Document Pack

Committee and Members' Services Section
Chief Executive's Department
Belfast City Council
City Hall
Belfast
BT1 5GS

Date Not Specified

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Dear Councillor

The above-named Committee will meet in the The Council Chamber, 3rd Floor Adelaide Exchange, Adelaide Street, Belfast on Friday, 4th September, 2009 at 12.30 pm, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully

PETER McNANEY

Chief Executive

AGENDA:

1. Routine Matters

    (a) Apologies

    (b) Minutes

2. Finance

    (a) Financial Update - Budget Review and Voluntary Redundancy Exercise (Pages 1 - 6)

3. Asset Management

    (a) Governance of Major Projects (Pages 7 - 10)

4. Modernisation and Improvement

    (a) Review of the Centre - Organisation Structures (Pages 11 - 74)

5.   Transition Committee Business

   (a)   Review of Public Administration Initial Transition Plan (Pages 75 - 88)

   (b)   Engagement with the Lisburn/Castlereagh Transition Committee (Pages 89 - 90)

Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	**Financial Update Report** Budget Review & Voluntary Redundancy Exercise
Date:	4 September 2009
Reporting Officer:	Peter McNaney, Chief Executive
Contact Officer:	Peter McNaney, Chief Executive

Relevant Background Information

At the Strategic Policy and Resources Committee in August, Members were informed that the financial position of the council had worsened due to factors beyond its control. This would likely lead to a very difficult budget process for 2010/11. In order to manage this position the Committee agreed to conduct a comprehensive mini budget review which would:

▪ Identify the likely financial position at the end of the current financial year;

▪ Review all budget heads to identify areas where expenditure is unlikely to happen or where underspends are likely;

▪ Identify options for political consideration for reducing expenditure both in 2009/10 and 2010/11; and

▪ Produce a high level budget strategy and projection for 2010/11.

At the same Strategic Policy and Resources Committee meeting it was also agreed to initiate a trawl for voluntary redundancies so that rightsizing could be considered in the context of the mini budget review.

The purpose of this report is to:
• Provide a timeline for the completion of the comprehensive mini budget review.
• Propose an approach to the implementation of the voluntary redundancy exercise and agree the principles which will apply to the process.

Key Issues

Budget Review

A budget review group has been established to complete the comprehensive mini budget review. It is proposed that the work of this group will be reported to the cross party Budget and Transformation Panel in early October and then to the Strategic Policy and Resources Committee later the same month. This means that Members will be afforded more time to consider potential options for the setting of the rate for 2010/11. A more detailed timeline is provided at appendix one. It is also recommended that the budget review group is tasked with

providing options on how best the financial implications of the voluntary redundancy exercise, which is discussed in the next section of this report, may be addressed.

In addition to the comprehensive mini budget review, there are a number of efficiency projects happening in the council. The savings emanating from this work need to be agreed in time for these to be considered as part of the estimate setting process for 2010/11. The review of the centre is one of the key efficiency projects which has the potential to generate significant savings. A separate report on this work will be considered at today's Strategic Policy and Resources Committee meeting.

Voluntary Redundancies

A key aim of the Review of the Centre report is the need in the current economic climate to provide greater value for money. One of the key efficiency measures which will have to be considered is staffing costs and the requirement to consider proportionate measures to reduce these costs in the short term without adversely affecting front line service delivery to the public. In order to rightsize the organisation consideration should be given to voluntary redundancies.

It is essential that the initiation and implementation of the voluntary redundancy exercise is managed effectively and consistently on agreed principles. It is proposed therefore that the following principles will be applied:

1. Consultations with Trade Unions will start as soon as possible.
2. The exercise will be undertaken centrally by corporate HR through the Management Side of the Council's Joint Consultative Committee and Chief Officers' Management Team.
3. The criteria for considering VR should include
   - Council retains the right to decide who can be released, ensuring that essential skills and expertise are maintained
   - The decision is dependent on the needs of the council
   - The VR will avoid the need for compulsory redundancy
   - The employee's post must be redundant or a one to one transferred redundancy* can be identified with a clear audit trail linking the person to be redundant with the post to be deleted.
   - The potential for redeployment
   - Prioritisation of VR requests will be based on available finance and the level of savings which will be delivered.
   - All other relevant options have been considered.

     * In the case of transferred redundancy, the employee to be transferred must have undertaken a broadly similar role in their former post and met the specification for the post without the need for retraining

In terms of implementation it proposed that the Council carries out the following steps :

1. Identify those employees currently in a redundancy situation (i.e. supernumerary pool) and offer these employees VR on time bound basis
2. Consider redeployment options for any remaining supernumerary employees on a time bound basis
3. Consider compulsory redundancy for those left in the supernumerary pool on a time bound basis
4. Identify any other 'at risk' groups, e.g. those affected by review of centre, ongoing operational reviews, and those sections who have incurred significant revenue losses.
5. If necessary, prioritise those who will be invited to express an interest in VR, based on the number of structural reviews and the stage at which these reviews are.
6. Invite applications from the 'at risk' groups.
7. Decide who can be released on VR, taking into account the agreed principles and criteria.
8. Approve VRs observing the statutory dispute legislation.
9. Consider the need to issue a wider trawl across the council to those outside the 'at risk' groups. (This would only be appropriate when a transferred redundancy situation can be identified).

10. Invite applications from outside the 'at risk' group.
11. If trawls for VR do not result in sufficient numbers being released, then consider compulsory redundancy in accordance with the redundancy policy which may need to be reviewed.

In order to ensure that the savings arising from the above VR exercise are captured it is essential that the Strategic Policy and Resources Committee maintains tight control over council staff numbers. For this reason, a report on the movement of staff numbers will be provided to the committee on a quarterly basis.

Recommendations

Members are asked to agree the following:
1. The timeline for completing the comprehensive mini budget review as outlined in the report.
2. The budget review group to provide Members with options for financing the VR exercise.
3. The approach to initiating and implementing a VR exercise.
4. The principles upon which the VR exercise will be based.

Decision Tracking

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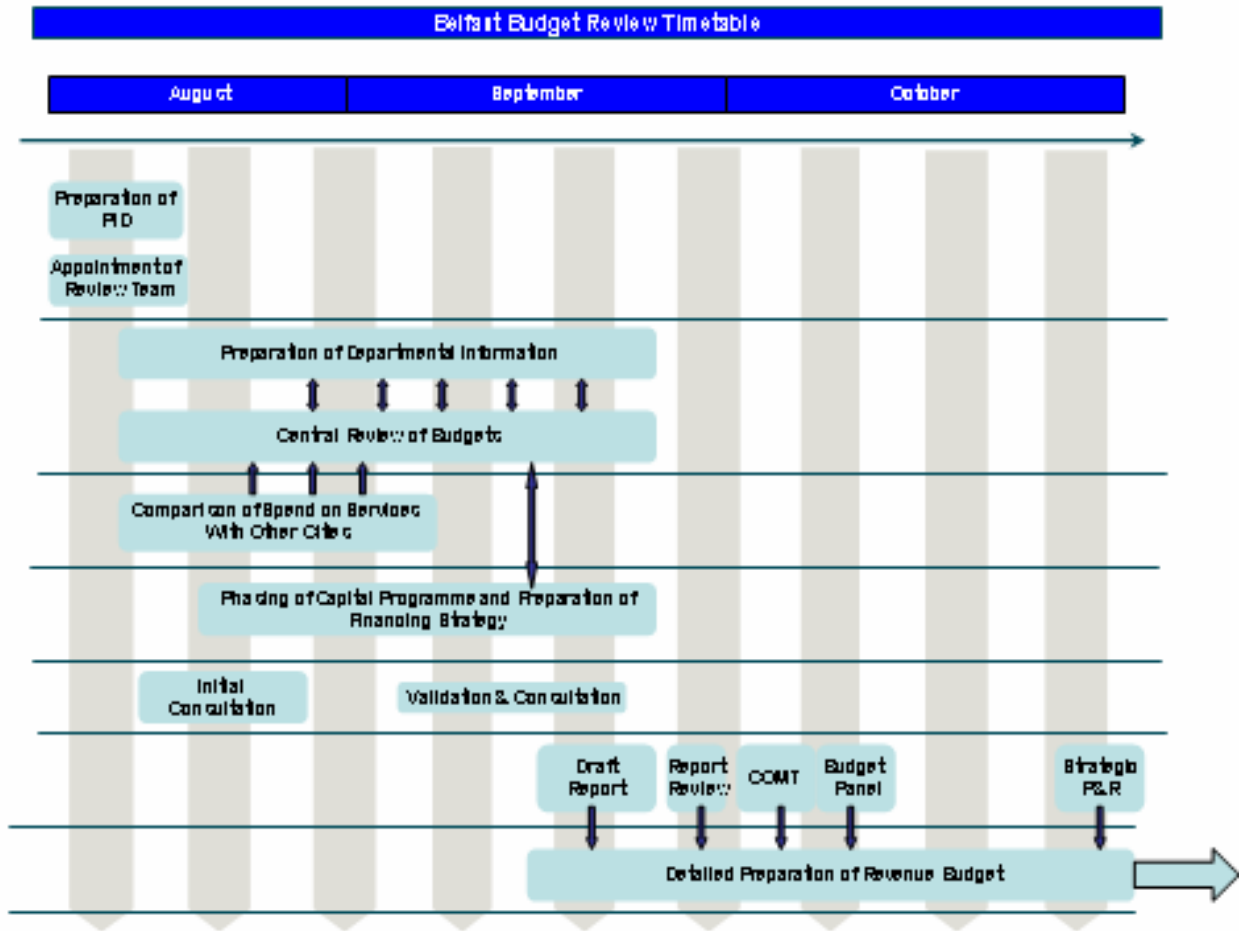
Belfast Budget Review Timetable

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Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	**Governance of Major Projects**
Date:	4 September 2009
Reporting Officer:	Peter McNaney, Chief Executive
Contact Officer:	Peter McNaney, Chief Executive

Relevant Background Information

In an increasingly challenging financial environment, the Strategic Policy and Resources Committee has recognised the need for greater organisational controls over the main financial risks within the Council. One of the biggest risks is the authorisation of spend on major projects and the governance of the project to ensure it is delivered on time and on budget.

In November 2008, the Local Government Auditor noted in his Annual Report that the Council had identified the governance of major projects such as Connswater Community Greenway, the new cemetery, Titanic Signature project and large capital builds as a key risk for the organisation. Such projects run financial risks of millions of pounds, through various factors, such as ill-defined decision making processes and paths, variation control, an aggressively litigious procurement environment as well as the normal risks to physical projects such as contamination, planning delay and so on that result in time, cost and specification underperformance. The need for Council to work increasingly with partners in delivering potential city-wide projects, e.g. Crusaders/Newington Sports Village, Tommy Patton/Blanchflower development and potential North, South, East and West projects etc., only adds to the above risk and ultimately to the Council's reputation and credibility.

As part of the debate on the corporate plan at the Strategic Policy and Resources Committee in June 2009, the Chief Executive informed Members that a review of the arrangements in place to deliver major projects had been commissioned to ensure that the role of the Committee in ensuring delivery and budget was assured.

The purpose of this report is to present to Members the findings of this review and to make a number of recommendations for improvement. The review was carried out by a leading firm in this field – Drivers Jonas.

Key Issues

The review examined the current arrangements in the council for managing major projects. Major projects were defined at the outset as those projects which significantly affect the Council's budget, reputation and/or operation.

The key findings of the review are a follows:

- The current governance arrangements for major projects are fragmented across the council and this is due to the responsibility for projects resting across difference departments and committees.
- The skills which the organisation need to bring together to make significant projects work currently sits across at least three departments.
- The role of Strategic Policy and Resource Committee in relation to cost control and oversight of project governance needs to be clarified and strengthened.
- The officer with whom overall responsibility rests for a particular project is not always clear.
- There is a lack of coherence in dealing with external parties.
- New governance arrangements are needed to ensure the most effective use of limited resources.
- Clearer roles, responsibilities and accountabilities for major projects need to be established.

Drivers Jonas have made a number of recommendations which are in line with the recommended government best practice guidance which is known as, "Office of Government Commerce Portfolio, Programme and Project Management best practice (P3O)". The key recommendations of the review are as follows:

- The Strategic Policy and Resources Committee should have overall responsibility for the allocation of resources and strategic oversight of major projects.
- COMT should provide officer oversight for all major projects.
- Every major project should have a named responsible officer as a client.
- The Strategic Policy and Resources Committee, COMT and responsible officers should be supported by a director who has the relevant project management skills to ensure delivery.
- This director should be supported by a team with project/programme management expertise.
- The team should be a source of good practice for all projects across the council.
- The adoption of Gateway risk rating to identify and categorise major projects risk status. (See Appendix 1)

The successful implementation of the recommendations made by Drivers Jonas is dependent on changes being made to the organisation structure. For this reason the organisational implications of the recommendations have been incorporated into the review of the centre report which will be discussed at today's meeting as part of a separate report. At this stage, therefore, Members are only being asked to agree in principle to the recommendations as outlined above and to consider the implementation issues as part of the review of the centre report.

Recommendations

Members are asked to agree to the following:
 	
    1. Note the findings of the Drivers Jonas report.
    2. Agree in principle to the recommendations as outlined above.
    3. Consider the implementation issues as part of the review of the centre report.

Definitions of Gateway Risk Rating

Mission Critical

A Mission Critical Programme or Project is one that, **regardless of size, value or complexity**, delivers:

- outputs that directly support the delivery of a major policy outcome
- a major internal business change that supports the administration of the Council or a major public sector organisation e.g. an Agency or major funding body
- a business criticality and/or major political sensitivity; or
- a significant resource commitment.

High Risk

A High Risk Programme or Project is one that typically displays some or all of the following characteristics:

- a novel or untested approach to delivery;
- lack of experience of similar project delivery;
- a complex matrix of project interdependencies;
- a significant impact on the public and other organisations;
- a business criticality and/or political sensitivity; or
- a significant resource commitment.

Medium Risk

A Medium Risk Programme or Project is one that typically displays some or all of the following characteristics:

- a previously tested approach to delivery;
- a structured delivery team with some relevant experience;
- a well defined project with clear and uncomplicated boundaries;
- some impact on the public and other organisations;
- an important but non-critical business support function and/or some political sensitivity; or
- some degree of resource commitment.

Low Risk

A Low Risk Programme or Project is one that typically displays some or all of the following characteristics:

- a routine and well-tested approach to delivery;
- an experienced delivery team;
- clear project boundaries with little or no interdependency on other projects;
- minimal external impact on the public and other organisations; or limited resource requirements.

Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	**Review of the Centre – Organisation Structures**
Date:	4 September 2009
Reporting Officer:	Peter McNaney, Chief Executive
Contact Officer:	Peter McNaney, Chief Executive

Relevant Background Information

1. Members will recall receiving a report at their meeting on 19 June 2009 in relation to the review of the centre of the organisation. A copy of this report is attached at Appendix 1. As this report made clear, the aim of the review is to set at a high level the creation of an effective corporate centre that fully supports the Council's requirements whilst at the same time providing value for money.

2. In essence the review of the centre is a rolling programme of reviews involving those parts of the organisation that provide support to frontline services. This includes Corporate Services, including HR, ISB, Audit, Risk and Governance, and Business Improvement; the Council Improvement Unit; Legal Services; and Members' Services.

3. The most urgent priority for the review is to establish a programme of work which seeks to provide solutions in relation to:

   ▪ How savings can be delivered at the centre of the organisation with a minimal effect on frontline service provision which will aid the Council's financial ability to maintain a low rate and provide resources to fund its capital programme aspirations.

   ▪ Providing the Council with an organisational structure at senior officer level to support implementation arrangements for the Review of Public Administration and ensuring that the organisation is fit to deliver post RPA.

Key Issues

4. At present the Chief Officers' Management Team is in transition with a newly appointed Director of Finance and Resources due to take up her post on 1 November 2009 and a recruitment exercise underway for a new Director of Development following the present Director's resignation. In addition, the Director of Health and Environmental Services will be eligible to retire from Christmas onwards and finally two of the present Directors are employed on an interim basis with one of them responsible for an interim departmental structure.

   In addition, the human resource impacts of the Review of Public Administration are about to take real effect. Negotiations are presently underway at a regional level on the arrangements for moving Councils from their present staffing structure to the staffing structures which will

need to be put in place for the new Councils post 2011. Whilst Belfast City Council is not merging with another Council, there is a real risk that Council staff will be encouraged to apply for new posts in the new Councils given that they will be larger organisations with bigger budgets. It is therefore vital that the Council establishes as early as possible permanent positions for its senior staff to ensure continuity of delivery and leadership up to May 2011.

5. The Committee also considered the implementation structure for the review of the centre and preparations for RPA. This involved the creation of a Budget and Transformation Panel drawn from Members of all the political parties supported by an officer Budget and Transformation Board and an implementation team which would be supported by an external Change Manager. This team would then carry out a number of service reviews of Finance, Projects and Corporate Systems, Members' Services, Central Business Support Units, Human Resources, Building Maintenance, Vehicle Maintenance etc and report through the Members' Budget and Transformation Panel to the Strategic Policy and Resources Committee.

6. A full copy of the high level Review Report is contained at Appendix 2 attached to this report. Briefings on the detail of the report will continue to be offered to individual party groups.

7. At today's meeting, Members will also be considering reports on the Budget Review and Voluntary Redundancy exercise and the role of the Strategic Policy and Resources Committee in relation to the governance of major projects. Both of these issues obviously impact on the Review of the Centre Report and a number of decisions are required to move these issues forward.

8. One of the key findings of the Review of the Centre Report is a recognition that the 'fit for purpose' activities led by the Core Improvement Team have largely been completed.

    Initially the Improvement Directorate was established as the Core Improvement Team on an interim basis to support the Council's improvement agenda. It was set up at no additional cost to the ratepayer by re-aligning existing budgets for the Chief Executive's and Corporate Services Departments. Its work over the past few years has concentrated on working with other parts of the Council to develop, align and integrate the building blocks required by the organisation to deliver its priorities and to meet the challenges of the Review of Public Administration. Priority has been given over this time to strategic policy, planning and performance, customer focus, resource allocation, programme management and HR. Significant time has also been spent on the efficiency programme, changing the governance arrangements and organisational development work with Members, COMT and senior management. The Improvement Directorate also provides policy support and research to the Chief Executive and the Review of Public Administration.

9. As a result of the need to ensure that the Strategic Policy and Resources Committee had the necessary financial oversight over procurement, estate and asset management, these functions were also made the responsibility of the Director of Improvement.

    Members, however, now need to consider three issues which impact directly on the future of the interim Improvement Department. These are:

    1) Alignment of facilities management and major projects with asset management. Sector Projects, as part of the review of the centre, have highlighted the fact that the management of issues relating to property and assets are spread across a number of departments. Facilities Management sits in Corporate Services, asset management and the capital programme are covered by the Improvement Department and the delivery of major projects is shared across all departments. It is argued that this is not the most appropriate arrangement to secure the efficient and effective management of property and assets.

    2) The governance of major projects review carried out by Drivers Jonas and conducted in response to a concern raised by the Local Government Auditor about the risks

associated with major projects is also being reported to the Committee today. The review highlights the following issues:

- The current governance arrangements for major projects are fragmented across the Council and this is due to the responsibility for projects resting across different departments and committees.
- The skills which the organisation need to bring together to make significant projects work currently sits across at least three departments.
- The role of Strategic Policy and Resource Committee in relation to project governance needs to be clarified and strengthened.
- The officer with whom overall responsibility rests for a particular project is not always clear.
- There is a lack of coherence in dealing with external parties.
- New governance arrangements are needed to ensure the most effective use of limited resources.
- Clearer roles, responsibilities and accountabilities for major projects need to be established.

The Drivers Jonas review goes on to recommend that the Strategic Policy and Resources Committee, COMT and responsible officers should be supported by a director who has the relevant project and programme management skills to ensure the successful delivery of major projects.

3) The Review of the Centre Report acknowledges that the CIT team has made considerable progress in contributing to the development of the key corporate systems, processes and frameworks which are required to ensure the Council operates as a corporate entity and a high performing organisation in time for the RPA; it states however, that the point has now been reached where the functions carried out by the Core Improvement Team should be anchored in the organisation and treated as business as usual.

10. Given these three major issues, the Review of the Centre recommends that the Council establishes a directorate of Property and Projects reporting directly to the Strategic Policy and Resources Committee with the director having responsibility for all property related functions and the capital programme, major council-wide programmes such as the RPA and city investment strategy and asset management plan. This will enable the Committee to better exploit the synergies between the development of new assets and the management of existing ones particularly in the areas of project and programme management and contract management. It will also lead to more effective alignment of asset management to the efficiency and transformation programme and the implementation of the customer focus strategy.

The Review also recommends that Members give consideration to including the Building Control function to this directorate. The economic downturn has put pressure on the income raised through Building Control fees. At the same time, this has presented opportunities to use the competencies and skills of Building Control staff in other areas such as the successful vacant property exercise carried out in conjunction with Land and Property Services and the rates projection work used as part of the Titanic Signature Project bid. These skills could be further used in working with the Director of Property and Projects on property and rate base work.

11. The Review of Public Administration will be the Council's biggest project for the next couple of years. While the Chief Executive has overall responsibility for RPA, and all of the COMT need to be involved in developing policy, the organisation needs a director to manage the work on an on-going project management basis. Currently, this responsibility lies with the Director of Improvement. If Members accept the creation of the Director of Property and Projects the Director of Improvement post will cease to exist in the organisation structure. It is therefore recommended that responsibility for RPA is given to the new Director of Property and Projects as it is a major corporate project.

12. One business support unit should be established to service the directorate. Further work will be required to determine the size and structure of the business support unit. In summary the structure of the new directorate of Property and Projects would be as follows with Building Control included as an additional option:
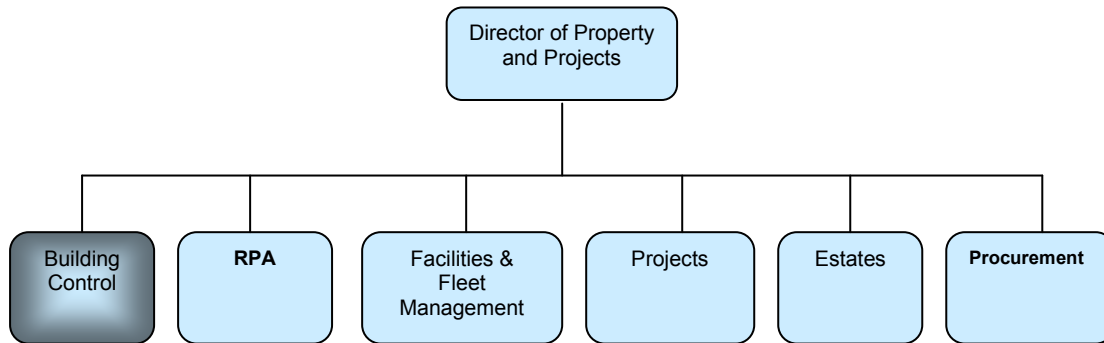
The creation of the directorate would create minimal disruption as, in the first instance, structures below the director level would remain unchanged. The new director would then have the opportunity to explore synergies across the functions.

Should Members agree to the establishment of the directorate then the job description, grading and appropriate method of filling of the Director of Property and Projects must be progressed. As we approach RPA there will be the need for more flexibility in the functions which senior officers are responsible for. The Council has already agreed that a generic term should be inserted as a condition of employment for the new Director of Development post, which will permit the Council to amend the Director's responsibilities to ensure that the emerging changes required under the Review of Public Administration can be accommodated. It is recommended that such a clause be inserted into the job description for the proposed post.

13. Members may be aware however that four key RPA HR issues (i.e. vacancy control; filling posts in new organisations; staff transfers; and severance) are currently being negotiated through the Local Government Reform Joint Forum with detailed guidance being developed. It is important to consider what the impact of these matters, and in particular the vacancy control process, may have on Belfast City Council.

The proposed vacancy control scheme which is likely to come into effect on a phased basis on 1 October 2009 recommends that councils should seek to fill a vacancy from at risk staff in the following order of consideration before resorting to public advertisement:

- at risk staff in the individual council
- at risk staff in the amalgamated council cluster
- at risk staff across all the 26 councils
- at risk staff across all the sectors in the RPA Affected Group.

In addition to considering the RPA related HR matters outlined, the filling of this post must be considered within the context of the Council's restructuring and right-sizing exercise. Members are therefore asked to delegate authority to the Chief Executive in consultation with the Chair of the Strategic Policy and Resources Committee and the Budget and Transformation Panel to fill this post in the most appropriate manner following full consideration of all RPA, legal, equality and financial implications.

Strategic Planning, Consultation and Research and Corporate Planning would return to report directly to the Chief Executive.

14. **Other Immediate Actions**

As noted earlier in the report it is essential that the savings emanating from the review of the centre are identified and captured early enough to be included in the rate setting process for

2010/11. One of the necessary first steps is to ensure that the Human Resources service has the capacity and capability to provide the support required to deliver the recommendations relating to the review of the centre as agreed by the Strategic Policy and Resources Committee. Sector Projects have therefore recommended that the Human Resources service is immediately reviewed in the context of the following:

- The development of the HR service's custodianship of job descriptions

- The further development of its role in organisational development, and in particular structural reform, and controlling staff numbers

- High level analysis of impact on the HR service as a result of RPA

- The identification of potential savings.

  Full details of the review are provided at Appendix 3.

15. **Retirement of the Director of Corporate Services**

The Council's policy on Pension and Discretionary Compensation Payments as agreed by the Strategic Policy and Resources Committee, 17 November 2007, allows for a compensation payment to be made where there is an economic and/or operational reason to do so. Given the current Finance, HR and IT agendas and the initiation of a new approach to the provision of these crucial support functions, recently highlighted by the review of the centre; the future required programme of work to implement the review of the centre; and the recent recruitment of the Director of Finance and Resources who is commencing work at the start of Nov 2009, it is proposed that a compensatory payment equivalent to 10 months added pension at a cost of £26,673 is made to the Director of Corporate Services on the basis that he will retire from the Council on 31 October 2009. Given the differential in total salary costs between the current Director of Corporate Services and the starting point of the newly appointed Director of Finance and Resources, the amount would be paid for by the end of the next financial year.

Recommendations

Members are asked to agree the following:

1. To establish a directorate of Property and Projects with the director having responsibility for all property related functions and the capital programme, major council-wide programmes such as the RPA and city investment strategy and asset management plan.

2. To delegate authority to the Chief Executive in consultation with the Chair of the Strategic Policy and Resources Committee and the Budget and Transformation Panel to fill this post in the most appropriate manner following full consideration of all RPA, legal, equality and financial implications.

3. To implement a more generic approach to directors' job role and state in each of their job descriptions and conditions of service that the functional responsibilities and duties may be amended to permit flexibility to deal with RPA.

4. To undertake a review of the HR service as outlined at Appendix 3.

5. To make a compensation payment equivalent to 10 months added pension to the Director of Corporate Services in accordance with the Council's policy on Pension and Discretionary Compensation Payments.

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Belfast City Council

Report to:	**Strategic Policy and Resources Committee**
Subject:	**Review of the Centre**
Date:	19 June 2009
Reporting Officer:	Peter McNaney, Chief Executive
Contact Officer:	Peter McNaney, Chief Executive

Relevant Background Information

The purpose of this report is to present to Members the findings of the Review of the Centre and to discuss a way forward in terms of both agreeing the recommendations and implementing them.

The Review of the Centre covers the Chief Executive's Department, Legal Services, Corporate Services and Core Improvement. It was initiated in agreement with Members in recognition that a number of issues facing the council require addressing. These issues include:

- the negative impact of the economic recession on council income in terms of fees and charges and the district rate;
- the potential for reduced levels of public money available for investment in Belfast;
- the Review of Public Administration will increase the range of services provided and the size of the population to be served;
- the council has already made nearly £7.0m in cash savings over the past four years and needs to find more transformational ways of delivering further savings;
- how best the centre of the organisation can best support Members to meet the key strategic challenge of:
    - integrating functional service delivery with thematic priorities;
    - meeting need at a local level;
    - developing the council's place-shaping role in the city; and
    - keeping rates increases to a minimum;
- the need to better manage the risk of major projects as highlighted by the Local Government Auditor; and
- the replacement of the Director of Corporate Services and the interim position of the Director of Improvement.

In summary, the aim of the review which is set at a high level is to support the development of an effective corporate centre that fully supports the organisation's requirements whilst, at the same providing value for money to the ratepayer.

The review was carried out by Sector Projects and the Executive Summary of their report can be found at Appendix One. Sector talked to Members, 50 senior officers, and staff representatives as part of the review.

Key Issues

The following is a summary of the key Sector's key findings and recommendations:

Findings
- The findings of the review support the steps already taken by Members to create a fit for purpose organisation.
- The corporate centre employs just over 28% of council staff and accounts for 30% of council expenditure. This is large compared to local authorities in the United Kingdom.
- Sector estimate that at least £1m cash savings can be achieved over the next three years if the recommendations contained in the report are implemented.
- There is an opportunity to reduce overlap and duplication both at the centre and between the centre and the support functions within departments.
- There is a need for central services to find better ways to demonstrate value for money provided.
- There is an urgent need to improve governance and control of both finance and HR functions.
- Sector supports the moves by Members to improve performance management across the organisation.
- Sector recognises the need to properly resource customer focus work and the transformation and efficiency agenda.
- There is a need to better support the Strategic Policy and Resources Committee to co-ordinate the development and monitoring of policies and initiatives.

Recommendations
- The report makes a number of high level structural recommendations which if implemented would result in the following:

  - The Director of Legal Services taking on additional responsibilities for Member Services, Registrars and Records Management.

  - The CIT Unit to renamed the Performance and Planning Team, reporting to the Chief Executive with responsibility for policy, planning, performance and the transformation agenda.

  - The creation of a Property and Projects Directorate with responsibility for all property related functions.

  - The Director of Corporate Services post to be renamed the Director of Finance and Resources with responsibility for Finance, HR, ISB and Audit, Risk and Governance.

  - The creation of one Business Support Unit for each central department.

  - The creation of a small customer focus team based in ISB.

  - The transfer of the District Policing Partnership Team to the Health and Environment Department and the Good Relations Unit to the Development Department.

- The report also recommends that given the budgetary pressure the council is under, political direction should be sought on whether there is any will to retain staff on a supernumerary basis for any prolonged length of time after September 2009.

- It is also recommended that detailed reviews should be carried out in relation to:

• Finance	• Projects and Corporate Systems	• Member Services
• Business Support	• Human Resources	• Admin of Buildings
• Building Maintenance	• Vehicle Maintenance	

Way Forward

It is recognised that the recommendations contained in the report will mean significant change for the council and will be difficult to implement. Members will require detailed briefings and sufficient time to consider the Sector report in detail. For these reasons, it is recommended that detailed briefings are provided to Members over the summer period and the full report to be brought to the Strategic Policy and Resources Committee in September for agreement.

Whatever recommendations are decided on by Members, it is important that the council is in a position to implement them quickly so that the initial savings can be captured in time for the 2010/11 budget round. The Sector report recommends a structure that should be put in place to support the implementation of the agreed recommendations. It would consist of the following:

Budget and Transformation Panel – would oversee the implementation of the programme on behalf of the Strategic Policy and Resources Committee. This Panel is already up and running.

Director of Finance and Resources – to be accountable for the delivery of the programme.

Transformation Team – to implement the recommendations. Resources would be obtained from a realignment of existing staff and would not present an additional burden to the ratepayer.

External Change Manager – who would lead the Transformation Team and provide an independent support to the Budget and Transformation Panel. Given the nature of the review it is important that the work is led by someone external to the council and who has no personal interest in the outcome of the review. It is likely that the External Change Manager would be required for an initial six months with the position being reviewed at this point. The position would be financed from existing resources and from in-year budgetary savings emanating from the review.

Given the lead time required to put this support structure in place and the need to ensure that the organisation is ready to implement the recommendations once they are agreed so that the savings can be captured, permission is sought from Members to start putting together the Transformation Team and recruit the External Change Manager.

Recommendations

Members are asked to agree to the following:

1. To attend detailed briefings on the review over the summer period.
2. To consider the report in detail at the September meeting of the Strategic Policy and Resources Committee.
3. To agree to the support structure as outlined above which will be required to implement the recommendations of review.
4. To agree to start the process of putting the support structure in place so that it is operational in time for implementing the recommendations emanating from the review as soon as they are agreed by Members. This will include the recruitment of an External Change Manager for an initial period of six months.

Belfast City Council

Corporate Centre Review

Sector Projects

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A Report by Sector Projects

May 2009

SECTOR
PROJECTS

Executive Summary

We have produced this report as part of an overall high-level review of the centre of the organisation. For this reason, many of the recommendations suggest the need for further work to identify clear ways forward and detailed implementation paths. We have reviewed the role of Finance in greater detail and a separate report has been produced, supporting the recommendations in this report.

We retained a 'helicopter view' of the organisation, without going too deeply into the complexities of individual services, apart from Finance. We talked to Elected Members, 50 senior officers, including every member of the Chief Officers Management Team. We also talked to staffing representatives.

The corporate centre of Belfast City Council is large and fulfils many functions. We believe it could be better co-ordinated to meet several key challenges ahead:

- The present economic climate and the need for the Council to provide greater value for money;

- Changes in the Chief Officers Management Team;

- The Review of Public Administration; and

- Belfast's extending role as a city region.

We believe that there are opportunities to reduce overlap and duplication both at the centre and between the centre and the support functions within Departments. We recommend a rationalisation of review functions and the urgent need to take closer governance and control of both finance and HR functions given the emergence of important challenges in both areas. We identify significant opportunities to make savings and to redirect resources to front line services. These will take time to achieve, but offer significant opportunities for efficiencies and service improvements.

We support the moves to improve performance monitoring and management information across the organisation and recommend that this process is accelerated. We also recommend changes in the organisation to support initiatives designed to improve customer services.

The key opportunity is to 'demystify' the relationship between the centre and managers in service departments. We recommend that the central functions should support the departmental managers in their day to day deployment of the resources of the Council in delivering services. We believe that the centre should focus on setting out the framework or rules, within which departmental managers would manage people and assets, and seek changes in policy and procedures. At present, we conclude that the relationship is too much balanced towards central functions 'stepping in' to deliver the support functions more directly.

We also observe a level of non-compliance with corporate initiatives which needs addressing.

The Chief Executive has already taken steps to review the 'fitness for purpose' of the organisation in advance of a series of challenges which face the City Council. This

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includes governance and decision-making, the performance and efficiency agendas, the need to review the financial resources likely to be available to the Council and, critically, the capacity of the organisation to deliver on some major projects already planned. Much of the work we have undertaken lately is in support of these initiatives.

This report has been produced with the support and co-operation of officers of the City Council. We could not have produced it without their openness, active support and willingness to contemplate new ways of doing things, with some very challenging options.

Our grateful thanks go to them.

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1 Introduction and Background

1.1 Background

Sector Projects has been engaged to carry out a high level review of the corporate centre for Belfast City Council (the Council). This review has been instigated following recognition that a number of issues facing the Council in both the short and medium term require addressing. This report offers the opportunity to put more permanent solutions put in place.

The issues that need to be addressed include:

♦ The replacement, on his retirement, of the Director of Corporate Services;
♦ The interim positions of the Director of Improvement;
♦ The functional and organisational positioning within the organisation of the following functions:
   o Planning and Policy Development;
   o Customer Services;
   o Efficiency and Organisational and Performance Improvement; and
   o Property and Facilities Management.

In addition, the Review of Public Administration (RPA) in Northern Ireland will increase the Council's range of services and will also increase the size of the population and geographical area that it serves. Even if the extent of the change is not as radical as originally thought, there will be substantial impacts on both employees and other resources in terms of planning for an efficient transition. The City Council will need to identify resources and management responsibilities to meet this challenge.

The economic recession has already had an impact on the Council's income in areas like ISB and BIS. There is no evidence to suggest that this position will improve over the next few years. There is also the risk that the position may worsen through reduced income from business rates and a decline in estate rental income. Low levels of price and wage inflation will help the Council in terms of cost but this will put additional pressure on delivering acceptable levels of future rate rises.

The Council has already taken £7.0m out of base budgets over the past few years. There is no doubt that further efficiencies will have to be found to counteract the impact of the recession and to keep the rate at an acceptable level. These further efficiencies will be harder to find and will require transformational change rather than incremental change to deliver them. Members have already indicated that in the first instance priority should be given to finding efficiencies in the centre of the organisation. One of the key purposes of this report is therefore to make recommendations on how further back office efficiency savings can be delivered.

Members, through their involvement in the corporate planning process, have identified that the key strategic challenge for the organisation is to work out how best it can integrate functional service delivery with thematic priorities, meet need at a local area level and develop its place-shaping role in the city while keeping rate increases to a minimum. One of the key components of meeting this challenge is an effective corporate centre. Much work has already been done to this end through the Council's improvement agenda. We have tried to ensure that the changes we suggest represent a further step forward towards a corporate management structure with a centre which is appropriate in both its skills and scope to be able to support this

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challenge.

In summary, the aim of this review is to support the development of an effective corporate services that fully support the organisation's requirements whilst, at same time, ensuring that they are efficient, effective and fit for purpose.

1.2 Approach

The approach taken to the assignment is summarised in the diagram below. It is intended to provide a logical, analytical and evidence-based approach to the review.

In our proposal we outlined an iterative process for delivering the requirements of the City Council. The diagram below outlines our approach.
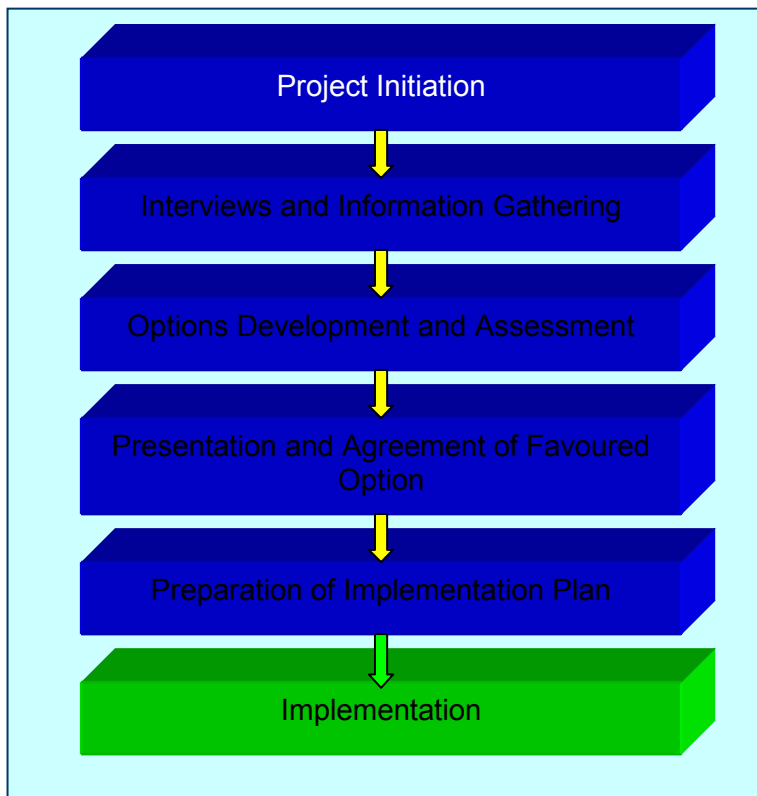
We have completed a relatively comprehensive information-gathering programme. This has included the review of a wide range of corporate and departmental documentation and interviewing over forty senior managers (including all Chief Officers). We covered officers both from the corporate centre and from service Departments in this process to gain an understanding of their perceptions and also what they need from the centre to enable their work to be carried out effectively.

1.3 Acknowledgement

We wish to place on record our appreciation of the help and assistance we have received from officers at all levels throughout the Council. Their openness and insight has been of considerable assistance.

2   Corporate Services for Belfast

2.1   Introduction

The purpose of this chapter of the report is to set out what services might be considered as the corporate centre of the organisation. We will consider issues with the existing corporate services structure and move on to identify possible gaps from our analysis and from our research and experience of similar local authorities. This approach will enable us to construct a corporate services organisation structure going forward.

2.2   What is the corporate centre?

There are a number of ways to define the 'centre' in terms of local authority administration. We have avoided entering into a discussion about definitions and territory, preferring to focus on those services that currently sit at the centre in Belfast City Council. By this means, we ensure that we cover the brief.

However, it is important to have a clear idea of the distinction between the role of the centre and a range of functions which might be done collectively (and which may have an important impact on the running of the City Council) but which are not central to the operation of the organisation as a whole. There are some functions which may best be operated collectively, but which, nonetheless, do not sit at the corporate centre of the organisation. **This analysis is predicated on the notion that Belfast City Council is a single organisation, and not a loose federation of service delivery units.**

To agree on what constitutes corporate working for the City Council requires a shared understanding of the reasons why some functions need to be at the heart of the organisation. Other functions, which may be no less critical to the efficient operation of the organisation, do not need to be at the centre.

Finally, it is important to recognise that 'the centre' has the right to establish corporate processes on behalf of the organisation as a whole, and to insist that such processes are followed. Examples of such processes would include the formation of the revenue budget and the capital programme, the key HR procedures for the recruitment of staff and the grading of individual posts, and the contractual procedures for procuring equipment and materials. There is a compliance issue in Belfast City Council around some of these procedures which will need to be addressed if the review of the centre is to be successful.

2.3   The Corporate Centre

A. **Resource Management**

Generally speaking, the control and co-ordination of key resources needs to be at the centre:

- **Finance**

The Council is required to produce a single set of integrated accounts across its entire operation. This requires:

  - integrated accounting practices;
  - consistent financial treatment of individual transactions;
  - integrated financial processes (payroll, creditors, income etc);

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- o production of a consolidated revenue account and balance sheet for the organisation as a whole;
- o one officer with oversight and responsibility for the overall financial management of the organisation; and
- o consistent financial procedures and rules usually set out in financial regulations and standing orders relating to contracts.

The requirement for consistency also promotes an integrated approach to the stewardship of public money and the way resources are deployed across the organisation. This argues for transparent and consistent mechanisms for resource allocation and a corporate approach to budgeting, capital programming, monitoring and reporting. Finally, the Council levies taxes and has specific responsibilities to local taxpayers for the way in which public money is spent.

- **Human Resources**

The Council is a single employer. This requires the organisation to take a consistent and holistic approach to the people who work for the City Council, irrespective of which Department an individual may work for. The requirement to meet employment legislation and regulation covers the entire workforce and needs to be consistent. In particular, the Council needs to have a consistent approach to issues such as:

- o Job descriptions and person specifications;
- o Recruitment and retention;
- o Equal opportunities;
- o Industrial relations;
- o Training;
- o Management structures;
- o Disciplinary processes;
- o Job evaluation; and
- o Single status.

If there are inconsistencies in the management and administration of Human Resources then the organisation will be at much greater risk of claims in respect of grading, grievances and discrimination. It will be much harder to defend cases at Employment Tribunals.

- **Property**

Whilst there is no legal requirement to manage property across the Council in a fully co-ordinated and holistic way, there is a commonality in approach with that of finance and human resources. Many councils operate a consistent approach to resources and it is increasingly common to employ a single senior manager to oversee finance, people and property, in an integrated Directorate of Resources. Indeed, the current Director of Corporate Services has many of these functions within such a Directorate, but without the strategic mandate for property. This approach is one that views these assets as corporate property that are used by services rather than owned by them. To achieve this would require the adoption of a corporate landlord approach towards both operational and non-operational property.

The management of assets is increasingly important in the efficiency agenda. There is a corporate landlord function, which can be dispersed across the organisation, but there are compelling reasons why the City Council should consider developing an integrated approach to meet specific challenges which the City Council will need to

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meet in the coming years. In particular:

- o The Review of Public Administration and the integration of assets from the transferring areas of Lisburn and Castlereagh and the NICS;
- o The physical aspects of place-shaping will require the Council's asset base to be managed strategically;
- o The implications of developing a City Region approach in the European context;
- o The sweating of assets to realise efficiencies and align their use to the delivery of the corporate objectives;
- o The property implications of the City Development Plan;
- o The need to review the use of property within the Council and to continue to improve the capital prioritisation processes; and
- o Staff accommodation strategy and standards.

These points demonstrate the need for the Council to have effective asset management, which should be set out in the Asset Management Plan which is under development. This will assist in more effective capital programme planning.

- **Core Functions**

The core activity for central units is to set out the rules of engagement and to be responsible for the major corporate processes. This includes the deployment of revenue and capital resources people and property.

Whilst the core functions of finance, human resources and property lie at the central core of the organisation, the responsibility for day to day management of these resources lies squarely with the Departments. It is important that this direct management responsibility for resources is not abrogated to the centre. This is because it is an integral part of management to manage resources and to deploy them to optimal advantage for the organisation. Part of the reason for overlap and duplication between the centre and the Business Support Units is the blurring of the lines between the role of the centre and the responsibility of service department managers to manage the revenue budget, the capital programme schemes falling within their service areas, people employed within the department and the assets used in service delivery. We will be recommending that the lines of responsibility and management are redrawn to avoid some of the problems created by the lack of clarity in this area.

Of particular concern is Human Resources, where the central team is consistently engaged in dealing with operational management issues. But when a concerted effort has been made to recast the responsibilities, such as with attendance management, the results have been positive. It is important that this drive to redraw the lines and to place management responsibility squarely where it belongs is taken as a result of this exercise.

B. Professional Advice

The Director of Finance and the Head of Human Resources speak for the whole organisation within their specific areas of professional expertise. Those officers are responsible for the organisation's approach to these critical functions and therefore carry the organisational corporate responsibility for them. They speak with authority on these areas and their judgement and advice carries special weight. Both are entitled to set out the authoritative position for the organisation within their areas of competence.

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Such advice carries a level of authority and independence, which needs to be recognised and understood within the organisation. Members, and other officers from Chief Officers Management Team are entitled to ask for clarification and Members are entitled to take decisions which are contrary to the advice given by these responsible officers. But the advice stands with a degree of independence and authority and needs to be accepted as such. The Chief Executive is entitled to ask either of these officers to review their advice, and can outline the possible consequences of the current advice. But the advice cannot be overruled.

The same can be said for legal advice. When the Director of Legal Services outlines the legal position, he speaks with the same level of independent professional authority. The advice stands across the organisation and must be acknowledged and considered, even if, in the last analysis, it is not taken.

Other officers speak with similar authority in specific areas. For example, the Director of Parks and Leisure Services speaks with authority on all issues related to the proper arrangements for interment and handling of the dead. But even here, the legal implications of different future options would rest with the Director of Legal Services.

C. Policy, Decision-making and Governance

The arrangements for making decisions and recording them are an important part of governance. Decisions need to be taken properly, within the Constitution and within the terms of reference of the body making the decision, in a way which makes it clear what Council policy is and what needs to be done The role of Members in the decision-making process needs to be properly safeguarded, and it is important that decisions requiring a periodic review or for a specific future event to be recognised and brought back to Members are monitored and controlled. This is better done centrally, with consistent processes and as part of the proper management of the Council's affairs. It needs to be neutral and be seen to be neutral. It also needs a high degree of trust from both Members and officers. This will help consistency in decision-making and accurate reporting. It also helps to ensure that the decision which was in Members' minds is acted on faithfully and not amended in any way, through misconception or through gradual erosion through the bureaucratic processes.

This requires the Member Services Unit to be the custodian or steward of the Council's political governance processes. We discuss the implications of this approach below

2.4   Summary of the Role of the Centre

The role of the centre should include:

- Governance, including decision-making processes, tracking monitoring and implementation
- Safeguarding the constitutional procedures of the City Council
- Stewardship of Council policy
- Finance
- Employment
- The law
- Establishing the 'rules of engagement' for corporate processes and procedures, particularly in finance, human resources, planning, policy and performance and communication and consultation and engagement
- Corporate processes for prioritising competing demands for scarce resources
- Checking alignment with Corporate objectives

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- Interrogating the business cases for inclusion on Council priorities and for resources (equity, equality, economic, environment etc)
- Getting agreement for the major corporate processes and outcomes
- Targets
- Performance and corporate planning
- External relationships
- Testing compliance with corporate processes

There seems to be some confusion as to who is the customer for centrally provided services. We take the view that central services are there to support service departments in the delivery of Council services. As such, the central services support the 'front line' services and those services should be seen as the client or customer of the service Departments.

However, we also recognise that the role of the centre is important in terms of the proper governance and decision-making processes within the organisation and, from that standpoint, the Members are at the heart of the functions carried out at the centre of the organisation. In this sense, the central services support Members and the democratic process. So the centre of the organisation needs to be both empowering and controlling to sustain a balance between the differing types and levels of support required by elected Members and the organisation as a whole on one hand, and by service departments on the other.

There is an opportunity to clarify these two distinctive roles and in so doing, developing a clearer view of who is the customer for central services. There are also issues of stewardship and custodianship to which we return in this report.

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3   The Current Corporate Centre

3.1   Overview of the centre

The table below provides a summary of the establishment figures for the departments within the centre of the organisation. In total there is 723 staff (FTE) which represents just over 28% of the Council's establishment.

Table 1: Corporate Centre Establishment Figures

Department	Agreed establishment figure (Full Time Equivalents)
Chief Executive's Department	83.5
Legal Services Department	25
Corporate Services Department	553.5
Core Improvement Team	61
Total	**723**

The table below provides a summary of the budgeted income and expenditure 2009/10 for the corporate departments. Corporate centre expenditure accounts for 30% of total Council expenditure and just over 27% of the Council's external income is derived from corporate activity.

Table 2: Corporate Centre Budgeted Income and Expenditure 2009/10

2009/10	BCC Budget	Combined Central Department Budgets	Centre as % BCC
	£	£	%
**** Internal Income	-37,414,684	-30,633,758	82
**** External Income	-36,837,968	-10,117,054	27
**** Expenditure	200,605,922	60,048,849	30

3.2   Some Reflections on the Centre

The overall size of the centre

The central units in Belfast City Council are large. In comparison with other local authorities across the United Kingdom, there are generally more people employed in central functions than we would typically expect to find. However, the Council as a whole employs significant numbers of people across its services and we recognise that there are valid reasons for how this position has come about.

We have concluded that one important reason for this is the extent to which the central units are involved in the Departmental management issues associated with central functions, principally HR and finance. We recommend that the balance is reviewed between the work done by the central units and that undertaken directly by operational Departmental managers in the normal course of their duties. This will require the central units to focus on the framework advice related to their services rather than transactional support.

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Such a shift in approach will take time and will involve training programmes and initial support for managers, to enable them to play a greater and more direct role.

Value for money

One of the key issues for the corporate support services is to demonstrate that they provide value for money to service users and ultimately to the ratepayer. At present the main way this is done is through internal charging. This means that the service departments carry the cost of the services they receive from central services. The charges are agreed through service level agreements and direct charges for demand-led services, such as structural reviews. In reality, the service departments have little control over these charges as there is a limited element of choice over the level of service received and there is no real challenge available to the level of charges made. Also, the internal charging mechanism makes the cost of central support services less transparent than they could be. ***We would recommend that the internal charging mechanism is reviewed.*** Later in this report we also recommend that specific reviews of a number corporate services should be carried out. One of the key purposes of these reviews should be to test the value for money provided by these services.

Challenge, integration and alignment

At a time when the Council is moving towards a more integrated approach to service delivery through thematic and local area working and expanding its place-shaping role in the context of an economic recession, it is critical that the centre of the organisation provides effective integration, alignment and challenge functions. In particular, this relates to the areas of policy, planning and performance and financial management. We found that there is insufficient organisational challenge offered during the budget setting process. Financial Services fulfil a co-ordinating role in terms of putting the corporate budget together but do not provide a qualitative challenge to departmental budgets. CIT have put in place mechanisms in place through the VCM process which will provide better integration and alignment of the Council's business planning. The next step should be to develop a more enhanced role to challenge business plans at thematic, departmental and service levels in the context of the corporate plan. Recently, a new policy framework has been agreed by the Strategic Policy and Resources Committee which will support this enhanced role.

Later in this report we will make recommendations which will help to better align the Council's business and financial planning and integrate these further with the developing performance management framework.

Duplication of effort

Elsewhere in the report, we look at the Business Support Units. This proposal does not in our view imply an increase in total workloads for Departmental managers or Business Support Units. There is a lot of overlap and duplication of functions such as HR and finance both at the centre and in Departments. The Departments also appear to centralise these functions, partly to place the administrative efforts within the Business Support Units rather than across the Departments. Within the Departments, it is easier to see Business Support as a core activity rather than as a support function, in the same way as central units tend to be seen.

The Departmental (silo) culture

The culture within the organisation is departmental, rather than corporate. The organisation is not overly centralised, nor is it highly corporate. Given the staff

resources available at the centre this appears unusual. But, the central units provide significant operational support to the departments, to the point of reducing the managerial responsibilities falling on departmental staff. We recommend that this is reviewed, since good management includes the direct deployment and active management of resources as close to the point of service delivery as possible.

The Committee arrangements reflect the organisational structure and therefore reinforce the silo mentality to some extent. While this may serve the organisation well in terms of functional service delivery, it makes decision-making on thematic and corporate levels more difficult.

The centre does not operate as a single unit. Ironically, in an organisation which appears to be more departmentalised than corporate, the centre itself shows signs of silo mentality. There are some areas of tension, where units which should be working closely together find that difficult in the current circumstances.

Organisational Discipline

There is a degree of non-conformity with corporate systems and processes which needs to be addressed by the organisation as a whole. This may be because the requirements of the centre are seen as administratively burdensome by the Departments. It may also be because the central and corporate processes are not as transparent and easy to comply with as they might be. This issue is urgent and needs addressing because it undermines the corporate processes, reduces the impact of some staff at the centre and ties up senior managers in coping strategies to compensate for lack of co-operation from the Departments on some important corporate issues.

The Performance and Efficiency agendas

On of the fundamentals of any organisation is performance information. It can be used to enhance accountability at officer and Member levels and is the key to identifying areas for improvement. It is also required to help ensure that resources are deployed to maximum effect. The Council has made significant progress in developing its performance information but we recommend that there is acceleration in this programme of work. This will require the management information systems to continue to be upgraded to facilitate benchmarking and to assist in performance management and monitoring. We make recommendations elsewhere in this report in support of this.

The Efficiency agenda is an important initiative in terms of seeking efficiencies without reduction in service levels. At present there is no resource dedicated to the efficiency programme. Responsibility for it lies with the Director of Corporate Services with the detailed work being done by the Improvement Manager in conjunction with Financial Services and the Business Finance Managers Group. As stated earlier in this report the Council has already made £7.0m in cash savings. Further savings will require integration of improvement and transformational work and alignment to the priorities of the Council. We make recommendations to ensure that this critical work is adequately resourced in the future.

There have been limited external financial pressures on the authority in recent years and the Director of Corporate Services has been able to marshal the finances of the organisation in such a way that major challenges have been met. This has been achieved without undue fuss and attention being brought to bear on the finances of the organisation. This situation is unlikely to be sustainable going forward, since there has been a significant and sustained deterioration in the financial situation. This puts

at risk the financial planning of the organisation. We believe that this is becoming increasingly important. In our report reviewing Finance, **we recommend that there is an urgent need to further develop the Medium Term Financial Plan.**

3.3 Comments on Specific Areas in the Centre

Member Services

Member Services Unit is primarily responsible for the following functions:

- DPP
- Committee Administration
- Members Support
- Lord Mayor's Support

The agreed staff establishment figure along with the budgeted income and expenditure for 2009/10 are outlined in the table below.

Profit Centre	**Committee & Members Services**
Reporting period	2009/10

Agreed establishment figure (Full Time Equivalents)	**36**

Profit and loss accounts	Plan
**** External Income	£446,710.00-
**** Expenditure	£3,457,555.00

In the discussion on professional advice above, we concluded that an important role for Member Services should be as custodian or steward of the Council's political governance processes.

In addition to this, good corporate governance arrangements include the requirement to support the decision-making process by providing Members with the right information at the right time to enable properly informed decisions to be made.

At present, the Council does not include an agenda item on each Committee agenda looking at extant decisions. We did not identify a process of tracking decisions where Members had asked for a future review, say in six months, which would imply a further report to Members. There may be a risk that not all such decisions are properly followed up in the absence of a formal tracking mechanism.

One of the key roles for the organisation in the context of the Review of Public Administration will be member development. At present responsibility for this area would appear to rest with Members Support. We would argue that member development should form an integral part of the Human Resources Strategy and the Workforce Development Plan and therefore should come under the remit of Human Resources. The administration of member development would still remain with Member Services.

As the organisation has developed and the role of the Council has been enhanced, the role of the Lord Mayor as the civic voice for the City is becoming more important. It is vital that the position of Lord Mayor is adequately supported and used as a voice for the Council and its principle initiatives in the City.

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We would be of the view that potential efficiency savings could be achieved in Member Services for the following reasons:

- the revised governance arrangements has led to a reduced number of committee meetings to be serviced;

- the burden of producing the Council Minutes has been reduced by the introduction of streamlined reporting; and,

- the introduction of the Modern.Gov system has provided the opportunity to re-engineer a number of processes.

In terms of organisational positioning we would recommend that the service should come within the purview of the Director of Legal Services because of the close links between the legal and constitutional functions of the organisation.

We also recommend that a detailed review is undertaken of the Member Services function (including the Lord Mayor's support) to support the Unit in further examining its future role and delivering efficiency savings. We suggest that a number of Members are nominated to support the review, to ensure that the outcomes are focused on Members' needs.

Human Resources

The main responsibilities of Human Resources are:

- Recruitment
- Occupational Health
- Organisational Development and Training
- Trade Union Co-ordination
- Employee Relations
- Equal Opportunities
- Single Status
- Absence
- Employee Consultation

The agreed staff establishment figure along with the budgeted income and expenditure for 2009/10 are outlined in the table below.

Profit Centre	**Human Resources**
Reporting period	2009/10

Agreed establishment figure (Full Time Equivalents) **37**

Profit and loss accounts	Plan
**** Internal Income	£1,222,257.00-
**** External Income	£1,050.00-
**** Expenditure	£1,876,522.47

The key issue for the Human Resources Section would appear to be its relationship with the Departments which is primarily driven by the fact that not all Departmental managers are held fully accountable for managing their staff. The degree of support routinely offered from the Human Resources Section reduces the requirement for

some Departments to exercise local initiative within the framework of HR processes and procedures. There is a level of 'upward delegation' at work here, where some Departments are content to receive the active involvement and support of the Human Resources Section, particularly in difficult cases. It is clear the Departments appreciate and even welcome the extent of this activity and support. This has led to increasing the staffing levels to meet these increased needs, even though it is a source of overlap and duplication with Departmental management responsibility.

We recognise that this situation has come about for many understandable and sensible reasons. For example, the journey towards much more open, fair and equitable personnel and human resource management systems has been an important one for the City Council. It has needed continuing support and challenge by Members and senior officers. It is a source of pride and satisfaction for the Council that the processes for the filling of vacancies and developing people within the organisation has established the City Council as an equal opportunities employer.

The resources devoted to meeting departmental HR demands has led to less staff being available to deliver the Council's HR Strategy and Workforce Development Plan. If resources are to be freed up to deliver these and meet the increasing demands of RPA then the management responsibility for HR needs to be passed on more directly and more completely to Departmental managers. This requires an active programme of training and support to help managers feel more confident and more comfortable in dealing with people. It also requires the supporting framework of processes and procedures to be readily available to managers, preferably on-line. HR professionals will still be available for support and advice, particularly in more complex cases, but the management responsibility will sit within the Departments.

An excellent recent example of the shift towards more direct Departmental management of resources has been in the initiative on managing attendance. Here, the usual pattern of central advice and active support has been deliberately changed to one where the HR professional service sets out the standards expected and the processes to be followed, offering advice and support to Departmental managers who are charged with the implementation of the procedures, to the standards set by the central HR function. Managers are held accountable for the performance of the Department in terms of reducing the number of days lost in a year. Chief Officers Management Team has routinely monitored progress and performance in a way which has supported the corporate initiative and which has avoided any problems of non-compliance. This has enabled a consistent and professional HR approach to be taken across the organisation as a whole, in this specific area. In consequence, there has been an immediate and sustained improvement in attendance levels and a reduction in the time lost through uncertified absence.

There is still some way to go in establishing modern industrial relations and greater consistency in the application of HR policies, processes and practices. Human Resources Service needs to develop its custodian role in terms of Job Descriptions in order to ensure that these are streamlined; its role in organisational development, and in particular structural reform, needs to be clarified and it needs to be given responsibility for the control of staff numbers. For these reasons we recommend that a detailed review of Human Resources is carried out on appointment of the new Head of Human Resources.

Business Improvement Service (BIS)

The main responsibilities of BIS are:

- Job Evaluation

- Restructures
- External Work

The agreed staff establishment figure along with the budgeted income and expenditure for 2009/10 are outlined in the table below.

Profit Centre	**Business Improvement**
Reporting period	2009/10

Agreed establishment figure (Full Time Equivalents)	**39**

Profit and loss accounts	**Plan**
**** Internal Income	£1,281,464.00-
**** External Income	£300,000.00-
**** Expenditure	£1,577,359.70

The Council has, through BIS, focused upon improving services across the organisation through structural reviews. This has led to BIS building considerable expertise in drafting job descriptions and conducting job evaluations. The Unit has also offered these skills to other local authorities which has resulted in additional external income for the Council. This income has fallen considerably for the past few years.

We feel that this current approach to service improvement has achieved what it can and there now needs to be a realignment of focus from structural change to transforming Council services. This will require a more holistic approach with greater emphasis being placed on business transformation. *We recommend that the resources currently deployed within BIS would be better used to strengthen a number of corporate initiatives.* These are:

- The functions associated with job descriptions and structures, including job evaluation would be better placed within the HR Service so that they can be better integrated with other HR processes;

- Business improvement skills which could support the Council's transformation and efficiency agenda; and

- A resource to support the development of the performance management agenda within the Council.

For these reasons we recommend BIS is reviewed in the context of the review of the HR function and the review of the Improvement Unit.

Finance

The main responsibilities of Financial Services are:

- Financial Accounts
- Management Accounts
- Payroll
- CTU
- Insurances

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The agreed staff establishment figure along with the budgeted income and expenditure for 2009/10 are outlined in the table below.

Profit Centre	**Financial Services**
Reporting period	2009/10

Agreed establishment figure (Full Time Equivalents)   30

Profit and loss accounts	Plan
**** Internal Income	£1,386,842.00-
**** External Income	£59,040.00-
**** Expenditure	£2,285,677.34

Profit Centre	**Central Transactions Unit**
Reporting period	2009/10

Agreed establishment figure (Full Time Equivalents)   22

Profit and loss accounts	Plan
**** Expenditure	£741,727.07

For a considerable period of time, the Council has been able to manage its finances in such a way as to enable many of the aspirational projects identified by elected Members to be accommodated within the revenue and capital spending plans. Exceptionally, the City Council has been able to do this and until recently remain debt-free. The Director of Corporate Resources has been able successfully to manage the finances of the City Council through periods of great uncertainty with composure and resourcefulness.

The distinction we have observed between Belfast and other organisations we have worked in is the extent of external challenge. Across the UK, efficiency targets have been imposed by Government over many years. Other Government-backed schemes have tied resources to local performance and this has changed the dynamic of budgeting and financial control. This has given impetus and a sense of urgency to the process of driving out savings from well-established service delivery models without reducing levels of service.   Generally, this level of external challenge has been absent in Northern Ireland, creating a slightly artificial insulated atmosphere.

The Director of Corporate Resources has become the provider of solutions for areas of financial pressure and stress. This has been in the absence of economy and efficiency drives instituted by central government and requiring a local response through the corporate financial processes such as the revenue budget and capital programme. The lack of external pressure to review and reduce spending has made the Director's task more difficult and has required a more subtle approach. Across the UK, Directors of Finance have been able to argue that there is a need to reduce spending as a direct result of Government efficiency programmes, and reduced grant support, predicated on a successful drive for economies and efficiencies. This approach has not been available in Northern Ireland and, as a result, it has been much harder to follow the line that new spending needs must be met from within the existing financial envelope.

The financial position of the City Council has worsened significantly this year for a number of reasons and maintaining financial stability is now a priority for the organisation. There is a major challenge here to the capacity of the organisation to

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meet this challenge, and financial management will have to be strengthened throughout the organisation. The introduction of the SAP accounting system has introduced additional issues in terms of routine monitoring of the financial situation. As yet, the Council has not fully introduced the revised systems and procedures to enable improved management and financial information to be extracted from the SAP suite of programmes. Additional commitment and effort will be needed to achieve full implementation of SAP and to drive out the improvements in monitoring and control using the capability of the system. This remains some way from completion at this stage. We are supporting acceleration in the implementation process, and see this as a priority for the organisation.

We recommend that a new post of Director of Finance and Resources be created and filled as a matter of urgency. This post should not have the breadth of responsibilities currently borne by the Director of Corporate Services. It is recommended that the Director of Finance be responsible for Finance, HR, and ISB with the remaining functions allocated elsewhere in the corporate management structure. **We would additionally recommend that Central Transactions Unit be added to the duties of the new post to integrate the accounting and management processes associated with the interface between creditor payments and the accounts.**

Sector has completed a detailed review of Financial Services and the key recommendations made should be implemented as a priority.

Projects and Corporate Systems

The main responsibilities of Projects and Corporate Systems are:

- Procurement of corporate systems
- Implementation of corporate systems

The agreed staff establishment figure along with the budgeted income and expenditure for 2009/10 are outlined in the table below.

Profit Centre	**Projects & Corporate Systems**
Reporting period	2009/10

Agreed establishment figure (Full Time Equivalents) 5

Profit and loss accounts	Plan
**** Expenditure	£454,043.35

Projects and Corporate Systems Unit was originally established to develop and implement ICT programmes of work relating to the corporate centre. Its resources have almost exclusively been used to implement and procure the SAP system as part of the Better Business programme. Since the system has been operational there have been major difficulties which resulted in the Director of Corporate Services bringing in an external resource to manage the further implementation of the project. *We would recommend a short review to determine how best the skills within the Unit could be re-aligned to other corporate work and to explore potential efficiency opportunities.*

Audit Governance Risk

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The main responsibilities of Audit, Risk and Governance are:

- Corporate Risk & Governance
- Corporate Assurance
- Internal Audit
- Audit Panel

The agreed staff establishment figure along with the budgeted income and expenditure for 2009/10 are outlined in the table below.

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Profit Centre          Audit Governance Risk
Reporting period             2009/10
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Agreed establishment figure (Full Time Equivalents)   12

Profit and loss accounts	Plan
**** External Income	£30,000.00-
**** Expenditure	£741,260.58

We would recommend that the Audit, Governance and Risk Service remains under the remit of the Director of Finance and Resources.

Property

At present property related activity is under the remit of three separate units contained within two Departments. These are:

Corporate Services   Improvement Unit   Improvement Unit

Facilities Management   **Estates Management**   **Project Management Unit**
- Fleet Management   - Industrial Estates   - Capital Programme
- Security   - Asset Management   - Project Management
- Building Cleaning
- Restaurant/Catering
- Civic HQ
- Property Maintenance
- Energy Conservation

The Director of Improvement also deals directly with the City Investment Strategy and place-shaping work.

The agreed staff establishment figure along with the budgeted income and expenditure 2009/10 for the three Units are outlined in the table below.

```
 Profit Centre         Facilities Management
Reporting period             2009/10
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Agreed establishment figure (Full Time Equivalents)   257

Profit and loss accounts	Plan
**** Internal Income	£17,783,497.00-
**** Expenditure	£22,995,198.35

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Profit Centre        Project Management Unit
Reporting period              2009/10
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Agreed establishment figure (Full Time Equivalents)   13

Profit and loss accounts	Plan
**** Internal Income	£1,510,000.00-
**** External Income	£22,000.00-
**** Expenditure	£1,702,428.00

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Profit Centre        Estates Management Unit
Reporting period              2009/10
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Agreed establishment figure (Full Time Equivalents)   9

Profit and loss accounts	Plan
**** Internal Income	£549,538.00-
**** External Income	£4,916,934.00-
**** Expenditure	£1,566,590.79

Issues related to property are spread across the Departments. We recommend that a corporate approach is taken both to the landlord functions associated with operational property and also the management of surplus land and development sites across the city. We recommend that all property issues are brought together under a Director level post (together with additional responsibilities), thus integrating the approach to the management of this important resource. The development of the Asset Management Plan and the continued improvements in the prioritisation of capital programme schemes would be an important element in this role. The management of large projects is an essential element in this co-ordinated approach. The portfolio would include the following services:

- Facilities Management, including Fleet Management

- Large Projects and Programmes

- Estates

- Procurement

There is a potential option to include Building Control in this portfolio. The Council has started to use the professional surveyor skills of Building Control staff in non-regulatory property related work. For example, Building Control now plays a key role in ensuring that the city's property rate base is kept up to date and is accurate. We would argue that the alignment of these professional surveyor skills with other property professionals in the organisation would serve to further drive forward the Council's place-shaping work in terms of the built environment , urban design and the city rate base.

We have noted that in his last management letter, the Local Government Auditor has commented upon the need for the Council to review its level of assurance in the management of large projects such as Connswater Greenway, Titanic Signature

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Project, North Foreshore and the procurement of land for a new cemetery. We understand that Driver Jonas are presently conducting a review of this issue and the findings of this review should feed into a detailed review of the various property services so that possible synergies and potential efficiency savings are identified in line with establishing the right level of assurance.

At present the Director of Improvement is responsible for the implementation of RPA within the Council. As the RPA affects all parts of the Council the development of policy should be the responsibility of the Chief Executive and COMT as a team after taking direction from the Transition Committee which role is presently carried out by the Council's Strategic Policy and Resources Committee.

The RPA will be the biggest change process the Council has been involved in for many years. It will therefore require good programme and project management techniques to be applied to it to ensure successful implementation. We therefore recommend that RPA implementation is a function which is the responsibility of the Director of Property and Projects.

The Procurement Unit

Profit Centre	**Procurement**
Reporting period	2009/10

Agreed establishment figure (Full Time Equivalents)   8

Profit and loss accounts	Plan
**** Internal Income	£205,000.00-
**** Expenditure	£344,089.00

The Procurement Unit is not custodian of procurement. So far, the unit has been unable to take control of the procurement processes because there are too many mechanisms for procurement in the organisation which militate against the capacity to support best practice and to identify 'maverick' spending. This is a good example of the organisation entrusting a function to a group of people at the centre without the authority to make a step change in processes. One officer reflected that such units were empowered to influence, rather than to control or manage processes and procedures.

This custodian role will become even more important as the Council further develops its place-shaping and partnership work. The delivery of major projects carries significant procurement risks which need to be tightly managed if the Council is to avoid the procurement litigation experiences of other public bodies. **For this reason we recommend that the Procurement Unit be situated within the Property and Projects Department.**

ISB

The main responsibilities of ISB are:

- The installation and maintenance of open systems and communications (the network);

- The installation, development, maintenance and support of operational software systems; and

- The external contracting role and support to other organisations.

Profit Centre	ISB
Reporting period	2009/10

Agreed establishment figure (Full Time Equivalents) 130

Profit and loss accounts	Plan
**** Internal Income	£5,634,400.00-
**** External Income	£2,220,000.00-
**** Expenditure	£7,773,848.26

Information is one of the key assets of the organisation. In Belfast City Council we found that it is unclear whose role it is to act as custodian of information. Our view is that the ISB should have a corporate responsibility for safe and efficient IT systems (so as to avoid loss of critical data in transmission or in routine systems operations) but that the information providers have to accept responsibility for the integrity and accuracy of information within IT systems. This is critical for the organisation at a time when it is developing its information base to support performance management at Council, area and city levels. In fulfilling this role we would recommend that ISB quickly develops corporate information standards and protocols for sharing information across the Council.

One of the difficulties for ISB is the fact that most IT systems are commissioned by departments who hold budgets sufficient to fund new technology uses. This produces a commissioning environment, where ISB responds positively to requests for IT resources. This means that the procurement and implementation of IT systems do not appear to be prioritised and are not necessarily aligned to corporate priorities. We would recommend that the governance and financing arrangements for IT are reviewed in order to ensure that corporate IT becomes one of the principal agents for the delivery of the corporate objectives.

Following this, there is a responsibility to ensure that the investment is optimised and the new technology solutions are integrated into the routine of service delivery. ISB, therefore needs to have a clear understanding of the business needs and service delivery issues facing every service within the Council. This implies spending time observing the service delivery and business processes sufficiently well to identify where IT can make a significant difference to the operational capacity of the organisation as a whole. To help to embed this approach into the Council, we see advantages in aligning the IT services more closely within the organisation to the central issues of customer service and business transformation. It also makes sense to place IT at the heart of the changes associated with the Review of Public Administration.

A key issue for ISB is value for money. The Unit has lost a significant amount of external income and in 2009/10 expenditure is over £5.5m more than external income. Our understanding is that the Director of Corporate Services is currently reviewing ways to reduce expenditure in the current year and a report will shortly be presented to Strategic Policy and Resources Committee. The Review of Public

Administration may provide potential opportunities for ISB to provide entrepreneurial services. With support for a smaller number of much larger Councils in Northern Ireland, there may be opportunities for economies of scale in providing much-needed capacity, particularly in the early years.

We recommend that ISB is placed within the Finance and Resources Directorate. We also recommend that the role of ISB is extended to include the Customer Service function with overall responsibility for the corporate approach to customer service. We would also recommend that ISB explore further potential income generation opportunities which the Review of Public Administration may provide.

Core Improvement Team

The main responsibilities of the Core Improvement Team are:

- Strategic Planning
- Corporate Policy
- Performance Management
- Corporate Consultation and Research
- RPA
- Efficiency Programme
- Policy support and research to the CX

The agreed staff establishment figure along with the budgeted income and expenditure for 2009/10 are outlined in the table below.

| Profit Centre | **CIT** | |
| Reporting period | 2009/10 | |

Agreed establishment figure (Full Time Equivalents)   31

Profit and loss accounts	Plan
**** Expenditure	£2,068,105

The Core Improvement Team was established as an interim arrangement to support the Council's improvement agenda. Its work over the past few years has concentrated on working with other parts of the Council to develop, align and integrate the building blocks required by the organisation to deliver its priorities and to meet the challenges of the Review of Public Administration. Priority has been given to strategic policy, planning and performance, resource allocation, programme management and HR. Significant time has also been spent on the efficiency programme, changing the political management arrangements and organisational development work with Members, COMT and senior management. The Unit also provides policy support and research to the Chief Executive and the Review of Public Administration.

The CIT team has made considerable progress in contributing to the development of the key corporate systems, processes and frameworks which are required to ensure the Council operates as a corporate entity and a high performing organisation. In order to develop this agenda further the Council in our view needs to concentrate on the following areas:

1. **Speed up the implementation of the performance management framework**. The Council determined at the beginning of its improvement programme that

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the development of an effective performance management system was central to the future success of the organisation. This was entirely in line with best practice in the rest of the UK and the CPA programme final review highlights that effective member/officer relationships, and role clarity is fundamental to achieving better organisational performance. Performance management makes officers properly accountable to members for implementation of the actions agreed by members and allows members and senior officers to drive performance.

Much progress has been made in developing a fit for purpose performance management system and we are impressed by the quality of the system which is being introduced.

However, the Council now needs to concentrate resources on its implementation throughout the organisation and the creation of a more reliable management information system will be central to this task.

2. **Drive the corporate agenda**. One of the key issues which the organisation needs to address is the lack of compliance and lack of enforcement with corporate initiatives. To put it simply there is no obvious penalty should a Department or service not support corporate initiatives wholeheartedly. Indeed, there is a widespread view that some corporate initiatives have not been actively supported across the organisation. We see some evidence that this is the case. Where this responsibility rests with the Chief Officers Management Team, there needs to be more active monitoring and greater control to prevent this leakage of forward momentum.

3. Belfast is a city with big challenges and a big agenda. The Chief Executive provides the strategic leadership and focus to deliver the solutions that require a 'one council' approach. It is unreasonable to expect the Chief Executive to manage the compliance of corporate initiatives more directly on a daily basis. **To enable an effective 'One Council' approach we recommend that the Council should co-ordinate the development and monitoring of policies and initiatives through a refocused Performance and Planning Team reporting direct to the Chief Executive. This will enable the Council to:**

   o drive improvements through by embedding a performance management culture throughout the organisation;
   o ensure departmental policies and strategies are aligned to the corporate plan
   o contribute to and support business transformation;
   o drive the efficiency agenda; and
   o ensure that Departments comply with corporate plans and initiatives.

- As the Council moves towards becoming a more focused and integrated organisation, the role of the Strategic Policy and Resources Committee as the developer of overall Council policy and the determiner of the overall level of resources available; the extent and priority of projects in the capital programme; the challenger of VFM for every large project and programme and the integrator of the Council's image and external relations activity will be enhanced. In these circumstances COMT must become a more integrated team, which accepts joint responsibility for together driving the Council's overall agenda. The Team has naturally begun to orientate its activities in this direction but greater impetus is now needed as the RPA becomes more imminent. The Performance and Planning Team should therefore become the secretariat and support for COMT, to

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support the achievement of the objectives set out in the Corporate Plan through the effective implementation of the Performance Management System.

- **Better integrate and align the corporate systems, processes and frameworks.** Although the Council has moved a long way in developing integrated planning and performance management, further work is required if the Council is to better allocate its resources to its priorities. We recommend that the Performance and Planning Team should work closely with the Directors of Finance and Resources and Property and Projects to facilitate further integration and alignment of the following:

  - Corporate policy, planning and development
  - Asset Management Plan
  - HR Strategy and Workforce Development Plan
  - ICT Strategy
  - Customer Strategy
  - Financial Planning
  - Capital Programme

- **Better integrate corporate working with functional, thematic and local area working.** The VCM process used by the organisation is the key to linking the corporate plan to service delivery. It is our understanding that most services have completed at least one iteration of VCMs. We recommend that this work continues and that the **Performance and Planning Team** takes the lead in better integrating these predominately functional plans with the Council's thematic and local area priorities.

- **Develop its performance improvement role and align this with the Council's efficiency programme and emerging business transformation agenda.** We feel that there is a real opportunity for the Council to adopt a holistic business transformation approach to drive out inefficiencies and provide top quartile customer services. To do this, the business transformation agenda must be centrally driven and given the corporate responsibility to:

  - develop the business transformation strategy;
  - align the business transformation strategy to the Council's priorities;
  - align the business transformation strategy to performance management;
  - co-ordinate with ISB to identify opportunities for IT enabled change;

We recommend that the Performance and Planning Team is given the responsibility for driving the Council's business transformation agenda.

- **Provide policy and research support to the Chief Executive, the Review of Public Administration and to the newly created Property and Projects Department.**

3.4   Role of Chief Officers Management Team

The weekly meeting of Chief Officers is the premier management meeting in the Council, appropriately chaired and led by the Chief Executive and its deliberations are

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fed into the political process for decision.

The meeting has several functions, including:

1. The forum for collective management/administration of the Council
2. The reporting line to the key decision-making processes.
3. The point of collective responsibility
4. The appropriate place to air concerns about the corporate approach
5. The place of agreement for corporate processes, set out by the central officers, for processes such as the revenue budget and the capital programme
6. The place where non-compliance can be tackled by the Chief Executive, and by peers
7. Discussion about the political interface.

There is widespread respect around the table for the ability of individuals, and there is a track record of the team dealing with a range of complex and difficult issues under difficult circumstances. The City Council is emerging with a strong reputation from a long and challenging period where the political and social climate was extraordinarily difficult. By conventional standards, the political environment is still very difficult for officers. Even so, relationships reflect a sense of mutual respect and trust between Members and officers.

The team has continued to identify the key challenges facing the organisation and to take remedial action in time for Members to consider alternative options. In general, the performance has been consistently excellent. We have observed a consistent shared belief in the future of the city and a universal concern for the well-being of its residents. This example is well-understood across the organisation.

A number of senior members of the Team are due to retire within the coming year and this will change the dynamic of the Team. The opportunity therefore exists to refocus the work of the Team around driving the implementation of the Corporate Plan and to place much more emphasis on the Team taking common accountability for achievement of objectives.

3.5 Summary of Current Reflections

Our views in summary are that:

- COMT needs to further focus its activities to take on common responsibility and accountability for the objectives of the Council. The development of the Strategic Policy and Resources Committee as the central allocator and challenger of resources throughout the organisation and the determiner of the overall policy of the Council through the Corporate Plan, will require the Team to further develop its collective responsibility.

- At present the mechanisms for ensuring corporate and collective responsibility and accountability of COMT to the Strategic Policy and Resources Committee are not fully developed. We will suggest that this is done in part through a clearer allocation of responsibilities for the achievement of key City Council objectives. There needs to be closer alignment of the COMT agenda with the Corporate Plan. Collective responsibility and corporate compliance should be clearer;

- The centre is not fully empowered to act on behalf of the organisation as a corporate resource, serving the organisation as a whole. Transparent

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challenge mechanisms around prioritisation and value for money need to be put in place to permit all parts of the organisation to see how decisions are made and to give them the opportunity to influence those decisions.

- There is a need to establish more clearly how Council policy is established, modified and reviewed. This is being addressed in the review of the functions of the Strategic Policy and Resources Committee being led by the Chief Executive.

4 Delivering Corporate Services – Future Model

4.1 The Corporate Centre

Change for change's sake is not constructive in improving the organisation's overall performance; in fact it can be counter-productive and more likely to have a negative impact leading to the lowering of staff morale and service delivery. Consequently, it is important that any proposed changes provide the right environment to enable sustainable improvements to be achieved across all service areas within the Council.

The key high level justifications for our recommended structures are based upon:

- Providing effective support to the Strategic Policy and Resources Committee, COMT and departments;

- Providing more efficient and better value for money services;

- Releasing resources that can be reinvested into front line services;

- Releasing resources that can be used for capital investment; and

- Getting the organisation ready for RPA.

The diagram below sets out the recommended structure for the delivery of corporate services. The major changes to the existing structure are as follows:

- The Director of Legal Services to report the Chief Executive with the additional responsibilities of Member Services, Registrars, Data Protection and Records Management.

- The interim Improvement Department to be deleted from the structure with its functions mainstreamed within the Chief Executive's and a new Property and Projects Department.

- The CIT Unit to be renamed – the **Performance and Planning Team** with the creation of a new Head of Service post to lead it. The Unit will also have responsibility for the Council's Transformation agenda and support to COMT. The Head of Service will report to the Chief Executive.

- The creation of a Director of Property and Projects with responsibility for all property related functions and the Review of Public Administration. This will include Facilities and Fleet Management and optionally Building Control.

- The Director of Corporate Services post to be renamed the Director of Finance and Resources with responsibility for Finance, Human Resources, ISB and Audit, Risk and Governance.

- The functions of BIS to be merged with HR and the **Performance and Planning Team**.

- Projects and Corporate Systems to be reviewed.

- The establishment of one Business Support Unit for each of the central departments.

- The District Policing Partnership to transfer to the Health and Environment

Department to link up more closely with the Community Safety resource within that Department.

- Good Relations Unit to move from Chief Executive's to the Development Department because of its close links to European programmes, community development and neighbourhood regeneration.

Corporate Centre

Recommended High Level Structure
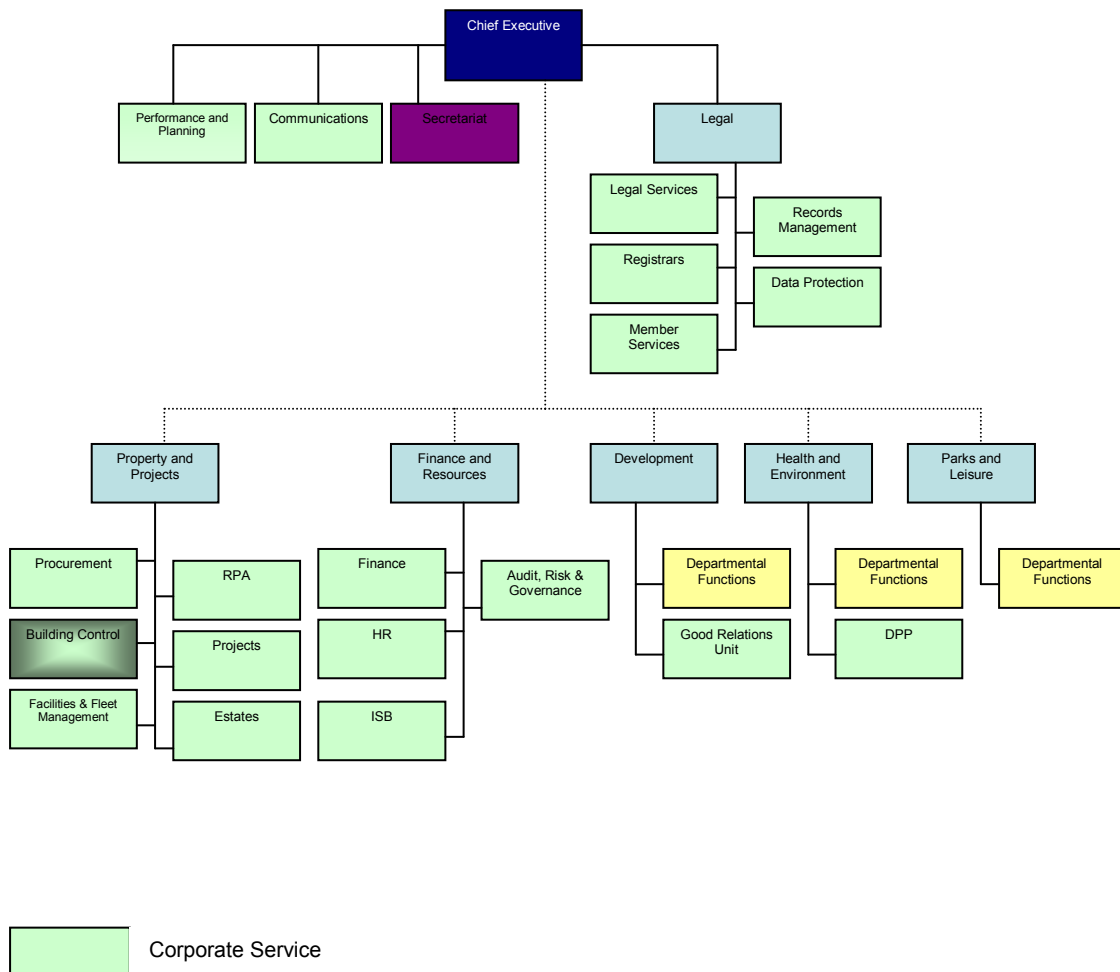
	Corporate Service	

4.2   Detailed Structures

Our suggested structure provides the Council with an efficient and effective approach for delivering corporate services. It will also make it easier for the organisation to assimilate the new RPA functions when they are transferred over. As we have avoided changes for changes' sake, the direct impact of the changed structures for the majority of staff will be minimal. Furthermore, as the project scope did not extend to making a detailed assessment of staffing and structures within specific units/teams most remain unchanged. However, there are a number of notable exceptions to this where we have recommended new or extended roles and responsibilities. In such cases the process of moving towards detailed structures will involve additional work. That will enable the exact staffing requirements to be accurately assessed and put in place.

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Legal Services

Legal Services is a relatively small department and we feel that there is scope for the Director of Legal Services to provide the day to day management of Legal Services, Member Services, Data Protection, Records Management and Registrars. Data Protection and Records Management have clear statutory responsibilities and there is currently a feint dotted line of responsibility to the Director; Registrars is a discrete function that provides a range of services that are statutorily defined. The Director of Legal Services will continue to report to the Chief Executive and will chair the Chief Executive's Management Team meetings. A unified Business Support Unit for all the functions should be created and efficiency reviews conducted of Members, Corporate Communications and Legal to identify efficiency and service improvements.

Policy, Performance and Transformation

The functions of Policy, Research, Planning and Performance Management currently sit with the Core Improvement Team. We recommend that this team is renamed Performance and Planning Team. We also recommended earlier in the report that this unit is also given responsibility for the Council's transformation agenda which is a natural extension of its performance management work. It will also be required to provide policy support to the Chief Executive, the Director of Property and Projects and the Council's RPA work.

The Core Improvement Team is currently led by the Interim Director of Improvement and the Improvement Manager. We recommend that these posts are now deleted from the structure and that a new post of Head of Performance and Planning is created.

We feel that there is a great opportunity for the Council to transform the way it which it currently operates in order to drive out inefficiencies and provide the platform for improving customer services.

We recommend that the new Business Transformation team should come under the remit of the Performance and Planning Team as the work will be a natural extension of its performance management work. The team will be well placed to develop a 3 year transformation programme to identify and secure significant savings. We envisage the Council being able to embark on a programme that includes:

- Business process re-engineering, including adoption of 'Lean' methodologies;

- Developing a wider range of customer access channels that have lower processing costs;

- Increasing the use of IT to support change and providing more efficient and cost effective services;

- Developing new ways of working;

- Evaluating alternative service delivery models; and

- Making better use of assets.

It is important that programmes such as this have transparent and robust targets. At this stage it is not possible to be entirely accurate on the potential savings to be made but we consider a modest target of £1.2m over the life of the programme to be achievable. It is recognised that the major transformation work of the team for the first

few years will be the implementation of the review of the centre and the other major transformation programme being delivered in Parks and Leisure.

The review of BIS should be conducted in the context of establishing the new Business Transformation Team and identifying efficiency savings.

Director of Property and Projects – Suggested Structure

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                    ┌──────────────────────┐
                    │ Director of Property │
                    │     and Projects     │
                    └──────────┬───────────┘
     ┌──────────┬──────────┬───┴──────┬──────────┬──────────┐
┌─────────┐┌────────┐┌──────────┐┌──────────┐┌────────┐┌────────────┐
│Building ││  RPA   ││Facilities&││ Projects ││Estates ││Procurement │
│Control  ││        ││  Fleet   ││          ││        ││            │
│         ││        ││Management ││          ││        ││            │
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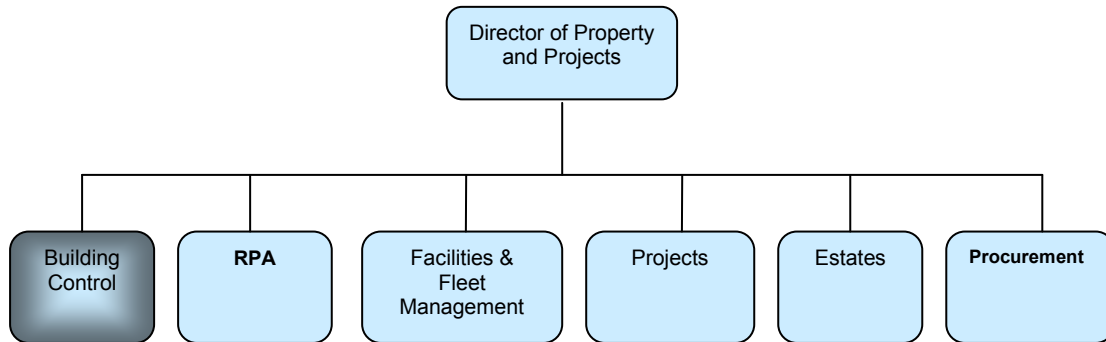
We recommend that the Council creates a new directorate of Property and Projects. The Director would have responsibility for all property related functions and the capital programme, major Council-wide programmes such as the RPA and city investment strategy and asset management plan. This will enable the organisation to better exploit the synergies between the development of new assets and the management of existing ones particularly in the areas of project and programme management and contract management. It will also lead to more effective alignment of asset management to the efficiency and transformation programme and the implementation of the customer focus strategy.

There is also the option to add Building Control to this directorate. The economic downturn has put pressure on the income raised through Building Control fees. At the same time, this has presented opportunities to use the skills of Building Control staff in other areas such as the successful vacant property exercise carried out in conjunction with LPS and the rates projection work used as part of the Titanic Signature Project bid. We believe that these skills could be further used in working with the Director of Property and Projects on property and rate base work.

The Review of Public Administration will be the Council's biggest project for the next couple of years. While the Chief Executive has overall responsibility for RPA, and all of the COMT need to be involved in developing policy, the organisation needs a director to lead the work on an on-going basis. Currently, this responsibility lies with the Director of Improvement. Under this review this post will be deleted. We recommend that responsibility for RPA is given to the new Director of Property and Projects as the skills required to deliver this project will reside in this directorate. Policy support would still be provided by the Performance and Planning Team and the Director would need to work closely with other areas such as HR and ISB.

We recommend that one business support unit is established to service the directorate. Further work will be required to determine the size and structure of the business support unit.

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Director of Finances and Resources – Suggested Structure
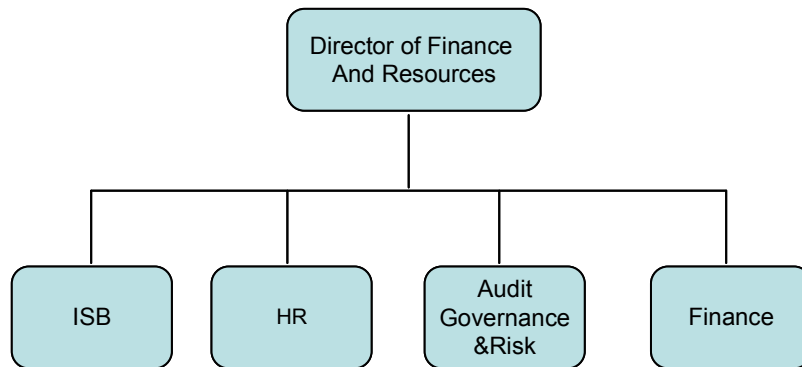
Finance

The concurrent review of the Finance function provides recommendations for the future management of services. We have also concluded that there is an opportunity for the Department to be responsible for providing strategic leadership and management of corporate resources in relation to HR, IT infrastructure. It is important to note that we do not envisage nor recommend that the current Corporate Resources department is re-created. In its place, there needs to be a set of tightly integrated services capable of supporting corporate objectives. Full details of the proposed Finance structure can be found in the 'Review of the Finance Function Report'.

ISB

There is a significant gap within the Council regarding corporate ownership and delivery of customer services. Local authorities, over many years, have been using IT to underpin the development and to improvement of customer services. We feel that this gap can be filled by the creation of "Strategic Customer Services" within ISB.

The Strategic Customer Services team will be responsible for:

- Development of corporate customer service standards;

- Development and implementation of the Customer Service Strategy;

- Development of the Customer Access Strategy (e.g. Face to face, telephone, internet etc);

- Working with departments, Facilities Management and others to identify opportunities to maximise the best use of Council assets in the delivery of excellent and efficient customer services.

We also recommend that the Programme Office currently operating within ISB should provide programme and project support to all non-capital corporate projects. The remaining functions and their management within ISB will remain unchanged. However, the existing "Customer Services" function has been renamed to "Customer Support" to avoid confusion with the similarly named team.

Human Resources

We recommend that a detailed review of Human Resources is carried out on appointment of the new Head of Human Resources. The main scope of the review

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would include the following:

- The relationship between the Human Resources Service in the centre and departments.

- Modernisation of industrial relations.

- The application of HR policies, processes and practices.

- The development of the Human Resources Service custodianship of Job Descriptions.

- The further development of its role in organisational development, and in particular structural reform, and controlling staff numbers.

- The identification of potential efficiency savings.

We also recommend that HR assume the role currently fulfilled by BIS of managing the Council's job description, job evaluation and categorisation processes. To support this additional workload we recommend that 1 Principal Consultant, 2 Consultants, and 2 Assistant Consultants are moved from BIS to HR. The Principal Consultant is already seconded to HR and therefore is not included within the BIS 2009/10 budget. HR has an ongoing requirement for this post and will be seeking to create this role on a permanent basis. There will be a need to develop a job description for the role to cover a wide range of responsibilities relating to HR management, and performance information.

Business Support

We understand that there are 13 BSUs within corporate services. We feel that this is too large for corporate services and there is a strong case for consolidating these individual units to create a more efficient BSU function without affecting service and performance. We therefore recommend that one Business Support Unit is established for each of the three corporate departments. This will require a significant amount of change but we are convinced that significant savings can be achieved.

BIS

The current size and focus of BIS is in our view not sustainable. Disbanding BIS will enable the creation of the core of the Business Transformation and Strategic Customer Services Teams. It will enable the job description, job evaluation and categorisation processes to be better integrated with other core HR processes and enable staff numbers to be better controlled. Corporate performance management will benefit by having additional resources being made available.

We have undertaken a high level review of the current BIS work programme and we understand that there are a number of outstanding tasks within the programme such as the closure of 'Single Status' and structural reviews. To ensure the continuity of these projects we propose that a small team of 5 BIS officers is established to complete current live projects. We would recommend that this programme of work is prioritised by COMT and should be completed by the end of the financial year. A review should be undertaken to identify the future of these posts going forward. This work should be delivered and managed within the Business Transformation Team. We further recommend that no new projects are started by BIS.

We also understand that the BIS may have secured external work for 2009/10.

Consequently, we recommend that a team is established to undertake this work and is funded from the fees generated by external clients. During 2009/10 we recommend that a review is undertaken to evaluate the viability and profitability of external work for the Council.

In terms of the Business Support staff currently working in BIS we recommend that they are transferred to the Business and Transformation Team on a temporary basis until the Business Support arrangements for the three central departments are agreed.

Other changes

We also recommend that the District Policing Partnership is transferred to the Health and Environment Department to link up more closely with the Community Safety resource within that Department.

We recommend that Good Relations is migrated from Chief Executives to the Development Department because of its close links to community development and neighbourhood regeneration.

4.3 The Savings

The project scope did not extend to making a detailed assessment of staffing and structures within specific units/teams and therefore the report does not detail the totality of the savings which could be achieved through the implementation of the recommendations contained in this report. Nevertheless, we have carried out sufficient work to identify savings associated with the specific recommendations made in this report in relation to the disbanding of BIS. These savings have been prioritised as the re-alignment of the existing BIS resources is essential to the implementation of the other recommendations made in the report.

It is important to note that there are two types of savings. These are:

- **Budgetary Savings** – where the budget is reduced one year from the next as part of the budget and rate setting processes. In Belfast City Council, over the past four years, Members have passed the benefit of this type of saving directly to the ratepayer.

- **In-year Savings** – where actual expenditure is less than budgeted expenditure.

By implementing the recommendations relating to the disbandment of BIS we estimate that the Council could make £512k a year in budgetary savings starting from 2010/11 (see table below). We have assumed that BIS staff do have the appropriate skills and capability to meet existing/future business requirements within the Business Transformation team, HR and Performance and Planning Team. However, we accept that training may be required to ensure that the individual officers have the appropriate skill sets.

In terms of in-year savings for 2009/10 an estimate is more difficult to make as it is dependent on the speed at which the recommendations are implemented and the level of non-employee related expenditure incurred by BIS. As a rough guide, if all recommendations were implemented by the end of September 2009, then the in-year savings would be around £250k.

Post	Grade	09/10 Salary	No. of Posts	Totals

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		£		£
Performance and Planning Team				
Transformation Manager	PO8	43,753	1	54,352
Transformation Analyst	PO4	34,123	5	210,840
				265,192
Strategic Customer Services Team				
Strategic Customer Services Manager	PO8	43,753	1	54,352
Strategic Customer Services Officer	PO4	34,123	2	84,336
				138,688
HR				
Principal Consultant	PO7	41,104	1	50,940
Business Improvement Consultant	PO4	34,123	2	84,336
Assistant Consultant	SO2	26,719	2	65,810
				201,085
Plus Mop up Team				
Principal Consultant	PO7	41,104	1	50,940
Business Improvement Consultant	PO4	34,123	3	126,504
Assistant Consultant	SO2	26,719	1	32,905
				210,349
Business Support				
	SO2	28,284	1	34,863
	SCALE 5	21,254	1	26,069
	SCALE 2/3	16,949	4	82,734
				143,666
Total Employee Cost				**958,980**
On Costs				105,488
Total Costs				1,064,468
Total BIS Budgeted Expenditure				1,577,360
Savings				**512,892**

Other Potential Savings

Having reviewed the centre of the organisation and based on our considerable experience of working with other local authorities we are convinced that further significant savings are deliverable. We recommend that the following areas are prioritised for more detailed reviews.

ISB

ISB is relatively large when benchmarked against other similar sized organisations. This is partly due to ISB undertaking both internal and external work and it makes it different to provide appropriate comparators. However, from our discussions with the Head of ISB and our own analysis we feel that it is possible for savings of £200k – 250k to be made through the reduction of staff. We understand that the Director of Corporate Services is currently taking actions to achieve these savings.

It is worth noting at this point that the successful development and implementation of a transformation programme will in part be reliant on the technical skills within ISB. A review would be required if there was concern of a significant skills gap to take the transformation programme through to implementation. This review should seek to identify skills and capability and any training requirements and/or specific posts to be

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created in order to meet the Council's requirements.

Member Services

We would be of the view that potential efficiency savings could achieved in Member Services for the following reasons:

- the revised governance arrangements has led to a reduced number of committee meetings to be serviced;

- the burden of producing the Council Minutes has been reduced by the introduction of streamlined reporting; and,

- the introduction of the Modern.Gov system has provided the opportunity to re-engineer a number of processes.

Business Support

We understand that there are 13 Business Support Units within the centre of the organisation. We feel that this is too large for corporate services and there is a strong case for consolidating these individual units to create a more efficient BSU function without affecting service and performance. Our report on the Finance Function within the Council provides further information on this.

Projects and Corporate Systems

In 2009/10 Projects and Corporate Systems Unit is budgeted to spend £454k. The Unit was originally established to develop and implement ICT programmes of work relating to the corporate centre. Its resources have almost exclusively been used to implement and procure the SAP system as part of the Better Business programme. Since the system is now operational there is now an opportunity to conduct a short review to determine how best the skills within the Unit could be re-aligned to other corporate work and to explore potential efficiency opportunities.

Human Resources

We recommend that a detailed review of Human Resources is carried out on appointment of the new Head of Human Resources. The main scope of the review would include the following:

- The relationship between the Human Resources Service in the centre and departments.

- Modernisation of industrial relations.

- The application of HR policies, processes and practices.

- The development of the Human Resources Service custodianship of Job Descriptions.

- The further development of its role in organisational development, and in particular structural reform, and controlling staff numbers.

- The identification of potential efficiency savings.

Facilities and Fleet Management

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Almost £23m of corporate resource is allocated to facilities and fleet management. This can be broken down as follows:

- Administration of Buildings   £5.7m

- Buildings Maintenance   £7.4m

- Facilities   £3.8m

- Vehicle Maintenance   £5.5m

- Business Support   £0.5m

Given the materiality of this level of expenditure it is important that the organisation gains assurance on the value for money provided. We would argue that the current internal charging mechanism does not provide an appropriate corporate challenge, it blurs accountability for delivery and makes it difficult to plan for effective service delivery. Earlier in the report we recommended that the current internal charging mechanism should be reviewed. In addition we would recommend that detailed value for money reviews are carried out on Administration of Buildings, Buildings Maintenance and Vehicle Maintenance. The Business Support Unit in this area will be part of the overall review of business support in the central departments.

5   HR Implications of Review

Realising the benefits of a programme of this nature is challenging and any delays in the implementation process will have a significant impact on the overall savings to be achieved. There will be many staff who will be enthusiastic about the challenges and opportunities that lie ahead, but there will be others who will have concerns and the Council will need to be sensitive to such matters.

Going forward the Council must be clear about the support that will be given to staff, ensure appropriate HR policies and procedures are in place and implemented on a consistent and equitable basis. We recommend that the Council consider the following:

- The Council agrees a robust, fair and transparent process relating to all staff identified as 'supernumerary'. There is a need for consistency across the organisation and thus it is essential that all existing supernumerary staff must be reviewed and included in this process.

- With the exception of a small number of posts in HR we do not envisage any direct mapping of posts between BIS and new posts identified in the report. However, we feel that it is possible that some current staff may possess the skills and/or experience to undertake these roles, albeit there is likely to be key training needs to bring them to the required skill sets. Therefore, we recommend that the new posts are, in accordance with normal council procedure subject to the Council's categorisation procedure and appropriate 'ring-fences' set to mitigate against any redundancies. We recommend that this process is managed by the corporate HR service. It is essential that all other reviews in the council are aligned to the review of the centre to ensure all potential redundancies are captured and the process of categorisation, ring fencing etc is carried out across the whole organisation as one exercise as a opposed to a series of individual projects.

- Where appropriate, staff to be offered training and support to help them to

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obtain alternative employment. In addition, any staff who are deemed redundant following the categorisation procedure will be considered for voluntary redundancy.

- There are a number of staff on secondment from BIS to other departments/team within the Council, a number have been on relatively long term basis. An immediate review of all affected staff will be required to ascertain the future of these positions and whether full time posts will need to be created.

- Given the budgetary pressure the Council will be under in the current financial year, political direction will have to be sought on whether there is any will to retain staff on a supernumerary basis for any prolonged length of time after September 2009.

6   The Implementation Plan

6.1   The Change Programme

The implementation of the above plan will need to be done in a rigorous and systematic manner. The recommended changes are likely to have a minimal impact for the majority of staff who will be re-aligned into the new management structure. The key changes, however, will be complex to implement and will require a fundamental shift from the way the Council currently operates. There are significant rewards to be made from the successful implementation, which can be measured in potential savings and improved customer services. But there are also large risks associated in an ineffective implementation process.

The programme of change that is recommended will need dedicated resources to programme and project manage and undertake the detailed design of organisational and process change and to manage the implementation programme. It is important that:

- the change programme is planned from the outset;

- the resources required are put in place from the beginning and not in response to crises as they develop; and

- best use is made of internal resources to minimise costs, embed ownership of the process and develop capacity.

6.2   Options

We have identified 3 options for implementing the changes and realising the benefits as proposed in this report, these are:

- An in-house team

- A partnership approach with an external partner

- Outsourced delivery

Option 1: In-house Team

This option will entail the Council providing all of the required staff resources to develop and implement the programme without any external support. We would envisage that following staff roles are seconded to a Core Team for an initial 12 - 18 month period:

- HR professional(s) to provide support to the project team on a range of HR issues including policies and procedures, assessing proposed new posts, re-deployment etc;

- Finance professional(s) to support the implementation of the recommendations contained in the review of the finance function report;

- A suitably qualified/experienced officer to provide overall project management;

- An officer with appropriate change management skills;

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- Officers with business transformation experience including lean business process improvement skills; and

- Support staff.

A clear attraction for this option is the relatively low implementation costs. However, we believe there are considerable risks associated with this option for the Council. From our analysis and discussions with senior management we have concluded that there is a significant doubt and concern whether the Council has within its resources the skills and experience to fully implement a programme of this nature.

We are confident that the Council is capable of providing key roles such as HR and Finance but there appears to be significant gaps in relation to:

o Change management

o Benefits realisation

o Business process re-engineering and;

o Finance transformation.

Consequently, we believe that this approach would inevitably lead to a protracted implementation programme. This in turn would slow down the required speed of change and have a significant impact on potential efficiency savings and realisation of benefits.

Option 2: Partnership approach with external partner

This approach would involve the Council working with an external partner to support the implementation of the transformation programme. We would envisage that the partner would have at its disposal the change management tools and methodologies appropriate for programmes of this nature. This will enable a relatively short start-up period. To support the Council we believe the following support will be required.

o Change management. We would recommend that an external change management advisor is appointed to manage the internal core team and implement the Review of the Centre structural changes. This advisor would also be responsible for managing benefits realisation and to assist in the development of further transformation/efficiency opportunities.

There is a significant amount of work to be done within 18 months and we envisage support being required between 3 and 5 days per week for an initial 12 month period. To ensure the Council was achieving value for money from its partner we recommend that a review of the service provision is made every 6 months.

- Service reviews

The Council will require external support for a number of planned service reviews. We would recommend that a budget is created to fund the cycle of service reviews that the Council's senior manager responsible for corporate transformation would use to commission reviews from an external consultancy. The aims of the reviews must be to:

o Identify opportunities for service improvement

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        ○   Identify efficiency savings

We feel that if the Council adopted the skills transfer approach outlined earlier in this report it will be possible for the level of external support to decrease over the life of the programme.

We recommend that the team is led by a senior officer from the Council to provide the overall management of the transformation programme. In our view, the new Director of Finance and Resources would be the appropriate officer to provide the strategic leadership and responsibility for delivering the transformation programme. Given the proposed level of external support we do not envisage that the Director will be required to provide the day to day management of the programme. As it is unlikely that the new Director will be in post at the start of the programme it will be necessary to put appropriate interim arrangements in place. The Council will also be required to provide support to the Core Team from HR, Finance and the Performance and Planning Team.

We also believe it will be appropriate for the Chief Executive to undertake the role of Project Sponsor.

We believe this approach will provide the Council with the optimum balance between cost and speed of implementation.

Option 3: Outsourced delivery

In this option, the Council would seek the appointment of an external supplier to manage and implement the entire transformation programme. This would involve the supplier providing all transformation, HR, finance, change management and finance resources. It is likely that a team of 10 external consultants would be required to deliver the programme.

Through the provision of targets and incentives the supplier could be contracted to deliver the programme through tight timescales. However, the cost of doing so will be considerable.

The danger with completely outsourcing this type of the work is that the organisation does not feel connected to the transformation process – "it has been done to them, not with them". This is likely to be a very expensive option for the Council and potentially difficult to resource.

6.3   Recommended option

Following discussions with the Council's senior managers and our analysis of the position in terms of, capacity and capability of staff, speed of change and use of financial resources we recommend that Option 2 is pursued. This will provide the Council with the optimum blend of internal and external resources matched to the necessary speed of change. A potential structure is shown below.

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                    ┌─────────────────────┐
                    │  Member Budget      │
                    │  and Transformation │
                    │  Panel              │
                    └──────────┬──────────┘
                               │
                    ┌─────────────────────┐
                    │  Officer Budget     │
                    │  and Transformation │
                    │  Board              │
                    └──────────┬──────────┘
                  ┌────────────┴────────────┐
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Implementation Team	Service Reviews
•External Change Manager •Business Transformation Team •HR Support •Finance Support	•Finance •Projects and Corporate Systems •Member Services •Centre Business Support Units •Human Resources •Administration of Buildings •Building Maintenance •Vehicle Maintenance

The key components are:

- **Budget and Transformation Panel**

  The Strategic Policy and Resources Committee has already agreed to establish this Panel. The Panel will be responsible for:

  - Governance of the transformation programme.
  - Agreeing in principle, for formal approval by the Strategic Policy and Resources Committee, the Council's Transformation Strategy.
  - Agreeing in principle, for formal approval by the Strategic Policy and Resources Committee, projects to be included in the programme.
  - Receiving programme/project status reports.
  - Scrutinising the savings.

- **Officer Budget and Transformation Board**

  The Board will be responsible for:

  - Ensuring the transformation programme delivers within its agreed parameters.
  - Resolving strategic and directional issues and risks.
  - Resolving dependencies with other pieces of work.
  - Ensuring the integrity of the savings.

  The Board should consist of:

  - Chief Executive
  - Director of Finance and Resources

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- Director of Property and Projects
- Head of Human Resources
- Head of Performance and Planning
- External Change Manager

- **Client Transformation Manager**

  - It will be appropriate for the Council to identify a senior manager who will have the overall responsibility for managing the transformation programme. As we have stated earlier we would recommend that role is fulfilled by the new Director of Finance and Resources. Until an appointment is made it will be necessary for the role to be undertaken by the Head of Head of Performance and Planning on a temporary basis.

  The Client Transformation Manager will provide the strategic management to the Core Team and also be responsible for commissioning the service reviews.

- **Change Implementation Team**

  This team will be responsible for developing and implementing the transformation programme. We recommend that this multi-disciplinary team consists of the Business Transformation Team supplemented with human resource, finance and project management skills.
  .
- The team will be led by an External Change Manager who will support the implementation by:

  - Establishing and deploying a common set of change management processes and templates;

  - Implementing the Review of the Centre structural changes;

  - Tracking and monitoring progress against the project plan and providing project reports to management;

  - Ensuring that the benefits realisation plan is being achieved; and

  - Providing communication on the overall transformation programme to Members and Council staff.

  - **The costs of employing the External Change Manager should be financed through the in-year efficiency savings in 2009/10 and on-going savings in 2010/11. This means there will be no additional burden on the ratepayer.**

- **Service reviews**

  We believe that there significant opportunities for the Council to improve services while at the same time reducing costs. We have already recommended that the following reviews should be carried out:
  - Finance
  - Projects and Corporate Systems
  - Member Services
  - Centre Business Support Units

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- Human Resources
- Administration of Buildings
- Building Maintenance
- Vehicle Maintenance

- We would recommend that the reviews should be carried out externally and the recommendations are implemented as part of the agreed approach to implementing the Review of the Centre.

6.4 Priority Actions

1. Agree report recommendations at officer and political levels.

2. Commence recruitment process for:

   a. Director of Finance and Resources

   b. Director of Property and Projects

   c. Head of Performance and Planning.

3. Procure services of External Change Manager.

4. Agree a robust, fair and transparent process relating to all staff identified as 'supernumerary'.

5. Implement recommendations to create the Transformation Team.

6. Develop and agree the transformation programme.

7. Implement recommendations to create the new departments.

8. Review of all supernumerary staff.

9. Agree and implement the Review of Finance Function.

10. Commence review of Business Support.

11. Commence prioritised specific reviews.

7   Conclusion

We have looked at the centre of the organisation in holistic terms, ensuring that the separate review of Finance can be achieved within the same philosophy. Our guiding principle is that the organisation needs to continue to organise itself to seek maximum efficiency and to focus resources on services to the customer. Wherever we believe that there are opportunities to review this and to drive out efficiencies, we have recommended that the City Council reviews its processes and procedures in pursuit of greater control of overhead expenses and focus on front line services.

Our strong view is that people in public service wish to serve the community to the best of their ability, as directly as possible. So the opportunities for increased efficiency and reduced overlap and duplication represent an opportunity both to maintain and to improve services without requiring additional resources. We do not see this as a threat to existing staffing resources. Indeed, our conclusion is that the City Council has great need of its experienced and skilled people to meet the challenges ahead. This report is about the deployment of these resources to optimal effect. If there are implied threats, they are about the need for the constant search for efficiency and innovation to improve services and to deliver improvements with the same inputs. The City Council faces some big challenges and has already set a path of seeking to improve its performance, its management information and its governance processes.

We hope that this report supports these initiatives and helps the Council to move forward in challenging but exciting times.

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Review of the Centre Implementation Programme:

Human Resources Service Review

Contents

Background

The Council commissioned Sector Projects to undertake a review of the corporate centre. The review was initiated following recognition that a number of issues facing the Council in both the short and medium terms required addressing and solutions put in place. The final report, agreed by the Budget and Transformation Panel, identified opportunities for making significant budgetary and in-year savings.

It was also recommended that the Human Resources Service be subjected to a more detailed service review to look at a number of issues relating to its custodian role in terms of job descriptions, its role in organisational development and application of HR policies, processes and practices. These issues were also identified as key areas requiring a prompt solution to ensure HR had the capacity and capability to provide support on the implementation of the Review of the Centre recommendations and the build up to RPA.

In the summer, the Strategic Policy and Resources Committee agreed that the Chief Executive and Director of Corporate Services would have delegated authority in consultation with the Budget and Transformation Panel to approve actions over the summer period.

Scope of the review

In our findings we recommended that the scope of the review should include:

- The relationship between Human Resources Service (HRS) in the centre and departments

- The application of HR policies, processes and practices

- The development of Industrial Relations

- The development of the HRS custodianship of job descriptions

- The further development of its role in organisational development, and in particular structural reform, and controlling staff numbers

- High level analysis of impact on HRS as a result of RPA

- The identification of potential savings.

A number of these recommendations require detailed analysis of the function and role of HRS and its relationship with customers such as COMT, departments, employees and trade unions. There are also significant cultural issues to be addressed leading up to and beyond RPA. Consequently, to ensure that the key review of the centre recommendations can be implemented effectively we propose to undertake the review in two phases.

Phase 1 will include:

- The development of the HRS custodianship of job descriptions

- The further development of its role in organisational development, and in particular structural reform, and controlling staff numbers

- High level analysis of impact on HRS as a result of RPA

- The identification of potential savings.

Phase 2 will include:

- The relationship between Human Resources Service (HRS) in the centre and departments

- The application of HR policies, processes and practices

HRS is currently working with LRA to improve industrial relations and consequently it is excluded from this review.

We also understand that there is an outstanding issue regarding the position of the Health and Safety team within the Council. This will need to be dealt with as part of the implementation programme but is outside the scope of this review.

Methodology

The development of the HRS custodianship of job descriptions

The Council has developed a fragmented approach to the review functions within the authority which can lead to lack of clarity and duplication of effort. There is a need to bring about a greater level of integration of the review function within the authority including Internal Audit, Business Improvement Service, Better Business, Core Improvement, Projects etc. We will evaluate the current review function(s) and make recommendations for a fully integrated approach across the Council.

It was concluded that HRS must have a stronger role in relation to control of the establishment, control of staff numbers (including FT, PT, secondments, temporary staff) and agency staff. At present the custodianship of job descriptions currently lies within the remit of the Business Improvement Service (BIS). One of the agreed recommendations was that all HR related functions would be transferred to HRS. To enable the smooth transition there will be a need to:

- Identify and transfer all key documentation (including IT systems if present) relating to job descriptions and structures

- Analyse the current work programme

- Identify appropriate post holders who will be responsible for the future management of job descriptions and structures. This may be existing HR staff or involve the transfer of personnel from BIS

The further development of its role in organisational development

The function of organisational development does not sit within one service area. Services such as HRS, BIS and CIT currently provide OD services and there is a need to provide clarity on the roles and responsibilities going forward. A review is required to:

- Evaluate the current approach for delivering OD services

- Review the processes relating to structural reform and managing staff numbers

- Understand "what works and what does not"

- Identify the boundaries, including roles and responsibilities, for the delivery of OD services

- Provide recommendations that will enable HRS to develop an appropriate OD function for the Council.

High level analysis of RPA for HRS

The implementation of RPA is likely to have a significant impact on HRS. We will undertake a high level analysis to:

- Identify the HR services, including capacity building, required to implement RPA

- Identify potential increases in workload

- Assess the capacity of HRS to support RPA

The identification of potential savings

Following our analysis and evaluation of our findings gathered during the review we will identify potential opportunities for making budgetary and in-year savings. In addition we will also seek to identify savings opportunities from:

- The effective use of IT

- Re-engineering of business processes

- Identify areas for further consideration

Review team

The review will be led by Jim Brooks, the External Change Manager, who will work closely with Jill Minne, the Head of Human Resources. The review team will consist of Jackie Leslie from HRS and Alan Burns and Ken MacNeill from Sector Projects.

Timescales and project plan

Our outline project plan is shown below and includes all the activities described in the methodology. The review will require 15 days consultancy support starting on the 31st August and will be completed by the 5th October 2009. This is conditional that interviews with Senior Managers can be arranged within the review time period and there is no requirement to delay discussions with BIS.
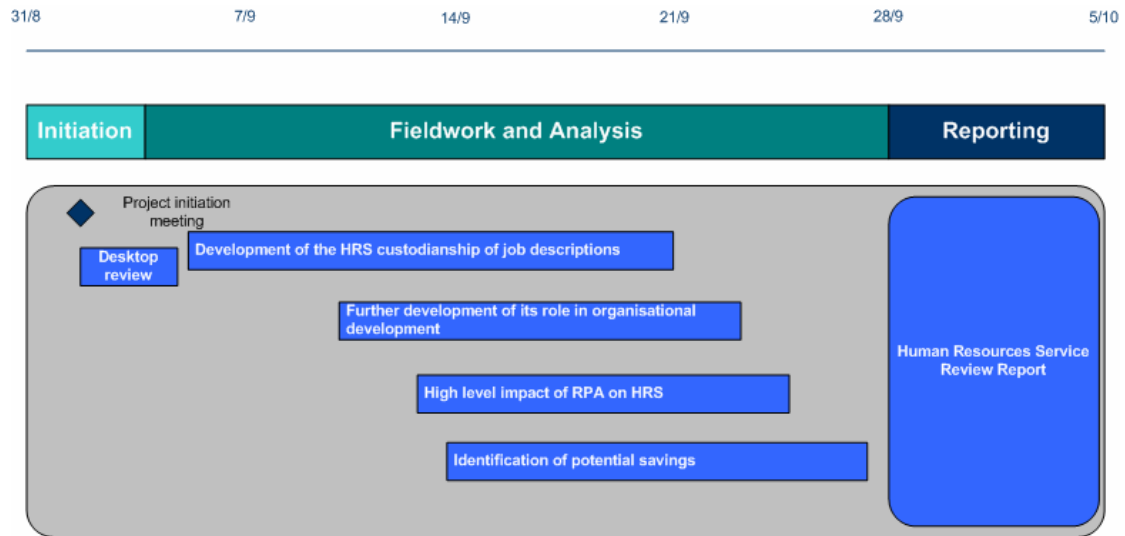
Report to:	Strategic Policy and Resources (Transition) Committee
Subject:	Review of Public Administration: Initial Transition Plan
Date:	4th September 2009
Reporting Officer:	Peter McNaney (ext. 6217)
Contact Officer:	Kevin Heaney, RPA Project Coordinator (ext. 6202)

1.0	**Relevant Background Information**
1.1	Members are aware that the implementation of the RPA reform programme for local government is firmly on track to deliver 11 new councils in May 2011 with the focus shifting from policy development towards implementation. There is now a greater challenge for Transition Committees and Elected Members to drive the process forward at the local level. This is further reinforced by the fact that Transition Committees will be given a statutory basis in early 2010
2.0	**Key Issues**
2.1	Following on from the recent RPA workshop held with the Committee on 17th August and the previous circulation of an RPA roadmap/timetable (copy attached at Appendix 1), a more detailed management implementation plan (version 1) is attached at Appendix 2 for Members information. Projects have been chunked into 'bite' sized tasks and lead officers identified.
2.2	It is intended that this initial plan would form the basis of a Forward Work Plan for the Committee setting out those important RPA related issues which need to be taken forward with the key milestones scheduled.
2.3	Inevitably, the level of RPA related activity will grow in intensity and scope throughout the transition period and its management and delivery must be adequately resourced and co-ordinated. Chief Officers are committed to supporting the Transition Committee in its role in driving forward the RPA transition process and ensuring that appropriate implementation structures are in place.
2.4	Important to recognise that within every change process there is inevitably uncertainty and unforeseen circumstances do arise. Planning is a process of constant review, re-prioritisation, refinement and refocusing of effort and resource in line with shifting demands and needs. Whilst we will clearly plan ahead in terms of what is needed, the transition plan (attached at Appendix 2) should be viewed as a live document which will be continually updated to enable us to manage changes in the external programme of work or to take account of important ad-hoc issues as they arise.
	Monitoring & Review
2.5	Members will note that monthly progress update dashboard reports will be submitted for the consideration of the Committee, with an assessment against targets illustrated through the use of the traffic light performance model (i.e. red, amber, green). This will provide Members with a clear indication of the degree of progress of each key strand of work and flag up any issues/areas of concern (e.g. red light indicating that little or no progress has been made or an issue emerged which needs political direction or pressure).
	Key Milestones
2.6	Some of the short-term indicative milestones in the RPA process are as follows:- *September 2009* ▪ draft communications and engagement plan submitted for the consideration of the Committee at its meeting on 18th September ▪ draft response to the 'Reform of the NI Planning System' submitted for the consideration of the

- Committee at its meeting on 18th September
- Belfast public consultation event re: 'Reform of the NI Planning System' scheduled for 11th September
- final Ministerial agreement around the transfer of functions and the reconfiguration of local government boundaries
- consultation on the draft Local Government (Reorganisation) Bill which will significantly dictate the future shape and operation of councils post RPA

October 2009

- staff vacancy control system put which impacts upon the filling of new posts within the existing 26 councils
- draft response to the Local Government (Finance) Bill submitted for the consideration of the Committee at its meeting on 18th September

November 2009

- Development and roll-out of BCC capacity building programme for staff and Elected Members
- draft response to the Local Government (Reorganisation) Bill

January /February 2010

- Statutory Transition Committees
- Members' Severance Scheme agreed
- Staff severance scheme agreed

3.0 Resource Implications

Whilst there are clearly Human Resource and financial implications attached the Council's ongoing involvement and management of the RPA change process, there are no direct implications contained within this report.

4.0 Recommendations

Members are asked to note:

a) the initial implementation plan (version 1) attached at Appendix 2

b) that a draft response to the Reform of NI Planning System consultation document will be submitted for the consideration of the Committee at its meeting on 18th September

c) that a draft communications and engagement plan will be submitted for the consideration of the Committee at its meeting on 18th September

5.0 Decision Tracking

1. Monthly progress update reports submitted to the Committee for consideration - RPA Project Co-ordinator

2. draft communications strategy submitted to the Committee for consideration by September - RPA Project Co-ordinator

3. Convene meeting between representations of the Castlereagh/Lisburn Transition Committee and the Belfast City Council Transition Committee, Chief Executive, by September 2009

6.0 Appendices

Appendix 1:   RPA high-level road map/timetable

Appendix 2:   Initial draft implementation plan

Roadmap & Timetable

AUG 09　　　　　　　　**APRIL 10**　　　　　　　　**May 2011**　　　**Oct 2011**

VISION / PLAN | **Pre-Transition Period** | IMPLEMENT | **Transition Period** | EXECUTE | **Post-Transition** | REVIEW

| Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | April | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | April | May | Jun | Jul | Aug | Sept | Oct |

Maintaining Service Continuity / Improvement

VACANCY CONTROL SYSTEM

SET RATE FOR 2010/2011

FINANCIAL PLANNING CYCLE

NEW COUNCIL OPERATIONAL -WORK, WORK, WORK

FINANCIAL PLANNING CYCLE

AGREED STAFF TRANSFER SCHEME

SET RATE FOR NEW COUNCIL

BOUNDARY DECISIONS

STATUTORY TRANSITION COMMITTEE

STAFF SEVERANCE SCHEME

SERVICE DELIVERY PLAN

PREPARATION FOR ELECTIONS TO NEW COUNCIL

ELECTIONS TO NEW COUNCIL

COMMUNICATIONS STRATEGY /ACTION PLAN

LOCAL GOVERNMENT (REORGANISATION) BILL

TRANSFER OF FUNCTION DECISIONS

MEMBER SEVERANCE SCHEME

ESTATES/ ACCOMODATION PLAN

COMPLETTE STAFF HANDOVER

RPA TRANSITION PLAN & TIMETABLE (HIGH-LEVEL)

AUG 09   **APRIL 10**   **May 2011**

VISION / PLAN	Pre-Transition Period	IMPLEMENT	Transition	EMBED

		DELIVERABLES / MILESTONES	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	RAG
PROGRAMME MGT.		Draft Implementation Plan to Transition Committee for consideration and endorsement		18th																						
		Draft Communications & Engagement Strategy submitted to Committee for endorsement		18th																						
LEGISLATION		Recommendations on the Local Government Boundary Changes brought to the Executive by the Environment Minister																								
		DRAFT response to Local Government (Finance Bill) submitted to Committee for consideration			9th																					
		Draft response to Reform of NI Planning System submitted to Committee for consideration																								
		Release of Local Government (Reorganisation) Bill for consultation																								
		Statutory Transition Committees - Enactment of Local Government (Miscellaneous Provisions) Bill																								
		Severance Scheme for elected Members introduced (commencement date still to be confirmed)																								
TRANSFER FUNCTIONS		NI Executive Sub-Committee meeting to discuss and agree transfer of functions to local govt		7th																						
		Detailed engagement with transferring function departments																								
		Detailed Guidance and Programme of activities to support Community Planning issued																								
		Developmental work around options for BCC to take forward community planning																								
		Developmental work around how the transferring functions will be assimilated within the council																								
HR / STAFFING	Policy	Guidance issued by the Local Government Reform Joint Forum (LGRJF) on Staff Vacancy Control System																								
		Guidance issued by LGRJF in regard to staff severance scheme																								
		Guidance issued by the LGRJF in regard to the filling of posts in new organisations																								
		Consultation on model staff transfer scheme issued by LGRJF																								
		Staff Transfer Scheme Agreed																								
	Oper.	Development and roll-out of BCC Capacity Building Programme																								
		Agree and implement Review of the Centre recommendations																								

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	Appointment of BCC Senior Management Team
	Complete staff handover

	DELIVERABLES / MILESTONES	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	RAG
OPERATIONAL	Service Delivery Plan prepared and agreed by Members – taking account of potential extension of local Government Boundaries and the transfer of new functions.															▓	▓				▓				
	Agree Estates /Accommodation Plan																								
	Preparations for Elections to new Councils															▓	▓				▓	▓			
	Elections to new Councils																						12th		
FINANCIAL	PwC release economic business case for funding the RPA reform programme	▓	▓																						
	Assessment of the impact on the rate base resulting from the Local Government Boundary Changes		▓	▓																					
	Development of a Winding Up Plan –closing down of old council and establishment of new council													▓	▓										
	Engagement with DoE and DFP in regard to future local government funding		▓	▓	▓	▓																			
	Commence financial planning cycle for 2011/2012															▓	▓	▓							
	Strike rate for new councils																				▓				

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RPA Implementation Plan for BCC RPA TRANSITION MANAGEMENT TEAM (VERSION 1)

APPENDIX 2

The implementation plan below sets out the initial programme of work and associated schedule in regard to the RPA **over the next year**. Projects have been chunked and prioritised where possible and lead officers identified. Whilst the work plan is somewhat frontloaded, this is driven by the necessity for the Council to align its consideration of RPA related issues with the legislative timetable.   Inevitably, the level of RPA related activity will grow in intensity and scope throughout the transition period and its management and delivery must be adequately resourced and co-ordinated. A balance must be maintained between ensuring the effective management of the change process and delivering business as usual.

It is important to recognise that planning is a process of constant review, re-prioritisation, refinement and refocusing of effort and resource in line with shifting demands and needs. Therefore, this timetable and work plan should be viewed as live documents which will be further amended to reflect potential changes to the external programme of work or to take account of important issues as they may arise of ad-hoc issues as they arise.

N.B. It is expected that this workload will only get bigger.

DELIVERABLES	Responsibility		2009 Pre-Transition Period								2010 Transition				RAG STATUS
	Lead	Support	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	
PROGRAMME MANAGEMENT															
1. Draft Implementation Plan to Transition Committee for consideration and endorsement	K Heaney	CIT					4th								🟩
2. Draft Communications and Engagement Strategy submitted to Committee for endorsement	E. Deeny	CIT					18th								🟧
POLITICAL INTERFACE OUTSIDE FORMAL COMMITTEES															
1. Legislative timetable briefings?															
1.1 Familiarisation Workshops with new SP&R Members	COMT	CIT				17th									🟩
1.2 Budget and Transformation Panel Briefing re: financial implications?	COMT	CIT				▓	▓	▓	▓						🟧
1.3 Party Briefings – development of programme of engagement	COMT	CIT				▓	▓	▓	▓						
LEGISLATIVE TIMETABLE															
1. Local Government (Miscellaneous Provisions) Bill															
1.1 *Consultation on Statutory incorporation of Transition Committees*	DOE		▓												🟩
1.2 BCC to formulate /input to consultation	C Quigley	CIT &CMS	▓												🟩
1.3 Report to Transition Management Team	C Quigley	CIT	▓												🟩
1.4 Report to Transition Committee	C Quigley	CIT	▓												🟩
1.5 *Consultation on enabling powers to develop Members' Severance Scheme*	DOE		▓												🟩
1.6 BCC to formulate position/input to consultation	C Quigley	CIT and CMS	▓												🟩
1.7 Report to Transition Management Team	C Quigley	CIT	▓												🟩
1.8 Report to Transition Committee	C Quigley	CIT	▓												🟩

DELIVERABLES	Lead	Support	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	RAG STATUS
2009 Pre-Transition Period											**2010 Transition**				
Responsibility															
1.9 *Consultation on Miscellaneous Provisions Bill*	C Quigley	CIT													Green
1.10 BCC to formulate /input to consultation	C Quigley	CIT				■									Green
1.11 Report to Transition Management Team seeking approval for submission of response to Environment Committee	C Quigley	CIT					7th								Green
1.12 Contracts Bill Enacted	DOE								1st						Orange
2. Local Government (Reorganisation) Bill															
2.1 Consultation issued on content	DOE						■	■	■						
2.2 BCC formulate position/input to consultation and relevant component parts eg:							■	■	■						
▪ Transfer of assets and liabilities	G Millar	Cathy Reynolds/CIT					■								
▪ Community Planning	M T McGivern	CIT					■								
▪ Power of well-being	C Quigley	CIT					■								
▪ Performance Management	G Millar	R Cregan/CIT					■								
▪ Governance	CeX	CIT					■								
▪ Codes of Conduct/ethical standards	C Quigley	CMS /CIT					■								
▪ Identify omissions/gaps	G Millar	CIT					■								
2.3 Composite report (position paper) to Transition Management Team	G. Millar / C. Quigley	CIT								■					
2.4 Composite report (position paper) to Transition Committee	G. Millar / C. Quigley	CIT								■					
4. Local Government (Finance) Bill															
4.1 Consultation issued	DOE					■	■	■							Green
4.2 BCC to formulate position/input to Local Government (Finance) Bill consultation	T Salmon	CIT				■	■								Orange
4.3 Commission independent advice e.g. CPFA	T Salmon	CIT													
4.4 Report to Transition Management Team	T Salmon	CIT						■							
4.5 Report to Transition Committee	T Salmon	CIT						■							
5. LG BOUNDARY CHANGES - POTENTIAL CONSEQUENCES FOR BCC															
5.1 LG Boundaries Commissioner final Recommendations Report					30th										Green
5.2 Establish what the process for agreement of Boundary Commissioners Recommendations						■	■								Green
5.3 Establish cross-departmental working group and agree TOR:															Orange
▪ Examination of impact/organisational consequences of agreed boundary changes	W. Francey / A. Hassard	TMT/CIT				■	■	■							Orange
▪ Audit of potential assets/liabilities to transfer	W. Francey / A. Hassard	C Reynolds/CIT				■	■								Orange

DELIVERABLES	Lead	Support	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	RAG STATUS
2009 Pre-Transition Period											**2010 Transition**				
Responsibility															
	Lead	**Support**													
▪ Examine potential impact on key front end services – inform succession planning	W. Francey / A. Hassard	CIT / SMTs				▓	▓								🟧
▪ Review of the potential impact on the rate base	G Millar	Finance Working Group / CIT				▓	▓								🟧
5.4 Report to Transition Management Team on consequences of LG boundary changes	G Millar / K Heaney	CIT													
5.5 Report to Transition Committee on consequences of LG boundary changes	G Millar / K Heaney	CIT													
6. INFLUENCE & ENGAGEMENT	G Millar / K Heaney														
6.1 Review of established RPA Delivery Structures (e.g. SLB, PDPs, RTCG)	CeX			▓	▓	▓	▓	▓	▓	▓					🟩
6.2 Strategic Leadership Board	CeX		22nd		3rd	14th	25th	7th	18th	9th					🟧
▪ Influencing matrix – identify key issues that BCC engage on at both political & CeX level	K Heaney	CIT	▓	▓	▓	▓	▓	▓	▓	▓					
6.3 Regional Transition Co-ordination Group	CeX		11th	11th	23rd	3rd	3rd								🟧
▪ Influencing matrix – identify key issues that BCC engage on at both political & CeX level	K Heaney	CIT	▓	▓	▓	▓	▓	▓	▓	▓					🟧
6.4 PDP A	K Heaney														
▪ Influencing matrix – identify key issues that BCC engage on at both political & CeX level	K Heaney	CIT	▓	▓	▓	▓	▓	▓	▓	▓					🟧
6.5 PDP B	K Heaney														
▪ Influencing matrix – identify key issues that BCC engage on at both political & CeX level	G Millar / K Heaney	CIT	▓	▓	▓	▓	▓	▓	▓	▓					🟧
6.6 PDP C	K Heaney														
▪ Influencing matrix – identify key issues that BCC engage on at both political & CeX level	G Millar / K Heaney	CIT	▓	▓	▓	▓	▓	▓	▓	▓					🟧
6.7 Transfer of Functions															
▪ Establish and chair Transfer of Functions Working Group and Sub-Groups	CeX	CIT	▓												🟩
▪ Co-ordinate the development of detailed position papers on transferring functions	CeX / COMT	CIT													🟩
▪ Report to Transition Committee and Transition Management Team re: transfer of functions	CeX / COMT	CIT			▓										🟩
▪ NI Executive Sub-Committee Meeting to agree final recommendations re: transfer of Functions	CeX / COMT						7th								🟧
▪ Establish necessary engagement mechanisms with Transferring Function Departments to take forward detailed discussions in regard to the transfer of functions to Belfast City Council	CeX / COMT							▓	▓	▓					
– DoE															
– DSD															
– DRD															
– DCAL															
– DARD															
– DETI															
• Report to Transition Management Team re: transfer of functions – implications for Belfast									▓	▓					
• Report to Transition Committee re: transfer of functions – implications for Belfast										▓					
6.8 Reform of Planning Service - consultation document to be released	DoE					▓	▓								🟩
▪ Report to Transition Management Team re: Planning Reform	G. Millar / M T McGivern	CIT/Dev					7th								🟩
▪ Report to Town Planning Committee re: Planning Reform	G. Millar / M T McGivern	CIT/Dev					6th								🟩

DELIVERABLES	Lead	Support	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	RAG STATUS
2009 Pre-Transition Period (May–Dec) / **2010 Transition** (Jan–April)															
Responsibility															
▪ Report to Development Committee re: Planning Reform	G. Millar / M T McGivern	CIT/Dev				12th									🟩
▪ Secure BCC representation at DoE, NILGA, SOLACE consultation event	K Heaney					26th									🟩
▪ Draft corporate response to Transition Management Team	G. Millar / M T McGivern	CIT/Dev				▨	9th								🟧
▪ Draft corporate response to Transition Committee	G. Millar / M T McGivern	CIT/Dev				▨	18th								🟧
▪ BCC representation Belfast Public Consultation Event	K Heaney	CIT/Dev					11th								🟧
Transformation and Reengineering															
7. Communications Plan															
7.1 Review the external communications strategy being prepared by DoE	E. Deeny	CIT	▨	▨											🟩
7.2 Develop key stakeholder matrix	E. Deeny	CIT			▨										🟩
7.3 Identify key communication milestones	E. Deeny	CIT			▨										🟩
7.4 Develop communication strategy which will underpin transition process	E. Deeny	CIT			▨	▨									🟧
7.5 Report to Transition Management Team re: Communications Strategy	E. Deeny	CIT					9th								🟧
7.6 Report to Transition Committee re: Communications Strategy	E. Deeny	CIT					18th								🟧
8. Service Delivery Options															
8.1 Engage with and inform the ongoing work of PwC on future Service Delivery Options	CeX / G Millar	CIT	▨	▨	▨	▨									
8.2 PwC Phase I report (Service Delivery Options) released	PwC			▨											🟩
8.3 Report to Transition Management Team re: emerging proposals	G Millar	CIT		▨											
8.4 Report to Transition Committee re: Phase I emerging proposals	G Millar	CIT				▨									🟩
8.5 PwC Phase II (Economic Business Case) released	PwC					▨									🟧
8.6 Report to Transition Management Team re: emerging proposals	G Millar	CIT					▨								
8.7 Report to Transition Committee re: Phase II emerging proposals	G Millar	CIT					▨								
9. Organisational Design/Future Blueprint															
9.1 Review existing organisation design and develop options for future organisation design/delivery models – taking account of the transfer of functions proposals	CeX / COMT	COMT / CIT	▨	▨	▨	▨	▨	▨							
9.2 Engagement with Planning Service – co-design working group								▨	▨						
9.3 Report to Transition Management Team on initial proposed options	CeX / COMT	CIT						▨							

DELIVERABLES	Lead	Support	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	RAG STATUS
			2009 Pre-Transition Period								2010 Transition				
	Responsibility														
9.4 Report to Transition Committee testing emerging proposals and seeking political direction	CeX / COMT	TMT/ CIT							█	█					
10. Community Planning															
10.1 Inform the drafting of legislation and guidance	MT McGivern	CIT	█	█	█	█	█								🟧
10.2 Engage in early discussion with DOE re: bidding for funding for community planning pilots	CeX /MT McGivern	CIT	█	█	█	█	█								🟧
10.3 Develop proposal/bid for Belfast to undertake community planning pilot	MT McGivern	CIT	█	█	█	█	█	█	█						🟧
10.4 Report to Transition Management Team on emerging proposals	CeX / MT McGivern (?)	CIT							█						
10.5 Report to Transition Committee on emerging proposals	CeX / MT McGivern (?)	CIT							█						
11. Local/Central Government Relations															
11.1 Engage with joint secretariat in relation to establishing current status of emerging proposals	A. Hassard	CIT	█	█											🟩
11.2 Examine emerging proposals and develop BCC position	A Hassard	CIT													🟩
11.3 Develop influence paper in regard to the future role and relationship between local gov and DRD – connection with community planning	CeX	CIT					█	█							🟧
11.4 Continued engagement with NILGA and inform emerging policy agenda	G Millar	CIT	█	█	█	█	█	█	█	█	█	█	█	█	🟩
12. Performance Management															
12.1 Ongoing engagement with the development of a Performance Management Framework for local government – examining potential organisational consequences.	R Cregan	CIT	█	█	█	█	█								🟧
13. Information Technology															
13.1BCC to respond to Draft IS Strategy for Local Government in NI released by Deloitte for consultation	Deloitte		█												🟩
13.2 Report to be submitted to Information Panel for consideration re: BCC IS Strategy	R. Crozier	CIT	█												🟩
13.3 Report to Transition Management Team re: BCC IS Strategy	R. Crozier	Information Panel / CIT	█												🟩
13.4 Report to Transition Committee re: BCC IS Strategy	R. Crozier	Information Panel / CIT	█												🟩
13.6 Workshop to scope RPA related ICT issues which need to be addressed						26th									🟩
13.7 Development of RPA ICT action plan/convergence plan						█	█								🟧
13.7 Engage with central government re: NI Direct and Direct NI	R. Crozier	Information Panel / CIT	█	█	█	█	█	█							🟧
14. Human Resources															
14.1 Detailed scoping paper examining RPA HR Transitional issues					█	█	█								🟧

		2009 Pre-Transition Period										2010 Transition				

DELIVERABLES	Lead	Support	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	RAG STATUS
	Responsibility														
14.2 Ongoing engagement in the drafting of HR related policy and associated Guidance	C. Quigley / J. Minne	CIT	▓	▓	▓	▓	▓	▓	▓	▓					🟩
14.3 Engagement within the Local Government Reform Joint Forum	J. Minne / Cllr Hartley	CIT				▓	▓	▓	▓	▓	▓	▓	▓	▓	🟧
14.4 Undertake a detailed review of the emerging guidance and consider the implications/impact on BCC e.g. staff transfer and TUPE; vacancy control; filling of new posts; severance scheme etc	C. Quigley / J. Minne	CIT					▓	▓	▓	▓					🟧
14.5 Submit detailed report to Transition Management Team setting out position and consequences	C. Quigley	J. Minne / CIT							▓	▓					
14.6 Submit detailed report to Transition Committee setting out position and consequences	C. Quigley	J. Minne / CIT								▓					
14.7 Preparation for the appointment of SMT by March/April 2010 –taking account of PSC Guiding Principles and guidance issued by LGRJF						▓	▓	▓	▓	▓					
14.7 Undertake a detailed audit – building upon the work of the Transfer of Functions Working Group and HR Working Group - to determine staff transfer numbers	G Millar	J. Minne/ CIT				▓	▓	▓	▓	▓					
14.8 Develop capacity building implementation plan (including costs) for local government – for consideration by PDPC /SLB	J. Minne	CIT		PDPC	SLB	▓	▓	▓	▓	▓					🟩
14.9 Undertake a high level critical skills and training needs analysis for pre and post transfer and develop relevant capacity building programme (for both Members and Officers) Linked to work emerging from PDP C re: capacity building	J. Minne	CIT				▓	▓	▓	▓	▓					
14.10. Develop and roll-out of BCC Capacity Building Programme	J. Minne / L. Steele	CIT				▓	▓	▓	▓	▓					
14.11 Agree and implement the Review of the Centre recommendations	CeX	CIT					▓	▓	▓	▓					
14.12 Develop capacity and support programme for potential new incoming elected Members as a consequence of severance scheme (end of 2009) and local government reform in 2011	J. Minne / L. Steele	CIT / HR				▓	▓	▓	▓	▓					
15. Finance															
15.1 Establish Cross-Departmental RPA Finance Working Group	T Salmon /CX	CIT			▓										🟩
15.2 Undertake an audit of finance related issues which need to be addressed - scoping paper	T Salmon / CX	CIT				▓	▓	▓							🟩
15.3 Develop a scheduled finance implementation and resource plan	T Salmon	CIT						▓	▓	▓					🟧
15.4 Engage within the established Finance and Estates Working Group, inform emerging policy and assess organisational consequences	R. Cregan /C. Reynolds	CIT						▓	▓	▓					🟧
15.5 Examine potential future LG Financing Models / Belfast Finance Model post RPA	T Salmon /CeX	CIT							▓	▓					
15.6 Develop Winding Up Plan and process developed and agreed by Committee	Director of Corporate Services	CIT										▓	▓	▓	
16. Customer Service															
16.1 Ongoing engagement in the development of a Customer Service Strategy/Framework for Local Government	R Crozier	T. Martin / CIT	▓	▓	▓	▓	▓	▓	▓	▓					🟧
16.2 Develop business case and detailed implementation plan for prioritised strands of BCC Customer Focus Strategy	R Crozier	T. Martin / CIT	▓	▓	▓	▓	▓	▓	▓	▓					🟧

DELIVERABLES		2009 Pre-Transition Period								2010 Transition				
		May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	RAG STATUS
	Responsibility													
	Lead	**Support**												
17. Procurement														
17.1 Ongoing engagement in the development of a Procurement Strategy/Framework for Local Government	V. Cupples	CIT	▓	▓	▓	▓	▓	▓	▓					▓(orange)
18. Transition Committees and Transition Management Teams														
18.1 Develop initial Forward Work Programme for Transition Committee – which will change incrementally	G Millar	CIT				▓	▓								▓(orange)
18.2 Examine the governance implications resulting from the Transition Committee (i.e. SP&R) gaining a statutory basis and the future relationship with the Council	C. Quigley	CMS / CIT					▓								▓(orange)
18.3 Establish appropriate reporting mechanisms with DoE – for audit purposes	G Millar	CIT	▓												▓(green)
18.4 Write formally to Transition Committee for Lisburn /Castlereagh informing them of the establishment of the BCC Transition Committee and its membership.	CeX	CIT	▓												▓(green)
18.5 Establish necessary engagement mechanisms with the Lisburn /Castlereagh Transition Committee so as to enable relevant transitional issues to be taken forward.	CeX	CIT				▓	▓								▓(green)
18.6 Development of BCC Constitution	C Quigley	CIT	▓	▓	▓	▓	▓	▓	▓	▓					▓(orange)
18.7 Prepare for local Government Elections	L Steele										▓	▓	▓	▓	

** RAG STATUS

▓(green)	Successful delivery of the project/programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly
▓(orange)	Successful delivery appears feasible but issues in regards to, for example, funding, commitment, deliverability already exist requiring attention.
▓(red)	Successful delivery of the project/programme appears to be unachievable. There are major issues in regards to any firm commitment, delivery schedule, budget required and quality or benefits delivery, which at this stage do not appear to be manageable or resolvable. The project/ programme viability may need re-assessed

Version Control

Version	Date	Amended by	Principle Changes
Version 0.1	September 2009	K Heaney, RPA Co-coordinator	First cut draft for consideration of SP&R

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Report to:	Strategic Policy and Resources (Transition) Committee
Subject:	RPA: Engagement with Lisburn/Castlereagh Transition Committee
Date:	4th September 2009
Reporting Officer:	Peter McNaney (ext. 6217)
Contact Officer:	Kevin Heaney, RPA Project Coordinator (ext. 6202)

1.0	**Relevant Background Information**
1.1	Members will recall that following a request received from the Lisburn/Castlereagh Transition Committee to meet with the Council to discuss their concerns in regard to the RPA transition process, the Committee agreed, at its meeting on 19th June 2009, that an all-party delegation consisting of the Chairman and Deputy Chairman, the Party Group Leaders on the Committee (or their nominees) and the Chief Executive would meet with the Lisburn/Castlereagh Transition Committee.
2.0	**Key Issues**
2.1.1	Subsequently, a constructive meeting between both Transition Committees had taken place on 25th August 2009. At the meeting there was a clear consensus around a number of common aims in relation to the RPA transition process, including: ▪ ensuring that the best interests of both the citizen and staff are pursued; ▪ ensuring that service continuity is maintained or improved; ▪ seeking to moderate the potential impact on the rate resulting from the reform process; and ▪ ensuring, as far as possible, a seamless RPA transition.
2.1.2	Whilst there was a recognition that there still remains some uncertainty around the final decision of the Environment Minister and NI Executive in regard to the new local government boundaries, it was agreed that both Transition Committees need to work in partnership to consider and plan for those areas of mutual concern so as to ensure a successful and smooth transition from the old to new councils. It was the consensual view that any initial work would not be nugatory.
2.1.3	General discussions took place in relation to some of the key issues which needed to be explored in detail (e.g. staffing; convergence; operational/service delivery; aligning financial planning processes and rate harmonisation; transfer of assets and liabilities; joint communications etc). It was agreed, however, that the inaugural meeting should be very much focused on familiarisation among both Transition Committees and agreeing a process to enable detailed consideration and discussions around the aforementioned issues to take place in the near future.
2.1.4	Accordingly, it was recommended that: ▪ a further joint meeting be convened for two months time (late October 09) – at which a schedule of future meetings would be agreed; ▪ the venue of meetings would rotate around the three Council offices with the next meeting in October to be held in Belfast City Hall; ▪ that the hosting Transition Committee would chair the joint meeting; and ▪ a joint officer team be tasked with working up a detailed agenda for the meeting around the key issues for discussion and preparing relevant supporting reports setting out potential options and any associated consequences. This would enable a more informed discussion to take place between both Transition Committees.

2.1.5	**Members will note that a detailed report will be submitted for the consideration of the Committee, at its first meeting in October 09, setting out detailed options and potential consequences around the key issues for discussion with the Lisburn and Castlereagh Transition Committee.**
2.1.6	Recognition of the special circumstances which exist between Lisburn City, Castlereagh Borough and Belfast City Council in regard to the RPA transition/convergence process and concerns had been raised in relation to the absence of any clear guidance from the DoE and Minister. It was suggested that consideration be given to the possible attendance (as necessary) of senior DoE officials at future joint meetings of the Transition Committees so as to enable them to first hand experience/knowledge of the issues of concern and areas which require further clarity.

3.0 Resource Implications

There will be clearly Human Resource implications (i.e. Members and staff time) attached to the continued engagement with the Lisburn and Castlereagh Transition Committee and developing the necessary evidence base and option papers on the key issues.

4.0 Recommendations

Members are asked to:

a) agree the continued engagement with the Lisburn/Castlereagh Transition Committee on transitional related matters;

b) reaffirm that the Belfast Member delegation consists of the Chairman, Deputy Chairman and Party Group Leaders on the Transition Committee (or their nominees);

c) agree that officers engage with their counterparts in Lisburn/Castlereagh to work up an agreed agenda and relevant briefing papers for the next joint meeting of the Transition Committees;

d) note that the proposed next joint meeting of the Transition Committees will take place in late October in Belfast City Hall;

e) note that a detailed report on the issues for discussion with the Lisburn/Castlereagh Transition Committee will be submitted for the consideration of the Committee at its 1st meeting in October.

5.0 Decision Tracking

1. Convene second meeting between representatives of the Lisburn/Castlereagh and Belfast Transition Committee (i.e. SP&R) for late October - Director of Improvement by October 2009;

2. Submit for the consideration of the Committee a detailed report examining the key transition issues which need to be explored with the Lisburn/Castlereagh Transition Committee – Director of Improvement by October 2009