



<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Local Government Reform (LGR) – programme and resourcing
<b>Date:</b>	22 November 2013
<b>Reporting Officer:</b>	Peter McNaney, Chief Executive
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<b>1.0</b>	<b><u>Relevant Background Information</u></b>
1.1	<p>Members will be aware that we are now in the midst of the Local Government Reform (LGR), with key decisions having been made in regards to the timing of elections to Shadow Councils and the transfer of new functions and powers to the Council. The Local Government Bill, which will bring about significant governance and operational changes for local government, is currently making its way through the NI Executive. Members should note the following key milestones :</p> <ul style="list-style-type: none"> <li>• Inaugural meeting of Belfast Statutory Transition Committee on 10 December 2013</li> <li>• Shadow Council elections 22 May 2014</li> <li>• New Council operational 1 April 2015</li> </ul>
1.2	<p>In 2015 the Council will be responsible for planning, regeneration and community planning on behalf of the city and at the same time the city's boundary will be extended; welcoming around 56,000 people, 22,000 households and 1,000 businesses into the new Belfast. This is a once in a generation transformation programme and we have under <b>200 days</b> remaining until elections to the Shadow Council and <b>just over 500 days</b> to deliver the foundations for the new Council becoming operational and delivering the new functions and powers.</p>
<b>2.0</b>	<b><u>Key Issues</u></b>
2.1	<p>Members will be aware that Local Government Reform represents the biggest change to impact upon the Council since 1972 and is a highly complex programme of work with many uncertainties and inter-dependencies. This report attempts to articulate a recommended approach to the delivery this programme and the resources required to support this.</p>
2.2	<p>Members will appreciate that the LGR work is being taken forward alongside maintaining current business as usual, the delivery of the £150m Investment Programme, the £105m Leisure Transformation Programme, and the £20m Efficiency Programme.</p>
	<b>What does the LGR programme of work involve?</b>
2.3	<p>In a simplified form, the following sets out what the Council needs to do to deliver the LGR programme and ensure the organisation is in a state of readiness to manage the change.</p> <ol style="list-style-type: none"> <li>(i) Get the Statutory Transition Committee (STC) up and running</li> <li>(ii) Decide on what governance arrangements will work best for the new Council</li> <li>(iii) Recruit the new Chief Executive</li> <li>(iv) Work out how best, within financial limits, to deliver services to the areas moving in from Castlereagh and Lisburn councils</li> <li>(v) Transfer people and assets from Castlereagh and Lisburn councils</li> <li>(vi) Develop a physical programme of projects for the new areas transferring</li> </ol>

- (vii) Consider the impact of Leisure Transformation Programme for those areas transferring
- (viii) Agree a rates convergence scheme for transferring ratepayers
- (ix) Communications and engagement with new ratepayers
- (x) Transfer of money, people and assets from central government attached to the new functions and powers
- (xi) Be in a position to deliver transferring services from central government e.g. planning and regeneration
- (xii) Work out how best for the city the new powers of planning, regeneration and community planning will be exercised
- (xiii) Run the elections in May 2014
- (xiv) Develop and implement a major capacity building programme for Members
- (xv) Assess the impact of all of these on the new organisation in terms of, for example:-
  - Creation of a Constitution and associated governance frameworks e.g. Standing Orders
  - Support required for new governance arrangements
  - New Corporate Plan
  - New Corporate Risk Register
  - Set a new rate in context of new ratebase
  - Establish new budgets
  - New Medium-Term financial plan
  - New Capital Programme
  - New planned maintenance programme
  - Determine organisation structure required to support new governance arrangements
- (xvi) Wind-up of the old organisation in 2015

2.4

In order to ensure that the Council is in a position to deliver this programme a detailed transition (action) plan (refer to **Appendix 1**) and resource plan (refer to **Appendix 2**) has been prepared. It should be noted that the LGR transition plan, by its very nature, will remain an evolving programme of work with further iterations submitted to Committee as we move forward. The following outlines the key actions over the coming months for Members in relation to LGR and related priority areas.

**November 2013**

- Agree the engagement mechanism for the LGR governance work
- Agree the LGR resource plan
- Leisure Transformation Programme Workshop (23 or 30 November 2013)

**December 2013**

- Party Group briefings re: rates and estimates process
- Members' workshop on governance arrangements
- Agree Appointment Panel for new Chief Executive recruitment

**January 2014**

- All Members' Workshop on corporate priorities
- Setting of the rate and estimates
- Detailed Party Group briefings on governance arrangements
- Intensive capacity building programme linked to transferring functions including planning

**February 2014**

- Detailed Party Group briefings on governance arrangements
- Intensive capacity building programme linked to transferring functions including planning
- Members' engagement on Community Planning and Local Area Working

## Resource Plan

2.5

Members will recall that in June 2013, it was agreed that a £2m budget be allocated for local government reform and to support the necessary preparatory work required. Over the last number of months there has been detailed work undertaken to further define the exact nature of the resources required and the allocation of the agreed £2m LGR budget. The detail is set out at **Appendix 2** of the report. Key highlights are set out below for Members consideration

### 1. Governance

- expertise and support to work with Members to identify and examine the types of new governance and political management arrangements available to the council and the associated issues for consideration

### 2. Service Transition linked to Lisburn & Castlereagh and central government departments

- Support officers to undertake necessary due diligence assessments and develop service convergence and delivery plans
- Expertise and corporate challenge including service redesign and potential efficiency opportunities

### 3. Community Planning

- Expertise to assist in designing an approach including options around delivery models/structures at a city, thematic and neighbourhood level
- Establishing the evidence base and process for city-wide engagement
- Development of key frameworks including city vision and outcome framework

### 4. Regeneration

- Consultancy support for the development of a Strategic Regeneration and Investment Plan specifically focused in the first instance on the City Centre. This will provide the policy context for the Local Area Plan which the new Council will be required to produce by 2017.
- Expertise/practitioner support to take forward necessary developmental work in relation to future delivery structures, frameworks and processes.
- Members will note that a more detailed report is on the Committee agenda for discussion.

### 5. Planning

- Expertise/practitioner support to inform design work in terms of future delivery structures, processes and governance arrangements for a fit-for-purpose planning service
- Commence early preparatory work in relation to the creation of a Local Development Plan and any associated local area plans
- Development of local Area Planning Policies
- Development of Enforcement process and policies

### 6. Organisational Support

There will be a substantial programme of work to be taken forward to put in place the necessary organisational foundations to ensure that the council is in a state of readiness to deliver the reform programme and associated governance, legislative and functional changes. For example:-

- **HR** – e.g. staff transfer, creation of new structures, capacity building
- **Finance** – e.g. rates convergence, new budgets, new rate, winding up of existing council
- **Legal** – e.g. transfer of people and assets/ legislative and governance change, planning as a quasi-judicial function
- **Estates** – e.g. transfer of assets and liabilities, accommodation implications
- **Communications**– e.g. engagement with current and new staff, residents
- **Digital Services** – e.g. connectivity to new assets and staff from Lisburn and Castlereagh and also central government departments, provision of necessary ICT infrastructure, provision of new hardware and software

	<b>7. Shadow Council period</b> - Whilst it is understood that central funding is likely to be made available to support specific costs which may be incurred by Councils in operating in Shadow form (e.g. payment of Members allowances), no detailed Guidance has yet been released by the DoE. The Director of Finance and Resources will bring back a further report on the detail on any financial consequences for the Council of operating in Shadow Council in parallel to the running the existing council and the associated options in regards to how this can be funded.
	<b>Role of Members in driving the process forward</b>
2.6	Over coming weeks and months there will be increasing demands being placed on Members time and energy in helping to take forward the LGR change programme; in shaping the new organisation in terms of its future governance arrangements; and the delivery of the new place-shaping functions and powers which it will have responsibility for delivering. As the planning and regeneration authority for the city and having a statutory duty to lead a community planning process, the Council and Members will be more outward focused and will have a greater leadership role within the City.
2.7	In the lead up to and preparation for April 2015, it will be important that Members' time is effectively utilised and focused on the key priority issues. There will also be a need to develop a shared understanding and capacity among both Members and officers in terms of the delivery of the new functions and powers and operating within the new governance arrangements that will be introduced.
2.8	Whilst it has been agreed (subject to Council ratification) that the council moves ahead and establishes the Belfast STC, which will be responsible for taking forward preparatory work for LGR, it will be important that there is support provided to Party Groups and all Members given the significance and scale of change involved. It would be the intention that the schedule of Party Group briefings over the coming months will be used as a key forum to engage with Members and seek views and input in emerging areas.
2.9	Members will be aware that there are currently two meetings of SP&R Committee scheduled each month; with the first meeting of the month focusing on business relating to Belfast Voluntary Transition Committee. Notwithstanding the establishment of the Belfast STC, It is recommended that the first SP&R meeting each month be utilised to consider and discuss specific local government reform and transformation related business.
2.10	The Committee may also wish to consider the potential to reconstitute the Members' Governance Working Group, to comprise of 12 Members; providing a forum for detailed discussion and engagement on complex issues in advance of bringing to Committee for formal consideration and direction. This will not be a decision making forum but rather enable informed proposals and/or recommendations to be brought to Committee for consideration.

### 3.0 Recommendations

Members are asked to:

- (i) consider the contents of the report and the LGR programme of work attached at Appendix 1
- (ii) agree the breakdown of the LGR £2m budget as set out at para 2.4 above and Appendix 2 attached;
- (iii) agree to the retention of the two meetings of SP&R Committee each month; with the first meeting be used to consider specific local government reform or transformation related matters; and
- (iv) consider the reconstitution of the Members' Governance Working Group to comprise of 12 Members nominated on a proportional basis.

### 4.0 Appendices

**Appendix 1** Detailed LGR Implementation Plan

**Appendix 2** Detailed breakdown of £2m LGR budget allocations