Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Review of Public Administration –Transition Process
Date:	23rd January 2009
Reporting Officer:	Peter McNaney, Chief Executive
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1.0	**Relevant Background Information**
1.1	The Review of Public Administration (RPA) process is now entering into the critical stage of implementation whereby primary legislation is being drafted, implementation structures established and active consideration being given to the transitional arrangements to be put in place to support local government reform within Northern Ireland together with ongoing transfer of functions issues.
2.0	**Key Issues**
2.1	The size of the challenge ahead cannot be underestimated and ensuring appropriate structures are put in place to manage the RPA change process is crucial. At this stage, some of the potential risks which could result from the Council not effectively managing the RPA transition process could include: i) Misalignment between outworking of the legislative and policy changes emerging from the RPA and the Council's own improvement agenda ii) Lack of coherence to our engagement with transferring departments leading to a loss of impact and creditability iii) Transferring functions are under-resourced and inefficient at stage of transfer iv) Lack of a cohesive political and executive engagement and commitment to the transition and change process
2.2	Inevitably, the level of RPA related activity will grow in intensity and scope throughout the transitional 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.
2.3	The level of resources committed to managing the RPA change process must be proportionate to the task in hand. The resources required will be two-fold. The Council will need to take forward its internal preparation and changes required to support an effective RPA transition as well as ensuring that it engages within the delivery structures established to take forward the RPA.
2.4	**AN ORGANISATION FIT TO LEAD AND SERVE**
2.4.1	If the Council is to demonstrate that it is an organisation "**fit to lead and serve**"; it needs to get its own house in order and clearly define its desired outcomes from the RPA. Consideration must be given to the necessary changes to existing Council structures and processes to ensure that the transition and integration of new functions is managed and the implications and opportunities arising from the published RPA proposals align with the emerging corporate priorities.
2.4.2	The Council needs now to **focus** its consideration on implementation related matters and in dissecting and examining those issues of greatest impact, chunking and prioritising activity as appropriate. Examples of key areas of significance include:

	1) **Policy and legislation development:** effectively engaging within the policy development structures established and ensuring that the best interests of Belfast and the wider local government sector is taken into consideration. 2) **Transitional Process:** ensuring that appropriate internal and external mechanisms are put in place to support the effective and efficient transition to the new Council arrangements post RPA. 3) **Transfer of Functions:** process of active discussion with transferring departments to work through the practicalities attached to the transfer of functions from central to local government. 4) **Change readiness:** ensuring the Council is prepared for the RPA transition process and the integration of the new functions into the organisation. 5) **Engagement:** with the Executive, Strategic Leadership Board, Regional Transitional Coordination Group, other Transition Committees, NICS etc, from a coherent and consistent BCC position that is regularly refreshed and communicated as circumstances dictate.
2.4.3	One key issue which needs to be urgently addressed is how the organisation effectively takes forward its internal consideration, within an overall agreed framework, around the transfer of functions and the associated impact on organisational structures, and ensures that the evolving internal thinking informs the policy and legislation programme.
2.5	**TRANSFER OF FUNCTIONS**
2.5.1	At a recent meeting of the Regional Transitional Coordination Group on 15th December, 2008 a discussion paper (attached at **Appendix 1**) had been submitted which set out the key proposals for the transfer of functions from central to local government. The paper comprised of a suite of position papers prepared by each of the transferring Departments (e.g., DOE, DCAL, DARD, DRD, DSD and DETI) which sought to flesh out the proposed list of functions likely to transfer to local government and the associated estimated resources.
2.5.2	Subsequently, a detailed briefing paper and associated 'Issues Log' in regards to the transfer of function proposals (referred to above) has been compiled, in liaison with Council Departments, and is attached at **Appendix 2.**
2.5.3	There are clearly detailed technical issues surrounding all of the transferring functions and importantly the integration with wider local government service delivery, financial and political systems. Accordingly, there is an urgent need for constructive engagement between central and local government officials to ensure that there is greater clarity of the functions transferring and appropriate consideration is given to the operational and technical issues attached to the transferring functions and their assimilation into councils. We need to now consider the appropriateness of the transferring functions and the potential implications for the Council including, for example, the transfer of under-resourced and inefficient functions; transfer of long-term financial and public liabilities; transfer of funding burden from the regional to district rate.
2.5.4	This engagement needs to be co-ordinated. Otherwise there is a risk that different parts of the organisation would engage with transferring departments on an individual basis with no clear direction as to the overall corporate position. There are major risks attached to adopting a fragmented approach to dealing with the transfer of functions e.g. mixed messages being conveyed from the organisation; no connection or alignment with planning, policy and financial frameworks under development; absence of a holistic approach; impact on image and creditability of the Council. It is important that we adopt a coherent and informed approach to how we engage and clearly demonstrate that we are a confident and assured partner in government.

	A series of Technical Sub-Groups comprising of officials from transferring Departments and Local Government will be established under the auspices of the Regional Transitional Coordination Group, to consider in detail the operational and technical issues attached to the transferring functions. As this is clearly an important strand of work, the Council will ensure, as is reasonably possible, that those officers with the appropriate expertise and skills set are engaged within the Technical Sub-Groups. Appropriate internal mechanisms will be put in place to ensure that cross departmental consideration is given to transfer of function issues and political engagement in the process is maintained.
2.6	**BCC TRANSITION COMMITTEE**
2.6.1	As agreed by the Committee at its meeting on 14th November 2008, and endorsed by Council at its meeting on 1st December 2008, a letter has been sent to the Environment Minister, Sammy Wilson and relevant Central Government officials outlining the proposition that the Strategic Policy and Resources Committee be designated as the Council's RPA Transitional Committee, that the Committee comprises of 20 elected Members appointed on the basis of proportionality using D'Hondt and that an additional monthly meeting of the Committee has been designated for the purpose of RPA transition and associated change management issues.
2.6.2	The primary role of the Transition Committee is to take the key decisions necessary to ensure a coherent and co-ordinated approach to the RPA Transition Process. Detailed Guidance issued by the Environment Minster on the establishment of Transition Committee is attached at **Appendix 3**.
2.6.3	A £150,000 per annum transitional funding package has been made available by the DoE to each Transition Committee to assist the transition (change) management process including staffing, consultancy support etc. <u>Each Elected Member on the Council's Transition Committee is to be paid an allowance of £2,700 (£54,000 in total) per annum from this transitional fund.</u> This payment would be allocated within Belfast City Council on the same basis as the allocation of Special Responsibility allowances. The details of the funding package are outlined in the DoE Circular LG19/08 (attached at **Appendix 4**).
2.7	**BCC TRANSITION MANAGEMENT TEAM**
2.7.1	It is equally as important that a dedicated transition (change) management structure be established to support the Transition Committee in taking forward RPA transitional issues. In the Guidance referred to above (para. 2.6.2) it is stipulated that a Transition Management Team should be established which would have responsibility for transitional planning at the local level and should consist of Senior Officials from both Local Government and relevant transferring departments.
2.7.2	<u>In terms of the internal arrangements, it is recommended that the Chief Officers' Management Team be designated as the Council's Transitional Management Team with a minimum of one COMT meeting per month allocated solely for RPA transition and change management related issues.</u>
2.7.4	In terms of decision-making and reporting mechanisms, the Chief Officers' Transition Management Team would act as the initial forum to discuss emerging proposals and to troubleshoot any issues/areas of concern in regards to the RPA. Emerging briefings, reports and/or draft corporate positions would be submitted to the Council's Transition Committee (i.e. Strategic Policy and Resources Committee) for consideration. This would enable the political process to be kept updated on emerging issues and political direction sought.
2.8	**PROGRAMME MANAGEMENT & SUPPORT STRUCTURES**
2.8.1	In order to support the work of the Transition Committee and Transition Management Team, appropriate support structures will be put in place with necessary resources made available, drawing on the experience and expertise within the organisation, to enable due diligence consideration to be given to RPA transitional related matters.

3.0	**<u>NEXT STEPS</u>**
3.1	At this stage the short-term milestones in the process are as follows: i) formalise the role of the Strategic Policy and Resources Committee as the Council's Transition Committee; ii) establishment of the internal Transition Management Team; iii) establishment of necessary support structures; iv) a project plan and risk analysis to be prepared within 1 month of the Transitional Management Team being established and to be updated every 2 months.

4.0 Resource Implications

Whilst there is clearly Human Resource and financial implications attached the Council's ongoing involvement and management of the RPA change process, it is difficult to quantify at this stage.

5.0 Recommendations

Members are asked to:
- a) note the contents of this report; and
- b) agree that the Council's Chief Officers' Management Team be designated as the Transition Management Team

Documents Attached

Appendix 1	Central Government Transfer of functions briefing paper and issues log
Appendix 2	BCC Transfer of Functions briefing paper and issues log
Appendix 3	Transitional Funding Package
Appendix 4	Guidance on the establishment of Transitional Committees & Transitional Management Teams