



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Improvement, Collaboration and Efficiency Programme
Date:	4 th March 2011
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1.0	<u>RELEVANT BACKGROUND INFORMATION</u>
1.1	Members will be aware of the ongoing work in regards to developing a local government led 'Improvement, Collaboration and Efficiency (ICE) Programme' which seeks to identify and examine potential collaborative opportunities which may exist to support service improvement or drive out efficiencies in delivery. As previously agreed by Committee, Council officers have been engaged in these discussions to explore the potential opportunities for the Council as part of its wider efficiency programme which has already recognised collaboration as one approach.
1.2	Although initially developed as a counter argument to the proposed establishment of a centralised Business Services Organisation, the ICE programme seeks to reflect the vacuum created by the suspension of RPA in June 2010, and the increasingly challenging financial environment in which Councils now find themselves. The stated aim of the programme is to reduce the financial burden on ratepayers and to make the Sector more efficient through identifying, sharing and implementing opportunities for improvement and efficiency via collaboration.
2.0	<u>KEY ISSUES</u>
2.1	This work has now culminated in the development of a " <i>Case for Change</i> " report, which seeks to engage the sector in discussions on potential improvement opportunities. The report summarises the initial scoping work completed under the ICE workstreams. Identified priorities will be subject to a more robust assessment following the consultation process. At this stage, the figures contained within the report are indicative rather than definitive
2.2	<p>A series of specific questions have been posed as part of the consultation exercise and Councils are required to respond by 8th March 2011. The Case for Change consultation document sets out proposals and seeks the views of councils on a number of key areas including:</p> <ol style="list-style-type: none">(1) The proposed I.C.E. framework detailing the best practice guidance and toolkits designed to support long-term improvement, collaboration and efficiency within and across Councils.(2) The potential scope of opportunities across the Sector arising from improvement, collaboration and efficiency (refer to Appendix 2 for further detail)(3) The potential range of efficiency savings achievable through the I.C.E. programme(4) A possible roadmap for implementation and the potential investment costs required.(5) Proposed operating principles for a governance structure to take forward and support the programme. <p>An Executive Summary of the ICE Case for Change document is attached at Appendix 3 and copies of the full report (266 pages) can be made available to Members if they so wish.</p>

2.3	Following consultation, the prioritised improvement opportunities identified will be subject to more detailed evaluation and comparison through development of robust business cases progressed through the longer term ICE Programme.
2.4	<p>The opportunity areas analysed for the purposes of this Case for Change relate to the following business and service areas:</p> <ul style="list-style-type: none"> ○ Customer Facing Services - covering approximately 70% of front line services, ie, leisure, parks and recreation, waste collection, waste disposal, environmental health and building control ○ Support Services - focused on finance, legal, insurance and asset management ○ Human Resources - focused on occupational health services; recruitment issues; capacity building/e-learning; HR systems; delivery models; performance approaches and systems; and pay and grading systems ○ Procurement - focused on improvement and collaborative opportunities across a baseline of approximately 50% of total procurement spend ○ Information and Communication Technology (ICT) – identifying the creation of a common network platform as a critical enabler for the transfer of functions and collaborative improvement opportunities across all business and service areas. In relation to ICT, such opportunities include shared data centres, shared internet connectivity, shared email and web protection/filtering, shared processing systems e.g. finance, payroll, HR, and moving to a centralised tiered IT support model.
2.5	<p>The Case for Change report has set out range of improvement benefits which it is argued will flow from the ICE Programme opportunities, including:</p> <ul style="list-style-type: none"> ○ Improved customer satisfaction due to better targeted services and facilities ○ Improved ratepayer satisfaction due to increased value for money ○ Improved career enhancement opportunities, staff skilling and staff morale ○ Improved performance management ○ Improved partnership relationships and greater sharing of knowledge across local government and other sectors ○ Increased potential to improve and standardise service provision and to promote new service delivery models.
	<p><i>Belfast City Council response</i></p>
2.6	<p>Whilst a detailed draft response is attached at Appendix 1, Members are asked to note the following key points:</p> <p>i) Potential Opportunities & Efficiency Savings</p> <ul style="list-style-type: none"> ○ Members will note that the Case for Change report estimates that the Ice Programme will deliver efficiency net present value savings (discount rate of 3.5%) between £257m to £570m over a 25 year period. It does not appear that the cumulative costs which would be incurred to realise such efficiencies are offset against the savings. ○ Major concerns exist regarding the reliability and accuracy of the baseline figures used in the attempt to identify the scale of the opportunities and the range of efficiency savings attached to a formalised collaboration programme amongst Councils. ○ The Council would also be concerned in regards to the potential risk of double counting potential savings across the workstreams explored within the report.

- Members are asked to note that the benefits attached to collaboration will be solely dependent upon the scale of the change required in each of the participant Councils and the extent of political will to affect change at the local level. Furthermore, any possible savings attached to the participation of this Council will vary depending upon the projects that this Council wishes to participate in; which in turn will be exclusively informed by the use of local business cases and Members' priorities for the District.

ii) Reorganisation of District Councils

- The preferred model for the governance of the I.C.E programme, as previously considered by the Council's Strategic Policy and Resources Committee in March 2010, is a Regional Government Group representative of the current 26 Council structure. Further detail is required in relation to how a RGG would relate to statutory reform structures, including Voluntary Transition Committees should the outstanding issues in respect of RPA be resolved by the NI Executive. It is anticipated that in this case the Voluntary Transition Committees will play an important role in overseeing and providing political direction in respect of Council collaboration within each of the eleven Clusters. The governance structure of the RGG needs to be sufficiently flexible to respond to this possible dynamic.

iii) Operational Arrangements for the Regional Governance Group (RGG)

- The views of this Council are sought in relation to a number of operating principles for the Regional Governance Group, including:
 - i) Councils will engage in the I.C.E. programme on a purely voluntary basis;
 - ii) There will be equality of representation from each Council;
 - iii) There will be shared resourcing of the programme.
- Whilst the Council would support in principle, the proposed operating principles as set out within the consultation document, it would require further information in terms of the anticipated resource requirement for Councils. Clearly any costs must be kept to a minimum and any commitment made by the Council towards the establishment and/or operation of the RGG would be subject to a business case.
- Members will note, in particular, that under the current proposals the costs attached to the establishment and operation of the RGG will be apportioned based on the respective population size for each of the participating Councils. Clearly this will have a greater proportionate impact for Belfast as it is the largest Council by some way. In addition and as a consequence of no statutory duty being placed upon Councils to participate in the I.C.E. programme, annual costs attached to operation of the Group will be determined by the number of Councils participating. This again brings additional risks for Belfast City Council if it decides to participate as it would be required to fund the largest proportion of costs.
- It is also proposed within the consultation document that the expenses incurred by Members participating on the RGG would be paid by their sponsoring councils.

iv) Resource Implications for Participating Councils

- The financial implications for participating Councils in the ICE programme are represented by (1) upfront investment costs attached to the development and implementation of collaborative initiatives across participating Councils, and (2) costs attached to the establishment and operation of the RGG.
- Clearly if the Council is to make an informed decision in respect of the collaborative initiatives it may wish to support, the early and accurate identification of upfront investment costs is an important pre-requisite. Furthermore, Members will recall that SP&R Committee has previously agreed that any investment costs attached to collaborative initiatives via the I.C.E. programme will only be borne where there is a demonstrable financial benefit for participating.

	<ul style="list-style-type: none"> o Other potential resource implications, both financial and human resource, are attached to the project management, organisation and resourcing of local work associated with the I.C.E. programme. These are unquantifiable at this time and will be determined by the development of robust business cases at the local level.
2.7	<p>Notwithstanding, the issues raised in regards to the Case for Change report and the scope and scale of opportunities which it outlines, the key question remains as to what level of benefit would there be for the Council from its continued involvement in the ICE programme. Some concerns have been raised in regards to the potential risk that the resources and capacity within the Council will continue to be drawn upon as the ICE programme moves into its next phase of developing detailed business cases for potential collaborative opportunities. A number of BCC officers have already given support, both directly and indirectly, to the ICE programme with limited added value being experienced by the Council.</p>
2.8	<p>It is important to recognise that the Council is moving into a new Corporate Plan and Council term with resources constrained and the need for a greater emphasis on delivery (getting things done). We need to ensure that our people and resources are mobilised and focused to deliver the priorities of the Council. Therefore, it is suggested that the Council's continued participation in the ICE programme should be linked to those areas whereby demonstrable benefits may be gained (e.g. potential collaboration on recruitment advertising, procurement opportunities etc).</p>
2.9	<p>In considering the way forward for the Council within the ICE Programme, a number of options are available for Members consideration:-</p> <ul style="list-style-type: none"> i) believe that there are demonstrable opportunities/benefits for the Council's continued participation and actively work towards supporting the realisation of these benefits and linked to BCC efficiency programme. The top BCC priorities would need to be identified (e.g. single waste authority, ICT infrastructure, procurement, recruitment advertising etc.); ii) retain a watching brief over the ICE programme (with limited officer input) until firmer proposals/opportunities are forthcoming; iii) realign officer resources to deliver other council priorities
2.10	<p>Clearly the position adopted by the Council will influence the nature of the draft response attached at Appendix 1.</p>

3.0 Resource Implications

There are potential significant HR implications from the Council's continued participation in the ICE programme. There are also resource implications for the Council's participation on the proposed Regional Governance Group albeit the level of resources has yet to be quantified.

4.0 Recommendations

Members are asked to note the content of this report and

- i) consider the Council's draft response attached at Appendix 1;
- ii) agree the submission of the response subject to any amendments being made by Members; and
- iii) consider whether the Council would be willing to continue to participate in the ICE programme and any associated regional governance group to be established subject to clarification on potential resource implications and added value to the Council as detailed business cases emerge.

5.0 Documents Attached

Appendix 1	Draft Council response to the ICE Case for Change report
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Appendix 2	Overview of identified collaborative opportunities
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Appendix 3	Executive Summary of Case for Change report
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