

Ballymoney Borough Council
Corporate & Central Services Meeting No 380 – 23rd November 2009

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**BALLYMONEY BOROUGH COUNCIL
CORPORATE & CENTRAL SERVICES COMMITTEE**

Minutes of Corporate & Central Services Committee Meeting No. 380 held in the McKinley Room, Riada House, Ballymoney on Monday 23rd November 2009 at 7.00pm.

IN THE CHAIR Alderman J Simpson

PRESENT

Aldermen
C Cousley
H Connolly

Councillors
A Cavlan
J Finlay
R T Halliday
E Robinson
M McCamphill

IN ATTENDANCE Chief Executive [Items 1-10]
Director of Central and Leisure Services [Items 11-13]
Committee Clerk

APOLOGIES I Stevenson

380.1 MINUTES

It was proposed by Alderman Connolly, seconded by Councillor McCamphill and
AGREED:

*to recommend that the minutes of Meeting No 379 – 26th
October 2009, as circulated, be confirmed as a correct record.*

CORPORATE SERVICES

**380.2 RPA - LOCAL GOVERNMENT SERVICE DELIVERY AND THE ECONOMIC
APPRAISAL OF OPTIONS – Response to PriceWaterhouseCoopers Report**

A workshop was held on 17th November to consider Council's response to the above report. **IT IS RECOMMENDED** that Council endorse the recommendations of Solace together with the comments of ALGFO and agree additional comments by Council in accordance with the details set out in the workshop report, attached as Appendix A. Committee has been granted Council powers to agree a response.

For those members who were not present at the workshop, the response from Solace was circulated together with a copy of the ALGFO (Association of Local Government Finance Officer's (NI)) response which has been endorsed by Solace in their report.

Members further discussed the workshop recommendations.

It was proposed by Councillor McCamphill, seconded by Councillor Finlay and **AGREED:**

that Council endorse the response of Solace together including the comments of ALGFO and agree additional comments in accordance with the details set out in the workshop report specifically recommendations (1), (2) and (4) attached as Appendix A.

380.3 RPA - TRANSITION COMMITTEE

A copy of minutes of the Committee meeting of 24th September is tabled. A copy has been added to the file in the members' room.

Councillor Robinson queried the procedure for dealing with the Transition Committee Minutes. Chief Executive advised members that if they wished to have the RPA Transition Committee Minutes dealt with in an alternative manner this could be accommodated. Councillor Robinson concluded that she would look into the matter on her own behalf and bring a report back to committee.

380.4 2009 NATIONAL PAY DEAL

Correspondence from the NI Joint Council for Local Government Services provides an update on the pay negotiations, particularly the 2009/10 "Green Book" pay negotiations. The remit given by Councils in NI at the pay briefing in March 2009 was that councils would not have supported a 0% pay offer to "green book" employees, but that the eventual increase should be at a level below that in recent years given the dramatically changed economic circumstances. This is the position that NI has consistently put throughout the discussions.

In addition, Chief Executive highlighted that the annual pay briefing event is to be held at NILGA on 27th November at 10.45 a.m. at Ecos Centre, Ballymena. At this event colleagues from local government employers meet with council officers

and members to discuss pay negotiations for the coming year. The topics the briefing will cover will include:

- Brief re-cap of the 2009 pay negotiations
- Lessons learned and the national employers plans for the 2010 pay round.
- An assessment of the benefits of national pay bargaining
- The economic context (levels of affordability, inflation, April 2010 national insurance increase, 2010 local government pension scheme revaluations etc)

Information as regards council position on increments, redundancies declared and pledges on rates levels are to be brought to the meeting and comments will also be invited on a range of issues relating to the pay award.

It is recommended that the Committee Chair be nominated to attend this event, together with an officer nominated by the Chief Executive.

It was proposed by Councillor Robinson, seconded by Alderman Connolly and **AGREED:**

to recommend that Council nominate the Committee Chair together with an officer (nominated by the Chief Executive) to attend an annual pay briefing event to be held at NILGA meeting on 27th November at 10.45 a.m. at Ecos Centre, Ballymena.

CONSULTATION

380.5 CONSULTATION ON YOUTH ASSEMBLY PROPOSAL

On Friday 9 October, NILGA was asked to attend a stakeholder event in the Long Gallery at Stormont to consider proposals for a Northern Ireland Youth Assembly.

It is proposed that the Youth Assembly will consider, debate and make recommendations on issues of particular importance to young people and will be based on the following key principles:

- To promote meaningful engagement of young people in the democratic process;
- To truly perceive young people as valued and equal partners to adults;
- To be fully engaged in discussion at all levels of the decision-making process;
- To build skills and a sense of 'self-belief' in young people; and

- o To avoid 'tokenism'.

NILGA will be lobbying the NI Assembly to allow these proposals to be considered through a full public consultation.

The consultation was referred to corporate management team and no specific comments are offered.

A copy of NILGA response to the consultation is attached as appendix B.

COMMITTEE IS INVITED to consider endorsing the NILGA response to the consultation document on the NI Youth Assembly Proposal.

It was proposed by Councillor Robinson, seconded by Alderman Connolly and **AGREED:**

to recommend that Council endorse the NILGA response to the consultation document on the NI Youth Assembly Proposal, attached as Appendix B.

380.6 CONSULTATION – WHISTLEBLOWER / PUBLIC INTEREST DISCLOSURE (NI) ORDER

At present employment tribunals in Great Britain determine complaints made where claimants believe that they have suffered detriment at work, or have been dismissed for making a protected disclosure ("whistleblowing") under the Public Interest Disclosure Act 1998 (PIDA). The tribunals do not make any assessment of, or take any action on, the issue underlying the allegation, as these matters do not fall within their powers or area of expertise. An identical process exists in Northern Ireland, whereby the industrial tribunal service determines applications made under the Public Interest Disclosure (Northern Ireland) Order 1998.

In GB, the Government, through the Department for Business, Innovation and Skills (BIS), has recently commenced a public consultation to consider the issue of how allegations of underlying abuse in PIDA cases might be assessed and acted upon. It was envisaged that this would involve information being passed from the employment tribunals to the relevant regulators, who could then take action where appropriate in accordance with their own practices and procedures.

The Department for Employment and Learning is now carrying out a similar public consultation in Northern Ireland, and would welcome the views of stakeholders, interested parties and individuals on the proposed process. Further information on the consultation is available from the Department's website: <http://www.delni.gov.uk/index/consultation-zone.htm>

The closing date for comments is 13th November. The consultation was referred to the corporate management team and no specific comments are offered.

380.7 CONSULTATION PAPER ON FILLING COUNCIL VACANCIES

The Northern Ireland Office has issued a consultation paper on filling council vacancies. The closing date for responses is 15th January 2010. Further information can be found on the NIO website:

http://www.nio.gov.uk/consultation_on_filling_local_council_vacancies.pdf

Options for Reform:

The consultation paper examines proposals for reforming the co-option method currently used in Northern Ireland for filling casual vacancies arising in district councils. A key policy objective for filling vacancies arising in PR-STV systems is to ensure that the careful balance of representation secured at the time of the election is maintained. This provides for councils to continue to reflect, as far as possible, the values and aspirations of the communities they serve. By-elections can potentially distort this careful balance and should be minimized as far as possible. Potential alternative options for reform are set out in the paper:

1. Retain the current co-option method
2. Relax need for unanimous agreement to co-option
3. Replacement by party nomination
4. The next preferred candidate

Of all the proposed options it is believed that only replacement by party nomination can guarantee that the party balance on councils, as selected by voters at the time of the election, can be maintained throughout the term, even if a member vacates. Party balance may potentially be maintained through co-option, however this will require unanimous or majority agreement among parties, which may not always be forthcoming. A relaxation of the unanimity requirement may equally result in a system that unduly favours representatives of the dominant section of the community in a particular area. There is no guarantee of achieving party balance under the next preferred candidate option (eg via countback) and this could result in certain sections of the community within a DEA no longer represented on a council.

Short term legislative reform:

The paper also deals with short-term legislative reform, making reference to the consultation on severance arrangements for local councillors. That consultation indicated DOE's preference for the introduction of any severance arrangements to be accompanied by reform of the system of filling vacancies because of the potentially large numbers of councillors who may retire and the possibility of numerous resulting by-elections. The options for reform set out above are designed to fill occasional vacancies arising in district councils.

In the event that DOE introduces a severance scheme well in advance of a May 2011 election, it is possible that a large number of seats could become vacant. It is believed that special provision is needed for such a situation.

The local elections that were due to take place in NI in May were postponed until May 2011 to take account of the time needed to redraw local boundaries following RPA. Electoral law generally provides for any vacancies arising shortly before an election to be carried and for those vacancies to be filled at the next election. Due to the close proximity between the potential date of the introduction of a severance scheme and a May 2011 election, it is believed that it would be appropriate to make provision for by-elections to be avoided in the intervening period. Views are sought on how best to achieve this in relation to the following options:

- a. Allow the current co-option rules to apply but carry vacancies until the next election if any co-option fails.
- b. Carry all vacancies arising from the introduction of the severance scheme until the next election in May 2011.

Chief Executive reiterated that this item is an advance notice; therefore there is time for members to consult this very important issue further.

A discussion ensued on the outlined proposed options and their implications.

Councillor Finlay suggested dealing with the initial business up until May 2011, he favoured Option 1, to retain the current co-option method, however Councillor Finlay would not be in favour of a by-election due to the huge cost implication of this.

Councillor Robinson and Alderman Campbell concurred with Councillor Finlay's comments, Councillor McCamphill indicated that all-party agreement would need to be reached and asked the Chief Executive to act as a go-between. In response to this the Chief Executive indicated that he would talk to the six party leaders and bring a report back to committee.

It was proposed by Councillor Finlay, seconded by Alderman Campbell and

AGREED:

to recommend that (1) Chief Executive consult with party leaders and independent member with a view to seeking agreement on filling any vacancies arising up to May 2011 by co-option, nominated by the party which held the vacant seat and report to next meeting and (2) that consideration of the consultation document be deferred to next meeting.

380.8 CONSULTATION DOCUMENT - LOCAL GOVERNMENT (CONTRACTS) REGULATIONS

DOE has issued a consultation document on the above regulations which aims to clarify the power of district councils to enter into long-term service contracts with the private sector and so remove any concerns contractors and financiers might have about entering into such contracts. The regulations set out a number of "certification requirements" a council must satisfy for a contract to be certified. Councils are required to give a copy of any certificate issued to the Chief Local Government Auditor. The regulations also apply to a Joint Committee.

The closing date for comments is 29th January 2010. Full details can be found on DOE website www.doeni.gov.uk/index/local_government/lg_funding/local_government_consultations.htm

The consultation has been referred to corporate management team and comments, if any, will be tabled at the committee's December meeting.

Comments by Councillor Finlay regarding, agreement of constituent councils on a joint committee to enter into contracts, to be clarified by Chief Executive.

380.9 POLICE (NI) ACT 2000

The NI Office has notified Council of the public consultation on the temporary 50:50 recruitment provisions currently in place in NI, applying to the appointment of police officers and police support staff, to expire on 28 March 2010, unless the Secretary of State decided to renew them. The consultation document is available on the NIO website www.nio.gov.uk/index/public-consultation/documents.htm

The deadline for comments is 22nd January 2010.

It was **AGREED** that this item be deferred to the December committee meeting.

380.10 ROBERT DUNLOP MEMORIAL GARDEN

It is recommended that applications be invited for inclusion on a select list of contractors to be invited to tender for the contract to create a memorial garden to our Honorary Freeman, Dr. Robert Dunlop.

It was proposed by Councillor Cavlan, seconded by Councillor Finlay and **AGREED:**

to recommend that Council invite applications for inclusion on a select list of contractors to be invited to tender for the contract to create a memorial garden to our Honorary Freeman, Dr. Robert Dunlop.

- * Chief Executive left the meeting at 8.06pm.
 - * Head of Corporate and Development Services left the meeting at 8.06pm.
 - * Director of Central and Leisure Services arrived at the meeting at 8.10pm.
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CENTRAL SERVICES

380.11 ACCOUNTS FOR PAYMENT

Treasury advise schedules detailing payments for Period 8, 2009/10 drawn on the Council's Revenue Accounts were circulated at the meeting.

IT IS RECOMMENDED that the payments are made.

The Director answered a number of member queries.

It was proposed by Alderman Connolly, seconded by Alderman Cousley and **AGREED:**

to recommend that accounts to the value of £561081.05 from the Revenue Account for period 8 2009/2010 be approved for payment.

380.12 LOCAL GOVERNMENT PENSION SCHEME – 85 Year Rule Protection

The Director advised that the Minister of the Environment has agreed to seek the views of council regarding proposed changes to the Local Government Pension Scheme – 85 Year Rule Protection. The proposed change would introduce transitional provisions similar to those currently in place in Scotland.

A copy of the consultation paper was circulated.

Comments are invited by 31st January 2010. Members had no specific comments to make.

380.13 THE DRAFT LOCAL GOVERNMENT (FINANCE) BILL – Consultation Document

On the recommendation of the Director of Central & Leisure Services Council agreed to welcome the proposal to introduce a New Local Government (Finance) Bill and the opportunity to modernise the current legislative framework relating to local government finance and Councillors remuneration in Northern Ireland.

An area where concern was expressed was that the proposed legislation will allow the Department to specify any reserve as a controlled reserve, if it so wishes. This would not be compatible with the objective of giving local authorities freedom to manage their own financial affairs.

With regard to Payments to Councillors, the consolidation of all provision dealing with payments to Councillors into one Act was welcomed. Consultation closed on 31st October.

The National Association for Councillors, Northern Ireland (NACNI), has submitted a paper in response to the Consultation Document and details are set out below for members' information:

"The Consultation Document is, in general terms, acceptable to the committee and members of the NACNI.

Aims of the local government (Finance) Bill.

(4) We agree that the Bill will update the current legislation on councillor's remuneration, by enabling the Department to make regulations:

- To require councils to make and publish a scheme of allowances; and
- To establish an independent remuneration panel to advise the Minister of the Environment on councillors allowances.

As stated in our previous document of May 2009 on the Consultation Document on Severance Arrangements that recommendations made in the Councillors Remuneration Working Group report (CRWG) (2006) were, also, in general terms acceptable to the committee and members of the NACNI. The aims of the Proposed Bill stated at (4) are in line with the CRWG's recommendations.

Clause 34 – Panel to advise on payments to councillors.

58. We concur with the proposal that an independent remuneration panel should be established to advise the Minister on allowances for councillors. This would be in keeping with the CRWG recommendation that a single panel would secure a common framework of allowances and equitable treatment for all councillors in Northern Ireland.

60. We agree that the Department will appoint the independent chairman and members for the Northern Ireland remuneration panel and that the process currently in place for public appointments will be utilised.

However, if the Minister / Department is of the opinion that the panel should not be totally Independent, then the NACNI would be willing to nominate suitable panel members."

This being all the business the meeting closed at 9.05pm.

- Appendix A:** RPA - Local Government Service Delivery and The Economic Appraisal of Options – Response To Pricewaterhousecoopers Report
- Appendix B:** Consultation On Youth Assembly Proposal

APPENDIX A

RPA - Local Government Service Delivery and The Economic Appraisal of Options –
Response To Pricewaterhousecoopers Report

BALLYMONEY BOROUGH COUNCIL

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- 1 Local Government
Service Delivery and the
Economic appraisal of the
options:
Response to
PriceWaterhouseCoopers'
Draft Report**

*Endorse Solace & ALGFO
response including
additional comments at
recommendations (1), (2)
and (4)*

BALLYMONEY BOROUGH COUNCIL

**Minutes of Workshop held in the Council Chamber, Riada House, Ballymoney on
Tuesday 17th November 2009 at 10.30 am.**

PRESENT

Aldermen

F Campbell, Mayor
C Cousley, MBE, Deputy Mayor
H Connolly
J Simpson

Councillors

M McCamphill
A Patterson

APOLOGIES:

Councillors

E Robinson

IN ATTENDANCE

Chief Executive
Committee Clerk

REPORT BY CHIEF EXECUTIVE

**1. Local Government Service Delivery and the Economic appraisal of the
options.
Response to PriceWaterhouseCoopers' Draft Report**

The meeting was convened to discuss, endorse or amend the response from Solace to PriceWaterhouseCoopers' draft report relating to Local Government Service Delivery and the Economic appraisal of the options.

The response from Solace was circulated together with a copy of the ALGFO (Association of Local Government Finance Officer (NI), which has been endorsed by Solace in their report.

The Chief Executive responded to members' questions following which:

It was **AGREED:**

that council endorse the recommendations of Solace together with the comments of ALGFO (attached as Appendix 1), including the additional comments by Council relating to recommendations (1), (2) and (4) as set out below:

Recommendation (1)

11 New Councils

Agreed with the additional comment that a lead Council option should be explored, with no single Council being the lead for all collaborative services.

Recommendation (2)

A new generation of local government politicians

Agreed but with the additional comment that the National Association of Councillors (NAC) be afforded a voice in conjunction with NILGA.

Recommendation (4)

Waste Disposal Authority

Agreed to support the exploration of a single waste disposal authority but reinforce the view that existing arrangements, which ensure EU targets a met, are not compromised.

- * **Councillor Patterson and Councillor McCamphill joined the meeting at 10.35 and 10.36 am respectively.**
- * **Alderman Simpson arrived during the discussion at 11.44 am.**

- * **Alderman Connolly left the meeting at 12.50 am.**

The meeting concluded at 1.00 pm.

Appendices Attached

Appendix 1 Solace/ALGFO response to PWC report

SOLACE NORTHERN IRELAND BRANCH
Response to PriceWaterHouseCoopers draft report
Local Government Service Delivery - Economic Appraisal of options for
local government service delivery in its entirety

SOLACE Overview

1. SOLACE Northern Ireland Branch welcomes the opportunity to comment on the PriceWaterhouseCoopers draft report “Local Government Service Delivery - Economic Appraisal of options for local government service delivery in its entirety” commissioned by the Department of the Environment. The transition to 11 new councils with new services transferred from central government and the transformation of these councils by 2015 will involve the most far reaching change faced by local government in Northern Ireland in more than forty years. It is important that this change is founded upon the support of key stakeholders in local government – local citizens, elected representatives, staff and managers.
2. SOLACE Northern Ireland Branch wholeheartedly supports the aspirations for local government set out in the PriceWaterhouseCoopers 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.
3. The analysis set out in the PriceWaterhouseCoopers draft report recommends new councils which are citizen focused, organised to deliver services in line with best practice and seeking to deliver value for money through their internal processes and collaboration with each other. This is a compelling vision and one which SOLACE Northern Ireland Branch fully endorses.
4. We support the PriceWaterhouseCoopers evaluation that a model for local government based on transformation and collaboration will deliver the kind of local government that we wish to see in Northern Ireland. However, the conclusions about costs and savings which underpin the evaluation of option 5 in the PriceWaterHouseCoopers report are largely based on percentage costs and savings derived from English councils’ experience and are not supported by detail in the report. It would be wrong to enter into a major re-organisation and remodelling of public services without a robust appraisal of potential costs and

savings. Funding arrangements and savings targets will be arrived at on the basis of these figures and all concerned need to be satisfied that the high level assumptions about costs and savings drawn from English council experience can be translated into specific actions and savings in Northern Ireland's new councils. This is not the case at present.

5. We are supportive of the Target Operating Model produced by PriceWaterhouseCoopers as a useful tool to help in organising our new councils through the transition period and subsequent development. However, we feel that the model gives only limited recognition to the political and community dimension in shaping services and the organisation of Councils. SOLACE Northern Ireland Branch has agreed a common framework for collaboration in planning the transition to new councils which incorporates these dimensions. That framework is appended to this submission.
6. SOLACE Northern Ireland Branch has previously stressed the importance of ensuring the continuity of service delivery in the transition to the new councils and during the process of transformation. This is not a project where services can start once the new councils are well established or once transformation takes place. Services are being delivered now and must continue to be delivered well throughout the transition and transformation period. We do not believe that the PriceWaterhouseCoopers report reflects adequately the extent and complexity of the change that will be necessary in the transition to new councils and the maintenance of services during that period. The potential disruption to service delivery in the initial transition period when there will be a loss of significant numbers of experienced councillors and managers and when nearly 10,000 staff will be transferred to newly created employers needs to be planned for and managed carefully.
7. We support the new roles proposed for the Northern Ireland Audit Office and the Northern Ireland Ombudsman. We also support the proposals for a new Local Government Association as a member organisation of the 11 new councils. Planning should take place for the new Local Government Association prior to May 2011. However, its role, agreement on its priorities and its funding are matters for the Association's members – the new councils.
8. We recognise the challenge faced in waste management over the coming years and support the preparation of a business case examining the options for a Waste Disposal Agency for Northern Ireland.
9. SOLACE Northern Ireland Branch supports the need for collaboration at regional level to achieve efficiencies and recognises back office support functions are potential areas of collaboration. However, we do not support the proposed model for a Business Services Organisation as presented in the report. We believe that there are more innovative and effective solutions than the creation of a new quango with statutory powers which local government is obliged to fund, the services of which local government is obliged to receive and to which 1000 or more staff will transfer. SOLACE Northern Ireland Branch believes that a more appropriate model would be an enabling organisation created by the councils themselves which would procure the most appropriate model of

collaboration for particular services, be that lead council, centres of excellence, shared service centres or commercial providers.¹

10. SOLACE Northern Ireland Branch is also strongly opposed to the idea, suggested by PriceWaterHouseCoopers, that strategic advice will be provided by the Business Services Organisation to councils. It is important that strategic financial, HR and ICT advice is provided to a council by directly employed staff or by organisations contracted direct by the council.

Comments on Report Conclusions and Recommendations

Overarching conclusion and overarching recommendation

11. SOLACE Northern Ireland Branch supports the overarching conclusion of the report that Option 5 “Transformation with Regional Collaboration” represents the best solution for local government in terms of financial and non financial assessments presented in the report. However, we have already noted our concerns about the unspecified (apart from ICT) and unsupported nature of the costs and savings estimates presented in the report. Both transformation costs and savings are simply presented as percentage figures of gross revenue expenditure and these percentages have been arrived at on the basis of unspecified English Council experience. A robust assessment of costs and savings is required before finalising organisational and funding decisions. We have also already recorded our lack of support for the specific model of Business Service Organisation presented in the report and will comment further at recommendation 3.

Recommendation 1 – 11 New Councils

12. SOLACE Northern Ireland Branch supports the detail of recommendation 1 setting out planning arrangements for the establishment of new councils with the caveats that an appropriate model for collaboration on back office and support services remains to be agreed; the basis for, and impact of, a potential savings target of 7.5% per annum by 2015 has yet to be substantiated or agreed; and agreement between central and local government on costs and funding for transition and transformation programmes are essential prior to undertaking these programmes. The Association of Local Government Finance Officers, Northern Ireland has set out a detailed appraisal of the transition and transformation costs and savings set out in the report. That document is appended to our response. SOLACE Northern Ireland Branch concurs with the issues raised by the Association of Local Government Finance Officers, Northern Ireland.

Recommendation 2 – A new generation of local government politician

13. SOLACE Northern Ireland Branch supports this recommendation.

¹ The PWC report states (p192 para11.16) that it does not make any recommendations about the detailed design of any of the new or changed organisations within the scope of this Economic Appraisal. We do not believe that the recommendations can be read in this way apart from the main body of the report and have therefore commented on the organisational details presented in the report in considering the recommendations.

Recommendation 3 – Business Services Organisation

14. SOLACE Northern Ireland Branch cannot support this recommendation as it is framed. We would wish to see the business case for collaboration in the delivery of services explore a wider range of options than the model of the Business Services Organisation set out in the report. The report describes a model of a statutory business services organisation from which councils would be obliged to receive services and which would be funded initially by top slicing council budgets, possibly with a charging mechanism at a later date. An estimated 1000 council staff dealing with back office functions would be transferred to this organisation together with a small number of central government staff providing a range of functions without sufficient staff to disaggregate to 11 councils. It appears that former local authority staff will remain devolved in the new local authorities, but be employed by the Business Services Organisation. It is anticipated that there will be a 20% reduction in the number of staff engaged in back office services.
15. Collaboration in the delivery of back office services, particularly transaction processing, procurement and other areas where aggregation provides efficiencies, makes sense. However, the organisational model and compulsion to use the services of a statutory Business Services Organisation should be considered carefully. It will be difficult in such a model to ensure best value and innovation. The proposed model also represents a high risk course of action, transferring key support services to a new, untried organisation with no fallback position. Experience of other local government reorganisations shows that support services, especially HR, Finance and ICT, play a key role in securing a smooth transition to new organisations. It may pose significant problems for the transition process if the focus of these services is on establishing a new Business Services Organisation rather than on the core task of establishing the new councils. We believe that it is unrealistic and undesirable to consider implementing a Business Support Organisation by May 2011.
16. The public sector has a poor record in planning for and procuring shared services and IT services. The main failings are unrealistically optimistic timescales, poor service specification, underestimated costs, overestimated savings and poor service delivery. However, the potential benefits from shared services and IT in efficiency, reduced cost and improved service delivery are significant. We believe that the current proposal for a Business Service Organisation runs the risk of missing delivery of these potential benefits.
17. Other models for the delivery of collaborative services, including the possibility of an enabling organisation which can procure services for its members in the most appropriate way, including utilising lead councils, centres of excellence, council owned public sector companies and commercial providers should be considered as part of the business case. We believe that local government should take the lead role in this process and that the project management arrangements should reflect that.

18. SOLACE Northern Ireland Branch is clear in its view that strategic advice to a council for functions such as Finance, HR, and ICT should be provided by directly employed staff or by organisations contracted direct by the council.
19. The rationale for grouping other functions (such as Training, Major Capital Projects, Parking Enforcement, Planning Specialists and Emergency Management) within the Business Services Organisation seems to rest on the difficulty of disaggregating small staff numbers to 11 Councils. There is no business reason why these services should be brigaded together with back office services. Such services could readily be provided on the basis of a lead council or shared services between a number of council rather than be provided by a separate organisation.
20. Whatever model of collaboration is agreed, consideration will need to be given to the possible impact of European Procurement Rules. The nature and scale of some of the services involved, mean that where services are procured by a council (or other contracting body) from another organisation (whether a public or private organisation), then the contracts for these services would normally need to be subject to open advertisement. There are, of course, possible exemptions to such provisions. These would need to be considered very carefully.

Recommendation 4 – Waste Disposal Authority

21. SOLACE Northern Ireland Branch supports consideration of a Waste Disposal Authority for Northern Ireland. We would wish, however, to stress that the business case for such an organisation needs to be considered prior to developing a detailed Target Operating Model. We note that consideration is recommended of an option which includes waste collection and disposal in the remit of the Waste Disposal Authority.

Recommendation 5 – Central Government Departments

22. We note the recommendation for Target Operating Models and cost reductions in central government departments.

Recommendation 6 – Local Government Association

23. SOLACE Northern Ireland Branch supports the view that a new Local Government Association should be a voluntary organisation of the member councils. In these circumstances, it should be for the member councils to agree the role and priorities of the Local Government Association and their funding contributions to the organisation. The Target Operating Model proposed by the PriceWaterhouseCoopers report should reflect this.

Recommendation 7 – Enhanced role for Northern Ireland Audit Office

24. SOLACE Northern Ireland Branch supports the proposed enhanced role for the Northern Ireland Audit Office and the process for developing that role.

Recommendation 8 – New role for Northern Ireland Ombudsman

25. SOLACE Northern Ireland Branch supports the development of a comprehensive Code of Ethics for elected members in local government and supports the role of the Northern Ireland Ombudsman in monitoring that. We are

surprised that there is no role for local government in contributing to the development of the Code of Ethics.

Recommendation 9 – Human Resources Framework

26. SOLACE Northern Ireland Branch supports the conclusion that there is a pressing need for staff in local government and relevant central government departments to be given a clear indication of which will happen to their posts. We support the recommendation for the introduction of a comprehensive human resource framework as soon as possible. We are concerned that while the PriceWaterhouseCoopers report usefully sets out high level frameworks for addressing transition issues, it does not fully capture the amount or complexity of work required in the transition to completely new organisations or the potential loss in performance in that period. With the exception of Belfast City Council, the process of transition is not simply a question of an existing organisation taking on new functions. Creating completely new organisations with new political leadership and new senior management and the extent of potential staffing issues – recruitment, redundancy, consultation, transfer arrangements, gradings, staff relocation, appeals, accommodation issues, implementing and training for new procedures and systems - are likely to see drops in morale and productivity unless they are explicitly addressed. This is not a project where services can be put on hold until the new organisations are fully in place. We see a real need to give specific consideration to service continuity arrangements over the period from January 2011- May 2012, possibly utilising staff who would otherwise retire or be made redundant in May 2011.

Recommendation 10 – Programme of Work

27. SOLACE Northern Ireland Branch supports the recommendation for a programme of work to bring forward the design and implementation of the preferred option for the delivery of local government services and supports the overall programme management arrangements set out in the report. There is a danger in the present arrangements that work for the development of 11 new councils is unnecessarily duplicated. As mentioned at paragraph 5, above, SOLACE Northern Ireland Branch has agreed, for its interests, a common framework for collaboration in planning the transition to the new Councils which is appended to this response. We believe that there is a role for the Regional Transition Committee in ensuring the use of common frameworks and knowledge transfer between local Transition Committees.

28. The design of programme management arrangements reflects conventional practice for managing a large programme of projects and perhaps does not recognise fully the shift of focus to the role of politicians and management of the new councils who will manage the delivery of 90% of the transformation programme. The statutory, albeit temporary, nature of transition committees needs to be reflected in proposed arrangements.

Recommendation 11 – Funding

29. The report contains an extensive discussion of various funding opportunities for local government transition and transformation. However, the report recommendations do not deal directly with the funding of transition, the funding

of transformation or how savings should be dealt with. SOLACE Northern Ireland Branch supports the recommendation for a work package to produce a financial strategy which will detail the costs and funding of transition and transformation, savings targets and how they will be dealt with.

30. SOLACE Northern Ireland Branch wishes to reaffirm the principle that where legislation imposes cost burdens on local authorities, these burdens are provided for in funding by central government. Thus the costs of transition and the costs of community planning would normally be addressed as part of discussions on the grant settlement. The report identifies an option of transformation costs being funded by central government loan funding with repayment coming as a result of transformation savings. This appears to be a useful suggestion, although it does not find its way into the report recommendations. If arrangements such as these are not put in place and local authorities are expected to fund the greatest part of transition and transformation funding, that is likely to result in minimal transformation and to place significant burdens on ratepayers at a time when there will be additional burdens from rate convergence, waste costs and water charges.
31. The report recommends funding for transferring services via grant aid prior to a shift from regional rate to district rate. SOLACE Northern Ireland Branch wishes to stress the need for transparency in costs of service delivery and grant for transferring services. There does not appear to be a standard costs model being used for transferring services.
32. We support the recommendation that plans are produced for the convergence of district rates which takes account of impact of water charges and that transitional arrangements are needed for taxpayers who will see rate increases as a result of convergence.
33. The report recommends that local authorities seek agreement with HM Treasury on the refinancing of legacy debt. This represents good practice in treasury management and is something SOLACE Northern Ireland Branch would wish to support.
34. The report recommends work to examine the creation of a municipal bank utilising balances to facilitate loans to local communities and businesses. There are significant limitations on the services provided by municipal banks, usually making them unattractive to individual customers. The purpose of the recommendation appears to be to “pool” local authority reserves and provide a loans fund for local communities and businesses. We are unclear what benefits this would have over other funding arrangements for this purpose, but are content for this issue to be explored.
35. The report recommends that there should be limits on use of cash reserves, incurring additional debt and capital investment over certain levels in the period up to creation of new councils in May 2011. These are prudent measures and ones which SOLACE Northern Ireland Branch supports.

Recommendation 12 – Equality impact Assessments

36. SOLACE Northern Ireland Branch supports the recommendation that Equality Impact Assessments are prepared for appropriate work packages in the next stage of the programme.

Recommendation 13 – A new culture, a new set of behaviours

37. SOLACE Northern Ireland Branch supports the recommendation for a project to develop a new culture and new behaviours in local government. Delivery of a transformed local government and the realisation of the potential of community planning will demand new skills and new ways of working. There are already many examples of good practice operating in local government in Northern Ireland and elsewhere upon which this change should build.

Conclusion

38. Solace Northern Ireland Branch supports the recommendation for new councils which are citizen focused, organised to deliver high quality services and provide value for money. We recognise that this demands the transformation of the way local government works and collaboration between councils. We believe that the model of a Business Services Organisation as set out in the report as a basis for collaboration is flawed and will not deliver innovation or the service improvement required. Other models of collaboration should be explored.
39. There remains a significant amount of detail to be explored to provide a robust assessment of transition costs and savings, transformation costs and savings and funding arrangements. We believe that this work must be given priority and should involve local government. Costs, savings and funding arrangements need to be ones with which local government can agree and deliver.
40. There is a need to move urgently to implement the proposed human resources framework and to remove as soon as possible staff uncertainty about the future of their posts. We believe that this is critical in the transition to the new Councils and an essential part of ensuring continuity of service delivery over this period of change. We wish to stress again that continuity of service delivery during the period of transition and transformation is something that must be given a high priority and is something that needs to be planned. Continuity of service delivery is essential to the success of the new councils. We believe that there is a need for better engagement between the Department of the Environment and Transition Committees if this transition to a new model of local government is to be made successfully.

End.
V.02/131109/AMcC

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Our Ref. JC/GOK

12 November 2009

Mr Liam Hannaway
Chief Executive
Banbridge District Council
Civic Building
Downshire Road
Banbridge
Co. Down BT32 3JY

Dear Mr Hannaway

Re: PWC Report
Economic Appraisal of Options for Local Government Service Delivery

On behalf of ALGFO I wish to thank you for giving us the opportunity to comment on the SOLACE response to the above report. We would fully concur with the SOLACE response and in addition would make the following comments.

ALGFO welcomes the opportunity that RPA presents to Local Government for the review of service delivery to ensure best value. We would also accept that best value is likely to be best achieved within a realistic timetable through

transformation within the New Councils with regional collaboration where it can be demonstrated that clear benefits and cost savings exist for the New Councils.

Whilst acknowledging that the PWC Report is an attempt to set the strategic direction of travel for transformation of local councils, it is ALGFO's strong view that the assumptions and methods used for estimating the potential costs and benefits for each of the options, need much further examination before the report's key findings and recommendations are approved and should not be used to determine the level of upfront investment required. Nor should the potential savings be set as a target at this stage by Central Government for Local Government to achieve.

I attach a paper setting out ALGFO's queries and concerns that were presented to PWC at a meeting on 10 November 2009. It is ALGFO's view that the estimation of transformation costs and transformation benefits in particular cannot be viewed as anything other than speculative in many cases. Notably, the rationale for the costs and benefits associated with options 3, 4 and particularly 5 must be treated with caution given the reference to very small reference groups (3 councils for option 3, 12 councils for option 4 and option 5). Furthermore the data attributed to the 12 councils, in particular, is actually based on the councils' own **projections** of savings without validation (third paragraph on page 121). There must therefore be a doubt as to whether the use of such data actually constitutes an evidence-based methodology.

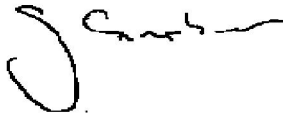
At the aforementioned meeting PWC gave the assurance that the issues raised (many of which were accepted by PWC) would be appropriately addressed at the next stage of the process, which would be the detailed design. It is of concern to ALGFO that such an assessment did not take place before publication of the PWC Report and it is of critical importance that the queries raised are addressed.

In relation to the recommendation in the PWC Report to establish an autonomous Business Services Organisation and a single Waste Disposal Authority, we note that there is no detailed business case to support such a recommendation or sufficient detail to allow an appropriate assessment to be made. It is also important that other models for the delivery of collaborative services at a regional level i.e. Lead Councils, Centres of Excellences, Shared Systems, Shared Processes (incorporating best practice) etc are fully considered at detailed design stage.

PWC confirmed at our meeting that the detailed design stage will examine in much more depth the transformation required post RPA at the individual Council level and the associated costs and savings that could be achieved. It should also identify the areas where regional collaboration would bring additional transformation benefits to the New Councils and demonstrate how achievable savings can be delivered on a business case-by-case basis that would justify the additional transformation costs required.

In order to progress against a very tight timetable for RPA Implementation, it is essential that the attached queries are addressed fully at detailed design as it is only then that negotiations can take place between Local Government and Central Government on an informed basis as to the upfront investment required to implement RPA, how it will be funded and most importantly that the savings target are realistic and achievable.

Yours sincerely

A handwritten signature in black ink, appearing to be 'J. Jones' or similar, written in a cursive style.

Chairman

APPENDIX B

Consultation On Youth Assembly Proposal

Dr Gareth McGrath
Northern Ireland Assembly
Director of Engagement
Parliament Buildings
Belfast
BT4 3XX

xx November 2009

Dear Dr McGrath,

Re: Northern Ireland Youth Assembly

Thank you for the kind invitation to the recent workshop on the proposals for a Northern Ireland Youth Assembly and your subsequent follow-up letter received on 15 October 2009.

As you may know, NILGA, the Northern Ireland Local Government Association, is the representative body for district councils in Northern Ireland. NILGA represents and promotes the interests of local authorities in Northern Ireland, who between them represent 1.7 million citizens and manage local services expenditure of £584m p.a. NILGA is also supported by all the main political parties.

The participation of young people in local decision-making is extremely important for local government, believing that by engaging young people to develop citizenship and become active in the local political process, a healthy democracy will be achieved. In research carried out by NILGA in May 2008, it was found that between 2005 and 2007 over 400,000 young people between the ages of 4 and 25 have participated in council-led initiatives specifically targeted at young people. Furthermore, over £7 million has been employed in councils across Northern Ireland in the provision of specific initiatives targeted at young people (exclusive of capital investment). Local authorities have been extremely creative in engaging young people in the local political processes through initiatives such as Local Democracy Week, Lets Talk/ Question Time, I'm a Councillor, Get Me Out of Here!, Political Speed Dating and the implementation of Youth Forums.

Subsequent to the workshop on 9 October, I endeavoured to gauge local government opinion on your proposals for a Northern Ireland Youth Assembly and outline key issues highlighted by councils for your information:

- Local councils overwhelmingly supported the proposed formation of a Northern Ireland Youth Assembly as a means of enabling young voices to be heard at the highest political level in Northern Ireland. However, local authorities did express

concern that officers/ members from individual councils were not invited to participate in the stakeholder event.

- It is felt that the establishment of the Youth Assembly will create a bridge between young people and the NI Assembly as young people would have access to an increased understanding of how the Assembly works within each of the government departments.
- It is integral to the entire process that young people are treated as equals and given an opportunity to air their views without fear of consequences. They must be listened to and see the benefits of their involvement.
- District councils should be involved from the early stages, so as to develop closer linkages between local government and central government with regards to issues related to youth provisions and services.
- NILGA would also request that a local government representative is included on the proposed advisory board.
- Local government would urge consideration of the excellent work already taking place in a wide range of Youth Forums and Youth Councils across Northern Ireland, particularly in partnership with Education & Library Boards. It may be that the work undertaken in these arenas can complement and augment the work of the Youth Assembly.
- NILGA would bring your attention to forums for young people that a number of councils have also developed such as Belfast City Council Youth Forum, Banbridge Youth Council and Derry City Shadow Council and would suggest that nominations could also usefully be sought from these forums.
- Local government would also advise the utilisation of knowledge and skills from other organisations already engaged with young people, such as the Northern Ireland Commissioner for Children and Young People (NICCY).
- Local government was particularly concerned regarding proposals to nominate young people through schools. It is important in the recruitment stage that all section 75 groups are represented on the proposed Youth Assembly and the recruitment exercise should reflect an appropriate way to reach these groups. It is suggested that consideration should be given to the seeking of nominations by way of public advertisement so that in this way young people who are either not

in formal education or not participating in formal youth activities, will be in a position to become involved in the proposed NI Youth Assembly.

- It will be essential that young people are supported through this process by qualified staff and given the opportunity to develop skills and knowledge that are transferable. Comprehensive training programmes should be provided for those associated with the Youth Assembly.
- It is suggested that training should be provided to assist with engaging 'hard to reach' groups such as LGBT and young people leaving care; development of lobbying skills; and raising awareness of section 75 issues.
- It is further suggested that appropriate support mechanisms should be explored to provide additional support to the younger members of the Youth Assembly.
- With regard to the age range proposed of 13 to 18 years of age, the British Youth Council regards youth as comprising an age range of 25 and under. Given this, the Assembly may wish to consider whether 18 is an appropriate cut off point.
- Local government would assert that young people involved in the Youth Assembly feel that their views are of value and will be acted upon. Therefore it is essential that the deliberations of the Youth Assembly are given due consideration by the Assembly.

Finally, local government would strongly urge the NI Assembly to allow these proposals to be considered through a full public consultation, prior to implementation of proposals.

Yours Sincerely,



Claire Bradley
Policy Assistant