

AN ASSESSMENT OF OPTIONS FOR LOCAL GOVERNMENT SERVICE DELIVERY PROJECT – PHASE 2

Agenda Item: 10

Summary: The paper provides members with a summary of progress against the Assessment of Options for Local Government Service Delivery Project – Phase 2.

Action Required: For information and to note progress

BACKGROUND

1. At the last Strategic Leadership Board (SLB) meeting, held on 3rd July 2009, Policy Development Panel C put forward the PricewaterhouseCoopers (PwC) Draft Phase 1 report and a supporting Briefing Document – Recommendations of Effective and Efficient Operating Models for Local Government Service Delivery 2011.
2. The briefing document highlighted 6 options for the design of the service delivery functions within each of the new 11 councils. These options are listed as follows:
 - Option 1 - Do Nothing
 - Option 2 - Reorganisation without Transformation
 - Option 3 -Transformation within Service Delivery Functions
 - Option 4 -Transformation within Councils
 - Option 5 -Transformation across Collaborating Councils
 - Option 6 -Transformation across Region.
3. It was agreed by members that all 6 options should be subject of a full and detailed economic appraisal. This appraisal will provide a comprehensive breakdown of the costs and benefits and, in addition, identify a preferred and deliverable model. The economic appraisal together with an outline implementation plan will form the basis of a Strategic Outline Business Case that is to be submitted to the Department of Finance and Personnel in the autumn.

4. It was further agreed that the Draft Phase 1 report should be recast to include the recommendations identified in the Brief Document and, also, to capture any remaining comments or factual errors raised by stakeholders. Once recast, this revised version of the report will be declared as the Final Phase 1 report with the option for further amendments or alterations no longer being available.

PROGRESS TO DATE

5. Over recent weeks, PwC has engaged with departmental representatives to finalize details relating to the transferring functions and work is progressing on mapping these functions against the 6 service delivery options. In addition, meetings relating to Human Resources and Procurement have also taken place and Trade Union representatives have been contacted; it is hoped to hold further meetings with these officials in the coming weeks.
6. The Final Phase 1 report was issued to the Phase 1 Steering Group, key stakeholders and Panel C members on Wednesday, 5th August 2009. NILGA has agreed to forward this report for the information of SLB members together with a covering note from Ald Arnold Hatch.

NEXT STEPS

7. Under the agreed project management methodology, PwC will provide the Phase 2 Steering Group (RTCG) members with weekly update reports highlighting the key activities and the status of each of the deliverables. The first update report was issued on Wednesday, 5th August, covering the period up to Friday, 31^s July. A Stage Plan meeting between PwC and RTCG is due mid August.
8. PwC has agreed to issue their Draft Phase 2 report to RTCG by Monday, 31st August 2009. It is proposed that an all day workshop is held in early September to provide key stakeholders with an opportunity to discuss and provide feedback to PwC on the outcome of the full economic appraisal and the outline implementation plan.

9. It is intended that the Final Phase 2 report will be issued to SLB by Monday, 14th September 2009.