

LOCAL GOVERNMENT ICE PROGRAMME

The 'Case for Change' - Consultation Paper



'CASE FOR CHANGE' EXECUTIVE SUMMARY

1. BACKGROUND

- 1.1 The ICE Programme has been designed and led by local government, through NILGA and SOLACE, as a voluntary initiative to support the sector as it strives to deliver on citizen expectations of continually improving, value for money services, in an increasingly challenging economic climate.
- 1.2 The Improvement, Collaboration & Efficiency (ICE) Programme was originally conceived by the sector as a response to government proposals for the creation of a Business Services Organisation (BSO). This was unanimously and robustly rejected by the sector, primarily on the basis that it removed decision making from local councils and would be damaging to the vision of 'strong, effective local government'.
- 1.3 In June 2010 the Northern Ireland Executive took a decision that the Review of Public Administration (RPA) would not proceed to the planned May 2011 timetable and, instead, elections to the existing 26 councils would take place in May 2011. Since then, the ICE Programme has taken on greater significance in terms of delivering citizen focused transformation and change.
- 1.4 Local government has grasped the opportunity to lead and progress reform based on an approach which is complementary to the objectives of the RPA agenda yet can be progressed independently. Both programmes can be aligned once the new RPA timeframe has been agreed.

2. PURPOSE OF 'CASE FOR CHANGE' REPORT

- 2.1 This 'Case for Change' report endeavours to engage the sector in a discussion on the potential improvement opportunities. A range of illustrative estimated long term benefits, both quantitative and qualitative, has been set out in the report. These demonstrate that the ICE Programme presents an opportunity for the local government sector to make significant improvements in both the quality and efficiency of delivery of services. In some cases, it should be noted that indicative outcomes have been heavily caveated due to recognised limitations in the available data and a key recommendation from this report is the development of an appropriate baseline and initial key performance indicators to support future performance improvement.
- 2.2 Following consultation and endorsement by the sector, 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.
- 2.3 The extent to which the estimated improvement potential can be achieved will be dependent on a number of factors including the availability of funding, resources and capacity but, of

primary importance will be the level of engagement across the sector and the commitment of strong professional and political leadership.

3. ICE PROPOSALS

3.1 Based on recognised good practice and corporate and business planning processes already in operation in many councils, an ICE Framework has been developed which will support continuous improvement at a local level and collaborative improvement initiatives at both sub-regional and regional levels. Some of the key strengths of the ICE Framework are that it recognises, firstly, that councils will have different starting positions on the improvement journey and, secondly, the importance of upholding local accountability and local decision making so that programmes can be tailored to local needs and circumstances.

3.2 The opportunity areas analysed for the purposes of this Case for Change relate to the following business and service areas:

- **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 eg finance, payroll, HR, and moving to a centralised tiered IT support model.

4. POTENTIAL BENEFITS

4.1 The 'Case for Change' report has identified a wide range of improvement benefits flowing from the ICE Programme opportunities, including:

- 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.

4.2 In terms of quantitative benefits, it is estimated that the ICE Programme will deliver efficiency net present value (NPV) savings (discount rate of 3.5%) in the range of £257m to £570m over a 25 year period. These represent savings in the range of 2.85% - 6.33% against the baseline cost of £9 billion for the delivery of local government services over a 25 year period. As already stated, the extent to which the ICE Programme delivers along this scale of efficiency savings is dependent on a number of factors including the availability of funding, resources and capacity but, primarily, on the level of engagement across the sector together with the commitment of strong political and managerial leadership.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Above all the ICE Programme presents the local government sector with the opportunity to lead its own change and transformation programme and to work together, with other stakeholders, to put in place the enablers and arrangements to support this process.

5.2 Key recommendations at this stage are:-

- Each council has the opportunity to consider and comment upon the 'Case for Change' report through the consultation process
- The ICE governance arrangements should be established as soon as possible
- The Regional Governance Group once established considers and agrees the initial ICE Work Programme for implementation and a detailed programme plan is developed
- Consideration is given by the sector, in liaison with DOE, to the resource and funding requirements to support the identified work programme at both central and local levels, including potential to account for redundancy costs through capital arrangements. This may entail support from central government and/or participating councils
- Building on the work of Policy Development Panel B, the sector enters into a process, in liaison with the Local Government Auditor and other stakeholders, to develop consistent, robust baseline data across business and service areas and agrees a limited number of key performance indicators for the purposes of performance measurement and continuous improvement.

"Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek" (Barack Obama)