

**STRATEGIC LEADERSHIP BOARD**  
**MINUTES OF MEETING HELD ON 9 DECEMBER 2009**  
**Learning and Development Centre, Belfast**

<b>Members:</b>	Cllr Edwin Poots MLA	Environment Minister, Chair
	Cllr John Mathews	Alliance NILGA Vice Chair
	Cllr Tony Hill	Alliance
	Ald Arnold Hatch	UUP NILGA,
	Cllr Roy Beggs MLA	UUP
	Cllr Helen Quigley	SDLP NILGA
	Cllr John O’Kane	SDLP
	Cllr Sean Begley	Sinn Fein
	Cllr Sean McPeake	Sinn Fein NILGA
	Cllr Jim Wells MLA	DUP
	Leo O’Reilly	DOE
	Cynthia Smith	DOE - Planning Service
	Geoff Allister	DRD - Roads Service
	David Ferguson	DSD
	John McGrillen	LG Adviser (SOLACE)
	Peter McNaney	LG Adviser (RPA Working Group)
	Ashley Boreland	LG Adviser (Ards BC)
<b>Apologies:</b>	Cllr Joanne Bunting	DUP NILGA
	Ian Maye	DOE
<b>Joint Secretariat:</b>	Heather Moorhead	NILGA Joint Secretary
	Wesley Shannon	DOE Joint Secretary
<b>In Attendance:</b>	Paul Givan	Special Adviser to Minister
	Stephen Smyth	PwC
	Graham Cash	PwC
	Paul Terrington	PwC
	Gareth Heathrington	PwC
	Brenda Mooney	DOE

John Price	DOE
John Murphy	DOE
Speers Charters	DOE
Helen Richmond	NILGA (Minutes)
Louise Thompson	DOE
Tara Cunningham	NILGA
Sheena Mairs	NILGA
Nora Winder	NILGA
Angela Fitzpatrick	DOE
Catherine Fisher	DOE
Pamela Baxter	DOE
Brian Burns	DOE
Noreen Donnelly	DOE

## Actions

- 1 **AGENDA ITEM 1 - WELCOME AND MINUTES OF THE LAST MEETING**
- 1.1 The Chair welcomed everyone. It was noted that since the last meeting, held on 16 October, Ald Sam Gardiner MLA had resigned from the Strategic Leadership Board (SLB) and had been replaced by Cllr Roy Beggs MLA. The Minister extended a special welcome to Cllr Beggs and thanked Ald Gardiner, on behalf of the SLB, for his valuable contribution.
- 1.2 It was noted that apologies had been tendered by Cllr Bunting and Ian Maye.
- 1.3 Members agreed, with the Chair's proposal, that agenda item 3 – Economic Appraisal on the Options for Local Government Service Delivery - should be taken as the next agenda item before returning to the minutes and the other agenda items.
2. **AGENDA ITEM 3 - ECONOMIC APPRAISAL ON THE OPTIONS OF LOCAL GOVERNMENT SERVICE DELIVERY (SLB 65A/2009 and 65B/2009)**

- 2.1 Heather Moorhead introduced Paper 65(a)/2009 and made a presentation providing a high level synopsis of the local government response to the Economic Appraisal. She highlighted that to date 26 responses had been received from local government and that overall Councils, Transition Committees and local government officer groups broadly supported the strategic direction within the report
- 2.2 The following recommendations were either rejected or highlighted as requiring significant further work:-
- robust rejection of the Business Services Organisation (BSO), as currently proposed in the report;
  - a lack of agreement around the proposal to create a Single Waste Disposal Authority;
  - a lack of clarity on the underlying assumptions used to determine the costs and benefits of each option and, therefore, a lack of confidence in the financial information provided in the report; and
  - deep concern across the sector about the absence of an agreed funding strategy to support an effective local government to support the reform process.
- 2.3 NILGA set out an alternative option to a BSO through the creation of an enabling organisation/Improvement Service to support regional collaboration. Such a body could be modelled on the arrangements in other regions where a small team, accountable to local government, had been established with a supporting role to councils to develop collaborative projects and support the development of improvement projects.
- 2.4 Stephen Smyth from PwC introduced Paper 65(b) which set out, on a thematic basis, the key issues arising from the report, explained why they may have arisen and the implications for the Economic Appraisal.
- 2.5 He said that a number of areas were properly highlighted for further consideration within the detailed design phase and suggested that

highlighting of these areas is part of the normal iteration of ideas, concepts and suggestions within a strategic change process. He confirmed that areas highlighted in responses include the BSO, the level of projected costs and benefits associated with the reform programme.

2.6 In relation to the BSO, he stated that voluntary collaboration is the preferred way forward but that a statutory BSO could act as a catalyst for improvement. He indicated that the Local Government sector needs to be able to demonstrate its capacity to collaborate at a regional strategic level.

2.7 On costs and benefits, PwC considered that the Economic Appraisal set out a strategic direction of travel for local government in Northern Ireland and the current set of high-level costs and benefits within the Economic Appraisal would continue to be refined as detailed design work is undertaken.

2.8 The Minister asked local government to explain how efficiencies could be gained through voluntary collaborative mechanisms. NILGA agreed to undertake further work, in liaison with the sector, to set out how a voluntary model could work, which the Minister agreed to consider.

**NILGA to co-ordinate**

2.9 The Minister also clarified that, in his view, a BSO would be there to serve local government with representatives from local government driving the decisions. He also suggested that there could be various functions that could be distributed throughout Northern Ireland.

*The meeting returned to the main agenda.*

### **3 AGENDA ITEM 1 (Cont'd) MINUTES OF MEETING HELD ON 16<sup>th</sup> OCTOBER.**

3.1 The minutes of the last meeting were agreed subject to the amendment of the fourth bullet point of paragraph 14.4 which should read "Cynthia also agreed to David Ferguson's proposal that relevant officials meet to discuss Planning Service's involvement in DSD's Master Planning work, looking ahead to RPA implementation".

**Joint Secretariat**

4           **AGENDA ITEM 2 – MATTERS ARISING**

4.1          Wesley Shannon reviewed the Matters Arising using the “Action Points Update” (attached as an Annex to this note) which had been distributed to members at the meeting. It was noted that all action points had been addressed or were receiving attention.

5           **AGENDA ITEM 4 – FUNDING MECHANISMS**

5.1          The Minister explained that he had hoped to table a paper at the meeting setting out progress on discussions with DFP on funding of the reform process. He advised that whilst officials had met with their counterparts in DFP in the past few weeks, and he had recently met the Finance Minister, Sammy Wilson, there was still some way to go before a definitive paper could be presented to SLB. He said that, in discussion with Minister Wilson, he had made the case strongly that there should be an element of funding from both local government and central government for the reform process. He considered that where there are costs associated with the restructuring of councils, it is not unreasonable to expect central government to provide a contribution to these costs. He added that it is also not unreasonable to expect local government to contribute to the costs of reform initiatives where the benefits and savings will be realised by councils.

5.2          It was reported that the views of Minister Wilson were that:-

- the current financial climate and budgetary constraints on the Executive are extremely grave and would continue to be severely constrained in future years;
- the reform process was there to provide local government with the increased powers and responsibility they have sought for many years and so should be funded wholly by local government; and
- a compelling case would need to be made to the Executive as to why funding for reorganisation from Central Government should take precedence over the other major Programme for Government priorities.

5.3          It was also noted that Minister Wilson had suggested the possibility of a funding model based around extending the existing Capital Loans’

Regime to cover revenue costs. He considered that the repayment of the loan should be clearly linked to realising the savings to be derived from reform.

- 5.4 Cllr Mathews reiterated that local government's stated view was that reform should be centrally funded. However, in discussion it was agreed that local government would consider and provide views on the areas and portion of the reform costs that it felt it reasonable to contribute.

**NILGA to co-ordinate**

**6 AGENDA ITEM 5 - POLICY DEVELOPMENT PANEL A  
Dashboard Overview Report (SLB 67/2009)**

- 6.1 The Vice Chair of Panel A, Cllr Begley, introduced the report and highlighted the following points:-

- the practical guidance for the operation of the allocation methods for determining representation on the Statutory Transition Committees was nearing completion;
- work was ongoing in relation to the development of model Standing Orders for the Statutory Transition Committees and the finalisation of proposals for the call-in procedure; and
- the Panel hopes to bring papers on these issues to next SLB meeting.

**7 AGENDA ITEM 6 - POLICY DEVELOPMENT PANEL B  
Dashboard Overview Report (SLB 68/2009)**

- 7.1 Cllr Quigley presented the dashboard report. She highlighted the completion of work to prioritise the projects identified in the IS Strategy.

**8 AGENDA ITEM 7 - POLICY DEVELOPMENT PANEL B  
The Development of a Customer Focused Approach to Service Delivery (SLB 69/2009)**

- 8.1 Cllr Quigley presented the paper on policy proposals on the development of a customer focused approach to service delivery within the new councils.
- 8.2 It was explained these proposals are designed to provide a support framework for Transition Committees and Transition Management Teams moving forward over the coming months. It was also confirmed that a resource pack would be made available to Transition

Committees and updated based on experiences and lessons learnt.

8.3 The paper was approved by SLB and it was agreed that it be remitted to the Regional Transition Co-ordinating Group (RTCG) for implementation. **Joint Secretariat to co-ordinate**

8.4 It was also noted that the Panel had agreed to undertake work to develop a Procurement Strategy for the sector, but that resources were required for some consultancy work which had not yet been formally agreed. The Department agreed to give further consideration to funding the consultancy. **DoE to action**

## 9 **AGENDA ITEM 8– POLICY DEVELOPMENT PANEL C**

### 9.1 **Dashboard Overview Report (SLB 70/2009)**

9.1.1 Ald Hatch presented the dashboard report. He indicated that Panel C would be considering proposals on funding arrangements for the transfer of functions and finalising any other outstanding issues early in the New Year.

## 10 **AGENDA ITEM 9- VERBAL UPDATE ON RTCG AND TRANSITION COMMITTEES**

10.1 Wesley Shannon provided a verbal update of progress made at the RTCG meeting on 2 December.

10.2 He highlighted a number of points agreed by RTCG including draft guidance prepared by the Finance and Estates Implementation Group, which will be helpful in setting out councils responsibilities in the run up to the reorganisation of local government. This related to a concern that councils might use an inappropriate level of reserves to offset district rates in 2010 / 2011 which, in turn, could leave a council's finances in difficulties moving into the new structure. It was noted that this guidance would be developed into a local government circular and issued by the Department. **DoE to action**

10.3 He also advised that RTCG would, as recommend by SLB, take the lead in implementing arrangements for the preferred option for the Striking the District Rate for 2011 / 2012.

10.4 Wesley Shannon referred to RTCG consideration of a Transfer of Functions Working Group recommendation that DRD's contracts with

external companies, for the management of car parking enforcement, be extended. He outlined that the key date for expiry of these contracts is October 2010. It can take at least a year to complete the complex process of procuring new contracts which would be further complicated by the transfer of the function to local government in May 2011. To facilitate the smooth transfer of the car parking enforcement it was proposed to extend the current contracts to October 2012.

10.5 Ald Hatch explained that Panel C met recently to discuss the recommendation to extend the contracts in more detail.

10.6 He outlined the two key issues which the Panel had considered. Firstly, if local government takes responsibility for the extended contracts in 2011 what would be the cost to each new council of administering that contract? Secondly, how to handle cross subsidisation post 2011. Currently income received from parking in some areas cross-subsidises parking across other council areas. Although this is not currently an issue, as the parking function is delivered centrally by DRD, post 2011 cross subsidy may not be possible as money from ratepayers in one area cannot be transferred to another area.

10.7 Ald Hatch confirmed that the Panel agreed that the contracts should be extended to 2012. He emphasised that to avoid the issue of costs to councils and cross subsidisation, when the contract transfers it must be delivered centrally until October 2012. This would give local government time (approx 18 months) to consider other service delivery options once these contracts expire. He reiterated that the function must be fully funded at transfer so there will be no extra cost put on local government.

10.8 Against this background, SLB members endorsed the recommendation to extend the DRD contracts. The Transferring Functions Working Group is to be informed accordingly.

**Joint Secretariat  
to action**

11. **AGENDA ITEM 10 – PAPER ON REGIONAL TRANSITION  
COMMITTEE MEMBERSHIP (SLB 71/2009)**

11.1 Heather Moorhead introduced the paper on proposals for ensuring balanced political representation on the Regional Transition

Committee. She explained that the proposals are based on d'Hondt and parallel the existing NILGA arrangements.

- 11.2 SLB members agreed the proposals. The Minister added that he was minded to ask political parties to nominate twice as many candidates as are required to enable top up selection to be made.

12 **AGENDA ITEM 11 – LOCAL GOVERNMENT REFORM IMPLEMENTATION FRAMEWORK AND PROGRAMME UPDATE (SLB 72/2009)**

- 12.1 John Price presented the update paper which had been submitted for the information of SLB. He explained that following feedback from councils, PA Consulting had been meeting the Transition Committees to explain the reporting process and the templates. Training on the completion of the progress reports was being provided to Transition Management Teams and Change Managers in the 11 council clusters.

- 12.2 The training will be completed in time for the next SLB meeting and the new reporting templates and programme plan, which had been approved by members at the last SLB meeting on 16 October, would be presented in replacement of the Framework at the next SLB meeting.

- 12.3 It was agreed that the Joint Secretariat should also receive training on the new reporting process. **DoE to co-ordinate**

13. **AGENDA ITEM 12 - LEGISLATION PROGRAMME UPDATE (SLB 73/2009)**

- 13.1 The Legislation Programme Update paper was presented for the information of members. It provided an update on the legislative programme and highlighted the position on the 3 Bills being taken forward by the DoE and the transfer of function legislation of the Departments transferring functions to local government.

14 **ANY OTHER BUSINESS**

- 14.1 The Minister referred to a letter he had received from Cllr Mathews, dated 7th December, which urged that the Executive urgently agree a way forward on the reform of local government. The Minister indicated

that he remained firmly committed to local government reform and would continue to work closely with Executive colleagues to progress a number of critical outstanding issues.

14.2 Cllr Mathews reiterated that concern amongst both members and officers and that any further delays will seriously compromise the ability to deliver an effective Reform Programme and the sector needed clarity immediately.

14.3 John McGrillen supported this view and highlighted the uncertainty for staff was leading to a lack of confidence in the programme and impacting upon existing transition activities.

#### 14.4 **Local Government Reform Executive Sub Committee**

14.4.1 Minister Poots reported that the second meeting of the Local Government Reform Executive Sub Committee took place on 23 November.

14.4.2 He advised that Ministers had confirmed their support that NI Civil Service staff transferring to local government should do so on temporary transfer arrangements similar to those employed for staff transferring to the new health and social care bodies. Final decisions on these transfers will rest with Ministers. It was noted the Joint Forum's role will be to discuss how these can best be implemented.

14.4.3 It was also confirmed that the Sub Committee agreed that NI Civil Service staff transferring to local government, either on a temporary or permanent basis, would retain their membership of the Principal Civil Service Pension Scheme Northern Ireland.

#### 15 **DATE OF NEXT MEETING**

15.1 A date for the next meeting in February was not confirmed as the proposed date is unsuitable for NILGA members.

**(The next meeting has subsequently been arranged for Thursday 25 February at 10am in Belfast Learning and Development Centre).**