

Appendix 1

Belfast City Council
Adelaide Exchange
24- 26 Adelaide St
Belfast
BT2 8GD

17th April 2008

Dear Peter,

Relationship between NILGA and Belfast City Council

I would like to thank Belfast City Council's leading members for meeting NILGA representatives on the 3rd April to discuss the ongoing development of the relationship between Belfast CC and NILGA.

NILGA members were pleased with the positive tone of the meeting, particularly in the context of the modernisation programme, when it will be increasingly important for councils to work together. We therefore welcome the opportunity to work towards a productive outcome for Belfast CC, NILGA and importantly the wider local government sector.

The NILGA Office Bearers and Executive have undertaken some early thinking and discussion on the issues following the meeting. We trust that the proposals made in this letter provide the basis for progress and further discussion if necessary.

Belfast CC detailed three specific issues of concern, namely;

1. The clash of meeting dates for NILGA & Belfast CC meetings
2. Value for money received for the level of subscription paid
3. Lack of representation (based on a cost/population basis)

The following paragraphs detail the NILGA proposals to address the concerns raised.

Clash of Meeting Dates – NILGA to alter one date

To limit the issue of a clash of diary dates the following protocol was agreed between NILGA and Belfast CC some time ago and staff liaise on the issue at the beginning of each year.

- NILGA Full Members meeting – to be held on the last Friday of each month
- NILGA Executive meeting - to be held on the second Friday of each month
- Belfast Policy and Resources meeting – to be held on the third Friday of each month

Over 17 NILGA meetings, there are five diary clashes, two of which are outstanding this year; namely the 23rd May and 12th December. NILGA feel it is inappropriate to alter the date of the Full Members meeting on the 23rd of May (as it has already been rescheduled), but have agreed to move the Executive meeting from the 12th of December to the 5th of December.

NILGA staff will also liaise with Belfast members' services when designing the meeting programme for 2008/09.

Value for Money – Paper for Consideration

NILGA has, since its establishment in 2001, developed significantly as an organisation. The development has been informed by three external reviews and supported by an annual strategic planning cycle. A full report which details the value for money has been drafted for your consideration and we hope that you will agree that on reflection of the last 6 years' activity, the organisation has made significant progress, is becoming increasingly effective and is delivering significant additionality to the sector.

We would be happy to discuss any further areas of concern with regard to the performance of the organisation and welcome the ongoing support of Belfast CC professional staff in the development of NILGA systems.

Representation – 2 Additional Places on the NILGA Executive

NILGA representatives agreed to discuss with the NILGA Executive options for strengthening Belfast CC representation on NILGA in recognition of the cost and population issues.

- Number of Councillors in Northern Ireland **9%** (51 of 582) (Belfast have 11% of members on the Executive (3 of 28) and 11% of Full members (17 of 152))
- Proportion of Local Government Budget **18%** (£107m of £584m)
- Proportion of the Population **18%** (£277k of 1.7m)

NILGA Office Bearers and the Executive have had initial discussions with regard to this issue. Each party has reviewed its nominations to NILGA and both the DUP and SF have agreed to stand down members with low attendance and to reallocate a seat each to Belfast CC members.

This would ensure the Belfast City Council membership increases to 5 members. This would give the council **18%** proportionate representation on the NILGA Executive and this would be in line with population and local government spending.

NILGA remains open to considering the matter further subsequent to the initial Belfast CC views on the proposals.

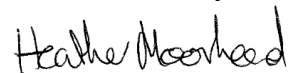
Further Action- Interim Arrangements 2008/2011

NILGA would very much seek the full participation of Belfast CC in the work of NILGA and would therefore like to also propose the following additional actions.

1. NILGA would like to invite an officer from Belfast CC to attend all NILGA Executive meetings to facilitate stronger liaison arrangements.
2. NILGA welcomes the fact that we have representatives from Belfast CC on all the relevant Working Groups. We hope to review the existing structure of the groups when the full Taskforce is established and NILGA will endeavour to ensure Belfast CC is represented on all the groups at either elected member or officer level. (See Annex A below re Belfast Participation).
3. In the nominating process to the new PDPs, NILGA nominating officers will ensure that no less than one person from Belfast CC is on each PDP.
4. NILGA Office Bearers would welcome the opportunity to further discuss the matter with Belfast CC representatives and consider any other suggestions or proposals.

I trust that Belfast City Council finds these proposals helpful and that they provide a basis for a productive way forward. We look forward to hearing from you in due course to further progress the matter.

Yours sincerely,



Heather Moorhead
Chief Executive

Enclosed – Value for Money Paper

Annex A

Belfast City Council Representation on NILGA Working Groups

Group	Number of Members	Belfast Representation
NIJC	7	Trevor Salmon
JNC	5	Cllr Tom Hartley (Chair)
Waste	5	Tim Walker
RPA	10	Cllr Tom Ekin, Cllr C Mulligan, P McNaney/ G Miller
E Govt	5	Rose Crozier, Marie McCrory, Paul Gribben
Health and Environment	10	Cllr C Mulligan
EU	5	Cllr M Brown, Cllr C Mulligan, Laura Leonard
Agriculture and RD	10	n/a
Planning	10	Mr R Boyd

NILGA - Value for Money Report

F.A.O. Belfast City Council – 18th April 2008

1. Background

A very positive meeting took place on 3 April 2008 between NILGA representatives and members of Belfast City Council's Policy and Resources Committee. It was agreed at this meeting that NILGA had provided a satisfactory response to the majority of issues raised by Belfast City Council. However, there were two areas where further clarification was sought. Firstly the issue of value for money and the additionality provided by NILGA and secondly Belfast City Council's representation on NILGA.

It was agreed that NILGA would respond to these issues and that this would be considered by Belfast City Council's Policy and Resources Committee. This document seeks to detail the value for money that NILGA provides and the additional value it makes to the local government sector.

As the role of NILGA is to serve the sector on a generic basis, no analysis of the value to Belfast CC specifically has been undertaken.

2. Key Areas of Added Value

- NILGA's aims and objectives are consistent with those of Local Government Associations in neighboring jurisdictions and are also consistent with the views of local and regional government in Northern Ireland.
- NILGA is meeting its objectives within its current capacity. It has demonstrated that it can and does provide a strong voice for the local government sector through the media, policy position papers and meetings with Ministers.
- NILGA has been the subject of robust and professional external review and has implemented the recommendations of these reviews.
- NILGA's financial performance compares extremely well with that of comparative organisations.
- NILGA is committed to continuous improvement and is currently developing a business planning framework.
- NILGA has demonstrated significant additionality estimated to be in the region of 200% of council subscriptions.

- NILGA has been successful in increasing resources overall to the local government sector through DFP grants for innovation, the capital investment in waste management and the reinstatement of the general grant to councils.

3. Background - Role of the Northern Ireland Local Government Association

The Review of Public Administration in Northern Ireland, in its first consultation document published in 2003, stated that a significant feature of other jurisdictions is the existence of a framework wherein local, regional and/or national governments work together to ensure a co-ordinated approach to policy development and the delivery of services. It commented that:

“the existence of a strong local government association appears to be a significant feature in countries where local government influence is greatest. Such associations can represent local government interests and lobby central government on issues of concern to councils. In addition local government associations can also provide a range of support services to councils.”¹

NILGA endorses this view and has reflected this within its constitution. NILGA believes that the role of the organisation is not well understood. NILGA exists to deal with issues that are generic in nature to the sector and to provide a forum for working together. Specifically, the role of NILGA is to represent the interests of local authorities to the Northern Ireland Executive, Assembly, government departments, parliament, international institutions and other public bodies. This is achieved by developing sound policies for the development of local government, effective management within local authorities and the enhancement of local democratic processes.

Over the past number of years NILGA has had several key successes which could not have been achieved if a representative body for the sector had not been in place.

- All the councils and all the political parties in Northern Ireland subscribe to NILGA unlike its predecessor ALANI. This is a major achievement in the political context of local government which enables NILGA to provide one strong voice for the sector on key strategic issues.
- NILGA is widely recognised as the first port of call for organisations wishing to work across councils and NILGA has many representatives from across the sector on regional working groups.

¹ Review of Public Administration in Northern Ireland, First Consultation Document, 2003, pg.30

- NILGA has been appointed as the joint secretariat to support the Strategic Leadership Board and the Waste Management Board. This provides for the first time a significant leadership role for local government in policy making.
- NILGA has coordinated local government input to the RPA, the Waste Strategy for NI, planning reform and environmental policies. Local government input is currently being developed in the areas of Health and Education. While not achieving everything that some councils would aspire to, NILGA has been able to exert significant pressure/influence on MLAs and Ministers.
- NILGA has developed the practice over the past year of holding meetings with all the Ministers. Meetings were held with a number of Ministers in relation to the Emerging Findings Paper published in Autumn 2007 and it is the intention of NILGA to extend this practice as it has proved effective. It should be noted that the meetings were to deal with generic issues rather than specific local issues.
- NILGA has facilitated local government involvement in EU institutions which was previously facilitated by the political parties.

NILGA continues to provide a forum for discussion relating to issues of strategic concern to member authorities and facilitates the formulation of joint views. Specifically NILGA provides the following services to the local government sector:

- Represents the interests of local authorities as employers; to appoint elected representatives and officers (as appropriate) to the employers' sides of joint negotiating machinery; and to participate in the Social Dialogue and similar European activities.
- Provides a range of cost-effective services to local authorities in accordance with their wishes including the dissemination of accurate and timely information on all local government and other relevant issues and the provision of training for councillors.
- Promotes the policies of the Association by providing information on local government issues to the public, the media and outside organisations.
- Provides advice and assistance upon request to any local authority, or association of local authorities outside the United Kingdom particularly in respect of training for elected representatives or staff in developing countries.
- Ensures that members of all political parties in Northern Ireland are afforded the opportunity to contribute to the Association's activities and to the development of policies, which represent as far as possible, consensus between parties.
- Provides office accommodation, administrative support and secretarial services for (i) any association or party political grouping of elected

councillors; or (ii) any professional association of senior local government officers; in return in each case for financial contribution or the provision of services.²

4. Efficiency and effectiveness

NILGA is a relatively new organisation operating in a highly dynamic environment. The organisation therefore aims to develop to meet the agreed needs of the sector and in reference to the work of the other LGAs. Since its creation in 2001, NILGA has undertaken three reviews to ensure effectiveness and value for money.

- Denise Wheatley 2003 – Survey of Members Opinions
- Review of NILGA November 2005 by Peter Hyde Management Consulting
- Modelling NILGA's Future – IDeA, September 2006

5. Review of NILGA 2003

A consultant (Denise Wheatley) surveyed members' opinions of the organisation in the establishment phase. There was overall strong satisfaction with the organisation but members did highlight concerns specifically in relation to communication issues.

6. Review of NILGA, November 2005

The 2005 review found that approval was not far short of that achieved by the English LGA and that at least three quarters of Councillors of all parties rated NILGA's performance as at least moderate. It was found that there was room for improvement and in particular, there was a need to engage more with Councillors who were not NILGA members. The key issue was one of limited capacity. Specific areas for improvement were insufficient policy capacity, ability to influence and lack of effective interaction with Councils. The main issues identified in the report were longer term strategy, political engagement, Councillor/ Council engagement, Governance, policy capacity, relationships with key stakeholders and organisation and staffing³.

7. IDeA Review, September 2006

The IDeA carried out a fundamental review of NILGA in 2006. This review assessed the critical role which a local government association for Northern Ireland should play over the next three years in the context of implementing the modernisation of local government and subsequent to the RPA. The report made

² NILGA Constitution updated AGM 05

³ Hyde, P., Review of NILGA Report, November 2005, pg 3

key recommendations for NILGA, Central Government, SOLACE NI, Local Government Staff Commission and political parties.

Table 1

Key Recommendations for NILGA	Actions
Rationalize decision making processes	Political management structure continuing to develop in light of the changing environment e.g. RPA implementation evolving structures Decision Making process to be formalized in the current Framework for Engagement
Business Planning Process	Consultation on the Draft NILGA Strategic Plan is almost complete (Plan developed with support from Belfast CC Officers and other professional Officers)
Formal consultative arrangements with government departments	Working towards a concordat in advance of a statutory relationship with government
Restructure NILGA working group structure	Working group structure developing in line with the RPA Implementation Structure.
External mentoring	Robert Gilmore and Bill Smith continuing to provide mentoring as required
Reconstruct the senior management structure	Director of Communications & Engagement and Director of Policy & Strategy appointed. Director of Improvement currently being appointed
Enhance policy, research and administrative support	Additional policy positions currently being appointed Additional administrative officer positions currently being appointed
Widen relations with other departments	Working towards a concordat but relationships are developing informally across government NILGA is a first point of contact for many departments
Focus should be on key service areas	Key service areas identified in NILGA's Draft Strategy 2008 - 2011
Expand resource base	Several additional resources secured – will seek additional resources in the context of the RPA
IIP	Achieved
Performance Management Framework	To be developed in 2008/09 in the context of a Corporate Business Plan

8. NILGA Benchmarking

NILGA is committed to delivering value for money for the sector through maximizing the use of its resources and leveraging in additional resources.

The following table details comparison data across the 4 local government associations operating within the UK. The information presented clearly indicates that NILGA performs very well in comparison with similar organisations.

Table 2

	NILGA	COSLA	WLGA	NICVA	LGSC
Number of Staff	9	46	81	43	11
Number of Member Councils	26	32	32	984	27 (inc NIHE)
Total Income	774k	4627K	9528K	2393K	651k
Incl: Council Subscriptions (%)	359K (46.4%)	2988K (64.6%)	2260K (23.7%)	62.5K (2.61%)	571k (87.7%)
Grants	320K	222.8K	5692K	1698K	25K
Activities	95K	1416.2K	1576K	632.3	55K
Total Expenditure (excl. grants)	508K	4748K	4771K	3154K	665k
Staff Costs	263K	2478K	3787K	1152K	429k
Average Travel & Subsistence per staff member	1.03K	1.38K	2.9K	0.68K	1.27K
Average Rent, Rates & Insurance per staff members	3.5K	11.9K	4.1K	1.6K (Own Premises)	2.8K (Own Premises)
Training per staff member	0.9K	1.65K	0.4K	0.8K	1.6K
Payment to Chair / President	1.25K	29.7K (Chair and Vice-Chair)	5K	–	14K
Statistics					
Average council subscription	13.8K	93.4K	103k	63K	21K
Expenditure / head of pop.	£0.30	£0.94	£1.64	£1.86	£0.39
Average staff cost (inc. pension)	29K	53.9K	46.8K	26.8K	£39K

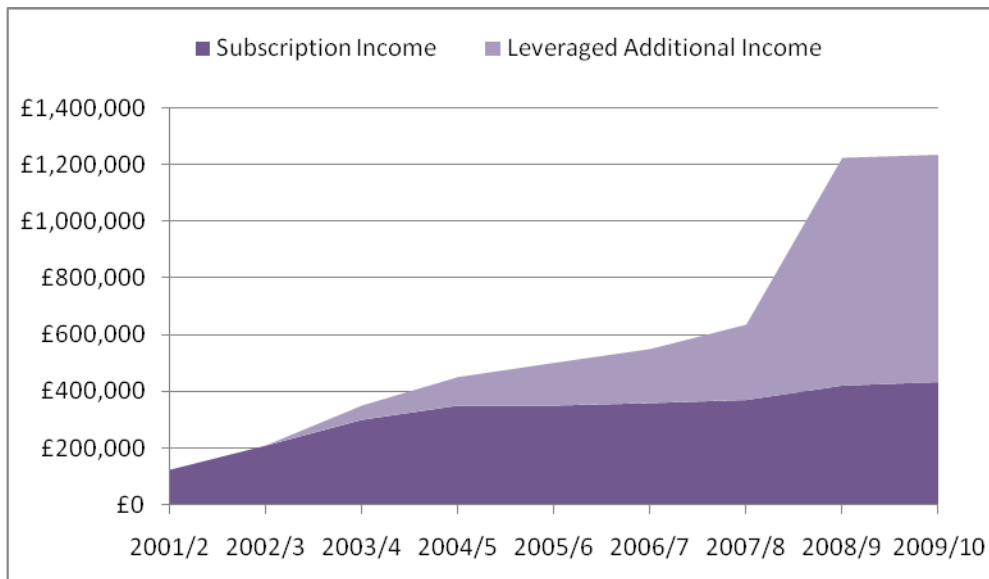
9. NILGA Estimates and Subscriptions for 2008/2009

Introduction

The past two years have seen an unprecedented development of the role of NILGA. The key successes in 2006/2007 are listed below.

Key Successes

- Allocation of **£200m** for Councils for waste infrastructural spend – NILGA lobbied strongly on behalf of the local government sector for this essential capital investment package
- Reinstatement of **£1m** of General Grant – NILGA again lobbied strongly on behalf of the sector
- Leverage of **£277k** (75%) last year which will increase to **£800k** (190%) next year
- Greater political leadership and a much stronger voice in government policy making
- A stronger more united sector



The trend since 2002 has been that subscription income has been reducing as a percentage of overall spend.

10. 2008/09 Budget

NILGA's budget has increased from £401k in 2002 to the current budget of £1.3m. In the same period the contribution to NILGA from Councils has proportionately decreased from 52% to 30%. NILGA has been active in sourcing additional funding to support its operations. The following table summarizes the budget for the current year and details the different sources of income.

Table 3

	02/03	03/04	04/05	05/06	06/07	07/08	08/09 Estimated
Subscriptions	210,000	300,000	350,000	350,000	358,732	369,513	423,500
Expenditure	401,306	573,107	601,747	628,933	844,111	895,000	1,395,626
% contribution	52%	52%	58%	56%	42%	41%	30.3%

Table 4

<i>NILGA Budget Summary 2008/09</i>		
	£	% contribution
INCOME		
Subscriptions	423,500	30.3%
Bank Interest	18,000	1.3%
Seminars/Conferences	10,000	0.7%
DOE Waste	30,000	2.1%
Arts	38,900	2.8%
DoE - RPA Implementation	587,234	42.1%
Specified Bodies	229,242	16.4%
EU Project	58,750	4.2%
Total Income	1,395,626	100.0%
EXPENDITURE	1,395,626	

11. Business Planning and Performance Management

A period of consultation on NILGA's Draft Strategic Plan covering the period 2008 – 2011 is almost complete. Following the adoption of this plan, a Corporate Business Plan will be developed for the organisation detailing the specific actions that the organisation will undertake

to meet the objectives set within the Strategic Plan. The Corporate Business Plan will also contain performance measures to enable the evaluation of NILGA's performance.

12. Conclusion

NILGA is a relatively new organisation which has developed significantly over the last 5 years. NILGA was able to demonstrate to DFP that it was sufficiently professional to warrant a substantial funding allocation in 2007. NILGA will be transformed in the context of the RPA and new arrangements will be required in 2011.

NILGA believes that it has a professional approach which provides value for money for the sector. We would welcome further discussions with Belfast in relation to its concerns.

Annex B

Costs and Benefits - Belfast CC Involvement within NILGA

Introduction

NILGA is committed to working with all Councils to provide the capacity for Local Government to work together to improve services and to articulate a collective voice. The following costs/benefit table sets out the costs and benefits of membership for the City Council and for the sector.

Remaining in Membership and enhancing participation Benefits for Belfast City Council	Remaining in Membership and enhancing participation Benefits for the Sector
<ol style="list-style-type: none"> 1. Mechanism to relate to other Councils 2. Mechanism to influence the wider local government debate 3. Mechanism to support and learn from the work in other councils(SOLACE and officer working groups also provide this but have limited dedicated resource) 4. Mechanism to participate in joint local Government projects <ul style="list-style-type: none"> • IS Strategy • Mobile Working Pilot • Arts and Waste 5. Capacity Building and Development opportunity for Belfast CC members 6. Drive sector wide policy change e.g. Clean Neighbourhoods legislation 7. Support elected member representation on EU monitoring committees and EU institutions such as the Committee of the Regions and Congress 8. Direct input into the debate in relation to the development of sector wide projects e.g. shared services 	<ol style="list-style-type: none"> 1. Strengthens credibility of Local Government Sector (Every other GB nation has a strong LGA which includes the main Cities) 2. Maintains and strengthens the Local Government voice 3. Strengthens the concept of Local Government working as a strong strategic partner with government 4. Supports the stability of NILGA at a critical time in the RPA process 5. Strengthens Central Local Relationships in the longer term 6. Local Government Positions are fully informed by Belfast CC 7. Adds value to the funding already invested in NILGA 8. Enables Local Government to collaborate on strategic sector wide projects
Withdrawal From NILGA Benefits for Belfast City Council	Withdrawal from NILGA Benefits for the sector
Save the Subscription - invest in Belfast CC services	No benefits identified (May jeopardise future Central/Local Relationship) (May jeopardise value of funding already secured from DoE for RPA implementation)

Conclusion

There are many benefits associated with Belfast City Council remaining members of NILGA both for Belfast City Council and for the sector. It is important to note that it is likely that the withdrawal of Belfast City Council as members of NILGA would have a damaging impact on the Local Government Sector and therefore by definition on the City Council itself.

