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Clerk to the Committee
Social Development Committee Office
Room 412
Parliament Buildings
BELFAST
BT4 3XX

22 December 2014

Dear Kevin

REGENERATION BILL – BRIEFING BY OFFICIALS

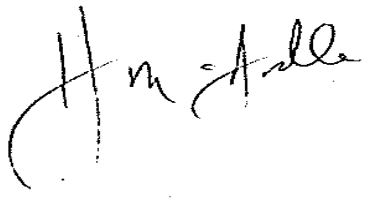
The Social Development Committee has requested briefing on the Regeneration Bill which was introduced to the Assembly on 8th December 2014. Written briefing which sets out the key points along with more detailed policy background is attached. Copies of the Bill and its accompanying Explanatory and Financial Memorandum have already been provided to the Committee.

Officials will be attending the Committee on 8 January 2015 to provide an overview of the policy context for the Bill and to answer any further questions the Committee may have.

The following officials will attend:

Henry McArdle	DSD – Bill Team Leader
Ian Snowden	DSD – Business Continuity Lead
Antony McDaid	DSD – Bill Team

Yours sincerely

A handwritten signature in black ink, appearing to read "H McArdle". The signature is written in a cursive style with a large initial 'H' and a small 'm'.

HENRY McARDLE

THE REGENERATION BILL – KEY POINTS

- Due to the delay in receiving Executive agreement to introduce the Bill it has been decided that the best course of action is to defer the transfer of responsibilities from the Department to councils for one year until April 2016.
- In response to concerns raised by some of his Executive colleagues, the Minister decided to remove from the Bill the transfer of some housing functions to local councils. These related to regulatory functions in respect of housing unfitness and Houses in Multiple Occupation (HMOs). 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. More detailed explanations are also provided 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.
- With the removal of the housing functions from the Bill it has been re-named 'the Regeneration Bill'.
- Powers currently available to DSD will be conferred on councils to assist them, where necessary, in addressing issues related to social need and to take forward regeneration within their areas by means of development powers. In addition, functions associated with Laganside will be transferred to Belfast City Council.
- DSD will continue to exercise policy responsibility for the powers and functions transferring.
- Councils will have a statutory duty placed on them to have due regard to guidance issued by the Department, the Urban Regeneration and the Community Development Framework, and its associated strategic outcomes.

- Legislative provision to effect the transfer of assets and liabilities connected with the new powers conferred on councils from DSD are contained within the Local Government Act (Northern Ireland) 2014.
- Officials from DFP, DOE and DSD will work to identify the most appropriate mechanism to transfer the relevant budgets from April 2016 that is consistent with the principles already in place for the other transfers and which ensures independence from the Executive in terms of detailed accountability and control and which is linked to changes in the level of District Rate.

REGENERATION BILL – POLICY DETAIL

1. The key elements of the changes to be implemented from April 2016 through the Regeneration Bill, as part of the Reform of Local Government (RLG) may be summarised as follows:
 - The Bill will give the Department for Social Development a power to publish strategic guidance and will place a statutory duty on councils to have regard for any such guidance.
 - DSD will also publish guidance on related issues such as the evidence base and best practice interventions in respect of regeneration and community development, but the councils will be free to decide how best to deploy these in the context of Departmental guidance.
 - The Bill will confer on councils the powers that give the authority to carry out functions similar to those conferred on DSD by Part VII of the Planning (Northern Ireland) Order 1991 (“the Planning Order”) and the Social Need (Northern Ireland) Order 1986 (“the Social Need Order”). However, DSD will not be divested of those powers.
 - The Bill will transfer to Belfast City Council functions in respect of Laganside.
 - DSD will transfer to the councils the relevant budgets. It is intended that budgets will be transferred to councils via the rating system.
 - The Local Government Act (Northern Ireland) 2014 confers powers on DSD to supervise councils in the exercise of their functions and to transfer the assets and liabilities associated with all of the councils’ new duties.
 - DSD will retain responsibility for the overarching policy for regeneration and community development.

2. In order to give effect to these new relationships, the Department will undergo a restructuring of its Urban Regeneration and Community Development Group to reflect both its more strategic role and its relationship with the councils.
3. DSD will bring forward a Regeneration Bill to give effect to these arrangements.

Regeneration Bill

4. The Regeneration Bill will have the following key elements:
 - Regeneration powers in respect of social need;
 - Development Powers and other powers for planning purposes;
 - Transfer of functions in respect of Laganside.
 - Miscellaneous powers, for example to undertake surveys or undertake research in support of regeneration interventions.

The following outlines these elements of the proposed Bill.

Regeneration Powers in Relation to Social Need

5. The powers contained in the Social Need (Northern Ireland) Order 1986 allow the Department to pursue 'area-based' regeneration, provide financial assistance and undertake works for the improvement of the environment. The Social Need Order powers underpin a wide range of activities undertaken by the Department, allowing it to support diverse regeneration and community development projects and provide support for the voluntary and community sector.
6. The Department currently operates a number of different programmes, for example, Neighbourhood Renewal, Areas at Risk, Urban Development Grant, each with specific objectives but all of which are designed to address social need. The Department has benefited from the flexibility of the Social Need Order to allow it to tackle the multi-faceted nature of deprivation. The bulk of the Department's activities in this area involve the provision of financial assistance to third parties

(including local councils, government agencies, private developers and community groups). The Department also relies on the Social Need Order to enable it to carry out environmental improvement works ranging from tree planting to major public realm initiatives such as 'Belfast: Streets Ahead' or the recently completed Public Realm Scheme in Armagh.

7. Under the provisions of this Bill, the councils will be responsible for area-based regeneration and will be given the budgets associated with this area of work. The Department will therefore make the Social Need Order powers available to the councils to allow them to discharge this role and councils will, if they wish, be able to use these powers to work in both urban and rural areas.
8. A council will be able to provide financial assistance to third parties which it considers will benefit (directly or indirectly) areas of social need in its district. While a list of examples of the types of activities which a council may fund will be contained on the face of the Bill, this list will not be prescriptive; councils will have wide discretion about what they decide to fund. Financial assistance may take the form of grants, loans, guarantees or the taking of any interest in property or in a body corporate. A council will be able to attach such conditions as it thinks fit to the provision of financial assistance and failure to comply with certain conditions may be an offence. For the purposes of determining whether a condition has been complied with or whether financial assistance has become repayable a council may by notice require a person to give information or produce books, records or other documents. Failure to comply with such a notice or providing false information in response to such a notice, without reasonable excuse, will be an offence.
9. The Bill will allow a council to carry out works for the improvement of the environment, such as public realm schemes, which it considers will benefit an area of social need in its district. Certain works will require the consent of the Department for Regional Development.
10. The Bill will amend Article 3 of the Social Need (Northern Ireland) Order 1986 by removing reference to districts in defining the focus of the Department's financial assistance. This more clearly reflects the role the Department will have in

supporting strategic activity, for example in respect of community and voluntary sector organisations providing services across Northern Ireland.

Development powers and other powers for planning purposes

11. Part VII of the Planning (Northern Ireland) Order 1991 provides the legislative basis for the Department's physical regeneration work, for example: making development schemes; acquisition, disposal and development of land for planning purposes; and the extinguishment of public rights of way. These statutory powers are exercised in the public interest by the Department to unlock development opportunities by for example releasing underused or derelict land and buildings. The Department is empowered to acquire land and arrange for its disposal and development, after public consultation, in a comprehensive manner in accordance with an adopted plan for the area. Under RLG, most operational delivery for physical regeneration will be undertaken by local councils.
12. The Bill will provide councils with corresponding powers to those available to the Department under the Planning Order to pursue physical regeneration and will provide for a revised operational role in development schemes for the Department which is limited to schemes considered to be of significance to the whole or a substantial part of Northern Ireland.
13. The Bill will give councils powers to prepare and adopt statutory 'development schemes' which, once adopted, form part of the local development plan. Development schemes have been used on occasion by the Department to pursue large-scale regeneration projects such as Victoria Square in Belfast.
14. The Bill will allow a council to prepare a development scheme for an area in its district which it considers should be developed, redeveloped or improved as a whole. Development schemes must be defined by a map and set out in general terms the intentions for land use and layout.
15. The Department will be able to direct a council to prepare a development scheme where it considers that the regeneration of an area is required and likely to be of

significance to the whole or a substantial part of Northern Ireland and the council is best placed to take this forward.

16. The Bill will specify the procedure for consulting on development schemes and considering objections. Councils will be required to consult with the Department for Social Development in the preparation of development schemes and will also have to publicly advertise its draft schemes. Any relevant objections to a draft scheme which cannot be resolved must be considered by the planning appeals commission at public local inquiry. A development scheme cannot be formally adopted by a council without the approval of the Department.
17. A council will be able to acquire land, by agreement or compulsorily, for certain planning purposes. The procedure for acquisition of land by vesting order is set out in Schedule 6 of the Local Government Act (Northern Ireland) 1972. Councils must apply to the Department to make a vesting order if they wish to compulsorily acquire land. Proceedings for the acquisition of land in connection with a development scheme and proceedings in connection with the adoption of a development scheme can be taken concurrently up to a point but a vesting order cannot be made until the development scheme has been adopted. A council will be able to acquire land "in the interests of the proper planning of an area" if they are satisfied that the purpose for which they want to acquire the land is in keeping with an extant local development plan.
18. A council will be able to dispose of land which it holds for planning purposes in order to secure the best use of land or buildings or to secure the erection or construction of buildings or carrying on of works which the council considers are needed for the proper planning of the area in which the land is situated.
19. A council will be able to develop land which it holds for planning purposes by erecting or constructing buildings or carrying out works or entering into agreements with any person for the development of land. A council will also be able to maintain, repair and generally manage buildings or works.

20. The Department will have the power to make regulations which would: require councils to provide the Department with specific information about their plans to develop land in particular circumstances; and enable the Department to delay the council from using its development powers in those circumstances for a specified period of time. If they are required, the detail of these regulations will be developed and consulted upon. The purpose of the regulations would be to ensure that the Department is kept informed of any proposed development which is likely to be of significance to the whole or a substantial part of Northern Ireland. It is intended that these regulations would be used to inform the Department's decision about whether to direct a council to prepare a development scheme.
21. A council will be able to enter into agreements for the development or disposal of land which it intends to acquire compulsorily, at any time after it has published notice of the application for a vesting order.
22. A council will be able to extinguish by order public right of way over land which it holds for planning purposes if it considers that this is necessary for the proper development of the land. A council will have to publicise its intentions and serve notice on any affected statutory undertakers and electronic communications operators, for example, NIE or Northern Ireland Water. Councils may cause a public local inquiry to be held by the planning appeals commission to hear objections to the proposed order.
23. The Bill will also contain a number of safeguards for operators of electronic communications networks in the event of an extinguishment order being made.
24. A council will be able to issue a notice requiring the occupier of any premises or a person receiving rent for any premises to provide certain information to enable the council to make an order or issue or serve notice. Failure to comply with such a notice or providing false information in response to such a notice, without reasonable excuse, will be an offence.
25. The Bill will amend Article 85 of the Planning Order by restricting the ability of the Department to make development schemes. In order for the Department to make a

development scheme it must be satisfied that the development, redevelopment or improvement of an area will be of significance to the whole or a substantial part of Northern Ireland and that the relevant district council is not best placed to carry this out.

Laganside

26. The Laganside Development (Northern Ireland) Order 1989 (“the Laganside Order”) established the Laganside Corporation with the object of securing the regeneration of a designated area of Belfast’s waterfront. The Laganside Corporation was afforded regeneration powers under the Laganside Order which it could exercise within this designated area, including a number of powers which it could exercise in relation to a defined section of the River Lagan.
27. The Corporation was dissolved in 2007, having substantially fulfilled its statutory regeneration remit, and the Department assumed interim responsibility for management of Laganside’s legacy of assets, liabilities and development agreements and the regeneration of a small number of remaining sites which the Corporation had acquired. Under RLG, Belfast City Council will take over these responsibilities from the Department and the original Laganside Order will be repealed.
28. The Bill will provide for the repeal of the Laganside Order and set out the powers which Belfast City Council will be able to exercise in relation to part of the River Lagan. These powers will enable the council to safeguard the legacy of the work done by the Laganside Corporation and include: the power to execute works to facilitate access to the river or promote recreational use; power to construct bridges and weirs (subject to all necessary permissions); power to make byelaws regulating e.g. fishing or the use of the river by vessels.

Miscellaneous powers

29. A council will be able to conduct or fund studies, investigations or research related to the exercise of its functions related to social need in its district; development or redevelopment of its area etc.