Appendix A

nilga northern ireland local government association

the voice of local government

Mr Anthony Tohill
Chief Executive
Mid Ulster District Council

31st July 2018

Dear Members and Officers,

Devolution within Northern Ireland

NILGA consultation for member councils, 31st July – 30th September 2018

"The need for positive change is inescapable and .... the 11 councils (are) critical to it. Without the material, corporate and voluble involvement of the many partners which (NILGA) has garnered in recent years, the opportunity will be lost. That would be a great shame for the communities and the economy of Northern Ireland, as well as the institutions which govern and serve them."

Peter Kenway, Founder and Director, New Policy Institute (NPI), June 2018

NILGA, the Northern Ireland Local Government Association, has commissioned and published the "Devolution within Northern Ireland" Report, attached, as completed by the New Policy Institute.

This evidence-based Report, drawing on direct communication with all strands of government and wider society, together with policy & data benchmarking across all neighbouring jurisdictions, is provided to Council for corporate comment.

It follows on from NILGA's Programme for ***Local*** Government, developed in 2016, widely supported, with the commitment that before 2020, NILGA would, in conjunction with councils, develop an evidence base with costs to build business cases to transfer a suite of powers and functions from central government, as determined by the current Local Government Act (NI).

Much has happened since then, including:

- Development of an outcomes-based Programme for Government, which although not formally published, is being implemented to some degree;
- Assembly impasse, causing serious delays to regional decision-making, legislative passage and financial decisions, and difficulties for effective central-local working;
- Bedding in of the new council powers and functions, evidenced in the publication of a suite of ambitious community plans, council investment and economic strategies, early stage work on local development plans;
- Regeneration activity where possible, in conjunction with government partners, as this power was not devolved;
- Evidence of growing willingness to participate in collaborative activity to deliver services on a shared basis – e.g. some planning activities, car parking, animal welfare, legal services.
- Evidence of growing willingness to participate in central-local regional partnership activity to deliver strategic priorities e.g. waste management;

Bradford Court, Upper Galwally, Castlereagh, BT8 6RB
tel: 028 9079 8972 email: office@nilga.org web: www.nilga.org twitter: @NI_LGA

- Development of a coherent and consistent approach in relation to elected member development, including council Elected Member Development Charter activity, and the NILGA regional elected member development programme;
- Global, European, national and regional changes institutionally affecting the resources and planning of council services, from Brexit to City Deals.

However, what we do - the public service delivery, representative, investment, social cohesion and forward planning roles of all local authorities - continues, in large part successfully, constrained in the main only by resources and the wider impasses above mentioned.

The purpose of this consultation is twofold:

- To inform existing and future legislative and resource actions to *enhance the role of Councils* in Northern Ireland;
- To take actions with partners in government and more widely to strengthen the *sustainability and value of local government in Northern Ireland*.

NILGA considers the corporate views of Mid Ulster District Council to be essential in the delivery of an ambitious yet practical step forward for local government in Northern Ireland. Councils work - their portfolio, performance and sphere of influence - have never been so necessary for and under scrutiny by our residents, businesses, visitors and partners.

We ask that you respond corporately as a council to a consultation which has been designed to enable follow up, individually and collectively, with both existing councils and those that will emerge after 2nd May 2019. At this stage, NILGA would greatly appreciate:

(a) Your comments on the NPI Report overall;
(b) Your comments regarding the ***potential for local government in NI***, as per Report pages 6 & 7;
(c) Your comments regarding ***devolving neighbourhood services to councils in NI***, as per Report pages 13 & 14;
(d) Your comments regarding ***the 6 Recommendations***, as per Conclusion and Practical Next Steps, Report pages 17 & 18
(e) Your response to the Illustrative Timeline, also provided.

As a member led body, NILGA is diligently seeking your council's corporate views, preferably before Friday 28th September 2018. Work and engagement will follow in late 2018 with parties, partners and government. Subsequently, in the first quarter of 2019, we will reconvene with all councils, individually and collectively, in terms of a Regional Policy Framework which will be a vital tool for the new councils beyond May 2019.

This consultation and the response you provide to it will deliver not just the two elements listed above, but will, also, *link opportunity with policy* at a time when we require both as a sector, leading to a *Programme for Local Government* for the electoral period 2019 – 2023.

Thank you in appreciation of your response. If at any time you seek further clarity on the initiative, please do not hesitate to contact the Association directly, using the contact details appended.

Yours sincerely,

Derek McCallan
NILGA Chief Executive

Devolution within Northern Ireland

A report for the Northern Ireland Local Government Association

June 2018

Peter Kenway and Issy Petrie

Contents

Executive Summary

This report examines evidence for an extension of the responsibilities of local government in Northern Ireland (NI) through devolution from Stormont. Its context is a drive towards greater power for cities and regions across the UK, the absence of a functioning Assembly, the proposed Augmentation Review as specified in the NI Local Government Act (2014) and the EU (Withdrawal) Bill. 'Devolution' includes the transfer to councils of direct responsibility for services and the scrutiny by councils of matters which remain the direct responsibility of NI Executive or its agencies.

The main findings are:

- Councils were responsible for under four per cent (£738m) of public spending in NI in 2015/16, compared with 27 per cent in Scotland and Wales. The NI Executive's 88 per cent share of total public spending was more than double that of the Scottish and Welsh Governments.
- Neighbourhood services are the main candidates for devolution of direct responsibility to councils. They cover highways and transport, cultural and related services, environment and regulation and planning and development. At present, councils are responsible for under half of them. If they took them all, they would be responsible for six to seven per cent of total NI public spending.
- A review of the arguments for devolution in England shows that what is key is local deliberation and decision-making about problems, priorities and solutions. Councils contain this local wisdom, but its source lies in the local community, including voluntary, third sector and business groups.
- Councils could also exercise scrutiny over areas of spending, for example aspects of social care and public health, which remain the responsibility of the Executive or its agencies. Scotland's Local Governance Review is a model which could be adopted to examine this approach in NI.
- To play this role, councils must be focused on outcomes and be willing to act as enablers as well as doers. What the councils bring which the agencies cannot is democratic legitimacy and the possibility of public engagement in the reform and delivery of services.

Whilst the lead must rest with NILGA and the councils, devolution within NI also requires initiatives by the Secretary of State, MLAs, the NI Executive and even the NI Affairs Committee (NIAC) in Westminster. As they wrestle with public service reform, NI agencies should consider what full involvement by and through councils could offer. Community, voluntary and business groups need to be engaged in identifying the different, better outcomes they want from public service provision in NI.

Introduction and focus

The purpose of this report is to consider evidence for an extension of the responsibilities of local government in Northern Ireland through greater devolution from Stormont. It has been written by the New Policy Institute (NPI), an independent think tank which carries out research across the United Kingdom. Over the last three years, this has included three devolution-driven studies for the Association of Public Service Excellence (APSE) on local government services.

The wider context for this report includes: a policy drive, both national and international, towards greater power for cities and regions, allied to localist, subsidiarity and place shaping policy momentum; the absence at the time of writing of a devolved legislative assembly in Stormont; and the EU (Withdrawal) Bill and the consequent transfer of legislative and regulatory responsibilities from the EU to the UK, devolved and local levels.

Public spending in Northern Ireland

In this section, we use HM Treasury data for 2015/16 to paint a picture of how much public money is spent in NI by whom (local government, devolved government or the UK government directly), on what and how this compares with Wales and Scotland. A separate annex has been made available from the Association of Irish Local Government in the Republic of Ireland, to highlight an additional key benchmark.

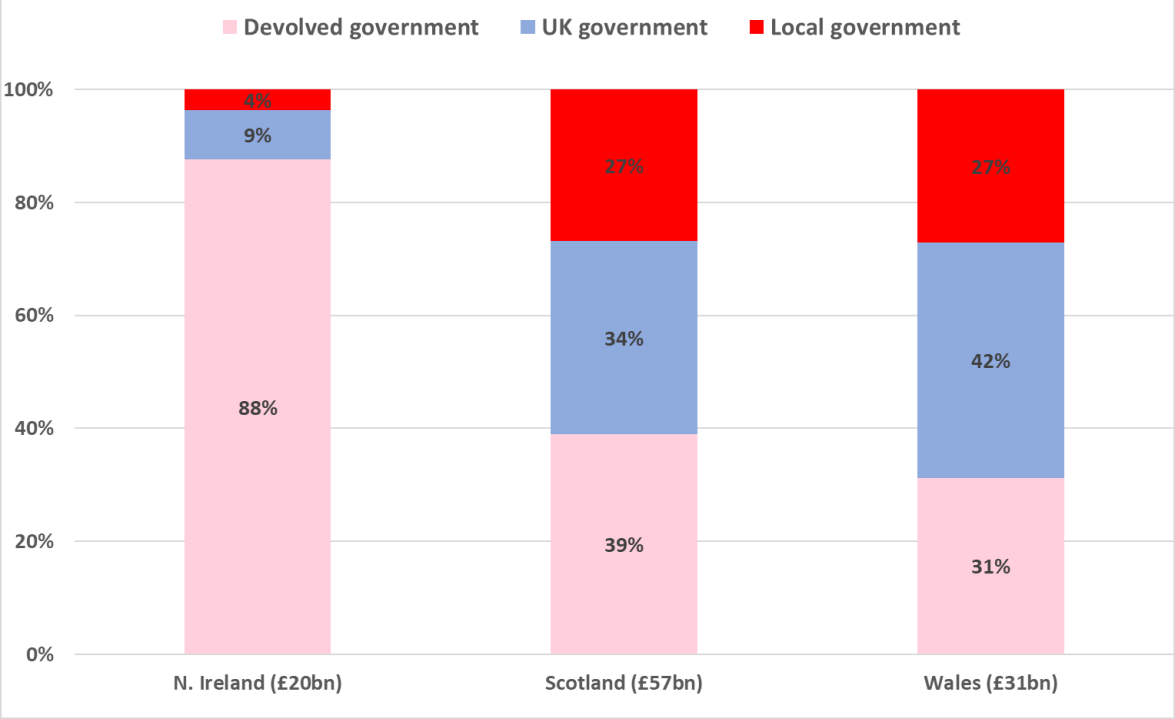
Spending at the local, devolved and UK government levels

In 2015/16, total public expenditure in NI by all levels of government combined totalled £20.3 billion. £19.0 billion of this counted as current expenditure and £1.3 billion as capital expenditure. Figure 1 compares NI with Wales and Scotland to show how responsibility for total public spending was split between the local, devolved and UK governments. There are two stand-out points for NI. The first is how low local government's share of this total is under four per cent (£738 million), compared with 27 per cent for each of the other two countries. This is after the Review of Public Administration which saw councils given new powers in April 2015. The second is how low the UK government's share is: nine per cent compared with 34 and 42 per cent in Scotland and Wales.

This second point is easily explained: spending on social security benefits (other than housing benefit) is retained at the UK level by the Department for Work and Pensions for Wales and Scotland but is devolved to the NI Executive (NIE). This was worth £5.8 billion in NI in 2015/16, 29 per cent of total public spending. If this were retained at the UK level instead of being devolved, the UK share of total public

spending in NI would (at 38 per cent) lie midway between the percentages for Wales and Scotland.

Figure 1: share of current and capital public expenditure on services, 2015/16: Northern Ireland, Scotland, Wales[1]



With this adjustment, there is no further need to look at spending at the UK level. All other spending by local and devolved government in NI totalled £12.8 billion in 2015/16. Of this, local government's £738 million represented six per cent. The comparable figure for local government in Wales and Scotland was 43 per cent. This gap supports the point made by Garry and Pow to the Northern Ireland Affairs Committee of the House of Commons (NIAC) that NI has been suffering from a democratic deficit since long before the suspension of the Assembly.

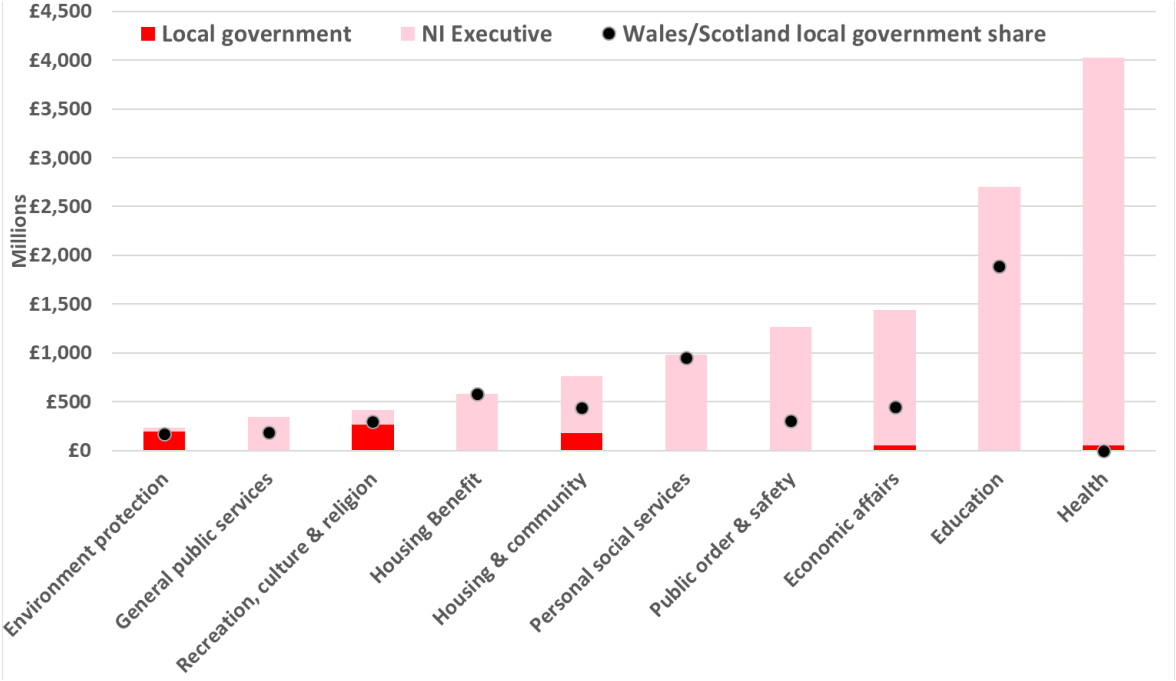
Figure 2 shows how this £12.8bn was spread across the different functions. As can be seen, local government spending was restricted to just five of the ten, namely: environment protection; recreation, culture and religion; housing and community amenities; economic affairs; health. Local government only accounted for a majority of the spending on the first two. On the last two its share was negligible.

Figure 2 also shows the proportion of spending on each function carried out by local government in Wales and Scotland. Comparing this with the proportion for local government in NI shows that the bulk of the difference arises from education,

[1] Source: HM Treasury, *Public Expenditure Statistical Analysis, 2017*, table 9.21. Percentages don't always add to 100 because of rounding.

personal social services and the administration of housing benefit. There is also a smaller shortfall with economic affairs, housing and community amenities, general public services and public order and safety.

Figure 2: public expenditure, Northern Ireland 2015/16, by function



What is the potential for local government in Northern Ireland?

We have heard little whilst researching this paper to suggest that an appetite exists for local government in NI to take on responsibility for the administration of housing benefit, personal social services (social care), public order and safety or education. As these functions account for the bulk of the gap between NI and Wales and Scotland, a large gap is bound to persist. But for those functions where NI local government already has some responsibility, what happens in Wales and Scotland is a guide to what is possible. In short, it is economic affairs, housing and community amenities and the catch-all of general public services, where the main potential lies.

If local government spending for these three functions (and recreation, culture, and religion) took the same share as in Wales and Scotland, total spending by NI councils would rise by about £0.7 billion to around £1.4 billion (including current levels of spending on environmental protection and health). That total represents 11 per cent of spending by local government and the NIE combined or seven per cent of total public expenditure in NI including what is spent by the UK government directly.

These numbers show the potential for a second (numerically modest) step in terms of devolution but they are not in themselves an argument for it. Given the attention which the four per cent figure 1 has received since NILGA included it in in its

evidence to the NIAC, this seven per cent figure is a useful counterpoint. What it is saying is that there is considerable potential for devolution within NI that will still leave NI far away from the norm in Wales and Scotland.

Arguments for devolution

In this section, we consider various arguments for devolution to local government that have been advanced in England.

Arguments for devolution are neither wholly portable – i.e. general ones which apply whatever the circumstances – nor wholly context-specific – i.e. NI is so different that arguments in favour of devolution, run-of-the-mill elsewhere, can have no relevance whatsoever. When thinking about such arguments for NI caution is therefore both normal and proper.

Devolution cannot be unconditional. Devolution deals in England (mainly so far to the Cities) may have started to reverse some of the problems of over-centralisation. Yet they have come into being during a period of austerity in which the poorest areas have usually seen the biggest cut in resources. In a country as unequal as England, enduring resource re-allocation from the centre is simply unavoidable. A report for APSE, calling for 'real' devolution deals which reduce but do not eradicate centralism, is an expression of this unavoidably awkward viewpoint.[2]

There is also a need to be cautious about claims for devolution which extend beyond better public services themselves to include wider benefits for local business and the economy. As a part of the public sector which is driven by local needs and gets things done, local government shares an outlook with business which favours devolution. But business and local government face different risks and rewards. Businesses, as well as some not-for-profit organisations, are in competition with one-another. If a competitor's proximity to local government is thought to give them an unfair advantage, it may seem better that decisions should remain with a more remote but dis-interested devolved body.

Why devolution: four arguments from the English debate

In reviewing the arguments for devolution to local authorities in England, four basic arguments can be identified which carry over to NI. They are:

- Services can be better-designed when local knowledge is brought to bear.

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2 *The Real Deal: Pushing the parameters of devolution deals*, published by CLES and the Sheffield Political Economy Research Institute, 2016

- Services can be joined up more effectively at a local level.
- Services are better if decisions about them are made at the local level.
- Services designed locally offer more scope for innovation and diversity.

On the face of it, the idea that many services are better delivered when local knowledge is brought to bear seems common sense. But it raises the question of what kind of knowledge it is that can only be "local". After all, when Google knows the whereabouts of traffic jams in real time, it can't be the same answer as would have been given just a few years ago.

A report (by Policy Exchange) entitled *Smart Devolution* asserts that there is now a vast amount of under-utilised data which could improve decision making (including spending decisions) to inform public service reform, transport planning, supporting small business growth and better targeting frontline services. This may well be so, but held electronically, such "big data" cannot just be a local resource and therefore cannot be a reason for devolution. If "local" knowledge is to be a reason for devolution, it must be knowledge of a subtler kind, somehow less-systematic, probably part of the wisdom that goes into decision-making. Community Planning in NI can be harnessed fully in this vein.

The second argument for devolution is that by attributing primacy to the local area, services can be joined and made consistent in a way that is not possible at the regional or country-wide level. This argument has been made in a report by the Institute for Public Policy Research (IPPR) for English counties – the upper of the two local government tiers in rural areas – with a special emphasis on health and social care in rural areas. Common boundaries, so it is said, present an opportunity for public service reform and for delivering more efficient and better value for money services. A similar argument is also made in the economic sphere, in favour of taking control at the local level of employment, skills, and business support.

As with the argument for "local" knowledge, the challenge here is to be clear why "joining-up" is an argument for devolution. The degree of diversity across NI, with differences between local government districts being large compared with the differences within each one, is part of the answer. As a result, the right joined-up solution for one district is likely to be different from the right joined-up solution for another – a series of bespoke outcomes which a single, joined-up authority for NI would struggle to conceive and deliver. NILGA argues that "service homogeneity" is not desirable but that "service consistency" – core performance challenges tailored to local communities, rural, metropolitan and in between – is desirable.

Yet like the local knowledge argument, the advance of big data which increases a remote agency's capacity to grasp local specifics means that this argument too has

less force than it did. Since this conclusion applies to any technocratic argument, the case for devolution must be based on further grounds.

While repeating the hoped-for gain from more joined-up working, the Review of Public Administration in NI identified a different reason for devolution, namely, that common boundaries make services easier for the public to understand. Why does public recognition matter? Because to be successful, devolution is not just about economic growth and integrating services, but also about enhancing democratic involvement and accountability. In *Democracy: the missing link in the devolution debate*, the New Economics Foundation laments the absence of community engagement and the failure of devolution deals in England so far to strengthen democracy, increase citizen involvement and democratise local decision-making.

This viewpoint finds an echo in the submission from the Northern Ireland Council on Voluntary Action (NICVA) to the NIAC enquiry into the democratic deficit. Against the backdrop of the continued suspension of Stormont and the possibility of direct rule, NICVA argues that "consideration should also be given to formalizing the role of social partners and the role of a citizens' assembly or civic forum mechanism". While this call is directed to the level of NI, it rests on the belief that there is a civic wisdom which should be brought to bear. The same argument can be advanced for the voice and involvement of local businesses. NILGA has for many years voiced the view that councils are best placed to unlock this civic wisdom, now backed up by strategic partners such as Stratagem (NI) in partnership with the Carnegie Trust (UK) in terms of Community Planning and Wellbeing.

NICVA also calls for a greater role for local councils: "Consideration should be given", it says, "to how policies and legislation can be progressed at council level, looking along the lines of the Programme for Government outcomes and whether these can be delivered at more local level". There are two points here. One is that councils themselves are containing this civic wisdom, rather than being part of a remote central state. The other is that if they are to play this role to the full, they in turn must be open to local citizens. This is only possible if there is public recognition of, and identification with, the council based on the district it serves.

This 'civic wisdom' is not just local knowledge. Citizens' assemblies, civic forums and indeed council meetings are not primarily places where people bring facts. Rather they are places where they deliberate – and in the case of councils, decide – what to do about them. In short, the third argument for devolution boils down to a belief in the superiority of local decision-making.

The fourth argument takes this social case for devolution several steps further. Eleven local authorities create opportunities for autonomy, innovation and diverse leadership in ways which are simply not possible if services are planned and

delivered by NI-wide agencies. Even if a data-rich central authority can provide services in different ways in different areas, those bespoke solutions would first have to be found.

It is not just about solutions: devolution also allows councils to identify problems and designate them as priorities. What looks like a priority at the local level may not look like one, if it is visible at all, at the NI level. Regeneration powers, still held centrally, restrict NI councils to identifying capital investment proposals within narrow geographical boundaries. Elsewhere in the UK, where these powers are devolved, this restriction does not apply. For example, disused canals and pathways within and beyond the principal boundary can be linked together in a common-sense way, benefiting local wellbeing, tourism and the economy.

Neighbourhood services and local government

In this section, we look at what have been called "neighbourhood services" – a broad grouping of some 70 individual local government functions – to explore the potential for devolution within NI in more detail. The comparisons in this section are with English local government. In the first place, that is just because the data is English. But because England has (at least) six different types of local authority each with its own mix of powers, the devolution question in NI can be seen in English terms as being about the type of local authority that NI councils could aim to be.

Neighbourhood services

Sometimes referred to as public realm or liveability services, neighbourhood services are one of the core functions of local government in England, Wales and Scotland.[3] The term, chosen after consultation during research for APSE, covers four groups of services, namely:

- highways and transport
- cultural services
- environmental and regulatory services
- planning and development.

The reason for the single term "neighbourhood services" is to give an identity, and therefore a collective weight, to the services provided by local government which don't come under the high priority headings of education or social care. As a share of

[3] For a fuller discussion, see Kenway and Barker, 2017, *Redefining neighbourhoods: A future beyond austerity?* http://www.npi.org.uk/publications/local-government/redefining-neighbourhoods-future-beyond-austerity/

all local government spending in 2015/16, neighbourhood services accounted for between 15 per cent (Wales) and 19 per cent (England). In the classification used in England, some 70 individual services come under this heading. Most of them, once they are named, speak for themselves. Mundane rather than glamorous, most are also essential to maintaining the quality of everyday life. Appendix 1 provides a list. Appendix 2, which shows powers of councils in the Republic of Ireland, offers a comparison.

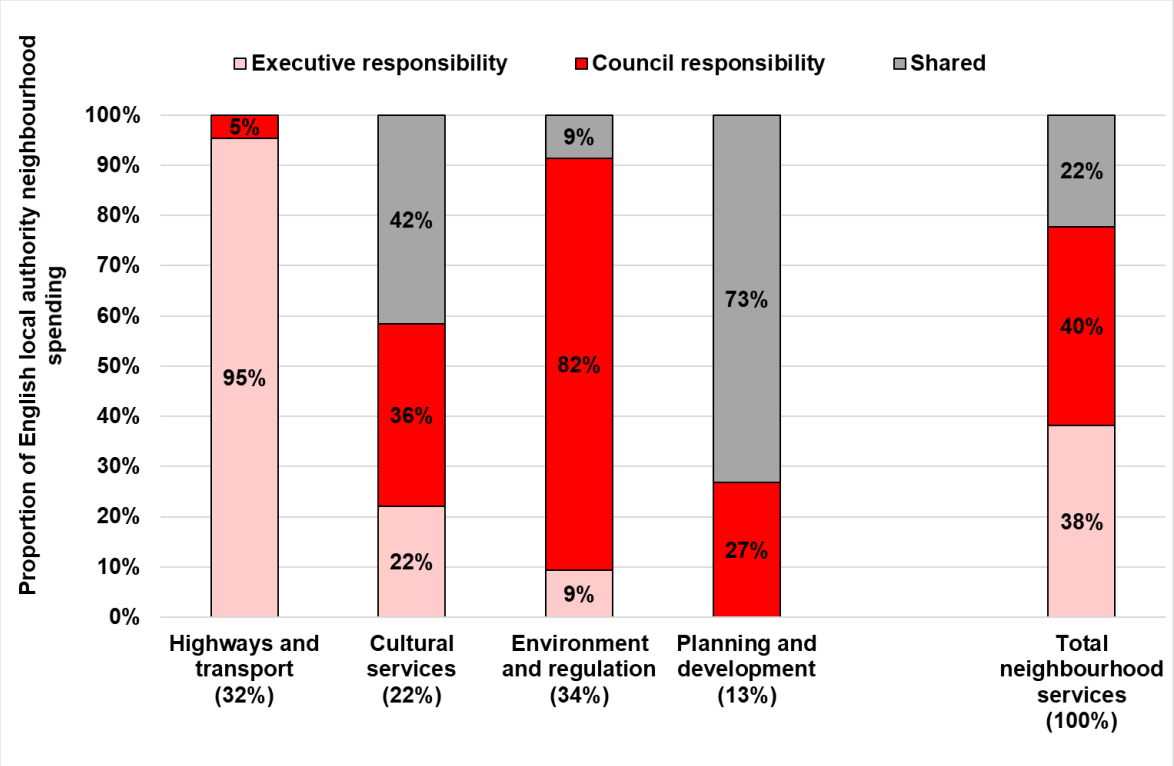
Responsibility for neighbourhood services in Northern Ireland

In NI, many of these functions are either the responsibility of the Executive and its agencies or shared between the Executive and councils. Of the 70 individual neighbourhood services, 16 are identified as being the responsibility of NI councils, 29 are the responsibility of the Executive and its agencies while 19 are shared between the councils and the Executive. The allocation of the other six is unclear. As a set of responsibilities currently administered by English local authorities, they appear to be a block of services that could be devolved to NI councils.

Figure 3 uses English local authority spending data on neighbourhood services to give a sense of the scale of devolution that this might imply. To do this, English local authority proxies have been selected for each of the 11 NI councils according to criteria measuring: i) the degree of rurality; ii) the share of working-age people in the total local population; iii) Gross Value Added per head (a measure of economic output); and iv) the employment rates. Using 2016/17 spending data for the 11 proxies, individual neighbourhood services were then categorised according to where current responsibility for them in NI is assessed as lying.

Overall, 40 per cent of what these English local authorities spend on neighbourhood services is the responsibility of councils in NI, with a further 22 per cent being the shared responsibility of the councils and the NIE. This differs greatly according to type of neighbourhood spending. Councils have a large share of spending relating to environmental services and regulation (82 per cent). By contrast, highways and transport is largely the domain of the NI Roads Service (95 per cent). Although councils are solely responsible for around a quarter of spending (27 per cent), there appears to be no category of spending on planning and development which is wholly the responsibility of the NIE.

Figure 3: spending on neighbourhood services in 11 English proxy local authorities, classified according to responsibility in Northern Ireland[4]



How far could devolution of neighbourhood services go?

At first sight, it looks like full devolution would mean councils becoming responsible for something like double their current spending on neighbourhood services (equal to 40 per cent of the total plus a share of the 22 per cent). Yet few, if any, English local authorities have sole responsibility for all these services. Of the English councils used here as proxies, the one that provides the widest range of services is Liverpool (the proxy for Belfast). Yet Liverpool is not responsible for waste services (provided instead by a Waste Authority covering the wider Merseyside area). Hartlepool (the proxy for Derry and Strabane) delivers most services including waste, but it does not, for example, deliver business support (which instead is the responsibility of the recently created Tees Valley Combined Authority).[5]

Liverpool is a metropolitan borough while Hartlepool is a unitary. The other nine councils have been identified with English shire districts.[6] These districts are the lower level in an English two-tier system in which shire counties are the upper level.

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[4] Source: NPI and NILGA analysis of Local authority revenue expenditure and financing England, 2016/17.

[5] Our spending totals include allocations of the spending by the Combined and Joint Authorities to both Liverpool and Hartlepool, based on their share of the relevant population.

[6] Namely: Adur, Bassetlaw, Gedling, Mid Suffolk, South Holland, Stafford, Tendring, Weymouth and Portland, Wyre.

If the nine were responsible for all the neighbourhood services provided by English shire districts and if Belfast and Derry and Strabane had full responsibility in their areas, the eleven councils together would be responsible for around three quarters of total spending on neighbourhood services.

Identifying the other nine NI councils with English, lower-tier shire districts implicitly precludes the full devolution of neighbourhood services. This identification is not inevitable. Within neighbourhood services, it is mainly highways and transportation services that are at stake. That is, it is the upper tier, county councils which are responsible for almost all of them in the English two-tier areas.

Based on the size of the population, five councils could be unitary authorities (like Hartlepool or in effect Liverpool) and be responsible for all, not just lower-tier, neighbourhood services. The argument for five is that three councils – Armagh, Banbridge and Craigavon, Newry, Mourne and Down and Ards and North Down – are all larger than Derry and Strabane. The council in the English borough of Bedford, which converted from district to unitary status in 2009, has a population about the same size as Newry, Mourne and Down. The five are also larger than every one of the 22 Welsh authorities, all of which are unitary. Since the smallest NI council (Fermanagh and Tyrone) is larger than seven of the 22 Welsh authorities, the example of Wales shows that there is no argument based on size alone against all the 11 NI councils being unitary. If some NI councils are still judged to be too small to take on full responsibilities for neighbourhood services, a second answer could involve some form of formal co-operation between two or more councils. A third answer could see responsibility for running the “upper-tier” neighbourhood services remaining with the NI Executive and its agencies, with councils acquiring a formal governance or oversight role.

Devolving neighbourhood services: observations from Northern Ireland

Before developing this last answer, we report some reactions from within NI to the idea of devolving powers to councils, in particular, neighbourhood services. These reactions reflect discussions we have been involved in with councillors, MLAs and council officers, as well as interviews with a senior figure in an NI Agency and each of the business, community and charity sectors.

In general – but with one important exception – the idea that NI councils should be responsible for neighbourhood services has been met with support. Arguments for it include: the inefficiency of detailed matters like on-street parking requiring the attention of ministers or senior civil servants; the unresponsiveness, including to councillors, of a centrally-run system; and the mis-match between the public’s perception that councils are responsible for this sort of thing and the reality that they

are not. A further, allied point is that devolution of matters like these to councils would help free the Executive (and the Assembly) to concentrate on the strategic questions facing NI.

Elsewhere in the UK, regeneration is made easier by highways and transportation and planning sitting under the same roof. To that extent, arguments for NI councils to have the power to lead regeneration are also, in effect, arguments for the devolution of neighbourhood services too. Yet while we have heard forceful arguments for regeneration sitting with councils (the crucial thing being their ability to *drive* regeneration), we have also heard doubts. To the extent that these doubts arise within the community, they merit attention.

Even if the general argument for devolving neighbourhood services is judged to be strong, individual service areas can still be exceptions. One such is responsibility for flooding, where the area covered by an individual council is unlikely to bear much relation to any sensible geographical unit (for example, a river basin) for dealing with it. This does not rule out councils still playing a coordinating role (for example, Derry City and Strabane, Fermanagh and Omagh, and Mid Ulster who drew together fast response teams from across multiple agencies in the most recent winter).

What of the exception to the general support for devolving neighbourhood services? The point being made here was not that neighbourhood service should *not* be devolved – but rather that asking what *powers* should be devolved was the wrong question. Instead of focusing on powers and responsibilities, the focus instead should be on goals and *outcomes*. In our view, argument for devolution of neighbourhood services that include responsiveness and conformity with what the public believes councils do are themselves arguments about outcomes. So too are arguments about the greater effectiveness and efficiency of NI government were most neighbourhood services to be devolved. In short, if the case for neighbourhood services is not undermined by a focus on outcomes, it is because it can answer in those terms.

The challenge to local government to concentrate on outcomes need not be restricted to those functions for which it has, or wants, direct responsibility. As one interviewee put it: this is about how local government sees itself, whether as a doer or also as an enabler. Even if NI councils were to take on neighbourhood services in their entirety, it would still leave them with just six or seven per cent of total NI public spending. Though that would be a big step for the councils, it would still leave the bulk of public spending in NI in the hands of the NIE and its agencies. If councils want to increase their role, focusing on the outcomes in some of these many other areas of public spending is a way to do it.

Other services and local governance

The choice, then, is not just between devolving, or not devolving, executive responsibility to NI councils. Instead, alongside devolving some responsibilities to councils, councils could also exercise powers of scrutiny and governance over areas of spending which remain the responsibility of the NIE or its agencies.

Scotland's Local Governance Review

Scotland's recently announced Local Governance Review may offer a model which could be adopted to examine this question in NI. Three principles make the Scottish review relevant here. First, it is not a review of local government but of all locally delivered public services. Second, recommendations will adhere to the principle of subsidiarity, that is, decisions taken at the right and lowest level possible. Third, there will be scope for variation, in other words, the answer in the Western Isles does not have to be the same as the answer in Glasgow.

The Review is running through 2018, with a first phase of consultation and engagement lasting until the summer. It is expected that the eventual conclusions will then inform a local democracy bill. As figure 1 confirms, Scotland is more centralised than Wales in terms of the spending share. While the reason for Scotland's relatively high centralisation are different from those in NI, arguments for greater devolution can expect to face resistance. Both the conclusions, not at all foregone, and the process itself are likely to be instructive.

Scrutiny and governance: observations from Northern Ireland

The potential for councils to play a scrutiny and governance role in relation to services which they are not themselves responsible for was also discussed during the research for this paper.

Free from responsibility for delivering the service, a body with the power of scrutiny must concentrate on outcomes. This is an advantage. It means that in preparing to exercise such a role, a council would have to form a view about how it wants a service delivered, with what objectives and according to what principles.

NICVA's call for scrutiny powers over the NIE suggests that there are significant issues here. One mentioned in the Macmillan submission to the Northern Ireland Affairs Committee concerns the extent to which patients with terminal cancer die in hospital as opposed to where most of them would prefer, namely at home, in a care home or in a hospice. Another subject mentioned to us was the prevention of diabetes, a public health issue to do with lifestyle rather than just something for the NHS to treat once diabetes is diagnosed.

In principle, each council's Community Plan provides a framework within which the scrutiny role could be exercised, for example, by challenging the statutory partners to the Community Plan over their contribution and impact. The Community Planning process has strong supporters and significant support. Yet comments have questioned how far statutory partners to the Plans and the statutory agencies more generally are genuinely open to scrutiny by local government. Procedures on paper open the possibility of scrutiny but the reality of it requires compliance.

Within the limits of this paper, we offer three observations. First, is a failure to treat local government seriously a sign of strength on the part of the NI Executive and its agencies or a sign of weakness? If service provision is at odds with what most people want or if public health crises remain unaddressed the more likely answer is the latter than the former.

Second, if it is weakness, isn't this an opportunity for local government? With few direct responsibilities, councils in NI have a freedom to pick and choose where to seek to assert themselves. As the only functioning element of formal democracy in NI, at the time of writing, they have a unique legitimacy.

Third, isn't the challenge here to make sure that councils really do speak for their communities and that this is evident both to those communities and to the agencies? This comes back to whether councils see themselves as enablers as well as doers. The trouble with appearing as just a doer is that it downplays the very thing that gives councils their edge, leaving them looking like just another agency.

We know that proposals for greater citizen involvement are viewed with suspicion by some politicians, both local and national. Yet an argument that says "devolve only unto us" is not persuasive. NI's local authorities now enjoy the advantage of size, being neither too large nor too small – though being relatively new, their identity is still being established. Living within the within the communities they serve, council officers and elected members are highly accessible, evidenced by councillors returning weekly activity reports showing 60-70 hours activity in many cases, and weekend engagements being the norm. As NILGA puts it, they (council personnel) don't "go" to work, they live in work. In this situation, advocating devolution at every level can only strengthen them. What should follow naturally is the other key tenets of arguments for greater devolution – better application of local knowledge, greater local efficiencies, better decision taking and greater innovation and diversity.

Conclusion and practical next steps

Devolution and the role of the Northern Ireland institutions

Our review of the arguments put forward for devolution concluded that what is decisive is local decision-making not just local knowledge. Local decision-making means that local judgements are being made about priorities and how to meet them. It fosters innovation. It is a prerequisite for co-operation between councils. It rests on a view of councils as bearers of a certain civic wisdom whose fount lies elsewhere, in the wider community which they represent. It is a view of councils that can only be expected to prevail when that openness and responsiveness to the wider community can be shown and not merely asserted.

But devolution is not independence. Devolution of authority to NI councils requires devolution of the financial means to allow them to exercise this authority. How much money to allocate and how the total sum is to be distributed between the councils is unavoidably a central decision. Since the reasonable demands on this money always outstrip what is available, this decision requires that judgements be made at the centre between competing, often incommensurate, claims. Decisions by the Welsh and Scottish governments have meant that the impact of austerity on local authorities in those countries has been different from its impact on local authorities in England. These decisions are political through and through. In the absence of political (Ministerial) decision taking, NILGA has re-convened an elected member forum, drawn from central-local government members of the statutory Political Partnership Panel, so that political scrutiny can take forward such work.

Decisions made in Belfast are an integral and enduring part of devolution to NI local government: not only do they provide the financial framework within which councils act, they are also fundamental to the acceptability of the devolution settlement. If the success of devolution depends ultimately on judgements at the local level, its legitimacy depends on judgements at the NI-wide level. It is hard to see how devolution to NI local government could flourish without the Assembly.

Practical next steps and who must take them

Making a reality of devolution within NI requires deliberation of a range of questions by a range of organisations. In identifying these questions, we assume that the lead rests with councils themselves, through NILGA, and with the NIE. But the organisations which need to be involved range much more widely, from community organisations in NI to MLAs and their political parties, and MPs.

1. *The Secretary of State, the Northern Ireland Executive and NILGA* should launch a Review of Local Governance, using all relevant avenues but

particularly the Central Local Elected Member Forum and the NIAC, based on the Scottish model and tailored to NI requirements. This should consider both the devolution of executive power to councils and the creation of scrutiny powers for councils over matters which remain the direct responsibility of the NI Assembly and the NI Executive or its agencies.

2. *NILGA and councils* should identify the executive powers over neighbourhood services they want, supported by a clear view of the different outcomes those powers can be expected to deliver to local communities. Community and business groups have a large part to play in forming this view.
3. *NILGA and councils* should identify a short list of subjects on matters for which NI agencies are responsible where local communities desire different outcomes from those delivered now. *NI agencies* should identify where local involvement, facilitated by councils, would help achieve different outcomes.
4. *The NI Assembly, NILGA and councils* should develop a process by which individual NI councils can apply and be considered for a status akin to Welsh and English “unitary” local authorities with the powers to match.
5. *MLAs, the NI Executive and NILGA* should consider the twin questions of the level of financial resources to make available for devolution to NI councils and how those resources should be distributed between councils (linked to the need to indemnify councils through appropriate “New Burdens” legislation).
6. The draft Programme for Government mechanisms should factor in successor activity, whether budgetary, strategic or governance activity, to foster greater executive and scrutiny roles for councils in the medium and long term.

Clearly (and in conclusion) this report can only serve to open a practical, tangible series of actions to create positive changes to the devolution picture in Northern Ireland. The need for positive change is inescapable, and NILGA as the representative and support body for the 11 councils is critical to it. Without the material, corporate and voluble involvement of the many partners which the Association has garnered in recent years, the opportunity will be lost. That would be a great shame for the communities and the economy of Northern Ireland, as well as the institutions which govern and serve them.

Appendix 1: current responsibility for neighbourhood services in Northern Ireland and English shires

Group	Service	NI	England
Highways and Transport	Highways maintenance planning, policy and strategy	NI-wide	County
	Public and other transport planning, policy and strategy	NI-wide	County
	Structural maintenance - principal roads	NI-wide	County
	Structural maintenance - other LA roads	NI-wide	County
	Structural maintenance - bridges	NI-wide	County
	Environmental, safety and routine maintenance - principal roads	NI-wide	County
	Environmental, safety and routine maintenance - other LA roads	NI-wide	County
	Winter service	NI-wide	County
	Street lighting (including energy costs)	NI-wide	County
	Bus lane enforcement	NI-wide	County
	Road safety education and safe routes	NI-wide	County
	Other traffic management	NI-wide	County
	On-street parking	NI-wide	County
	Off-street parking	Local	District
	Statutory concessionary fares	NI-wide	County
	Discretionary concessionary fares	NI-wide	County
	Support to operators - bus services	NI-wide	County
	Support to operators - rail services	NI-wide	County
	Support to operators - other	NI-wide	County
	Public transport co-ordination	NI-wide	County
	Airports, harbours and toll facilities	NI-wide	District
Cultural services	Archives	NI-wide	County
	Arts development and support	Both	District
	Heritage	Both	County
	Museums and galleries	Both	District
	Theatres and public entertainment	Local	District
	Community centres and public halls	Local	District
	Foreshore	Both	District
	Sports development and community recreation	Both	District
	Sports and recreation facilities, including golf courses	Local	District
	Open spaces	Both	District
	Tourism	Both	District
	Library service	NI-wide	County
me nt and	Cemetery, cremation and mortuary services	Local	District
	Trading standards	NI-wide	County

Group	Service	NI	England
	Water safety	Both	District
	Food safety	Both	District
	Environmental protection; noise and nuisance	Both	District
	Housing standards	Both	District
	Health and safety	Both	District
	Port health (excluding levies)	Local	District
	Port health levies	Unclear	District
	Pest control	Local	District
	Public conveniences	Local	District
	Animal and public health; infectious disease control	Both	District
	Licensing - Alcohol and entertainment licensing; taxi licensing	Both	District
	Crime Reduction	NI-wide	District
	Safety Services	Unclear	District
	CCTV	Unclear	District
	Defences against flooding	NI-wide	County
	Land drainage and related work (excluding levy / Special levies)	NI-wide	District
	Land drainage and related work - Levy / Special levies	NI-wide	District
	Coast protection	NI-wide	District
	Agricultural and fisheries services	NI-wide	County
	Street cleansing (not chargeable to Highways)	Local	District
	Waste collection	Local	District
	Waste disposal	Local	County
	Trade waste	Local	District
	Recycling	Local	District
	Waste minimisation	Local	District
	Climate change costs	Unclear	County
Planning and development	Building control	Local	District
	Development control	Local	District
	Conservation and listed buildings planning policy	Both	District
	Other planning policy	Both	District
	Environmental initiatives	Unclear	District
	Economic development	Both	District
	Economic research	Unclear	County
	Business support	Both	District
	Community development	Both	District

Appendix 2: overview of council powers in the Republic of Ireland[7]

In Ireland, 31 local authorities are responsible for approximately 8% of Government spending, which proportionately (based on a national spend of approximately €63 billion p.a.) is about €5 billion.

Following modernisation / legislation in 2014, councils in Ireland have approximately twice the service portfolio, and five times the expenditure of councils in Northern Ireland, with some housing and local regional roads maintenance (neighbourhood services) being their most distinct statutory responsibilities.

Councils provide an extensive range of public services and through community / spatial development promote the interests of local citizens, including the social, economic, environmental, recreational, cultural, community or general development of places.

Responsibilities of local authorities

These are typically broken down into the following broad categories:

- Housing
- Planning
- Roads
- Development incentives and controls
- Environmental protection including rivers, lakes, air and noise
- Recreation facilities and amenities

In addition to the functions outlined above, a fundamental role of democratically elected local government is the representation of local communities, voicing local concerns and responding to local needs.

Local authorities and housing

Local authorities provide and maintain housing in their area. They assess the housing needs for the area and build, buy and lease dwellings. They also provide loans for the repair and improvement of dwellings within the area.

[7] Sources: Citizens Information Library and the Association of Irish Local Government (AILG). This appendix was sourced separately by NILGA from the rest of the Report.

Local authorities and recreation facilities and amenities

Local authorities provide amenities, facilities and services related to artistic and cultural activities, sports and games, general recreational and leisure activities, libraries, civic improvements such as monuments, environmental and heritage protection and the public use of amenities.

Local authorities and planning

The local authority is the planning authority. It decides whether to grant or refuse planning permission for building and development in your area. It also creates a Development Plan every 6 years, which sets out its planning policies.

Local authorities and essential services

Local authorities provide essential services such as roads and bridges, fire services and drainage. Irish Water is responsible for water and wastewater services.

Local authorities also control dangerous places and buildings, abattoirs and knackeries and provide and maintain graveyards and burial grounds.

Local authorities and environmental protection

The local authority has an important function in relation to pollution control and animal control. It issues licenses for waste disposal and for emissions into the air from plants. It collects or arranges for the collection of domestic and other waste and it monitors the environment for signs of pollution. It also issues licenses for keeping dogs and licenses for horses within its area.

The local authority grants licenses to street traders to allow them to sell goods on the street and to casual traders to allow them to sell goods at casual trading areas designated by the city, county, town or borough council.