

Written Ministerial Statement

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Social Development

REGENERATION AND HOUSING BILL

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Mr Storey (The Minister for Social Development): The Executive agreed on 11 April 2013 that the Reform of Local Government should be implemented with effect from 1 April 2015 with the creation of 11 new councils and the transfer of a coherent package of functions and powers from central government to local government on that date. The aim of this fundamental reform programme is to transform local government, putting decision making on local matters in the hands of locally elected representatives. It is not just about doing things differently; it is about doing things better. By transferring key functions such as planning, urban regeneration, local economic development and local tourism from central to local government, councils will be provided with the means with which to shape their areas and communities.

In order to enable the new councils to discharge these new important responsibilities, I must first put in place the necessary legislative framework. The overall reorganisation of local government is covered in the Local Government Act (Northern Ireland) 2014 and other transferring Departments will be putting their own legislation in place.

My predecessor and I have made a number of unsuccessful attempts to secure Executive agreement to the introduction in the Assembly of the draft Regeneration and Housing Bill. However, since taking up office, I have had some useful discussions with a number of Ministerial colleagues and I have taken their concerns on board. Concerns were raised regarding the proposed transfer of the Housing functions from the NIHE and, having discussed these concerns with Executive colleagues, I decided to remove the relevant provisions from the Bill. I recently brought a paper on a proposed new regulatory regime for HMOs to the Executive which was agreed, and in the Housing Strategy 2012-17, there is a commitment to review the statutory fitness standard across all tenures over the lifetime of the Housing Strategy Action Plan. I have therefore concluded that it is more appropriate to consider this work separately from the Bill.

In addition, I recently brought a paper on a proposed new regulatory regime for HMOs to the Executive which was agreed, and in the Housing Strategy 2012-17, there is a commitment to review the statutory fitness standard across all tenures over the lifetime of the Housing Strategy Action Plan. I have therefore concluded that it is more appropriate to allow this work to complete before any decisions are taken on the future of these functions.

As well as removing the transfer of specific housing functions from the Bill, an additional provision has been inserted requiring Departmental approval for any use of the new regeneration powers in respect of housing. I have also provided more detailed explanations in the Explanatory and Financial Memorandum about the Bill's policy context, its relationship to the Local Government Act (Northern Ireland) 2014 and the safeguards in place regarding compulsory purchase powers and other constraints that it would place on councils.

I am pleased to be able to tell you that the Executive has now agreed for the Bill, which has been renamed the Regeneration Bill, to proceed to Introduction. Unfortunately, the timetable for passage of the Bill through the Assembly means that I cannot be certain that the legislation would become law in time for an April 2015 transfer. Without that certainty there are unacceptable risks to the smooth transfer of these important responsibilities to the new councils. I have carefully considered the options available to me. In trying to come to a decision on the way forward, it was important to

consider the impact any further delay and uncertainty would have on the detailed planning by the Department and the receiving councils for the handling of this work from April 2015. At this stage I had planned to be in a position to be able to finalise the planned handover of work to councils and to reach agreement between the Department and the new councils on the arrangements for transfer of budgets, assets, staff etc. In the interests of business continuity it is crucial that there is clarity on the way forward.

After due consideration, and with the full support of the Executive, it has been decided that the best course of action is to defer the transfer of responsibilities from my Department to councils for one year until April 2016. This decision means that my Department will continue to have responsibility for the delivery of these key services to the community, retaining its statutory powers, control of the overall budget and ownership of the associated physical assets and it will continue to deliver the relevant programmes until April 2016.

I can assure you that I am still fully committed to the Reform of Local Government and the transfer of key powers and responsibilities from my Department to the new Councils and I intend to introduce the Regeneration Bill, with the Speaker's consent, to the Assembly as soon as possible.

I am certain that the excellent arrangements and relationships that have been put in place between the councils and the Department will continue as we work together to bring forward this key programme of work.