



## Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Northern Ireland Local Government Association
<b>Date:</b>	19 <sup>th</sup> February 2010
<b>Reporting Officer:</b>	Peter McNaney, Chief Executive
<b>Contact Officer:</b>	Kevin Heaney, RPA Project Coordinator (ext. 6202)

<b>1.0</b>	<b><u>Relevant Background Information</u></b>
1.1	At the Council meeting on 1 <sup>st</sup> February 2010 it was agreed that a report on the Council's engagement with the Northern Ireland Local Government Association and the associated benefits and detriments to the Council of continuing membership be submitted for the consideration of the Strategic Policy and Resources Committee.
<b>2.0</b>	<b><u>Key Issues</u></b>
2.1	Members will be fully aware of the ongoing discussions over the past number of years in regards to the Councils continued involvement and relationship with the Northern Ireland Local Government Association (NILGA).
	<b><i>Role of NILGA</i></b>
2.2	The Council recognises the need for a strong Local Government Association (LGA) which is focused on its core business of advocating on behalf of local government on regionally significant policy issues and facilitating engagement between central and local government.
2.3	There is no doubt that NILGA has played a central role in the RPA process to date, supporting the ongoing work of the Strategic Leadership Board and Policy Development Panels to inform the work of the legislative programme. This work is substantially complete and the focus will now switch to implementation of proposals. This work will impact directly on resources and delivery of services at the level of the new Councils. It is therefore essential that this work is owned by and driven by the councils themselves, through the locally elected representatives, who will be responsible for setting the rate and ensuring that the appropriate facilities are provided and services delivered.
2.4	To deliver low rates, better services and a success of the reform programme, we therefore need to ensure that the energy, experience and expertise which resides within councils is fully mobilised to drive forward the implementation/operational aspects of the RPA.
2.5	NILGA has also established a large number of Member and officer Working Groups (e.g. e-Gov, European, Waste Management, Planning, Health and Environmental, Economic Development etc) to consider key policy areas. The Council is engaged on each of these groups.
2.6	There is a risk that NILGA (via its Working Groups and Committees) is duplicating work already being undertaken by councils e.g. BCC has its own internal expertise, capacity and support across these important policy and operational issues. While not undervaluing the role of such groups, there is a general view within the council that there is limited added value gained through its participation. It must be recognised however that some of the smaller councils may find benefit.
	<b><i>Subscription fee and cost structure</i></b>
2.7	Given the current financial pressures, the Council is committed to the implementation of an efficiency programme with places greater scrutiny on budgets and spend. All services are being asked to demonstrate value for money. Similarly, any subscription paid by the Council to a third party should be reviewed within the context of its value for money.

2.8	Members will be aware that the Committee had taken a decision to pay a reduced subscription fee to NILGA of £76,230 for 2009/2010 (and not £106,000 requested by NILGA). The release of this payment has been held pending resolution of ongoing discussions with NILGA.
2.9	According to NILGA's annual report 08/09 the net operating cost for 2009 was £1,550,939. This has almost doubled from the previous year (refer to <b>Annex 1</b> ). Staff costs equate to approx. £857,719 (refer to <b>Annex 2</b> ) for 21.5 full time equivalent staff. The Department of Environment currently provide substantial grant funding to NILGA.
2.10	The Council's reduced subscription fee still accounts for almost 18% of the total NILGA subscriptions and is 3xtimes that of the next highest subscription fee (i.e. Lisburn City Council at £27,239). Please refer to <b>Annex 3</b> .
	<b><i>Future role of NILGA?</i></b>
2.11	Role clarity is important in moving forward. NILGA should not confuse representation with implementation and delivery which is the responsibility of councils. It is councils who are responsible for striking the rate, delivering services, securing efficiencies and are accountable to the citizen (and political process) for their performance.
2.12	Consideration should be given to the sustainability and relevance of the current NILGA organisational structure and associated costs given that it was put in place as an interim measure to assist the policy formulation phase of the RPA process which is now complete. NILGA needs to be a lean and focused organisation which provides added value and value for money to its members.
2.13	If NILGA is to remain sustainable it will need to refocus its attention on those VFM services which will bring added value for the local government sector. It may wish to concentrate its efforts on those issues which may need regional coordination and consistency. For example: <ul style="list-style-type: none"> <li>▪ Coordinating sector responses to relevant regional policy issues</li> <li>▪ Enhancing future central / local government relations</li> <li>▪ Exploring options alongside councils and Transition Committees as to the future role, remit and governance of a new Local Government Association.</li> </ul>
2.14	In order to provide Members with the necessary assurances that the Council is getting appropriate value for money from its continued participation within NILGA, it is suggested that a recommendation be made to NILGA that it enters into a formal Memorandum of Understanding (MOU) with the Council which is attached to the 2010/2011 subscription payment.
2.15	By doing this, it is argued that the Council would be better placed to work with NILGA to ensure that it provides value for money services. Members will be aware that a similar approach had been introduced to underpin the relationship between Land and Property Services and the Council.
2.16	The MOU would set out the agreed outcomes to be achieved and provide a framework for NILGA and the Council to work in a spirit of collaboration to deliver them. It is suggested that Council officers would work with NILGA officials to develop the draft MOU and submit for the future consideration of the Committee before it is brought into affect.
2.17	Formal reviews of the MOU and its outcomes will be held biannually and reported to the Strategic Policy and Resources Committee.

### **3.0 Resource Implications**

If agreed, payment of the NILGA annual subscription fee will be approximately £75,000 - £80,000.

### **4.0 Recommendations**

Members are asked to:

- i) note the contents of the foregoing report;
- ii) agree that the Council's NILGA subscription payment for 2010/2011 be calculated on the basis of its population base and not penny rate product; and
- iii) consider the proposal that the Council's subscription payment be based on a Memorandum of Understanding being entered into by NILGA.

### **5.0 Appendices**

**Appendix 1:** NILGA Annual Report 2008/2009

**Appendix 2:** NILGA Staff complement

**Appendix 3:** NILGA Member Subscription Calculations