

**LOCAL GOVERNMENT RESPONSE TO ECONOMIC APPRAISAL ON THE
ASSESSMENT OF OPTIONS FOR LG SERVICE DELIVERY.**

Agenda Item: 3a

Summary: The paper provides members with a summary of the Local Government (LG) response to economic appraisal on the assessment of options for LG service delivery.

Action Required: To note the contents.

BACKGROUND

1. The Minister launched a short period of stakeholder engagement on the economic appraisal for the reorganisation programme on 20 October 2009. The Report outlines the available options for and makes recommendation on how local government reform can be achieved; the associated costs and the financial and non-financial benefits.
2. The NILGA Response was been drafted with as much input from the sector as possible. However in the limited time period available it was not possible to collate all the individual local government stakeholder responses, some of which have been submitted only in the last few days. This paper now provides a high level summary of input from Councils, Transition Committees, and associated local government organisations. The annex provides further detail concerning the responses in relation to several key issues. It should be noted there is strong alignment across all the responses.

DETAIL

3. To date a total of 27 responses have been received from local government. These include 13 individual councils, 5 transition committees and 9 local government groups

such as SoLACE, AFLGO, arc21, SWaMP2008 and Environmental Health. A comprehensive list is attached as an Annex to this report.

Target Operating Model (TOM) [Recommendation 1]

4. Local Government broadly supports the recommendation that each new council should develop a Target Operating Model (TOM) which is designed to meet local needs and is fully informed by the locally elected members, in consultation with their communities. The design of the TOM should be undertaken in a collaborative manner across the Statutory Transition Committees to minimise duplication of effort and to ensure, as far as reasonably practicable, that the underlying processes are standardised across the sector, thus facilitating future potential collaboration.
5. Belfast City Council has raised some concern about the proposed TOM in the report but overall supports an outcome based approach which has the flexibility and autonomy to address local needs.

Business Services Organisation (BSO) [Recommendation 3]

6. While supporting the need for collaboration at regional level to achieve efficiencies, the proposal to create a BSO is **unanimously rejected**. It is seen as undemocratic, inflexible and likely to be unresponsive to member council needs. Local government considers that a more robust business case analysis and detailed design is needed before establishing such an organisation.
7. A number of alternatives to the BSO model have been put forward including consideration of the establishment of an improvement service; provision of services by lead councils, centres of excellence, shared service centres or commercial providers.

Waste Disposal Authority (Recommendation 4)

8. Eighteen respondents have commented on a single Waste Disposal Authority. Across the sector there is strong debate on the proposal with 3 respondents rejecting the proposal outright including Derry and Strabane Transition Committee, SWaMP2008 and Limavady Borough council. Seven respondents support its creation in principle including arc21, Antrim Borough Council, Belfast City Council, North Down/Ards Transition Committee.

9. The overwhelming view put forward, however, is that a business case must be developed to explore the potential benefits of the creation of a Waste Disposal Authority before any final decision can be made.

Local Government Association (LGA) (Recommendation 6)

10. Sixteen respondents have commented on the proposals for a LGA with agreement on the need for a strong local government association.

11. The majority of respondents have indicated that:-

- The role and funding mechanism for a new LGA should be agreed with the new member councils
- that membership should be voluntary;

Funding (Recommendation 11)

12. Of the 25 respondents who commented on the funding proposals all agree that the entire reform process rests on agreeing an appropriate funding package. There is however a lack of confidence across the whole sector about the detail of the costs and efficiencies articulated in the PwC Report with all respondents emphasising that there must be clarity on the underlying assumptions used to determine the costs and benefits of each option before the Report's key findings and recommendations are approved. It is considered that without this clarity, the figures should not and cannot be used to determine the level of upfront investment required for the reform programme.

13. Local Government also asserts that the lack of clarity on the underlying assumptions makes it impossible to set an accurate target for potential savings.

14. Overall there is considerable support for many of the recommendations set out in the Report. There is strong support for the aspirations for local government set out in the Report for the new councils to

- Provide strong local government with service performance and costs of delivery in line with national best practice;
- Add value for citizens with increased citizen confidence and increased participation in local democracy;

- Attract, developing and retaining high quality and dedicated staff with increased satisfaction levels and reduced staff turnover;
- Provide service excellence with increased citizen satisfaction with services and value for money; and
- Provide value for money with minimum rate increases and decreased costs.

15. Of those who have commented on the specific recommendations there is also overall support for -

- **Recommendation 2** - encouraging a new generation of local politicians
- **Recommendation 5** - each central government department developing a Target Operating Model for the retained service.
- **Recommendation 7** the proposed new role for the NIAO and the close involvement of local government practitioners in supporting the design and development of this new role.
- **Recommendation 8** - the new role for the NI Ombudsman with the new Code of Ethics developed by the DoE in active consultation with Councils
- **Recommendation 9**- the introduction of a comprehensive Human Resources Framework.
- **Recommendation 10** -The initiation of a robust programme of work and the creation of delivery structures as a priority.
- **Recommendation 12** the need to undertake Equality Impact Assessments on the development of the sub programmes.
- **Recommendation 13**-the need to support the development of a new culture and set of behaviours.

RECOMMENDATION

4. That SLB members note the contents.

NILGA

December 2009