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*8/2/89*  
*To see & return p1*  
*M 2/9*

PSE 86/359

cc PS/Ministers (L&B) (m)  
PS/PUS (L&B) (m)  
PS/Mr Bloomfield  
NI Perm Secs  
Mr Brennan (m)  
Mr Stephens  
Mr Gilliland  
Mr Innes  
Mr Spence  
Mr Elliott  
Mr Chesterton (m)  
Mr Blackwell  
Miss Elliott (m)  
Mr McConnell  
Mr Ehrman (m)

PS/Secretary of State (L&B)(m)

**LOCAL GOVERNMENT - PROGRESS REPORT**

Purpose

1. The purpose of this paper is to report on the situation in District Councils at end August as follow-up to previous monthly reports. Our monitoring of the situation leads to the conclusion that essential services continue to be delivered in all areas and that unless some of the potential problems ahead identified in paragraph 5 become more acute in the next few weeks, it is unlikely that any Government intervention will be required during September.

Present Position

2. The "inching back" process referred to in earlier reports continues. Many Unionist controlled Councils have been involved in "under the counter" transaction of business while publicly maintaining the stance of not doing so as protest action. Examples are Antrim, where all decisions taken by the Town Clerk since November 1985 were ratified by the Council; Ballymoney, where regular Committee and Council meetings have resumed; and Craigavon, where for the first time in 6 months, the Council will be holding a meeting on 1 September (although it is unlikely that any significant amount of business will be transacted). The first public breach of the protest policy has been the decision of North Down Council to resume normal business. The reasons given by North Down Councillors were the threat of Court action, the view that the needs of the Borough had been neglected because of the adjournment policy, the strong disapproval by Official Unionists of the DUP attitude to the Police and lack of consistent and sensible approach from Unionist Headquarters on the strategy.

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3. In respect of specific Council functions the position is as follows:
  - a. All basic essential functions continue uninterrupted and the provision of leisure facilities and other discretionary functions also continues. Some difficulties exist in some Council areas because contracts for repair, maintenance or replacement of plant and buildings cannot be let. These do not yet threaten the services involved. A particular problem in respect of Armagh Council is referred to in paragraph 4.
  - b. All accounts are being paid.
  - c. Goods, materials and supplies continue to be purchased to ensure continued delivery of services.
  - d. Problems in respect of regulatory and licensing functions now exist in a number of areas. The most immediate concern relates to the inability to issue entertainment licences in 10 Council areas. Failure to issue these licences could have implication for Magistrates Courts when considering the renewal of Liquor Licences during September. There has been correspondence with the Court Service at Departmental and Council level about this and information has been provided locally about the inspection of premises by District Council officials. It remains to be seen what view Magistrates take about this problem, but it is unlikely that this particular difficulty would, in itself, require or justify intervention by Government.
  - e. A number of loan sanction and land transaction problems have been resolved by Councils handling such business - again evidence of "inching back". A financial difficulty with Armagh Council is referred to in paragraph 4.
  - f. Discretionary functions are still not being implemented in a number of areas. The major difficulty in this function could be in Belfast where grants to community groups require to be renewed with effect from 1 October. There seems little prospect of such renewal at this stage but I will report further in my end-September report.
4. Specific Council problems which require mention would be:-

Armagh

Mr Beckett's paper of 29 July referred to specific difficulties on finance and on the opening of "dry facilities" at the new leisure centre, arising from lack of authorisation to raise a loan for the on-going leisure centre construction contract. The financial problems will be overcome temporarily by DOE making earlier payment of grant to Armagh Council. This would enable all Council accounts to be paid during September and into mid-October. Action has now been taken by Council officials to reopen the swimming pool in the leisure centre but the problems remain with regard to the opening of the "dry facilities". A further report will be made at end-September.

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### Belfast Gas

The use of emergency power in a selective, limited way in early August has now resolved the immediate difficulties within Belfast Gas and helped to secure the orderly run down of the undertaking. Ministers should be aware that gas tariffs would normally require to be raised with effect from 1 October and this has, in previous years, been a controversial local political problem. DED will continue to monitor the situation closely and advise further at end-September.

### Potential Problems Ahead

5. There are 3 potential problems which, either separately or together could produce significant difficulties during the next few months. These would be:-
  - a. Further High Court action by the Alliance Party. On 8 September the High Court will fix dates for Judicial Reviews of the activities in Coleraine, Lisburn, Antrim and Castlereagh Councils on application from the Alliance Party although these are unlikely to be held until October. Further Court action against Belfast City Council is also possible. If judgements are given similar to those already given in respect of Belfast and Ballymoney Councils then changes in the adjournment policy could be expected and different tactics used by the more hard line Councils to thwart the Court's decision.
  - b. Changes in delegation to Town Clerks. The Court actions in (a) above would be important, as would any deliberate decision by Councils to restrict or remove delegations from Town Clerks. It is these delegations which at present are ensuring the continued delivery of most services.
  - c. Action by the Unionist Councillors themselves. The recent North Down decision has challenged the "no business" policy and highlighted the extent to which business was being transacted by other Unionist Controlled Councils. A special meeting of the executive of the Ulster Unionist Councillors' Association has been called in September in a bid to shore up the party's adjournment strategy. It remains to be seen whether the views of those dissatisfied with this policy will prevail, or whether the existing policy will be more rigorously implemented. Harder line Unionists are suggesting actions in the run-up to the first anniversary of the Anglo-Irish Agreement "the effect of which would be to bring the work of local government to a standstill" and amongst the options being canvassed is mass resignation. DOE and PAB will keep this matter under close review and a further report will be made at the end of the month.

### Conclusion

6. The Secretary of State is asked to note that:-
  - a. basic Council functions continue to be discharged in all Council areas;

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- b. it is unlikely that intervention will be necessary in September but developments will be reviewed and a further report made by end-September.

*[Handwritten signature]*

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DOE (NI)

1<sup>st</sup> September 1986

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