

**LOCAL GOVERNMENT RESPONSE TO ASSESSMENT OF OPTIONS FOR LG SERVICE DELIVERY PROJECT – PHASE 1 REPORT**

**Agenda Item:** 5 c

**Summary:** The paper provides members with a summary of the Local Government (LG) response to the Assessment of Options for LG Service Delivery project – Phase 1 report and Policy Development Panel C recommendations on the way forward.

**Action Required:** To approve the recommendation to proceed to Phase 2 of the Service Delivery Project, i.e. economic appraisal of the options listed.

**BACKGROUND**

1. In recent weeks, at the request of Policy Development Panel C, PwC has consulted with Panel members, their respective Party representatives and SOLACE to seek their views on the conduct of an economic appraisal of a range of identified options listed in the PwC briefing document. They were also asked to consider whether or not there are other issues that should be included in the economic appraisal.
2. The draft briefing document distributed by PwC at the consultations put forward 6 options for the design of the Service Delivery Functions within each of the new councils as
  - a. Do nothing
  - b. Reorganisation without transformation
  - c. Transformation within Service Delivery Functions
  - d. Transformation within councils
  - e. Transformation across collaborating Councils
  - f. Transformation across Region.
3. Four parties and SOLACE have provided written responses to date and these are attached as Annexes to this paper. SDLP has indicated verbally that it is content for

the listed options to be economically appraised and it is anticipated that its written response will be available shortly. This report provides a summary of the comments received but is not intended as a comprehensive record.

## **DETAIL**

4. Consultees indicated the options listed in the PwC Briefing document should be subject to a full and detailed economic appraisal to provide a comprehensive breakdown of the costs and benefits of each of the options. This should allow a preferred delivery model to emerge.
5. All written responses have referred to the need to also give careful consideration to the concept of shared services as part of the economic appraisal. Suggested services which could be shared include back office or ancillary services such as ICT, payroll or procurement. SOLACE indicated any decision on shared services or collaboration is a decision for the statutory Transition Committees (TCs). It reiterated that as the TCs will have the key role in setting up the new councils there is a requirement to fully engage with TCs in all aspects of the reform process.
6. The responses received recognise the opportunities a common design approach can offer to local government in terms of service improvement and efficiencies. Improving the quality of service provided for citizens, gaining better value for money and increase accountability are key objectives. It is acknowledged the new councils must deliver cost effective and efficient services to ratepayers from day one.
7. It has been emphasised the work involved in moving from 26 to 11 councils as well as transforming service delivery structures cannot be over estimated. It is thus crucial to give thorough cognisance to the existing capacity and knowledge base within local government, together with the limited timeframe within which the reform process is operating. The economic appraisal will establish costs but consideration must be given as to how these can be met. With an appropriate commitment to resources and political leadership it is considered that transition and transformation together is achievable.

8. The agreed aim is to move to a single delivery model within the 11 council structures, leading to economies of scale. Any adopted model must be flexible enough to accommodate the different priorities and uniqueness of each of each new council.
  
9. All political parties submitting a response have emphasised the requirement for a strong communication and lobbying provision between local and central government and recommended some form of local government association possibly a redesigned version of NILGA. The Parties indicated this body could have political control and oversight of any shared services. SOLACE recommended representational issues normally handled by any Local Government Association (LGA) may be better separated from responsibility for service standards and delivery issues. Further exploration of these issues is welcomed by all.
  
10. Other comments and recommendations put forward by consultees include:-
  - a. Guidance and positive financial incentives could encourage collaboration to set up compatible systems enabling councils to work together in wider niche opportunities such as developing tourism brands or regional arrangements to replace group committees.
  - b. The existing Local Government Staff Commission functions could be transferred to a more accountable LGA.
  - c. Preferred models should be equality proofed.
  - d. Consideration should be given to pilot the operating model with certain councils.

## **RECOMMENDATION**

11. It is recommended that members agree that the options listed in the PwC Briefing document, which are summarised at paragraph 2 above, should be subject to a full and detailed economic appraisal to provide a comprehensive breakdown of the costs and benefits of each of the options.

## **Policy Development Panel C**

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