



Belfast City Council

Report to:	Strategic Policy and Resources (Transition) Committee
Subject:	Review of Public Administration Update
Date:	22 nd January, 2010
Reporting Officer:	Peter McNaney
Contact Officer:	Kevin Heaney, RPA Project Coordinator (ext. 6202)

1.0	<u>Relevant Background Information</u>
1.1	Discussions are ongoing within the NI Executive with regard to the future progress of the RPA process and the associated reform of local government. Members will be aware that the Environment Minister, Edwin Poots MLA is locked in ongoing negotiations with Ministerial colleagues within the NI Executive on a number of outstanding issues including the proposed new council boundaries; the release of the draft Local Government (Reorganisation) Bill; and securing the necessary funding for the reform programme.
1.2	If there is no political agreement around these critical issues secured within the coming weeks, then the already tight legislative timetable would not be unachievable and the local reform programme could be at significant risk. At a meeting of the RPA Strategic Leadership Board in December, the Environment Minister indicated that there would be clear direction given on the way forward in early 2010 (i.e. imminently).
2.0	<u>Key Issues</u>
2.1	<u>Continuing Engagement in Developing the Way Forward</u>
2.1.1	NILGA has recently written out to all councils, dated 17th December 2009, seeking initial views on the undernoted issues. A copy of the correspondence received is attached at Appendix 1. <ul style="list-style-type: none"> i) Developing an acceptable model to facilitate regional collaboration - given the unanimous opposition within Local Government to the PriceWaterhouseCoopers (PwC) proposal to establish a centralised Business Services Organisation, the Environment Minister has sought views on what alternative options are available to secure greater collaboration among councils and realise potential efficiencies and improvements within local government; ii) Consideration of the provision of funding from local government to support reform – in order to inform and facilitate future Ministerial and Executive discussions on funding, the Environment Minister has sought the views of local government as to what elements of the reform programme, if any, would it be reasonable for local government self-fund.
2.1.2	On receipt of initial comments from councils, NILGA would intend to initiate a further consultation process in early February 2010 on its emerging views.
	<u>Enabling Collaboration</u>
2.1.3	The NILGA correspondence makes reference to the establishment of an enabling body such as an Improvement Agency to facilitate collaboration among councils. It is suggested that the Council may wish to indicate that it would not be favourable, at this stage, to the establishment of another new body, however, would recommend that further consideration be given to identifying existing mechanisms within local government through which greater collaboration could be achieved e.g. <ul style="list-style-type: none"> o Collaboration across council clusters on an informal basis o Collaboration across council clusters on a formal basis (i.e. Joint Committees) o Collaboration with other partnership bodies (Total Place)

	<ul style="list-style-type: none"> ○ Delivery of services on a Lead Council or Centre of Excellence basis ○ Building on existing models of collaboration, eg Arc 21
2.1.4	Clearly, any collaborative approach being considered must be subject to a robust 'value for money' test for participant councils.
2.1.5	The current financial and efficiency pressures facing the local government and wider public sector will undoubtedly act as a compelling driver for encouraging greater collaboration where real benefits, greater value for money and efficiencies can be demonstrated at no detriment to council.
2.1.6	<p>The Council already provides direct services and works in collaboration with a range of other councils across Northern Ireland in areas such as: Legal Services; Procurement; ICT, Building Control; Human Resources; Project Management and Capital Projects. Below are some specific examples of collaboration.</p> <ul style="list-style-type: none"> ▪ Procurement Unit has developed a range of procurement frameworks (e.g. stationary and computer consumables; vehicles; employment agency framework) which are utilised by a large number of local authorities. ▪ Legal Services provide legal advice to Arc21 which is a Joint Committee comprising of 11 councils dealing with waste. ▪ Building Control has recently been awarded (on behalf of all local government) the contract to coordinate, manage and oversee the promotion, education and enforcement of 'Energy Performance Certificates' for all public buildings across Northern Ireland.
2.1.7	The Council is also a lead partner and provides strategic support for a range of inter-agency programmes/initiatives including, for example, Community Safety Partnership and the newly established Joint Public Health Unit.
2.1.8	NILGA have suggested that they should facilitate the creation of an improvement service for local government and offered to use their existing seconded officers to offer expert advice on collaboration. Given the existing cost of supporting NILGA and their lack of front line officer expertise it is suggested that the Council explore these opportunities itself.
2.1.9	Given the scale of operation and the level of expertise and capacity which exists within the Council, there are potential opportunities for the Council to further strengthen its collaborative working with the wider local government and public sector. In moving forward, it is important that the Council harnesses, refines and builds upon its strengths to the good of Belfast albeit other councils may wish to avail of the services provided. It is suggested that officers explore, within the context of efficiency and value added, what opportunities exist (e.g. examine the potential of the Council becoming a 'Centre of Procurement Excellence').
	Consideration of the Funding Model to support reform
2.1.9	As stated within the Council's recent response to the draft PwC Economic Appraisal for funding the RPA process, clearly there still needs to be significant work undertaken to examine the robustness of the baseline cost projections (and associated assumptions) for implementing the various strands of RPA. Further work is also required to examine and identify which costs are directly attached to enabling and supporting the restructuring of councils (e.g. convergence costs, programme delivery and support costs etc) and those costs which support modernisation and reform initiatives where potential benefits and savings should be realised by councils.
2.1.10	It should be noted that given the circumstances of Belfast and the fact that it is not fully merging with another council, it is unlikely that it would incur the same level of overall transitional related costs attached to the restructuring and merging of councils, but rather, potential costs would be primarily attached to any modernisation and reform activity agreed by Council. Depending on the decision taken with regard to the new local government boundaries, there may be costs attached to the possible geographical extension and harmonisation of services as well as harmonisation of rates.

2.1.1 1	Given the current financial climate and the budgetary constraints on the Executive, it is highly probable that local government will be expected to bear some of the costs of the RPA reform process. In fact, at a recent meeting between the Environment Minister and the Minister responsible for Finance and Personnel, Sammy Wilson ML, it had been highlighted that local government would ultimately benefit from the efficiencies and savings flowing from the reform programme and that there was a strong argument therefore that local government should fund the up-front costs of reform in return for the obvious benefits.
2.1.1 2	<p>Whilst further detailed work is clearly required to identify and quantify the level of funding support which may be sought from councils and in examining the potential funding mechanisms through which this could be supported, it is suggested that in responding to NILGA the Council should outline the following general principles:-</p> <ul style="list-style-type: none"> - Cost to the ratepayer must be managed & large initial rate rises avoided at point of transfer - Councils accept and are committed to securing real efficiencies and taking out costs as a direct result of the reorganisation of councils (e.g. rationalisation of assets, rightsizing of staffing numbers etc) - Central Government should provide up-front funding on a conditional loan basis (e.g. established payback model), however, such conditions should be discussed and agreed with the local government - Councils to contribute in proportion to the benefits accrued e.g. on the basis of an 'invest to save' business case - Functions transferring should be fully funded to meet direct and indirect costs. - Belfast City Council welcomes further engagement in more detailed discussions in regards to this important issue and would offer its support in exploring potential funding models.
2.1.1 3	Local Government now need to enter into real conversation and the negotiation process with the Environment Minister, DoE and DFP in relation to the funding of the RPA and, in particular, how councils may fund elements of the reform programme whilst ensuring that any impact upon the rate is moderated.
2.1.1 4	It is suggested that detailed consideration be given to the potential for central government to fund the necessary up-front costs through a conditional loan and on the basis of a robust business case. This would enable individual councils to plan for and self-finance elements of the RPA on a phased basis, through the realisation of efficiencies and, therefore, minimising the potential impact upon the rate. Again it should be stressed that the conditions of any centrally funded loan should not have an adverse impact upon any individual council or cluster proportionate to the benefits realised.
<u>Draft Local Government RPA Severance Scheme</u>	
2.1.1 5	Members will note that the Local Government Reform Joint Forum, which consists of representation from Trade Unions, central government and local government (including Cllr Tom Hartley and the Council's Head of Human Resources), has recently issued a draft Severance Scheme for consultation (a copy of which is attached at Annex 2).
2.1.1 6	The proposed scheme which will operate up to 31 st December 2015 reflects standard public sector severance package policy and is in line with schemes used in Health and Education.
2.1.1 7	While the draft scheme has been issued to all transition committees for consultation, Members should note that it is unlikely to impact on Belfast City Council as we are not likely to have any redundancies as a direct consequence of the RPA.
<u>Big Lottery Fund (BIG) tender for community planning pilots</u>	
2.2.1	As Members are aware, the creation of a Council-led community planning process was one of the key

	<p>recommendations of the review of public administration. The Big Lottery Fund (BIG) recently advertised a tendering process seeking proposals from one or more service providers to develop and deliver three pilot projects on community planning in Northern Ireland. In addition, BIG is seeking separate tenders for the evaluation and support of these projects. Please see attached advertisement at Appendix 2.</p>
2.2.2	<p>BIG's overarching aim is to provide a model and a toolkit of good practice in community planning that will help to ensure the genuine engagement of the voluntary and community sector (VCS) in the new/emerging formal processes.</p> <p>Under these tender processes BIG are seeking to fund two main areas of work:</p> <ol style="list-style-type: none"> 1. Contract to deliver three community planning projects in Northern Ireland 2. Support contract for the three community planning projects in Northern Ireland <p>The total contract value for the three projects will be in the region of £380,000 to £420,000, with the support contract worth £80,000-£90,000.</p>
2.2.3	<p>BIG have highlighted that its preferred option for delivery is to appoint one or more external providers to deliver the three projects and that it would value a consortium approach reflecting the importance of cross-sectoral working in a formal community planning process. To provide best learning and practice and geographic coverage across Northern Ireland each project must take place in a different council area, based on boundaries of the future new eleven councils. The areas chosen will be decided by BIG from the bids received, based on rank scores. BIG have stressed that there will not be more than one pilot in any council area.</p>
2.2.4	<p>Expressions of interest are requested by 29th January 2010. By expression of interest, BIG are seeking information, via a pre qualification questionnaire (PQQ) on the potential service providers or consortia with a view to determining whether they have the potential capacity and experience to deliver the contracts. BIG will only invite those who get through the PQQ stage to submit formal tender bids.</p>
	<p>Trying to ensure that Belfast is one of the pilot areas</p>
2.2.5	<p>Members are asked to consider whether the Council should make an expression of interest in making a bid for a pilot in the Belfast area. The advantages of Council involvement in the process would be:</p> <ul style="list-style-type: none"> • A direct link to the emerging community planning process for the city, which will be led by the Council; • An opportunity to influence the nature of the project to ensure that it has coverage city-wide – North, South, East and West; • An opportunity to build on some of the thematic work, such as safety, health improvement or environmental improvement around which the Council has been working with the Voluntary and Community sector, <p>All with a view to developing the capacity of the Voluntary and Community Sector to engage with any eventual formal process and to inform effectively the development of that process.</p>
	<p>Making an expression of interest</p>
2.2.6	<p>In terms of what is required immediately; for expressions of interest, BIG require the return of a pre-qualification questionnaire by 29th January 2010. The purpose of the questionnaire is for the service provider to provide sufficient information for the Big Lottery Fund to decide whether to invite the service provider to submit a tender. Detailed proposals are not required at this stage. However, information about all members of any proposed consortium would need to be provided.</p>
2.2.7	<p>BIG have stated that they would value a consortium approach and, therefore, Members are asked to agree that an approach can be made to potential partners, such as the Area Partnership Boards or other appropriate organisations, for example, umbrella Voluntary and Community organisations so that they could be included in any expression of interest. Details on any proposal that would be made should a tender be sought from the consortium would be brought to Committee for consideration and</p>

approval before being submitted.

3.0 Resource Implications

There are no financial or Human Resource implications contained within this report.

4.0 Recommendations

Members are asked to:

- i) agree to write to NILGA outlining the tenor of the Councils position on the issues of collaboration and funding (as set out in section 2.1 of the report above)
- ii) note the draft Severance Scheme attached at Appendix 2
- iii) consider and agree to the submission of a Council led expression of interest to the Big Lottery Fund's call for community planning pilots

5.0 Appendices

Appendix 1: NILGA correspondence re: 'Continuing Engagement in Developing the Way Forward'

Appendix 2: Local Government Reform Joint Forum draft Severance Scheme

Appendix 3: Big Lottery Fund advert re: tender for community planning

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