

AN ASSESSMENT OF OPTIONS FOR LOCAL GOVERNMENT SERVICE DELIVERY

ASSIGNMENT BRIEF

INTRODUCTION

1. The Department of the Environment proposes to appoint consultants to take forward an Assessment of Options for Local Government Service Delivery. The purpose of this brief is to outline the requirements of the consultancy assignment to potential tenders.
2. It comprises the following sections:-
 - Background
 - Overview of Implementation Structures
 - Term of Reference
 - Key Requirements
 - Timescales
 - Steering Groups
 - Advisors
 - Evaluation Criteria
 - Costs and Payment

BACKGROUND

3. The local government Review of Public Administration (RPA) proposals of the previous Direct Rule administration were reviewed by the Executive and the outcome was announced, on 31st March 2008, by the Minister of the Environment. The decisions taken are summarised in Annex 1 of this brief and include the:-
 - rationalisation of the current configuration of 26 council areas to create 11 new council areas;
 - transfer of a range of functions from central to local government; and
 - development of a new council led community planning process with a complementary power of well-being.
4. A copy of the full text of the Minister's announcement is available on the Local Government Policy Division section of the DOE website and can be accessed using the link in Annex 1. However, the Department wishes to draw potential tenderers' attention to the following extracts which are directly relevant to the assignment:-

"We acknowledge that the 11 Council model presents challenges for the promotion of efficient and effective delivery of services and will not provide for 1:1 coterminosity with other major service providers such as health or education. It will require the development of innovative and creative models of service delivery that will promote modern and efficient practice in a way and on a scale hitherto unseen by grouping councils together for the delivery of significant services such as planning, regeneration, building control and environmental health. We propose that those groups should provide the basis for the development of coterminosity with other service providers. That will enable local government to play its part in achieving the Programme for Government strategic priority of delivering modern, high quality and efficient public services"

"Regarding each function that will transfer to local government, options for models of service delivery will be explored and developed, including the delivery by and to groups of councils,

ensuring the efficient and effective delivery of such services. In addition, regional shared service arrangements will be developed to deliver common back-office services such as ICT, accounting, payroll and procurement, across all of the new councils”

5. The Department would also draw potential tenderers’ attention to the views expressed, in the course of the RPA public consultation process, about service delivery and related issues. The relevant documents can be accessed on the research and decisions section of the RPA website (www.rpani.gov.uk).
6. It should also be noted that the Local Government Boundaries Commissioner is to make recommendations to the Department on the boundaries and names of the 11 new councils along with the number, boundaries and names of the wards into which each council will be divided. The Commissioner published his initial recommendations on 17th September 2008. These can be accessed on the Commission website at www.lgbc-ni.org. The Commissioner is to present his final recommendations in June 2009.

OVERVIEW OF IMPLEMENTATION STRUCTURES

7. Structures have been developed to help manage and integrate the implementation stage of the local government reform programme. The top tier of the structure is the Strategic Leadership Board (SLB) which is the key driver of the reform process. This is chaired by the Minister of the Environment (Mr Sammy Wilson MP MLA) with the President of NILGA (Councillor Helen Quigley) as Vice Chair and its membership including elected representatives of each of the five main political parties. The SLB is supported by three Policy Development Panels (PDPs), also comprising elected representatives along with central and local government advisors, which have been charged with developing the policy and implementation proposals necessary to ensure the smooth transition to the new councils in 2011. The broad remits of the PDPs are:-
 - PDP A - Governance and Relationships;
 - PDP B - Service Delivery; and
 - PDP C - Structural Reform issues
8. The PDPs’ proposals are subject to the approval of SLB with recommendations being taken forward by a Regional Transition Co-ordinating Group (RTCG) in conjunction with Transition Committees and Transition Management Committees representing the 11 groupings of existing councils which will form the proposed new local authorities.

THIS ASSIGNMENT

9. It is proposed to appoint consultants to prepare an assessment of the options for local government service delivery. This will focus on the development of effective and efficient models for the future delivery of key services by the 11 new councils. As mentioned earlier, the development of these models is a key commitment in the Minister’s announcement and is of critical importance in helping to shape the strategic framework for the work of the SLB, PDPs and other parts of the implementation structures. Policy development and legislative provision priorities require the assessment to be taken forward in two phases.

TERMS OF REFERENCE

10. The draft terms of reference for the assignment are “To prepare an assessment of the options for local government service delivery. This will entail:

Phase 1

- Defining the current operational arrangements for delivering the functions transferring from central government (of which planning, urban regeneration, community development and public realm aspects of local roads functions are key), along with those functions currently delivered by local government on a group basis (i.e. environmental health, building control and waste disposal), and quantifying the financial (direct and indirect costs), staff and other resources currently deployed in support of these functions. This should also include an analysis of how these functions are delivered in other jurisdictions.
- Recommending effective and efficient operating models for the future delivery of these functions in 2011. This will entail carrying out an economic appraisal embracing a range of models, which take account of the new community planning and power of well being responsibilities, and include delivery directly by each of the 11 councils, on a group basis or on a regional basis. Each model should be assessed against criteria (embracing key RPA principles and service delivery characteristics including strong local government, democratic accountability, community responsiveness, equality and human rights, subsidiarity, quality of service and affordability) to be agreed with the Project Board and should include an analysis of the costs and financial/non financial benefits..

Phase 2

- Preparing a full economic appraisal of local government service delivery in its entirety. This will encapsulate the outcome of Phase 1 and include recommending effective and efficient operating models for the provision of corporate support services (such as Human Resources, Finance, ICT, Estate Management, etc) which take account of the effect of the reduction in the number of councils and the additional functions transferred from central government.
- Preparing an outline Implementation Plan to give effect to Phase 1 and 2 recommendations”

11. It is recognised that issues not already identified may arise that are deemed to be essential. These will be carefully assessed to establish if they fall within the remit of the terms of reference or if further arrangements are necessary.

KEY OUTPUTS AND REQUIREMENTS

12. Key outputs and requirements are to:-

- conduct relevant equality/regulatory/rural impact screening analyses on Phase 1 and 2 proposals and recommendations;
- ensure that the key issue of coterminosity with other service providers (e.g. in the health and education sectors and PSNI) is factored into deliberations;
- take account of emerging findings and recommendations of PDPs A and B and PDP C Working Groups.
- engage with those Departments with policy responsibilities for transferring functions, environmental health, building control and waste disposal and with the Advisory Group (see paragraph 18 below);

- ensure that the investment appraisal standards set out in “HM Treasury Green Book” and/or “Northern Ireland Practical Guide to the Green Book” are applied to both phases; and
- prepare separate Phase 1 and Phase 2 reports.

TIMESCALES

13. It is envisaged that the successful consultant will be appointed in mid January 2009 with a draft report on Phase 1 being provided to Policy Development Panel C by Monday, 16th March 2009. The views of Panel C will be taken into account with a final Phase 1 report being provided by Monday, 20th April 2009.
14. The outcome of the Phase I assessment should be taken into account in developing Phase 2 recommendations. A draft Phase 2 report should be presented to SLB by Monday, 18th May 2009. The views of SLB will be taken into account with a final Phase 2 report being provided by provided by Monday, 15th June 2009.

STEERING GROUPS

15. Policy Development Panel C will form the Project Board for Phase I of the assignment. However, a Steering Group, comprising officers drawn from Policy Development Panel C and its Working Groups, will be responsible for guiding the work of the successful tenderer and ensuring that all Phase 1 products mentioned in the terms of reference have been delivered. The membership of this Steering Group, which is currently being finalised, is:-
 - James Hutchinson – (DOE) Chair
 - Jim Wilkinson (DOE Planning)
 - Henry Johnston (DSD)
 - Barry Jordan (DRD)
 - Philip Rodgers (DETI)
 - TBC (Finance/Estates Group)
 - Eddy Curtis (Human Resources Group)
 - TBC (Capacity Building Group)
 - Tom McCall (Chief Executive of Newry and Mourne District Council)
 - Nora Winder (NILGA)
 - Keith Forster (DRD Economics Branch)
16. Brenda Mooney (DOE Local Government Policy Division) will be the Project Manager for this phase.
17. SLB will form the Project Board for Phase 2 of the assignment. However, the RTCG will be the Steering Group responsible for guiding the work of the successful tenderer and ensuring that all Phase 2 products mentioned in the terms of reference have been delivered. The membership of RTGC is:-
 - Paul Simpson (DOE) Chair
 - Peter McNaney (Belfast City Council) Vice Chair
 - Ian Maye (DOE)
 - James Hutchinson (DOE)
 - Marianne Fleming (DOE Planning Service)
 - Henry Johnston (DSD)

- Barry Jordan (DRD)
- Fiona Hepper (DETI)
- Philip Faithful (Strabane District Council)
- Geraldine McGahey (Larne Borough Council)
- Heather Moorhead (NILGA)
- Nora Winder (NILGA)
- Sheena Mairs (NILGA)
- Adrian Kerr (LGSC)
- Others (to be co-opted as required e.g. DRD Economics Branch)

18. James Hutchinson will be the Project Manager for this phase.

ADVISORS

19. In analysing current and proposed service delivery arrangements it is important to ensure that the views of local and central government officers, elected representatives and Trade Union representatives are fully taken into account. The list of advisors set out at Annex 2 has, therefore, been established and the successful tenderer will be required to consult with them at an early stage in the assignment.

EVALUATION CRITERIA

20. Proposals will be evaluated using the following criteria:

Methodology (80%)

(a) The proposed **methodology** must include a demonstrated understanding of:-

- the elements necessary to complete business cases for high value projects within the Public Sector including local government; 30%
- the concept of Shared Services/ Common Service Delivery within a Public Sector environment; and 20%
- service delivery of key functions (e.g. planning, environmental health, building control, waste disposal) within a Public Sector environment. 20%

(b) The proposed **methodology** must also embody an appropriate project management approach to the delivery of the project. 10%

Cost (20%)

Price, which has been fixed in the Primary Competition, must be linked to the time to complete commissioned work. 20%

COSTS AND PAYMENTS

21. Tenderers must supply a total fixed price, alongside the proposed numbers of days for this work and this must exclude VAT. All expenses must be detailed.

22. The daily rate quoted must be taken from the primary stage of the Central Procurement Directorate (CPD) Consultancy Framework Agreement.

23. Please note that the Department is not obliged to accept the lowest bid.

24. It will be the successful consultant's responsibility for ensuring that a valid invoice is submitted on a monthly basis. Payments are made within 10 days of receipt of a valid invoice or such other period as may be agreed between both parties.
25. Once the project has been completed satisfactorily the Department may release any payment due. However, an unsatisfactory output or performance may result in payment being withheld until the situation is rectified. If this entails revision of the output or additional work, no excess payment will be made unless the changes have been agreed with the Department in advance.

ANNEX 1

SUMMARY OF THE DECISIONS ON FUTURE SHAPE OF LOCAL GOVERNMENT 31 MARCH 2008

Environment Minister Arlene Foster spelt out on 31 March details of the future shape of local government. Summary of the decisions announced:

- **Community Planning:** The new councils will lead and facilitate a statute-based community planning process: they will act in partnership with private, statutory, voluntary and community sector agencies to respond to the needs and aspirations of local communities, and to allow people to have a say in which their area is developed. Legislative proposals will be brought forward to ensure there is a clear statutory requirement placed on other public bodies (including policing, health and education bodies) to participate and support the community planning process and a clear duty placed on councils to engage with local communities in producing a community plan.
- **Power of well being:** The new councils will have a new statutory power of well being to assist them in delivering community planning. This new power will allow them to take any action, not already the responsibility of another agency, linked with the community plan that will improve the well being of the local community or local area.
- **Governance arrangements:** A range of governance models with appropriate checks and balances will be developed, to ensure effective and inclusive local democracy, to protect the rights of minorities, to prevent discrimination, and to promote equality of opportunity. These will include arrangements to allocate Council Chairs, Deputy Chairs, positions on Council committees and to facilitate cross community decision making. The new governance arrangements will be embodied in statute.
- **Council numbers:** The current 26 council areas will be rationalised to create 11 new council areas. This strikes a balance between reducing some of the diversity between the existing areas in terms of population characteristics and rating wealth and promoting the ability of councils and their communities to identify and interact with each other.
- **Number of councillors:** Belfast will retain an upper limit of around 60 councillors and the remaining councils will have an upper limit of around 40 councillors. The determination of the precise number of councillors will be informed by the report from the independent Local Government Boundaries Commissioner on the number of wards within each new district.
- **Councillors' severance scheme:** a councillor's severance scheme will be introduced to recognise the contribution of long serving councillors who opt not to stand for re-election.
- **Dual mandate:** legislative proposals will be brought forward to end the "dual mandate" of councillors who are also MPs and/or MLAs.
- **Coterminosity:** New innovative and creative models of service delivery will be developed to promote modern and efficient practice, by grouping councils together for the delivery of significant services, such as planning, regeneration, building control and environmental health. These will work in tandem with other service providers, such as health or education.
- **Performance management and modernisation challenge fund:** Development in partnership with central government, of performance management systems and of proposals for a modernisation challenge fund that will support innovative and efficient practice.
- **Shared services:** Development of regional shared service arrangements to deliver common back office services such as ICT, accounting services, payroll and procurement across all 11 new councils.

TRANSFER TO LOCAL GOVERNMENT:

- **Current expenditure** of functions transferring: £116 million: 25% increase in local government budget.
- **Number of staff** transferring: 1070: almost 12% increase in local government staff.

Functions transferring:

- **Planning:** local development plan functions and development control and enforcement.
- **Roads:** public realm aspects of local roads functions:
 - streetscaping;
 - town and city centre environmental improvements;
 - grass cutting and weed spraying;
 - gully emptying;
 - street lighting;
 - off-street parking;
 - pedestrian permits;
 - maintenance of amenity areas;
 - alley-gating (traffic regulation orders facilitating alley-gating to avoid antisocial behaviour);
 - permitting local events to be held on roads; and
 - salting of footways.
- **Urban regeneration and community development:**
 - functions associated with physical development (such as environmental improvement schemes, comprehensive development and urban development grant)
 - area based regeneration (such as neighbourhood renewal)
 - some community development programmes for the voluntary and community sectors.
- **Housing:**
 - registration of houses in multiple occupation
 - housing unfitness responsibilities, including repair and demolition notices
 - energy conservation at local level
 - responsibility for travellers' transit sites.
- **Economic development** (transfer from Invest NI):
 - Start a Business Programme and Enterprise Shows
 - Youth Entrepreneurship (such as Prince's Trust and Shell Livewire)
 - Social Entrepreneurship
 - Investing for Women
 - Neighbourhood Renewal funding relating to enterprises initiatives.
- **Local Tourism:**
 - small scale tourism accommodation development;
 - local tourism marketing;
 - local tourism product development;
 - Visitor Servicing;
 - Providing business support including business start up advice along with training and delivery of customer care schemes; and
 - providing advice to developers on tourism policies and related issues.
- Delivery of the EU Rural Development Programme;
- Authority to Spot List to enable Councils to add a building to the statutory list on a temporary basis, subject to ratification by the DOE;
- Authority to draw up local lists of buildings that are of architectural and/or historic interest;
- Armagh County Museum;
- local water recreational facilities;

- local sports;
- functions of the NI Museum Council;
- local arts;
- local festivals; and
- Donaghadee Harbour.

Arrangements will also be developed whereby local government will have a formal input to the decisions in relation to a number of responsibilities that are remaining with central government.

- **Timetable:** the aim is to implement the agreed structural reform package by 2011.
- **Next steps:**
 - appointment of an independent **Local Government Boundaries Commissioner** to draw up the proposed boundaries for the 11 new local government districts. Introduction of a Local Government (Boundaries) Bill to provide for this appointment.
 - Establishment of **detailed implementation structures**.
 - **Integration of the modernisation work** into the implementation arrangements.
 - Development of a robust **cost/benefit model** for this programme.
 - **Capacity building** programme for elected members and local government officers.

Link to the DOE page from which the press releases, statement to the Assembly and maps of the new councils can be accessed:

http://www.doeni.gov.uk/index/local_government/minister_foster_announces_decisions_on_local_government_reform.htm

Press Release 13 March 2008:

http://www.doeni.gov.uk/minister_fosters_press_release_review_outcome_-_press_release.pdf

Link to the Press Release, 31 March 2008:

http://www.doeni.gov.uk/announcement_31_march_2008.pdf

Link to the map showing the 11 new council areas:

http://www.doeni.gov.uk/council_numbers_-_map_11b.pdf

Link to the Minister's statement to the Assembly:

http://www.doeni.gov.uk/minister_s_statement_to_the_assembly_-_31_march_2008.pdf

CENTRAL/ LOCAL GOVERNMENT ADVISORS ON SERVICE DELIVERY

Central Government Officers

- *Geoff Beattie* (DSD)
- *Claire Thompson* (DOE Planning)
- *Michaela Glass* (DRD)
- *Phil Rodgers* (DETI)
- *Paul McAllister* (DCAL)
- *Manus Deery* (DOE NIEA)
- *Judith Brown* (OFMDFM)
- *David Barr* (DARD)
- *Stephen Western* (DOE)

Local Government Officers

- *Liam Flanigan* (Chief Executive of Limavady BC)
- *Rodger Wilson* (Chief Executive of Coleraine BC)
- *John Quinn* (Chief Executive of ARC 21)
- *Barny Heywood* (Chief Environmental Health Officers' Group)
- *Others to be confirmed*

Elected Representatives

- *Ald Arnold Hatch* (UUP)
- *Cllr Mrs Myreve Chambers* (DUP)
- *Cllr Sean McPeake* (SF)
- *Cllr Mairead O'Dowd* (SF)
- *Cllr Gary Stokes* (SDLP)
- *Cllr Seamus Doyle* (SDLP)
- *Cllr Marion Smith* (UUP)
- *Cllr Alan Lawther* (All)
- *Cllr Anne Wilson* (All)
- *Cllr Clive McFarland* (DUP)

Trade Union Representatives

- *Names to be confirmed*