



Belfast City Council

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| Report to: | Strategic Policy and Resources Committee |
| Subject: | Northern Ireland Local Government Association |
| Date: | Friday, 23rd May, 2008 |
| Reporting Officer: | Peter McNaney, Chief Executive |
| Contact Officer: | Kevin Heaney (ext 6202) |

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| 1.0 | <u>Relevant background information</u> |
| 1.1 | Members will be aware of the ongoing discussions over recent months with regard to the Council's relationship with and engagement within the Northern Ireland Local Government Association and the concerns of Members in terms of the level of capacity within the Association, the subscription contributions sought from the Council, the value for money received and the lack of representation on NILGA's Executive. |
| 1.2 | Members will recall that the Council's Strategic Policy and Resources Committee, at its meeting on 1 st September, had agreed to pay the Council's annual subscription to the Northern Ireland Local Government Association for the period of 2007/2008 to the value of £86,219 - which was based on the previous year's fee plus the rate of inflation (3%) - pro-rata for the period April till September, 2007, with the remaining payment only being made on the basis of NILGA clearly demonstrating that it had taken adequate actions to address the concerns previously documented by the Council. |
| 1.3 | The Council is currently withholding 50% (£42,110) of its annual subscription to NILGA for the period 2007/2008 with payment only being made on the basis of NILGA clearly demonstrating that it has taken adequate actions to address the concerns previously raised by the Council. |
| 1.4 | NILGA has recently submitted an invoice for £104,324 for the Council's subscription for the period 2008/2009. This equates to 25% of NILGA's total subscription income and an 11% increase on the Council's subscription charge from the previous year. |
| 2.0 | <u>Key Issues</u> |
| 2.1 | On 3 rd April 2008, an all-party deputation consisting of the Chairman of the Council's Strategic Policy and Resources Committee and Party Group Leaders meet with NILGA representatives to discuss the Council's concerns in more detail. |
| 2.2 | Whilst it was generally agreed that NILGA had made some progress in addressing the majority of issues identified by the Council, there were two areas for which further clarification was sought. Firstly, the Value for Money received by the Council from NILGA and secondly the level of Council representation on NILGA's Executive. |
| 2.3 | Subsequently, NILGA submitted a formal response, dated 17 th April 2008, to the Council outlining proposals on how the Council's representation of NILGA's Executive could be improved and indicating the value added by NILGA to the Local Government Sector generally and not Belfast specifically (a copy of the response is attached at Appendix 1). This paper also includes an analysis undertaken by NILGA of the Pros and Cons of the Council's continued participation on the Association (annex a). |
| 2.4 | In order to inform Members consideration of this paper and the proposals contained therein, cross-departmental comments where sought, on the basis of officer engagement on NILGA's RPA working group, and are summarised below. |
| 2.5 | <i>Added Value provided by NILGA</i> |
| 2.5.1 | Whilst there was a clear recognition of the need for a strong Local Government Association which is highly attuned, responsive and accountable to its constituent Councils and which provides a coherent single voice for the local government sector in Northern Ireland, there was clear acceptance that the Council does not currently require nor avail of the support provided by NILGA to the same extent as the other Councils. |

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| 2.5.2 | The Council is a substantial organisation with a budget of £140million and 2,600 staff. The Council has successfully developed its own internal expertise, capacity and support mechanisms and has a strong in-house policy and communication capacity. It has successfully implemented Members' support and development programmes, developed and coalesced around corporate positions on emerging policy issues and has gained direct access to Ministers and Central Government officials as required. |
| 2.5.3 | Whilst accepting that NILGA should serve the local government sector on a generic basis and lobby on behalf of the best interests of the entire sector, it has been the Council's experience that NILGA tend to draw on the capacity and experience within Belfast City Council to inform the Associations positions on key policy areas including the Review of Public Administration, European Funding Programmes, Local Economic Development, Waste Management, Planning etc. Council officers play a key role within NILGA's Working Groups. |
| 2.5.4 | The general view of the Departmental comments received was that NILGA play at best a supporting role, have endorsed the Council's position to some extent, but that the Council is proving the bulk of the expertise in key policy areas. |
| 2.5.5 | It should be noted that in many instances NILGA are reliant on the input from the Council to expand the evidence base and policy positions taken by NILGA and the limited added value provided by NILGA in developing the Council's own policy positions. |
| 2.5.6 | Concern has been raised regarding the clear intention of both the NI Executive and Central Government generally to engage solely with NILGA as the representative body for the local government sector and the fact that NILGA has been designated as the key support mechanism and nominating body for local government participation on the RPA and modernisation negotiation and implementation machinery (i.e. Strategic Leadership Board and Policy Development Panels). NILGA is also responsible for nominating elected Members to the European Programme Monitoring Committees and is the local government representative body on other forums including, for example, the Good Relations Forum, the Migrant Workers Sub-Group etc. |
| 2.5.7 | During the RPA transitional period, hard decisions will be taken, new policy and legislative frameworks developed and a huge change management programme will need to be delivered across the sector. |
| 2.5.8 | Whilst the Council welcomes the recent new additions to NILGA's staffing complement including the appointments of a Director of Communications, Director of Policy & Strategy and a dedicated European Officer, it would still be concerned regarding the level of capacity. |
| 2.5.9 | NILGA is a representative body with no direct experience in the delivery of public services, tackling local issues and limited implementation capacity. Therefore, it is essential that the Council be given the opportunity to engage directly and independently with Central Government and develop joint policy frameworks to enable the experiences of the Council to inform the process. |
| 2.5.10 | The Local Government sector needs to play a significant role in shaping, influencing and informing the policy agenda of Central Government. There is a need to deliver a strong and coherent local authority voice and maximise the sectors contribution and influence. The Council would suggest that the broader range of local government expertise and experience should be utilised in driving forward the reform and modernisation of the sector. |
| 2.6 | <i>Representation</i> |
| 2.6.1 | The Council welcomes the proposals contained within the Value for Money report regarding the Council securing two additional places (bringing the total to five) on NILGA's Executive. This would equate to 18% representation from Belfast City Council on the NILGA Executive and would be in proportion to the Council's population base which is 18% (277K of 1.7million) of Northern Ireland's total population. It is recommended that the Council request that this additional representation should be formalised within NILGA's Constitution. |
| 2.6.2 | It is recommended further that the Council give its support to the other proposals contained within the report regarding: <ul style="list-style-type: none"> ▪ a nominated official from Belfast City Council to attend the NILGA Executive meetings; and ▪ NILGA nominating officers to ensure that no less than one person from Belfast City Council is represented on the new Policy Development Panels. |

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| 2.7 | Annual Subscription Charge |
| 2.7.1 | NILGA has undertaken a benchmarking exercise to compare its level of resources (both staffing and financial), membership base and annual subscription rates within those of the Welsh and Scottish Local Government Associations and other representative bodies within Northern Ireland (i.e. NICVA and the Local Government Staff Commission). Whilst on the face of it NILGA's average Council subscription rate is comparatively low at £13.5K, the cost of subscription for Belfast is substantial (i.e. £104,324) given the scale of the organisation and the associated penny rate product on which NILGA's subscription rate is calculated (a breakdown of the proposed subscription charges for 2008/2009 is attached at Appendix 2). |
| 2.7.2 | On balance, it would be inappropriate to recommend to Members that the Council withdraw from NILGA given the significant change within the local government sector which lies ahead and the central role envisaged for NILGA, as the representative body, in driving forward this process. Equally it would be difficult to justify the payment of the substantial subscription fee in terms of 'Value for Money' considerations and the added value which is provided by NILGA to Belfast. There is a further argument to be made regarding the Council's in-kind contribution towards NILGA in terms of officer support which is substantial. |
| 2.7.3 | Accordingly, it is recommended that consideration be given to the Council putting forward to NILGA a more equitable model on which the Council's annual subscription charge may be calculated, i.e., equalling the Council's relative percentage of the total local government budget and population catchment - which both currently stand at approximately 18%. This would equate to an annual subscription charge of £76,230 for the period 2008/2009 and would be a saving of £28,000 on the current annual subscription charge proposed by NILGA. Such savings could be ringfenced to fund activities to address emerging BCC RPA needs. |
| 2.7.4 | Given the level of engagement which has taken place over recent months and the progress made by NILGA in addressing the majority of concerns raised by Members, it is recommended that the Council release the outstanding 50% subscription fee of £42,110 for the period 2007/2008 so as to enable a clean basis on which to move forward with the aforementioned proposal regarding calculating the Council's future subscription charges. |
| 2.7.5 | The potential Pros and Cons attached to any consideration that the Council would give to the possible withdrawal from NILGA is attached at Appendix 3 . |

3.0 Resource Implications

Financial and Human Resources

If the decision is taken to make payment on the Council's outstanding subscription fee for the period of 2007/2008 and/or the proposed reduced subscription fee for the period 2008/2009 this could have a financial burden for the Council of £118,340 (i.e. £42,110 + £76,230).

4.0 Recommendations

- 4.1 Members are asked to:
- a) endorse proposal that the Belfast City Council should seek to secure 2 additional places on NILGA's Executive;
 - b) consider the proposal for a Council officer to attend the NILGA Executive meeting in an observer capacity;
 - c) agree to make payment on the outstanding 50% (£42,110) of the NILGA subscription charge for the period 2007/2008;
 - d) consider whether it wishes to pay the NILGA subscription for 08/09 of £118,340 in full or whether it wishes to propose to NILGA a revised model for calculating the Council's annual subscription which would be proportion to percentage of population catchment, which for 08/09 would be £76,230.

Documents Attached

Appendix 1: NILGA Value for Money Paper submitted to Council

Appendix 2: NILGA's proposed annual subscription breakdown for the period 2008/2009

Appendix 3: Belfast City Council Pros and Cons paper Belfast City Council Pros and Cons paper

