



## Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Review of Public Administration - taking the process forward
<b>Date:</b>	Friday 19 <sup>th</sup> September, 2008
<b>Reporting Officer:</b>	Mr Peter McNaney, Chief Executive
<b>Contact Officer:</b>	Kevin Heaney, Strategic Planning and Policy Officer (Ext. 6202)

1.0	<b><u>RELEVANT BACKGROUND INFORMATION</u></b>
1.1	The Review of Public Administration concluded on 13 March 2008 when the then Minister, Arlene Foster MLA announced the final recommendations with regard to local government reform in Northern Ireland. In her speech, the Minister stated that the current 26 District Councils would be reduced to 11 and a range of additional functions would transfer to Councils (refer to <b>Appendix 1</b> for further details on transferring functions).
2.0	<b><u>KEY ISSUES</u></b>
2.1	Members will accept that the RPA is rapidly approaching a critical stage in its implementation whereby consideration is being given to the exact nature of the functions (and the resources that support them) which will be transferred from central to local government. There are a number of issues which Members should be made aware of in terms of the RPA process moving forward.
2.2	<b>Critical Path</b>
2.2.1	<p>It is important to recognise that the key driver for the RPA process over the next 6 months will be the need to meet the legislative timetable. The critical path works back from the Local Government Bill which will give affect to the new local government structures. The key milestones in the RPA process are outlined below:</p> <ul style="list-style-type: none"> <li>▪ <b>Boundaries Commissioner appointed</b> - July 2008</li> <li>▪ <b>Instructions to legislative Counsel</b> - August 2008</li> <li>▪ <b>Report of Boundaries Commissioner</b> - June 2009</li> <li>▪ <b>Local Government Miscellaneous Bill</b> - Mid 2009</li> <li>▪ <b>Establishment of Statutory Transitional Committees</b></li> <li>▪ <b>Report of District Electoral Area Commissioner</b> - July 2010</li> <li>▪ <b>Local Government Legislative Bill in place</b> - January 2011</li> <li>▪ <b>Local Government Elections</b> - May 2011</li> </ul> <p>Further details on the legislative programme and associated timeline are attached at <b>Appendix 2</b>.</p>
2.3	<b>Delivery Structures - SLB and Policy Development Panels</b>
2.3.1	In terms of delivery structures, the Department of Environment has established a two-tier model consisting of a Strategic Leadership Board and three Policy Development Panels (a copy of the terms of reference is attached at <b>Appendix 3</b> ). The Strategic Leadership Board should fulfil the role of Council providing overall direction to the process and the Policy Development Panels should fulfil the role of Council Committees.
2.3.2	Each of the PDPs has met at least once and they have started to identify the key areas of work which need to be taken forward. The scope of the issues to be addressed by each of the three PDPs is extensive (refer to <b>Appendix 4</b> for the project scoping and initiation papers for each PDP). Furthermore, many of the issues are cross-cutting and impact upon each other.

2.3.4	Attached at <b>Appendix 5</b> is the current membership of the PDPs and the officer support allocated from both local government generally and Belfast City Council specifically.
2.3.5	A series of task and finish officer working groups will be established to drive forward key strands of work attached to each PDP and the Council has put forward officer nominations for these working groups.
2.4	<b>Developing a Change Programme for Local Government Reform</b>
2.4.1	There are a number of strands of work currently underway which seeks to provide greater clarity on the necessary process for the effective implementation of the RPA including the development of a detailed programme of work, the articulation of appropriate delivery structures and, importantly, how its delivery could be resourced.
2.4.2	This section of the report will provide Members will an update on the ongoing work of both PriceWaterhouseCoopers and Deloitte with regard to developing papers on the implementation of the RPA and the development of a local government modernisation programme. Executive summaries of both reports are attached at <b>Appendix 6</b> together with copies of related presentations delivered to the RPA Strategic Leadership Board on 3 <sup>rd</sup> July.
	<b><u>PriceWaterhouseCoopers: “Practical Approach to the Implementation of Successful Change Programme in Local Government”</u></b>
2.4.3	<ul style="list-style-type: none"> <li>▪ PricewaterhouseCoopers (PWC) had been commissioned by the Society of Local Authority Chief Executives (SOLACE) to prepare guidance on a practical approach to managing the RPA change process.</li> <li>▪ The key recommendation emerging from the PWC suggests that an evolutionary approach to change should be adopted. This is outlined as Option 3 in the PWC report. This approach suggests that the greatest focus and effort should be given to the restructuring/transitional issues associate with the implementation of the RPA. It also suggests that depending upon the capacity and resources of individual Councils, consideration should be given to the transfer of functions and modernisation prior to 2011 may also include a transfer of functions and modernization prior to 2011.</li> <li>▪ The purpose of this proposal is to ensure that there is no one size fits all solution and those Councils which may have greater capacity (e.g. Belfast) have the ability to agree with Departments’ transitional programmes around the transfer of functions and the potential for taking forward pilot initiatives around key issues such as community planning.</li> <li>▪ The report indicated that there might be a number of waves involved in the transfer of functions and pilots. The PWC paper also sets out the programme governance framework and the resources necessary to support the implementation of the RPA.</li> <li>▪ Members will note that the PWC paper separates policy formulation and delivery. Policy formulation is to be primarily carried out by the Policy Development Panels but with implementation and delivery being the responsibility of Council Transition Management Teams of officers supported by a Regional Implementation Group (RIG). It is proposed that RIG be chaired by Paul Simpson, the Deputy Secretary of the DOE, and would include senior officials from Departments who are transferring functions, the 3 local government Chief Executive advisers to RPA Strategic Leadership Board, and a number of other key officials as required from the Local Government Staff Commission, NILGA etc.</li> <li>▪ The purpose of RIG is to commission detailed pieces of work and provide detailed guidance to the Transition Management Teams and the RPA Strategic Leadership Board.</li> <li>▪ PWC had estimated that 42 people would initially be required (full-time) to support the Transition Management Teams and Regional Implementation Group with an estimated cost between £4-£8m. At this stage, there is no clarity given as to how this resource would be sourced and financed.</li> </ul>
	<b><u>Deloitte’ “Strategic Outline Business Case for Local Government Modernisation”</u></b>
2.4.4	<ul style="list-style-type: none"> <li>▪ Deloitte had been commissioned by the DoE to prepare an outline business case for a Local Government Modernisation Programme and examine the projected costs for its implementation which has been estimated to be in the region of £54million. Total monetary benefits are estimated to be £15million per annum, once steady state has been achieved.</li> <li>▪ Deloitte has been commissioned also by the Department to develop a further Strategic Outline Case for re-configuration work in Councils which is to be submitted to the Department of Finance &amp; Personnel for the September monitoring round.</li> </ul>

2.5	<b>“Statement of Principles” to underpin the transfer of functions</b>
2.5.1	Attached at <b>Appendix 7</b> is a “Statement of Principles” developed by NILGA, supported by officials from Belfast City Council, which it is proposed should underpin the transfer of functions from central to local government.
2.6	<b>Appointment of Local Government Boundary Commissioner</b>
2.6.1	On 1 <sup>st</sup> July, 2008 the Minister of Environment, Sammy Wilson MP, MLA appointed Dick McKenzie (refer to <b>Appendix 8</b> ) as the Local Government Boundaries Commissioner for Northern Ireland with responsibility for making recommendations on the designation of boundaries and names of the eleven new district Councils and the number, boundaries and names of their constituent wards.
2.6.2	The provisional recommendations will be released in September and a series of public hearing will be scheduled in each of the 11 district areas to enable people to comment on the proposals. It is anticipated that the final recommendations report will be released by 30 June 2009.
2.7	<b>Transitional Arrangements</b>
2.7.1	A letter (refer to <b>Appendix 9</b> ) has been issued to all Councils from the Minister of the Environment, dated 15 <sup>th</sup> June, requesting that Councils begin to co-operate on local convergence issues. A Transition Working Group has been established and is currently scoping the work to be carried out by the Transition Committees and examining their interface with other implementation structures. Further guidance will be issued in due course.
2.8	<b>Severance</b>
2.8.1	The National Association of Councillors met recently with the Minister of Environment to lobby for a severance package for councillors to be made available from May 2009. The Minister had agreed to consider this issue and has asked officials to examine the possibility of including the power to make a severance scheme in the Local Government (Contracts) Bill rather than the Local Government (Finance) Bill. This would allow for a severance scheme to be fast-tracked.
2.8.2	It is anticipated that consultation on a possible severance scheme would commence before the end of the year.

### **3.0 Resource Implications**

Whilst there is clearly substantial Human Resource and financial implications attached the Council’s ongoing involvement and management of the RPA change process, it will be difficult to quantify until a detailed programme of work is put in place.

### **4.0 Recommendations**

Members are asked to note the contents of this report

### **Documents Attached**

<b>Appendix 1</b>	Overview of transferring functions
<b>Appendix 2</b>	Legislative programme and associated timeline
<b>Appendix 3</b>	TOR for SLB and PDPs
<b>Appendix 4</b>	Project scoping paper for three PDPs
<b>Appendix 5</b>	Membership of the PDPs and the officer support allocated from both local government generally and Belfast City Council specifically
<b>Appendix 6</b>	Executive Summaries: <ol style="list-style-type: none"> <li>1. PricewaterhouseCoopers report “Practical Approach to Change Management”</li> <li>2. Deloitte Strategic Outline Business Case</li> </ol>
<b>Appendix 7</b>	NILGA Statement of Principles for the Transfer of Functions

<b>Appendix 8</b>	Correspondence received from the newly appointed Local Government Boundaries Commissioner for Northern Ireland
<b>Appendix 9</b>	Correspondence received from the Environment Minister, Sammy Wilson MLA re: transitional arrangements