Northern Ireland Assembly

THE REVIEW OF PUBLIC ADMINISTRATION

1. To inform the Committee's consideration of the Review of Public Administration (RPA) this briefing paper provides background information on the development of RPA including a summary of the current RPA governance arrangements; an overview of the transfer of functions from DSD to local councils; and a brief account of local government reform and public service rationalisation in other jurisdictions.

SECTION ONE: BACKGROUND TO THE REVIEW OF PUBLIC ADMINISTRATION

THE REVIEW OF PUBLIC ADMINISTRATION 2002-2006

2. The Review of Public Administration (RPA) was formally launched by the Northern Ireland Executive in June 2002 after the Northern Ireland Assembly resolved to endorse the RPA Terms of Reference[1]. In short, the remit of RPA was to:

   ".... review the existing arrangements for the accountability, administration and delivery of public services in Northern Ireland, and to bring forward options for reform which are consistent with the arrangements and principles of the Belfast Agreement, within an appropriate framework of political and financial accountability".

3. On the 14 October 2002, the then Secretary of State, Dr John Reid MP, announced the suspension of the Northern Ireland Assembly. On the 6 November 2002, the new Secretary of State, Paul Murphy MP, announced that the work of the Review of Public Administration would continue in order to *"ensure that the necessary preparatory work is carried out, so that when devolution is restored, the Executive will be able to progress the Review"*[2].

4. The final outcome of RPA, under the direct rule Ministers, was announced by the Secretary of State, Peter Hain MP, in two parts: in November 2005 he announced final decisions on the future of local government, education, and health and social service structures; and in March 2006 he announced decisions on the remaining public bodies. Key decisions included a rationalisation of local councils from 26 to 7, a new Education and Skills Authority to replace the five education and library

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[1] See Northern Ireland Assembly Official Report. 24 June 2002. www.niassembly.gov.uk/record/reports/020624.htm

[2] Northern Ireland Office News Release. 'Secretary of State Says Review of Public Administration will continue'. 6 November 2002. www.rpani.gov.uk/sos_says_rpa_will_continue_-_6_november_2002.pdf

boards, and the creation of a new single Health and Social Services Authority to replace the four existing Health and Social Services Boards[3].

RESTORATION OF DEVOLVED GOVERNMENT AND THE REVIEW OF THE FURTHER SHAPE OF LOCAL GOVERNMENT

5. Devolved powers were restored to the Northern Ireland Assembly on 8 May 2007. On the 6 July 2007, the then Minister of the Environment, Arlene Foster MLA, announced a review of the future shape of local government in Northern Ireland which would include a review of the decisions made by Direct Rule Ministers on RPA[4].

6. The review was overseen by a sub-committee of the Executive and reported to the Executive as a whole. It was chaired by the Minister of the Environment and included the Ministers for Social Development, Regional Development, Finance and Personnel and Health, Social Services and Public Safety. The review was taken forward in three strands:

    ▪   **Strand One:** the development of a shared vision for local government;

    ▪   **Strand Two:** consideration of the appropriate number of local councils; and

    ▪   **Strand Three:** consideration of the functions to transfer to local government.

7. On the 19 October 2007, the Minister for the Environment published an 'Emerging Findings'[5] report which outlined the sub-Committee's interim position on the key decisions of the review and invited the views of stakeholders before making final recommendations to the Executive for consideration and decision.

8. In a Ministerial Statement[6] to the Northern Ireland Assembly on 31 March 2008, the Minister for the Environment announced the Executive's final decisions on the future shape of local government. This included a rationalisation of the current 26 local council areas to 11 new council areas (see map overleaf) and the transfer of the following functions from central to local government:

    ▪   Local development plan functions, development control and enforcement;
    ▪   Local public realm aspects of roads functions including streetscaping; town and city centre environmental improvements; street lighting; off-street parking;
    ▪   Urban regeneration and community development delivery functions including those associated with physical development, area based regeneration (e.g. neighbourhood renewal) along with some community

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[3] Review of Public Administration (2006) Better Government for Northern Ireland: Final Decisions of the Review of Public Administration.

[4] Department of the Environment News Release. 'Arlene Foster Announces Review of Local Government'. 6 July 2007. www.northernireland.gov.uk/news/news-doe/news-doe-july-2007/news-doe-060707-arlenr-foster-announces.htm

[5] 'Emerging Findings' Report, October 2007, www.doeni.gov.uk/emerging_findings_paper_for_executive_meeting_on_18_october_2007_-_final_version.pdf

[6] Northern Ireland Assembly Official Report. 31 March 2008. Ministerial Statement on the Review of Public Administration. www.niassembly.gov.uk/record/reports2007/080331.htm#2

> development programmes and support for the community and voluntary sector;
- A range of housing functions; and
- A number of functions associated with driving forward local economic development, local tourism and local arts, sports and leisure[7].

Map of the new council areas[8]

SECTION TWO: SUMMARY OF RPA GOVERNANCE ARRANGEMENTS

STRATEGIC LEADERSHIP BOARD[9]

9. The main driver of the RPA implementation process is the **Strategic Leadership Board**. The Board is chaired by the Minister of the Environment and vice-chaired by the President of the Northern Ireland Local Government Association (NILGA). The membership of the Board is comprised of 10 elected representatives, two from each of the five main political parties one of whom is nominated by their party and the other nominated by NILGA.

10. The Board is support by an advisory group of senior Northern Ireland Civil Service (NICS) officials drawn from the three Departments transferring functions (i.e. DSD, DRD, DHSSPS). Three local government chief executives also attend as advisers (i.e. Belfast City Council, Ards Borough Council and Down District Council).

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[7] Department of the Environment News Release. 'Foster Announces Functions for New Councils'. 31 March 2008. www.northernireland.gov.uk/news/news-doe/news-doe-march-2008/news-doe-310308-foster-announces-functions.htm

[8] This map has been extracted from the Department of the Environment website, www.doeni.gov.uk/index/local_government/minister_foster_announces_decisions_on_local_government_reform.htm

[9] Information extracted from the Department of the Environment website - www.doeni.gov.uk/index/local_government/local_government_reform/slb.htm

<u>POLICY DEVELOPMENT PANELS AND TRANSITIONAL COMMITTEES</u>[10]

11. The Board is supported in the development and implementation of the reforms by three **Policy Development Panels** (PDPs):

- **PDP A (Governance and Relationships):** governance arrangements for the new councils, community planning framework, and development of mechanisms for effective relations between central and local government.

- **PDP B (Service Delivery):** e-government, shared services, IS strategy, customer service strategy, procurement.

- **PDP C (Structural Reform Issues):** transfer of functions and service delivery, human resources, finance and estates and capacity building.

12. For continuity purposes each PDP is chaired by one of the political representatives of the Strategic Leadership Board. Membership of each PDPs is also comprised of nine political representatives drawn from the five main parties. The proposals of PDPs are subject to the approval of the Strategic Leadership Board and recommendations are to be taken forward by **11 Transition Committees** (one for each of the proposed new Council Authorities).

13. Transition Committees will comprise of elected members from existing councils and will be supported by a **Transition Management Team** comprising of Chief Executives from the amalgamating councils and senior Department officials from those Departments transferring functions. The Transitional Management Teams will be responsible for the ongoing operational management of the transition at local level. The teams take guidance from the **Regional Transition Co-ordinating Group** to ensure that there is an effective Council in place on the operative date of the changeover[11]. The Regional Transitional Co-ordinating Group provides a link between the strategic political level and the local policy and operational structures.

14. In response to an Assembly Question in February 2009, the Minister of the Environment has indicated that the majority of existing councils have now agreed their representation on the voluntary Transition Committees and that a number of the committees have now met. Legislation is to be brought before the Assembly later this year to provide a statutory basis for the Transition Committees[12].

15. Figure 1 provides an illustration of the linkages and flows of information between the various RPA implementation structures.
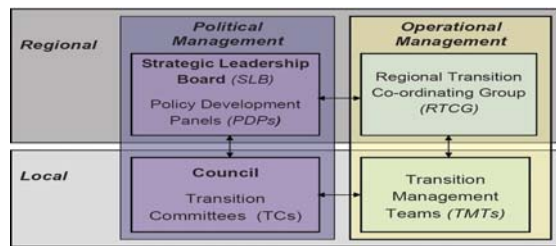
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[10] Information extracted from
www.doeni.gov.uk/index/local_government/local_government_taskforce/pdps.htm
[11] Department of the Environment. Guidance on the establishment of Transition Management Teams.
www.doeni.gov.uk/index/local_government/local_government_taskforce/slb/transition_committees.htm
[12] Northern Ireland Assembly Question for Oral Answer (AQO 2076/09), tabled 3 February 2009.

Figure 1: RPA Implementation Structures[13]

**SECTION THREE: TRANSFER OF FUNCTIONS FROM THE DEPARTMENT FOR SOCIAL
DEVELOPMENT**

16. The main RPA issues affecting the Department for Social Development (DSD)
    are:
    - the transfer of some housing functions; and
    - the transfer of urban regeneration functions and the delivery of support for
      the voluntary and community sector at local level.

TRANSFER OF HOUSING FUNCTIONS

17. The Northern Ireland Housing Executive is to remain the strategic housing
    authority for Northern Ireland and a number of functions that were originally to
    transfer to local councils such as urban renewal areas, private sector grants,
    group repairs and the Supporting People programme are to be retained by the
    Executive.

18. The Northern Ireland Housing Council[14] was also originally earmarked for
    abolition under the original RPA proposals but will now be retained. The Council
    is made up of one representative from each of the existing 26 district councils in
    Northern Ireland.   Four members of the Council sit on the Board of the Northern
    Ireland Housing Executive. The retention of the Council is aimed at ensuring that
    local councils have a continuing involvement in strategic housing issues.

19. Housing functions that will transfer to local councils include:

    - Registration of Houses in Multiple Occupation (HMOs);
    - Housing unfitness responsibilities, including repair and demolition notices;
    - Energy Conservation at a local level (the Northern Ireland Housing
      Executive will retain its statutory role as the home energy conservation
      authority);
    - Responsibility for Traveller transit sites.

TRANSFER OF URBAN REGENERATION FUNCTIONS

20. The urban regeneration and community development functions to transfer are:

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[13] This diagram has been extracted from the Department of the Environment website -
www.doeni.gov.uk/index/local_government/local_government_taskforce/slb/transition_committees.ht
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[14] See Northern Ireland Housing Executive website for further details on the Northern Ireland Housing
Council - www.nihe.gov.uk/index/about-us-home/housing_council.htm

- Those associated with physical development (e.g. environment improvement schemes[15], comprehensive development[16] and urban development grants[17]);
- Area based regeneration (e.g. neighbourhood renewal);
- Some community development programmes and support for the voluntary and community sector at a local level.

21. The Minister for Social Development has indicated that her Department has been in discussions with a number of councils (Belfast City Council, Derry City Council and a number of regional councils including Armagh, Newry and Mourne) to consider transferring some Neighbourhood Renewal functions in advance of 2011[18].

SECTION FOUR: LOCAL GOVERNMENT REFORM AND PUBLIC SERVICES RATIONALISATION IN OTHER JURISDICTIONS

LOCAL GOVERNMENT REFORM AND MODERNISATION

22. Local government reform and modernisation has been at the forefront of Government policy in recent years with an emphasis being placed on devolving powers and responsibilities from central to local government. In Northern Ireland, the vehicle aimed at achieving this objective is the Review of Public Administration. However, other jurisdictions local government is also undergoing a period of continuous review.

23. In England, for example, the recently published 'Place Shaping: A Shared Ambition for the Future of Local Government' (2007)[19] is the cumulation of an extensive inquiry by Sir Michael Lyons into local government. In July 2004, Sir Michael was asked by the then Chancellor and Deputy Prime Minister to investigate and make recommendations on local government funding, in September 2005 this remit was widened to include an examination of the role and function of local government. In publishing the final report Sir Michael stressed that there is a need for a new partnership between central and local government,

> *"…In my final report, I call for a new partnership between central and local government. This needs to be based on changes in behaviours from all tiers of government to achieve a stronger relationship – creating a shared ambition for the future. Central government needs to leave more room for local discretion and recognise the value of local choice; while local government needs to strengthen its own confidence and capability, engage more effectively with local people, make best use of existing powers, and stop asking for central direction."[20]*

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[15] For further information on environmental improvement schemes see www.dsdni.gov.uk/index/urcdg-urban_regeneration/programmes_measures/reinvigoration_town_centres/environmental_improvement_schemes.htm

[16] For further information on comprehensive development schemes see www.dsdni.gov.uk/comprehensive_development_schemes.htm

[17] For further information on urban development grants see www.dsdni.gov.uk/udg.htm

[18] Northern Ireland Assembly Question for Written Answer (AQW 709/09), tabled 23 September 2008.

[19] Lyons, Sir Michael (2007) Place Shaping; a shared ambition for the future of local government. www.lyonsinquiry.org.uk/index8a20.html

[20] Quotation extracted from the Lyons Inquiry Website - www.lyonsinquiry.org.uk/index8a20.html

24. Over the last decade, local authorities in England, Scotland and Wales have been given increasing devolved responsibility for the improvement and planning of services in their local areas. Section 2 of the Local Government Act 2000, for example, gives principal local authorities in England and Wales a 'power of wellbeing' to take measures that they consider necessary to promote the economic, social and environmental wellbeing of their areas.

25. Research indicates that to date the use of the power of wellbeing has yet to reach its full potential[21]. However, the Government has recently made contact with local authorities urging them to consider using this power to support their communities through the economic downturn[22]. This power can be used, for example, to tackle worklessness by creating an employment agency or by creating a local Development Agency to boost tourism. Local councils in Scotland have a similar '**power to advance well-being**' under the Local Government in Scotland Act 2003. Under RPA, the 11 new local councils in Northern Ireland will also be given a similar of 'power of wellbeing' to provide them with the flexibility to address local needs.

26. The establishment of the community planning model in Scotland and the local area planning model in England is further confirmation of a shift from central to local government and the perceived recognition of the value of local choice. Under RPA, local government in Northern Ireland is in the process of adopting a community planning structure broadly based on that of the Scottish community planning model. Under this model, the newly formed local councils in Northern Ireland are to play a much greater co-ordinating role in preparing and implementing local strategic community plans and in facilitating service delivery through partnership arrangements with key public, private, community and voluntary bodies.

27. The transfer of functions from central to local government under RPA will form an important part of the community planning process. Section two of this paper outlines those functions which will transfer from the Department for Social Development to local councils under RPA (e.g. some housing functions, area based regeneration functions such as neighbourhood renewal, some community development programmes and support for the voluntary and community sector at a local level).   The responsibility for these functions, in addition to an extensive range of others functions falling within the remit of Department for Social Development, have been devolved to local authorities in England, Wales and Scotland for some time.

28. In housing, for example, local authorities in England have taken a role in the provision of new housing and the clearance of slum areas from the late 19th century. After the First World War local authorities became involved in large scale construction and management of council housing[23]. Local authorities also have an extensive role in the administration of a number of housing related benefits (e.g. housing benefit, disabled facilities grant). The table below provides further examples of social development related functions exercised by local councils in Scotland, England and Wales.

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[21] Communities and Local Government (2008) Evaluation of the take-up and use of the Well-Being Power. Research Summary. www.communities.gov.uk/documents/localgovernment/pdf/1061446.pdf

[22] Department of Communities and Local Government Press Release. 'Healy – wellbeing power is forgotten tool in tough economic times'. 17 November 2008. www.communities.gov.uk/news/corporate/1061369

[23] Lyons, Sir Michael (2007) op. cit.

Table 1: Examples of social development related functions exercised by local authorities in Scotland, England and Wales.

Housing	Urban Regeneration - usually lead by the Local Strategic Partnership (England) or Community Planning Partnership (Scotland)
- The Council's Housing Strategy (including general housing policy); - Council housing allocations, transfers, evictions and anti-social behaviour; - Administration of Housing Benefit; - Mortgage arrears and debt advice services; - Private housing repair grants, Disabled Facilities Grant and housing adaptations; - Right to Buy Schemes; - Homelessness; - Supporting People Programme; - Houses in Multiple Occupation including mandatory licensing; - Rent deposit schemes; - Home energy conservation; - Affordable housing solutions;	- Environmental Improvement Schemes; - Neighbourhood Renewal and regeneration of deprived neighbourhoods; and - Town centre regeneration.
Community and Voluntary Sector at Local Level	**Other**
- Community and voluntary organisation grants; - Advice strategy and services (includes involvement of community and voluntary sector); - Local Compact between council and the voluntary, community and faith sectors.	Local fuel poverty initiatives.

PUBLIC SERVICE RATIONALISATION IN SCOTLAND

29. A radical process of public service reform and modernisation is progressing in Scotland. On 30 January 2008, First Minister Alex Salmond made a statement in the Scottish Parliament reiterating the Scottish Government's intention to reduce the 199 devolved public service organisations in Scotland by at least 25%.

30. A number of changes have already been made including the abolition of 'Communities Scotland' on 1 April 2008. 'Communities Scotland' was an executive agency of the Scottish Executive established in 2001 with responsibility for affordable housing, community regeneration and housing regulation and inspection. The Agency's non-regulatory housing and regeneration functions have been transferred to central government. Its regulatory functions (e.g. regulation of social landlords) have been transferred to the Scottish Housing Regulator which came into operation on 1 April 2008.

31. Other measures include a reduction in the number of advisory bodies and merging other agencies into single organisations (e.g. rural and environment

agencies will merge into one single rural service, there are also plans to establish one integrated national sports organisation). The First Minister has given a commitment to deliver the package of reforms by 2011. In regards to the impact of the reforms on staff, the First Minister has stated that the Scottish Government will honour its commitment to no compulsory redundancies.

32. There has also been a rationalisation of Government departments in Scotland in recent years from nine to six. Until 2007, the Scottish Executive consisted of nine departments (i.e. Development; Education; Environment and Rural Affairs; Health; Justice; Enterprise, Transport and Lifelong Learning; Office of the Permanent Secretary; Finance and Central Services; and Legal and Parliamentary Services).   The current administration formed in May 2007 consists of six departments reflecting a commitment by the Scottish National Party to reduce the Scottish administration. The Government is comprised of six Cabinet Secretaries (including the First Minister) and 10 Ministers:

- **Office of the First Minister** (First Minister; Minister for Culture, External Affairs and the Constitution; Minister for Parliamentary Business).

- **Health and Wellbeing** (Deputy First Minister; Minister for Public Health and Sport; Minister for Housing and Communities).

- **Finance and Sustainable Growth** (Cabinet Secretary; Minister for Enterprise, Energy and Tourism; Minister for Transport, Infrastructure and Climate Change).

- **Education and Lifelong Learning** (Cabinet Secretary; Minister for Schools and Skills; Minister for Children and Early Years).

- **Justice** (Cabinet Secretary; Minister for Community Safety).

- **Rural Affairs and the Environment** (Cabinet Secretary; Minister for Environment)[24].

March 2009

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[24] For further details see www.scotland.gov.uk/About/14944/Scottish-Cabinet