



## Belfast City Council

<b>Report to:</b>	<b>Strategic Policy and Resources Committee</b>
<b>Subject:</b>	<b>Review of the Centre</b>
<b>Date:</b>	19 June 2009
<b>Reporting Officer:</b>	Peter McNaney, Chief Executive
<b>Contact Officer:</b>	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 is attached. 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
  - Business Support
  - Building Maintenance
  - Projects and Corporate Systems
  - Human Resources
  - Vehicle Maintenance
  - Member Services
  - Admin of Buildings

### **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.

<b>Recommendations</b>
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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.

<b>Document Attached</b>
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.Executive Summary