

**STRATEGIC LEADERSHIP BOARD MEETING – 27 JUNE 2007**

**LOCAL GOVERNMENT MODERNISATION PROGRAMME**

**AGENDA ITEM:** 7

**SUMMARY:** **Setting out proposal on the content of a modernisation programme, the approach to taking the work forward and the structures to support it.**

**ACTION REQUIRED:** **Agreement on the way forward for the modernisation programme**

**LOCAL GOVERNMENT MODERNISATION PROGRAMME**

**Background**

1. It has been agreed that work on modernising local government should be driven forward in parallel with the work to review the RPA structural and functional decisions. The purpose of this paper is to set out, for consideration, broad proposals on the content of a modernisation programme, the approach to taking the work forward and the structures to support it.

**Programme Content and Development**

2. It is proposed that the programme is made up of two work strands. The first strand is intended to strengthen the way in which councils work by modernising the policy and legislative framework within which councils operate and by addressing the capacity of members to deliver accountable citizen-centred local government services (Strand A). The second strand seeks to improve the way in which local councils work in terms of delivering business-related services in a way that is standardised, simple and provides value for money, thus enabling resources to be released by councils to improve front line service delivery (Strand B).
3. The broad scope of a modernisation programme is set out at Annex A along with an indication of the initial work to be taken forward. This work will take account of the recommendations made by the nine Taskforce sub-groups.

4. It is envisaged that the policy and legislation proposals outlined can be progressed through the normal legislative process with a view to taking a Bill into the Assembly in 2008. Further policy development work is, however, required in respect of performance management and governance, which are inextricably linked to the outcome of the review of RPA decisions. Work on these two issues will, therefore, need to be taken forward over a longer timescale so as to take account of decisions on council numbers and functions.
5. On both strands detailed work to address options, costs, benefits and timescale for delivery needs to be taken forward as a first step. It is estimated that this work will take around six months to complete and will require some external consultancy support.
6. Alongside this work it will be important that DoE, local government as a sector, individual councils and groups of councils continue to work together to optimise service improvement opportunities already being considered by the sector. This will include seeking opportunities to lever funding from already established sources to pump prime aspects of local government service improvement, e.g. IT infrastructure and systems development. In response to the Priorities and Budget process covering the next three years DoE has lodged a bid with DFP for funding to support the reform and modernisation programme, including financial resources for a modernisation challenge fund.

## **Structures**

7. As a result of the decision to undertake a review of the local government RPA decisions on the number of councils and functions to be transferred and the initial work required to determine a modernisation programme, it will be at least 6 months before the local government modernisation and reform programme moves to an implementation phase. It is appropriate, therefore, to reconsider the planned Policy Development Panel and joint secretariat structure as this was designed to deliver a detailed wide ranging implementation programme.
8. It is proposed that, for this initial phase of the modernisation programme work up to December 2007, that two modernisation working groups be established as

sub-groups of the Strategic Leadership Board to take each strand of the modernisation work forward as an interim arrangement, pending agreement on long-term implementation structures. When this phase of the work is complete, and the outcome of the review of RPA decisions in relation numbers and functions is known, the position would then be reviewed to develop a revised Taskforce structure to meet the needs of an integrated implementation programme relating to modernisation and structural reform, as appropriate.

9. We propose that each sub-group would be chaired by a member of the Strategic Leadership Board with membership being made up of elected members, senior council officers, civil service officials and others as necessary. The sub-groups would work closely with ad hoc task and finish groups or existing working groups (such as the NILGA e-Government Working Group) to develop proposals for a prioritised, costed and timetabled programme of work, which would be put to the Strategic Leadership Board.
10. If the setting up of sub-groups, as outlined above, is agreed, detailed proposals, terms of reference, standing orders and elected members remuneration would be developed as a matter of urgency, with a view to agreeing a way forward at a meeting of the Strategic Leadership Board in August.

## **Summary**

11. The SLB is invited to:
  - agree the broad content of the modernisation programme as defined at Annex A;
  - note the approach to taking the work forward suggested at paragraphs 3-5 above;
  - note the need for local and central government to continue to work jointly to optimise service improvement opportunities already being considered by the sector; and

- agree to the establishment of two modernisation working groups, as sub-groups of the Strategic Leadership Board, and to further work being undertaken with a view to bringing detailed proposals to the Strategic Leadership Board in August.

**MODERNISATION PROGRAMME**

**STRAND A**

Capacity Building and Legislative Framework

- (a) Capacity building of members and officers
- (b) Local government finance arrangements.
- (c) Remuneration and severance arrangements for councillors.
- (d) Ethical standards, including a mandatory code of conduct for councillors.
- (e) A regulatory framework in relation to council's participation in limited companies.
- (f) Provisions to allow councils to participate in PPP and PFI.

The first stage of the work on capacity building will be the development of a strategy to support the building of the capacity of councillors to deliver strong, accountable, citizen-centred local government, including options for implementation, costs and timescales.

If the above is agreed, consultation on the legislative proposals could commence before the end of 2007, with a view to laying a Bill before the Assembly in early 2008.

Further work on policy development on performance management and governance, which are heavily dependent on the outcome of the review of RPA local government decisions, is required before policy and legislation proposals can be finalised.

**STRAND B**

Service Improvement

- (a) Front-line customer service delivery mechanisms.
- (b) Back-office service delivery (HR, finance, procurement and estates).
- (c) Common infrastructure for local government.

Initial work is required to scope each area, e.g. to determine current arrangements, identify options, costs, benefits and timescales associated with implementing standardised/simplified approaches that provide value for money.