Belfast City Council

Report to:	Strategic Policy and Resources (Transition) Committee
Subject:	RPA – Local Government Response on Efficiency & Collaboration
Date:	19th March 2010
Reporting Officer:	Peter McNaney, Chief Executive
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1.0	**Relevant Background Information**
1.1	Members will recall that as part of the PriceWaterhouseCoopers Economic Appraisal which identified potential options as to how the RPA reform programme could be funded, the establishment of a Business Support Organisation (BSO) to deliver a number of core functions on a shared services basis had been proposed. PwC reported that the RPA reform programme (including the establishment of the proposed BSO) would require £118m funding with a return of £438million over 25years.
1.2	In responding to the PwC proposals, the local government sector challenged the financial assumptions and projections contained within the PwC report and stated its consensual opposition to the proposed establishment of a BSO.
1.3	At the Strategic Leadership Board meeting in December 2009 and recent NILGA Annual Conference, the Environment Minister, Edwin Poots set the challenge for local government to provide an alternative solution to establishing a BSO and delivering in the order of £438million efficiency savings. Work has been ongoing over recent weeks (with BCC engaged) on preparing an initial response to the Minister's challenge.
2.0	**Key Issues**
2.1	On 12th March, NILGA held an engagement event with representatives from Transition Committees to update them on the emerging local government proposals in regards to efficiency and collaboration. A copy of the initial local government position paper is attached at Appendix 1.
2.2	At the event it had been suggested that the key principle in moving forward should be the willingness of local government to accept an efficiency figure which is linked to the draw down of necessary up-front seed funding from central government to enable the RPA reform programme to happen. It was further suggested that as phase II detailed work would need to be undertaken by individual Transition Committees, in liaison with the DoE, to:

i. assess the up-front investment required by Transition Committees to enable the reform to happen; and

ii. identify the associated level of efficiency savings required

2.3	Such an approach would provide Transition Committees and councils the autonomy to deliver their own efficiency programme to meet the agreed targets for a specified period, rather than having a centralised BSO imposed upon them.
2.4	It should be noted that the level of discussion at the engagement event on 12th March was somewhat limited and tended to focus on the unsubstantiated nature of the PwC projected efficiency figures and the parochial issues facing individual Transition Committees and not the broad principles being considered e.g. local government: - accepts that it would be required to contribute towards the funding of local government reform; - is committed to working in collaboration to deliver potential efficiency savings; and - accepts that detailed design and financial modelling work is required to establish the efficiency savings to be secured.
2.5	Following the engagement event, NILGA intends to write to each Transition Committee requesting that they consider the emerging proposals. It was agreed that the financial officers within Transition Committees be requested to undertake detailed work around quantifying potential costs attached to the RPA reform and potential efficiency and collaboration opportunities.
2.6	Notwithstanding, it is suggested that the Council now needs to establish its own position in regards to the RPA; stating that it is up for the challenge of reform; is willing to work in collaboration, were appropriate, to secure greater efficiencies; but is not willing to pick up the convergence costs of other local authority areas.
2.7	It is suggested that the Council continues to proactively engage with the Eastern Seaboard councils within arc21, and other willing councils, to explore potential collaboration opportunities as part of its wider efficiency programme.
	Proposals for 'voluntary' Regional Transition Committee and Management Team
2.8	There remain a number of key decisions still to be made, particularly pertaining to funding, which need to be considered and negotiated at a regional level. With the anticipated delay until at least June 2010 for the necessary legislation which will create the 'Statutory' Transition Committees, it is unlikely that the proposed Regional Transition Committee (RTC) would be put in place until some time thereafter. It would be the intention that the RTC would provide the regional forum to discuss and negotiate key matters and would comprise of political representation from each of the Transition Committees.
2.9	On the 25th February 2010 the Strategic Leadership Board agreed that interim arrangements would be put in place to establish a voluntary Regional Transition Committee (vRTC) and supporting Regional Transition Management Team (vRTMT) so as to enable progress to be made.
2.10	At the engagement event on 12th March 2010, NILGA presented a range of options for the composition of the proposed vRTC and vRTMT (copy of options paper is attached at **Appendix 2**). It was agreed that NILGA would formally consult with individual Transition Committees to establish the preferred options.
2.11	In terms of the vRTC, it was suggested that Option 2 (i.e. the vRTC to comprise of one nominee from each voluntary Transition Committee and the five NILGA Strategic Leadership Board representatives) be recommended as a preferred option. It is suggested that the Council should state that it would have no difficulty with either options 1 or 2, however, that

	further clarity be sought as to the rationale for the addition of the NILGA SLB representatives and their associated voting rights (i.e. would they hold observer status).
2.12	In terms of the proposals for the vRTMT, it is suggested that the Council should consider option 1 (i.e. vRTMT will comprise of one Chief Executive from each Transition Management Team and representatives from key Departments including transferring functions) as its preferred option for moving forward.

4.0 Resource Implications

There are no Human Resource or financial implications contained within this report

5.0 Recommendations

Members are asked to:

 a) note the contents of this report;

 b) agree that the Council actively pursues collaborative opportunities presented by the RPA as recommended at paragraph 2.6 above;

 c) consider the options put forward for the establishment of interim voluntary regional governance structures (refer to Appendix 2);

 d) consider and agree that options 1 & 2 put forward for the proposed vRTC would be acceptable, however, seek clarity on the addition of NILGA SLB representatives and their associated voting rights; and

 e) consider and agree that option 1 put forward for the vRTMT would be the preferred option of the Council.

6.0 Appendices

Appendix 1:   Local Government initial position on collaboration and efficiency

Appendix 2: Options on proposals for voluntary Regional Transition Committee & Mgt Team