

STRATEGIC LEADERSHIP BOARD MEETING – 15 AUGUST 2007

NILGA BUSINESS CASE

AGENDA ITEM: 6

SUMMARY: Providing members with an update on progress to establish the funding required for NILGA to support the local government modernisation and reform programme.

ACTION REQUIRED: For information.

1. It was agreed at the Strategic Leadership Board meeting on 27 June 2007 that a funding proposal to enable NILGA to recruit appropriate staff to support the developing modernisation and reform programme would be provided at the 15 August meeting. This proposal would be based around the initial corporate development of NILGA covering the interim period pending agreement on Taskforce structures required to support the programme following the outcome of the review of the RPA decisions as they relate to local government.
2. Work is nearing completion and the draft Business Case is attached. For completeness the draft includes the case for funding support for the recruitment of a Communications Director, which the Environment Minister signified would be forthcoming, at the meeting on 27 June.
3. The Strategic Leadership Board is asked to note:
 - the draft Business Case for funding to support NILGA's development;
 - that the Business Case will be formally submitted to the Minister for consideration; and,
 - that a further proposal will be developed when the Taskforce structure to take forward the modernisation and reform programme is finalised.

Proposal to the Department of the Environment for funding for NILGA to support the reform of local government in Northern Ireland

In June 2002 the Northern Ireland Executive set up a Review of Public Administration to consider the arrangements for the administration and delivery of public services in Northern Ireland. It covered over 150 bodies, including the 26 district councils, the Health and Social Services Boards and Trusts, the five Education and Library Boards and about 100 other public bodies.

This was concluded in March 2006. Under the proposals for the Local Government sector there would be the transfer a range of functions to local authority control, a reduction in the number of councils from twenty-six to seven; and the new councils would be given new powers of well-being and community planning which would strengthen their civic leadership role.

Under direct rule a Local Government Task Force and Strategic Leadership Board chaired by the Minister was established as a partnership between the Department of the Environment (DOE) and the NI Local Government Association (NILGA) to steer the reform process. The IDeA was commissioned to review the structures for implementing the RPA and modernisation agenda.

Under devolution the modernisation process continued with NILGA representing the local government sector. In July 2007 the Environment Minister Arlene Foster MLA announced a review of the decisions relating to local government focusing on the vision for local government in Northern Ireland; the number of Councils and the functions to be transferred to local government. This review is due to announce the final decisions on these issues in the Autumn.

It is very important that the local government sector is actively involved at all stages of the reform process. This is a proposal to provide resources to NILGA to ensure that the organisation is able to support the local government sector in working jointly with the Department of the Environment during the review period and into the implementation period of local government reform. The main elements of this funding proposal are to:

- Enhance the capacity of NILGA to facilitate local government's engagement in the reform process, including a lead role in communication;
- Facilitate political engagement with the process through the Strategic Leadership Board, supported by an Advisory Structure
- Facilitate political participation in the reform process
- Provide a capacity building programme to develop key individuals, organisations and partnerships to enable them to implement the reform programme efficiently and effectively

NILGA have carried out considerable organisational development work in consultation with the Department of the Environment to develop these proposals. The IDeA produced a report on NILGA's behalf with detailed proposals on the way forward for the organization in supporting the Local Government sector through this reform

process. This proposal is informed by this report and all costs are benchmarked against current local government practice. The IDeA report also identified structures and programmes that would assist in the implementation process. Due to the instigation of the review by the Northern Ireland Executive this is an interim funding proposal based on what is known at present. When the results of the Northern Ireland Executive's review are published it may be necessary to revisit this proposal – particularly with regard to NILGA staffing and a capacity building programme.

Detailed proposals

The aims of this proposal are to enhance the capacity of NILGA to facilitate local government's engagement in the reform process, including a lead role in communication; to facilitate political engagement with the process through the Strategic Leadership Board, supported by an Advisory Structure; facilitate political participation in the reform process; and to provide a capacity building programme to develop key individuals, organisations and partnerships to enable them to implement the reform programme efficiently and effectively. The proposals to recruit new staff to NILGA will make significant progress on all of these aims by supporting elected members to engage directly with the reform process, ensuring they have access to detailed independent guidance and policy information.

A strong, visionary and flexible local government association is a prerequisite for strengthened local government in Northern Ireland. NILGA must be capable of tackling the key service areas detailed below:

- Voicing the collective views of local government
- Providing support and consultancy for service improvement activities
- Leading on capacity building within the sector
- Facilitating learning and knowledge-sharing
- Developing collective policies across local government
- Contributing to the development of central government policies
- Ensuring that the RPA is implemented in the most beneficial manner to local government and its constituents
- Ensuring good communication and engagement across Councils and between Councils and their key stakeholders
- Discharging the employers' function in relation to the JSC

To enable the sector to tackle the reform agenda vigorously and properly will require a substantial prior investment in the transformation of NILGA itself.

NILGA stakeholders need to have full confidence that it is fit for that purpose.

NILGA is seeking funding for additional staff and on costs. The additional staff posts are as follows:

Policy and Strategy Director

The case for a **Policy and Strategy Director** is based on the need for a wider and more strategic approach to the design and development of policy and strategy for the sector within the transformation process. This post will extend NILGA's existing policy capacity to embrace wider issues including health, education, planning and economic development. It will also allow for more and better work on existing functions, including waste and ICT policy development.

Improvement Director

The role of **Improvement Director** is to transform the existing NILGA capacity to facilitate the delivery of the challenging transformation programme. This officer will therefore have the lead role in co-coordinating the organisation's work on the implementation of the review programme and ensuring all the work is consistent and related back to the representative function of NILGA.

Communications and Engagement Director

The role of **Communications Director** significantly strengthens NILGA's existing functions. S/he will take a more strategic approach to the engagement mechanisms with councils, parties and officer groups; will develop new relationships with government departments; and build partnerships with other sectors including health, education, business and the voluntary/community sector. Additionally this officer will be required to work with key stakeholders to design, implement and monitor a communication strategy for the RPA, which provides effective systems for communication with all the stakeholders.

Director salary levels have been estimated on the NJC scale at £56,000
NILGA also requires other roles to develop the corporate function of the organisation and enable it to meet all the challenges of the RPA implementation process, given the significantly enhanced work load of the organisation it is estimated that seven additional support staff will be required to support the reform programme.

Finance and Administration Manager This post is required to ensure the effective administration of an organisation with a significantly enhanced budget and audit requirements. The role of this post-holder will be to manage all the financial systems and oversee the administration systems including personnel related matters; ensure effective document control and filing systems; ensure effective financial management systems; and oversee the practical management of ICT infrastructure.

Salary level assumed to be at a PO4 SCP41 or £40k.

Finance Assistant NILGA currently employs a Finance Officer, but this officer can meet only existing requirements. To deal with the significantly increased financial workload, a Finance Assistant will be required.

Salary level assumed to be at Scale 3 SCP 14, £18k.

Communications Assistant Ensuring a strategic approach to communications and effective delivery will be a significant challenge. The Communications Director will be assisted by the existing Communications Officer and will lever in support in kind from Councils. However given the number and variety of stakeholders involved in the process it is envisaged that these two staff will require further assistance to ensure effective delivery on this essential role. These are likely to include maintaining the website, circulating updates and press releases, printing and posting, monitoring and evaluating systems.

Salary level assumed to be at Scale 4 SCP18, £20k.

Administration Assistants x 3 NILGA currently has one Administration Assistant. There will be a significantly enhanced work load during the transitional period. Increases in work pressures include telephone and reception duties; setting up and servicing meetings; printing and posting papers; document management; and where possible relieving staff of administrative duties to ensure the best use of professional time. This grade will also provide pooled support for the Chief Executive and Directors as provided by Personal Assistants in local government and in the Senior Civil Service.

Salary level assumed to be at Scale 2 SCP 11, £17k.

Independent Expert Advisor The IDeA report has recommended that NILGA should seek expert support, advice and mentoring in the development process. A budget of £35k has been set aside to engage an Independent Expert Advisor to NILGA's Office Bearers.

Funding Estimates for all posts are based on benchmarking from local government practice. It should also be recognised that it is estimated that 80% of the existing staff time at NILGA is spent on aspects of the RPA and modernisation process.

During the review period work will continue on the modernisation of local government with 2 sub-groups established from the Strategic Leadership Board. To ensure effective contribution by elected members and the local government sector an appropriate level of staff is required. It is proposed to have 2 additional staff allocated to each sub-group - 4 in total.

Each sub-group will have a lead officer at Deputy Principal/Assistant Director (PO5 SCP 44). This officer will initiate and manage projects, procure additional services, shape policy proposals, and ensure that the necessary background research is undertaken. The estimated average salary assumed for each of these officers is £34,986.

Two supporting officers at Staff Officer/Committee Clerk (PO2 SCP 35) level will assist each lead officer. These officers will engage in project work, undertake research and consultation, provide briefings and facilitate liaison and communication. The estimated average salary is £27,452.

In line with current local government assumptions, on-costs are estimated at 33%: 10% employers' National Insurance contribution; 13% employers' pension contribution; 10% to cover costs such as travel and expenses, training and development, personnel and HR support.

Annual salary increases are based on an assumed 3% increase per annum in line with current local government planning assumptions. All staff posts are based on 3 year fixed term contracts and secondments will be considered.

Support Costs

Accommodation

The offices that are presently occupied by NILGA have no spare capacity. There are several options to provide new accommodation for the existing staff and new staff. Options that have been considered include co-location with the DoE Local Government Reform Division, taking new premises or taking additional space in the current building. Work is underway to identify the most cost-effective option. Additionally the new staff will require investment in an appropriate level of infrastructure to include furniture, ICT systems, etc.

Funding Estimates

Estimated costs are based on locating all NILGA staff close to Belfast city centre. All costs are based on Deloitte's contemporary work with other public sector clients.

- Rent - There is an estimated need for 585 square meters of office space. This is based on 35 staff at 11 square metres per person, with modern open plan standards, plus 200 square metres for board room and meeting facilities. Market rent is assumed to be £110 per square metre, to include insurance, based on a comparison with current rental costs of James House in Belfast. Annual rental costs are therefore $585 \times £110 = £64,350$. NILGA is assumed to continue to incur the existing cost of rent (£20k per annum) to cover the existing posts.
- Rates - Rates are assumed to cost £15 per square metre per annum ($585 \times £15 = £8,775$) based on James House. This would be apportioned with DoE on the same basis as rent.
- Furniture - Based on the assumption that a new workstation is required for each of the new staff at an estimated cost of £1,500 per person. This includes desk £800, chair £150, pedestal £200, file storage £200, desk partition, £125, sundries £25. The total cost for furniture is estimated at £21,000.
- Relocation/set up costs – Costs for setting up a new office to include relocation, cabling etc is estimated at £500 per person based on 35 staff. This represents a cost of £17,500.
- IT Infrastructure – An appropriate computer infrastructure will be required. A cost of £1,500 per person is estimated and based on 14 new staff will total £21,000.
- Telephone System – The estimated cost is £15,000.
- Recruitment of new staff – to recruit 13 new staff indicative costs are 15% of Director costs and 12.5% of other new staff costs. On this basis the total is £70,812. [This figure is based on recruiting 13 new staff because the expert adviser has already been recruited.]