies.
- *Transition costs* - these are the on-going costs resulting from transition, for example, the additional salary costs of new Chief Executives and Directors.
- *Additional ICT costs* - the main costs are for the common desktop environment and the maintenance and licence costs of standard computer applications.
- *Transition savings* - these represent the initial reduction in senior staff and Member numbers on transition, reduced audit fees, insurance premiums.
- *Transformation savings* - salary savings from staff reduction, efficiency savings in service delivery, procurement savings and asset disposals.

One-off Implementation costs

- *Transition costs* - these are the one-off costs associated with transition and include; severance scheme for Members, rebranding, voluntary redundancy for senior officers and the cost of winding-up legacy councils.
- *Additional ICT costs* - there are significant one – off costs identified to develop networking, telephony, the desktop environment and computer systems and training.

Transition Costs (One-Off Costs)	Estimated Cost (£k)
Winding up of new councils (p.98)	770 (BCC £70k)
Creation of new councils (p.98)	4,400 (BCC £440k)

Recruitment Process of top tier staff (p.98)	990
Shadow salaries (p.99)	1,570
Chief Executive Additional Payments (p.99)	248
Severance scheme for councillors (p.99)	5250
Councillor recruitment Programme (p.99)	250
Redundancy costs for senior officers (p.100)	17,800
Relocation/excess fares (p.100)	2,319
Capacity Building (p.101)	1,800
Induction of staff into the new organisations (p.101)	220
Councillor Development Costs (p,106)	460
Local Government Association (p.111)	384
Programme Management Office (p.103)	70
Programme Delivery Support (p103)	1,160
Council Design Project Team (p104)	6,600
Sub Total	44,291
Transition Functions (Annual Costs)	Estimated Cost (£k)
Salary Harmonisation (p105 & 92)	5,647
Salary increase (CEX and Directors) p105	770
Councillors Remuneration Increase p106	1840
Standards Committee Costs p106	550
Trnasferred Functions p107	0
Community Planning p110	3,190
Ni Audit Office p111	1,000
NI Ombudsman p112	250
Sub Total	13,247
Transformation Costs (One-Off Costs)	Estimated Cost (£k)
Council, Business Services Organisation & WDA	59,840
Network NI p130	585
Convergence Costs (p102 & 130)	9,555
Business Continuity (p103)	2,200
ICT Optimisation (p130)	375
Applications Update (p130)	4,000
Performance Management System (p130)	150
Sub TOTAL	90,405
Transition Costs (annual Costs)	
Network NI (p130)	375

Convergence Costs (p102 & 130)	2,362
Business Continuity (p103)	220
Applications Update Maintenance	2,684
Performance Management System Maintenance	20
Sub TOTAL	5,661

LESS

Benefits Realised Immediately	Estimated Cost (£k)
Senior Officer Salaries (p105)	8,900
Councillors Savings (p105)	1590
Financial Audit (p106)	200
Insurance Premiums	250
Sub TOTAL	-10,940

APPENDIX 3

Councillor John Mathews
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Your reference:

Our reference: SUB/300/2010

28th May 2010

Dear Mr Mathews

PROGRESSING THE DELIVERY OF LOCAL GOVERNMENT REFORM

As you are aware there was a positive discussion on Local Government Reform at yesterday's Executive meeting about progressing the delivery of the programme.

However, as you will be aware the Executive is facing a difficult financial future, where it will have to make cuts over the next 5 years of around £1 billion pounds across the board. Consequently, it is therefore not in a position to fund local government reform, and, as a result, I have been asked to determine if local government would fund the full up front cost of implementation.

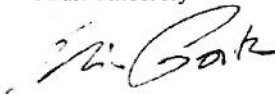
At the moment PWC calculations for implementation costs stand at £118m however, through collaboration and efficiencies this figure could be reduced.

I would appreciate your response by 4 June 2010 to enable me to go back to the Executive in two weeks' time.

It would be important and helpful to meet this date so I can consider your response and issue a revised paper to Executive Ministers. It means they can consider matters in advance, which will help facilitate a full discussion at the Executive Committee meeting on 10 June 2010.

I have copied this letter to Council Mayors/Chairs and Chief Executives including Chairs of the Policy Development Panels and Transition Committees.

Yours sincerely



EDWIN POOTS MLA
Minister of the Environment

APPENDIX 4

1 June 2010

Email to Party Group Leaders, Chairmen and all Councillors

Review of Public Administration – Consideration at Council meeting

- 1 Members will be aware that over the past number of weeks significant doubt has been cast upon whether RPA for Local Government will actually take place in May 2011. For the information of new Members, the RPA proposes the reduction of councils from 26 to 11 and the functions of planning and regeneration returning to the new 11 councils.
- 2 Following the NI Executive meeting on 27 May the Minister for Local Government, Edwin Poots, has written to NILGA and Councils setting out the funding pressures that Central Government will be under over the coming years and indicating that if Local Government reform is to proceed the estimated cost of £118m would have to be met by Local Government. A copy of the Minister's letter is attached herewith.
- 3 NILGA are arranging a meeting for council representatives to meet on Friday 4 June at the Hilton Hotel, Templepatrick to initially discuss a Local Government position. It is recommended that the Chair of SP&R and Party Group Leaders should be authorised to attend this meeting. A full NILGA meeting is to be organised for 16 June.
- 4 The Council have done some financial modelling work on paying the cost of Local Government Reform which is essentially broken down into subject areas such as severance payment for Councillors, severance payment for Officers, rationalisation of IT systems etc. The effect on Belfast would be much less than other Councils which are merging and, as long as Belfast City Council was only paying for its own costs associated with Local Government Reform, these would be fairly manageable.
- 5 However what Belfast would need to avoid is the prospect that other Councils might argue that as Belfast contributes 25% of the total rate base of Northern Ireland, Belfast should bear 25% of the cost of £118M for the reform programme as a whole. This would be a most inequitable way to distribute the cost as essentially what it would mean is that Belfast ratepayers would subsidise ratepayers of all the other councils. If support is to be given to other councils, it should come from central government, rather than Belfast ratepayers.
- 6 I understand that there has been some contact between Parties to discuss whether the present boundaries recommended for Belfast, Lisburn and Castlereagh might be amended.
- 7 Members will recall that the boundaries recommended by the independent Boundaries Commission recommend that parts of Castlereagh Borough Council and Lisburn City Council should fall within the new boundaries of Belfast. This would include Forestside Shopping Centre and Dunmurry, Poleglass and Twinbrook. Elected Members should be aware that Forestside Shopping Centre would bring around £4.9m of rates base into the city. This rate base would substantially contribute to the Council's ability to pay for the amalgamation of services and also to contribute to the capital cost of providing new facilities across the city. In

addition, there has been talk about the cost of the Dundonald Ice Bowl, which at present would not be within the new Belfast City Council boundaries, being transferred to Belfast. Like all major leisure facilities the Ice Bowl operates at a subsidy and clearly this would have a detrimental effect on the Council's rate setting process, if provision needs to be made to fund the subsidy for the Ice Bowl.

- 8 NILGA's initial consideration of the Minister's letter has resulted in its restatement of a number of high level principles which include the following:
- The Reform process should be cost neutral to the ratepayer.
 - Where there is no benefit to Local Government, the cost must be borne by central government.
 - Central government should fund activities where equity across the sector is required eg severance.
 - The final programme costs and their apportionment between councils must be negotiated based on a robust and agreed business case.
- 9 Clearly the Council may wish to consider this matter at its meeting this evening and reference is made to the RPA in the minutes of SP&R at B1926. I will arrange for a full report to be presented to SP&R at its meeting on Friday 4 June but in the meantime the Council may wish to consider the following observations:
- (a) Belfast is less affected by up-front costs of implementation as it is not merging with any other Council and it already has well developed ICT systems.
 - (b) However it is contended that Belfast ratepayers should not be required to subsidise the cost of Local Government Reform for ratepayers of other councils. These councils should meet set up and convergence costs themselves. It has been indicated that Loan Funding will be available from central government to allow the costs of set up to be spread over a number of years.
 - (c) It is also contended that if Local government meets set up convergence and severance costs, central government should be required to ensure that transferring functions such as planning and urban regeneration are rates neutral at the point of transfer.
 - (d) Members may also wish to consider how any changes to the proposed boundaries of Belfast may be financially ameliorated. This could be achieved by for instance requiring government to agree that current funding for regeneration/meeting social need should be maintained at current levels to enable the Council to address the infrastructure needs of deprived areas that would transfer into the city.
 - (e) It is therefore recommended that it would be preferable to avoid giving an outright No answer to the Minister's question of will Local Government pay for the cost of Reform. The Council might consider an answer along the lines of yes, Local Government will contribute its fair share but only if certain conditions are met by central government; in other words a 'Yes But' answer.
 - (f) Obviously this issue will be a matter for press scrutiny and the Council and Local Government needs to ensure it maintains a responsible position focused on the needs of the public and the improvement of services to them.

Minister Edwin Poots MLA
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4 June 2010

Thank you for your letter dated 28 May 2010 entitled "Progressing the Delivery of Local Government Reform". I would like to begin my reply by restating, from the outset, the sector's commitment to the local government reform programme.

Local government has been investing significant resources in the development of policy to inform the legislation required to support the introduction of 11 new councils in May 2011, together with further work to support implementation. The reform of local government is a key step towards developing a modern and effective government and a public service regime for Northern Ireland for generations to come. Local government plays a crucial role in delivering better outcomes for citizens and in shaping the local areas to meet the needs of citizens. Councillors are community leaders – taking a broad view of the well-being of local people and communities in a way, which is not expected or possible for other public service providers. Please be assured that local government remains committed to reform.

You ask in your letter, if local government would fund the full upfront costs of the reform programme. You will recall from the Strategic Leadership Board meeting on 25 February that I presented to you a local government paper on funding the reform programme setting out the principles for our contribution. It may be helpful, if at this stage, I restate the principles:-

- a. The reform process should be cost neutral to the ratepayer as promised at the outset of the reform process and that any rate rise to the ratepayer must be avoided.
- b. Where there is no financial benefit to local government, costs should be met by central government.
- c. Councils may contribute where benefits will be accrued. Contribution should be apportioned based on the level of benefit gained.
- d. Central government should fund activities where equity across the sector is required

- e. The final programme costs and the apportionment must be negotiated based on a robust and mutually agreed business case.
- f. The final programme costs must be affordable.
- g. Repayment of any loans from central government to local government should only be considered when councils have made demonstrable savings.

The principles have been endorsed by the 11 Transition committees in March 2010 and remain the position on funding the programme. Local government has committed, in the context of the reform programme, to making similar savings to those outlined in the PWC report. It should be noted the exact level of savings would be established through the development of detailed business cases. This response therefore cannot and will not commit individual councils to specific apportionment of savings to be accrued. As highlighted in Principle (e) above the final programme costs and the apportionment must be negotiated based on a robust and mutually agreed business case.

It is unfortunate there was no opportunity for more detail in your letter about possible funding mechanisms available to local government. In earlier discussions, you said the Finance Minister Wilson, had suggested the possibility of a funding model based around extending the existing Capital Loans' Regime to cover revenue costs and we would welcome further clarity and discussion on this and any other possible options.

As I have reiterated in recent letters to you the work taken forward by local government on improvement and collaboration provides a good foundation on which to secure significant efficiencies, to realise citizen expectation of local government service improvements and to contribute to the aim of creating "strong, dynamic local government in Northern Ireland. It is vital that this momentum for change is not lost. That said there are a number of issues outside our area of responsibility but within the remit of the Executive, which must be addressed to allow the reform process to move on. These include-

- Introducing the required legislation for establishing the boundaries for the 11 new district councils and the reorganisation legislation to provide modernised powers for the new councils.
- Resolving the rates convergence issue of amalgamating councils
- Ensuring the transferring functions result in no additional costs to local government at the point of transfer
- Ensuring the necessary practical arrangements are in place for example Land and Property Services systems and processes are aligned to the 11 council model.

I would re-emphasise that without the resolution of these issues the reform process cannot move forward. It is the Executive's responsibility to make the decision on the future of the reform programme for local government. We therefore call on you and your executive colleagues to take these decisions quickly and to provide now the necessary clarity.

As I am sure you will appreciate it has not been possible within the timescale to seek the formal ratification of all councils to this response although over the past week there has been extensive consultation with elected members and council Chief Executives including

an engagement seminar today. It is important that formal endorsement is received and over the next few weeks NILGA will co-ordinate this consultation process.

Finally, as you as Minister will be aware, the purpose of the local government reform process has been the improvement of services to the citizen at a local level and to enable local government, acting on behalf of its citizens, to place shape their areas. I am sure you will agree that these important aims should not be lost in our discussion on the way forward.

Yours sincerely

CLLR JOHN MATHEWS
President

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