



## Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Review of Public Administration Update
<b>Date:</b>	20 <sup>th</sup> August 2010
<b>Reporting Officer:</b>	Gerry Millar, Director of Property and Projects Jill Minne, Head of Human Resources
<b>Contact Officer:</b>	Kevin Heaney (ext. 6202)
<b>1.0</b>	<b><u>Relevant Background Information</u></b>
1.1	Members will recall that discussions in relation to the future of the Review of Public Administration and reform of local government had concluded on Monday 14 <sup>th</sup> June with the NI executive not having agreed on the way forward. Subsequently, the Environment Minister wrote to the Northern Ireland Office recommending that it proceed with elections to twenty-six, and not eleven, councils in 2011.
1.2	While it is understood that the Environment Minister is to submit a report to the NI Executive in September 2010 setting out proposals in regards to taking forward the RPA, there remains significant uncertainty in respect of the nature and timescale for any future reform programme.
<b>2.0</b>	<b><u>Key Issues</u></b>
<b>2.1</b>	<b><i>Improvement, Collaboration and Efficiency</i></b>
2.1.1	Despite such uncertainty the local government sector has recognised the need to maintain momentum and seek to develop its own proposals in respect of an 'improvement, collaboration and efficiency' programme for local government. The intention would be to support councils in delivering more efficient and value for money services to the citizen.
2.1.2	Exploratory work is ongoing to examine and identify potential collaborative opportunities on a local, sub-regional and regional level, which may support service improvement or drive out efficiencies in delivery. Areas currently under consideration include procurement, information systems, Human Resources, asset management and support services.
2.1.3	Members will note that BCC officials are involved in this scoping work in line with the Committee's previous decision that the Council engage with potential partners to explore possible collaborative efficiency saving and to ensure that these issues are considered within the context of the Council's own efficiency programme.
2.1.3	It is intended that this work will culminate in the development of an over-arching business case for local government which sets out potential opportunities and undertakes a cost-benefit analysis. Members will be kept fully informed as this work progresses and, in particular, of any potential opportunities which may emerge. It is important to note that there is no impetus for any council (including Belfast) to participate in any collaborative opportunities other than voluntarily and if there is a demonstrable business case for doing so.
2.1.4	Preliminary discussions are ongoing also between council officials and other public service providers within the city to examine potential opportunities for securing greater investment and more integrated service delivery within the city (i.e. focus on 'Place'). Again, Members will be kept fully informed and engaged in such discussions as they evolve.
2.1.5	Members will recognise that such discussions are particularly important within the context of the growing economic and financial pressures facing the entire NI public sector in the coming years and the push to 'do more with less'. In fact, councils have already received notification from DoE of in year cuts to the resources element of rate support grant aid paid by the Department. Although this will not affect Belfast as we do not receive resource support, it is evidence of the scale of the financial challenge facing Departments this year. It should be noted that central government departments are anticipating cuts of around 20-30% in total allocations in the next

	Comprehensive Spending Review period which will inevitably impact upon the level of investment into the city.
2.2	<b>Regional Governance arrangements</b>
2.2.1	It is suggested that critical to the delivery of an improvement, collaboration and efficiency agenda will be the development of a suitable regional Governance arrangements which is connected to and representative of the 26 councils.
2.2.2	Attached at Appendix 1 is a consultation paper recently issued by NILGA which sets out options for putting in place interim governance arrangements to <b>focus on</b> overseeing the work being taken forward by local government in respect of developing an improvement, efficiency and collaboration programme.
2.2.3	The options presented within the paper for the consideration of councils include: <ul style="list-style-type: none"> <li>(i) <b>Do nothing</b> – no formal governance structures put in place but rather activities are progressed through the existing 26 councils in an ad-hoc manner</li> <li>(ii) <b>Inclusive regional option</b> – development of a regional structure which provides political oversight and is representative of the 26 Councils (or all those who participate)</li> <li>(iii) <b>Full implementation of transition committees</b> – retain the 11 Transition Committees and Transition management Teams and implement a statutory based Regional Transition Committee and Regional Transition Management Team</li> </ul>
2.2.4	In reviewing the options set out within the consultation paper, the following observations are highlighted for Members consideration. <ul style="list-style-type: none"> <li>▪ <b>Option (i)</b> runs the risk of potential collaborative opportunities being missed through councils continuing to progress any consideration on an individual basis with no mechanism in place to facilitate discussions across the sector on a sub-regional or regional basis</li> <li>▪ <b>Option (ii)</b> representative body of those councils who wish to participate in the process and supported by a senior officer team. While it would be the aspiration that the majority of councils would be engaged, there would be no statutory requirement for councils to participate within the governance arrangement. This model would not prevent potential collaborative activity to take place at a sub-regional or local level if one or more councils believed it to be beneficial or between the council and other public service providers around a place agenda.</li> <li>▪ <b>Option (iii)</b> illustrates those preferred structures which had originally been planned for taking forward the RPA reform process. However, with the recent delay within the NI Executive in the implementation timetable and associated legislative programme (including the Local Government Reorganisation Bill) it will be difficult to bring these proposals forward at this stage.</li> </ul>
	It is suggested, for Members consideration that while option (iii) may have been the preference for moving forward, given the difficulties in delivering this option with the delay in the wider RPA programme, the most viable interim option would be option (ii) for the reasons cited above.
2.2.5	While option (ii) would be voluntary (non statutory), it would put in place appropriate governance arrangements to provide political oversight and input into discussions around improvement, collaboration and efficiency. The common goal for moving forward should be to deliver value for money services to the citizen.
2.2.6	The consultation document also seeks views from councils on a series of operating principles (refer to page 5 of Appendix 1) which it is suggested would underpin the activities of any regional body (e.g. equality of representation, consensus in decision making, shared funding of costs etc). Members should note that such principles are similar to and have been adopted from those

	principles which govern Arc21.
2.2.7	Members will further note that further work needs to be undertaken to establish any costs associated with the establishment of the proposed regional body. Again, it will be important that such costs are kept to a minimum and based on a business case. Any costs incurred by participating councils should only be on the basis that demonstrable benefits are to be accrued.
2.3	<b><i>Transfer of Functions</i></b>
2.3.1	While NI Executive discussions are ongoing in respect of reframing the delivery timetable for local government reform within NI, the context for moving forward any further consideration in respect of transferring services has also changed.
2.3.2	To date, the working assumption had been that the transfer of functions would be on an 11 council basis, however, the proposed 11 council model will no longer be implemented in 2011 as originally anticipated but rather elections will take place to the exiting 26 councils. Furthermore, in the absence of the new governance and ethical standards regime which was to be put in place (linked to the pending Reorganisation Bill), it is unlikely that there will be any imminent transfer of functions to local government.
2.3.3	Within this context, and given the current financial pressures facing the NI public purse, there is now an opportunity to reconfigure the discussions relating to specific transferring functions towards a broader conversation in pursuance of integrated service delivery at the local level. As referred to above, there is a need for a real conversation between specific government departments (e.g. DETI, DSD, and Planning Service) and the Council to explore what potential opportunities may exist around 'Place'.
2.4	<b>Secondment opportunities – specialist planners</b>
2.4.1	Members will be aware of the proposed cuts to be made to the DoE Planning Service including proposals for the redeployment of approx 270 staff including 160 professional planners. Attached at <b>Appendix 2</b> is a letter issued by the HR and Organisational Change Division of the DoE in relation to investigating the potential for secondment opportunities for specialist planners to local government. It is important to note that councils would be expected to meet the associated staff costs. Departments are presently considering this issue and a fuller report will be brought to Committee at its next meeting.
2.5	<b><i>Suspension of RPA Vacancy Control</i></b>
2.5.1	Members will recall that the RPA Local Government Reform Joint Forum (LGRJF), under the authority of the Local Government Staff Commission (LGSC), introduced a Vacancy Control Procedure to minimise the potential level of redundancies created as a direct result of the RPA reform process. These procedures came into effect on 01 October 2009 and meant that if councils had a vacant Chief Executive, Director, Head of Service, PA to the aforementioned or Members' Services post, they had to seek to fill it from either their own council; the 'cluster' councils; the 26 councils; or the RPA Affected Group before the post could be externally advertised.
2.5.2	Following the NI Executive's decision not to proceed with RPA implementation, the LGRJF met on 23 June 2010 and recommended that the Vacancy Control Procedures be suspended with immediate effect. The LGSC has since issued a statutory recommendation (copy attached at <b>Appendix 3</b> ) confirming this suspension.
2.5.3	Members will be aware that Belfast has had its own vacancy control process in place since April 2006. While this process will be amended to reflect the suspension of RPA vacancy control, each council vacancy will continue to be examined on a case by case basis to effectively control council employee costs. Council vacancies will also continue to be filled in accordance with the Code of Procedures on Recruitment and Selection and in consultation with the trade unions and LGSC, as required.

### 3.0 Resource Implications

There are no significant resource implications contained within this report. The council will continue its current and medium to long term work in relation to vacancy control.

### 4.0 Recommendations

Members are asked to note the contents of this report and, in particular:

- i) the Ongoing work by local government in developing proposals for a 'Improvement, Collaboration and Efficiency' programme;
- ii) the discussions with central government departments in regards to securing investment and more integrated service deliver within the city;
- iii) the suspension of the RPA Vacancy Control procedure; and
- iv) consider and agree that the council respond to NILGA's consultation on regional governance proposals on the basis of section 2.2 above.

### 5.0 Decision Tracking

Further reports to be submitted to Committee in due course in relation to the following:

- Proposals for a Local Government 'Improvement, Collaboration and Efficiency' programme
- Develop of the LGRJF's new approach to recruiting and developing local government staff

### 6.0 Appendices

Appendix 1: NILGA consultation on governance proposals to oversee 'improvement, collaboration and efficiency' programme

Appendix 2: Correspondence re: secondment opportunities for specialist planners

Appendix 3: LGRJF covering letter & addendum outlining the suspension of vacancy control.