

STRATEGIC LEADERSHIP BOARD MEETING – 15 JANUARY 2007**REFORM PROGRAMME IMPLEMENTATION COSTS UPDATE****AGENDA ITEM: 6****SUMMARY: Providing members with an update on progress to establish the indicative financial resources required to support the local government reform programme.****ACTION REQUIRED: For Information**

1. It was agreed at the Political Panel meeting on 20 November that further work would be done to establish the indicative financial resources required to support the local government reform programme. This paper provides an update on progress.
2. Work has begun on refining the indicative costs of resourcing the taskforce structures and delivering the work to be taken forward by the Policy Development Panels. At this stage no further work is being done on establishing the wider costs associated with the reform programme, e.g. severance, redundancy and pensions. A detailed Business Case will be developed when more detailed information is available to ensure meaningful options can be developed and costings provided on these aspects.
3. The need for investment in Local Government, as highlighted by the IDeA review, was accepted by the Political Panel. In order to establish more clearly the level of investment required, NILGA has appointed consultants to assist them with the development of a Business Case. It is envisaged that this work will be complete by the end of January 2007. Alongside this, DoE is developing the central government costs associated with supporting the reform programme. A clearer picture of the indicative costs of implementing local government modernisation and reform will then be available. Ongoing work will however be needed to further develop and refine these costs as work progresses and detailed work programmes emerge from the Policy Development Panels.

4. The NILGA Business Case will enable the DoE to consider the level of financial assistance required by central and local government to facilitate the delivery of the modernisation and reform programme over the next 2 financial years (2007-2009) and to make a bid to the Department of Finance and Personnel (DFP) for funding, as appropriate. While a strong case will be made, there is no guarantee that all of the funding sought will be provided.

5. Alongside the work on determining and securing financial resources, work will be taken forward by both central and local government to consider the staffing resources required to ensure a partnership working approach in supporting the Strategic Leadership Board and Policy Development Panels. However, the appointment of staff is dependent on funding and therefore this aspect cannot be finalised until the level of funding available is known. Given this and the fact that the appointment processes to identify staff to work in support of the Policy Development Panels will take time to complete, an early action will be to determine the order in which the Policy Development Panel Secretariats should be staffed so as to ensure priority tasks are not delayed. DoE and NILGA will also work together to identify what other actions could be taken to facilitate the appointment of key staff in advance of funding being finalised.

6. The Strategic Leadership Board is asked to note that:
 - more detailed work is underway to finalise the indicative costings associated with supporting the taskforce structures and the work of the Policy Development Panels;
 - a detailed Business Case will be developed on costings associated with aspects such as severance, redundancy and pensions when more detailed information is available;
 - DoE will consider the funding support required by central and local government on receipt of a Business Case from NILGA, and will seek funding for local government modernisation and reform from DFP, as appropriate;

- consideration will be given to actions to facilitate the appointment of key staff in advance of funding being finalised; and,
- action will be taken to determine the order in which Policy Development Panels should be staffed so as to ensure priority work gets underway. The joint secretariat will bring a paper to the next meeting of the Strategic Leadership Board setting out proposals in relation to the establishment of the Policy Development Panels.