

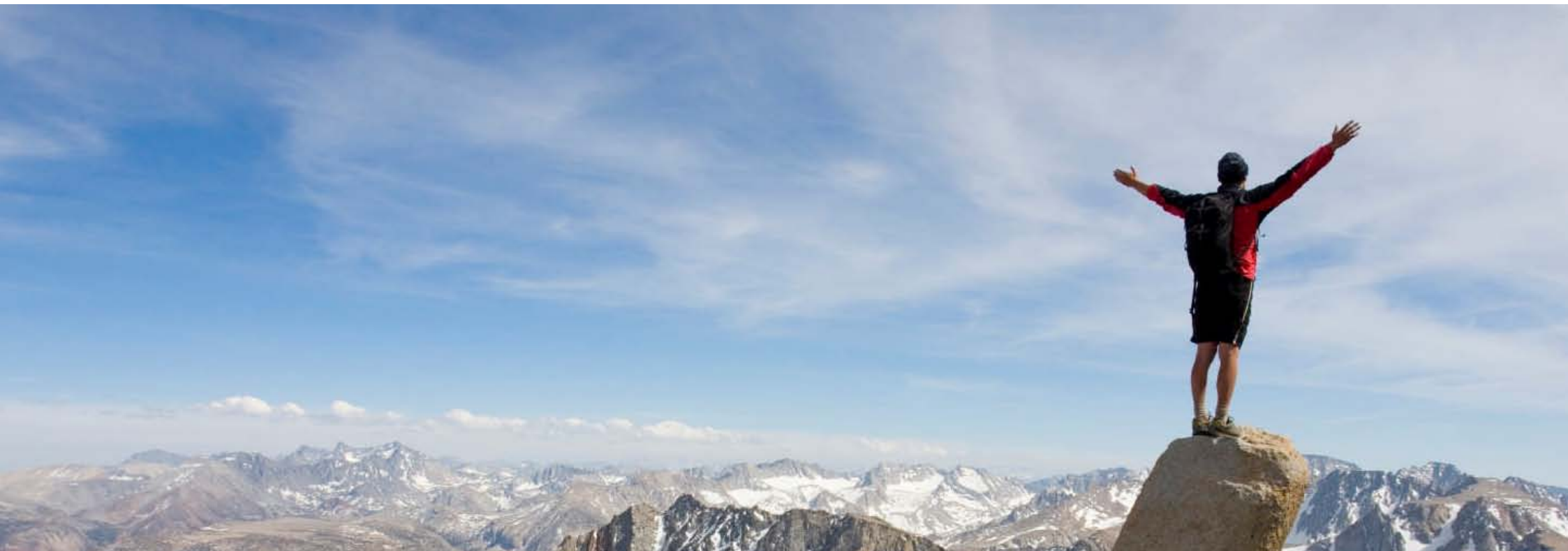
The Future of Local Government in NI

Making the Change

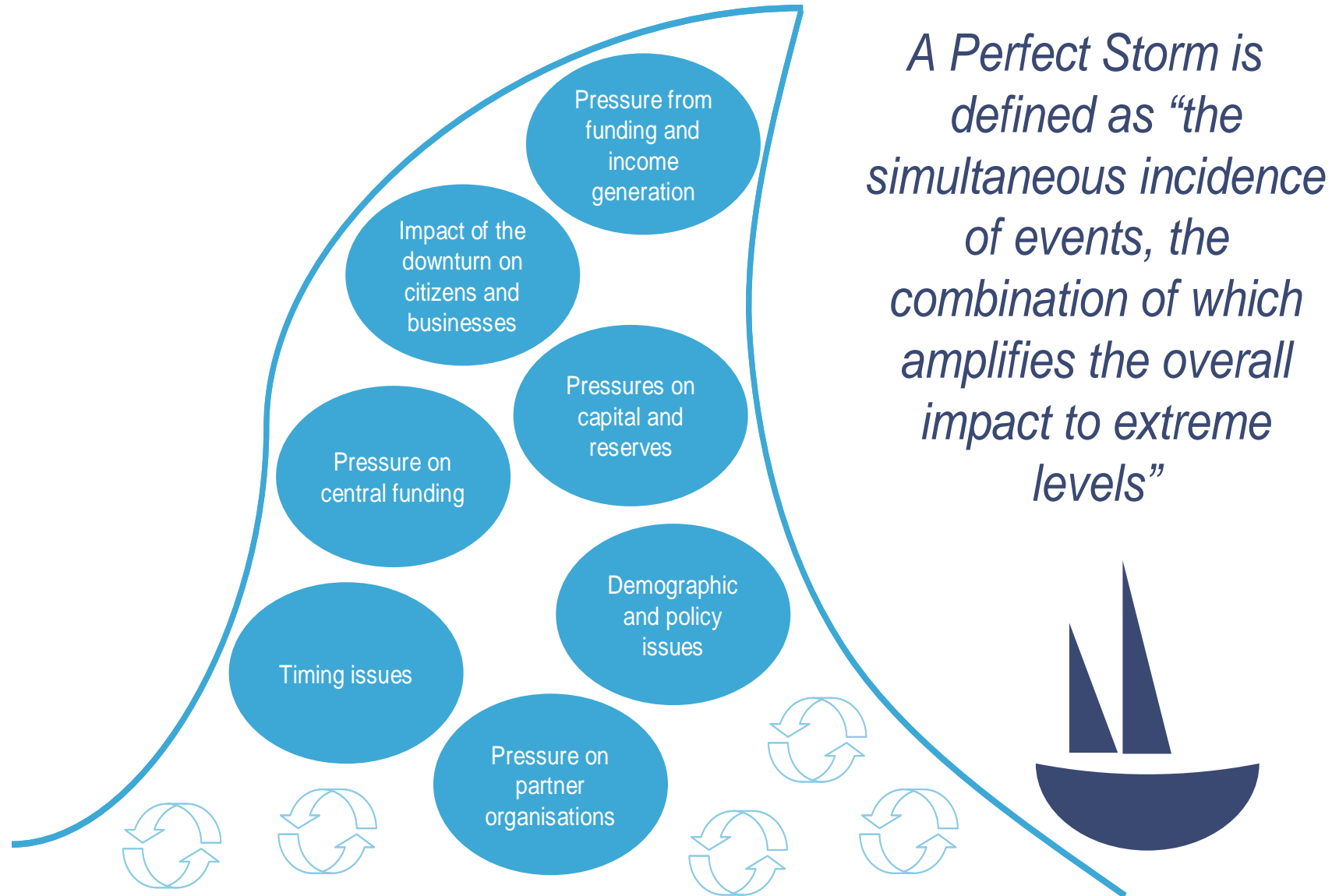
Paul Terrington – Lead Partner, Advisory, NI

SOLACE Conference 10th December 2009

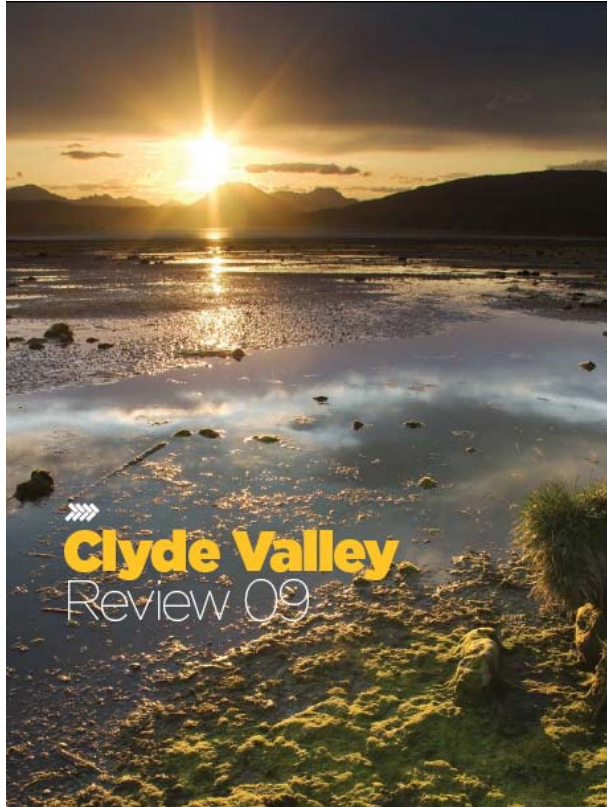
P W C



Public Sector nationally is facing a perfect storm



Local Government in GB is already starting to react



Sir John Arbuthnott's review of the potential of providing shared services through joint working across the Clyde Valley Community Planning Partnership

Key messages include:

1. Councils need to save 15% over next three years
2. Financial pressures compounded by:
 - Demographic changes which place a greater and different demand on their services,
 - An infrastructure that needs investment; and
 - Workforce planning challenges which need flexible, agile and trained staff.
3. The eight Councils cannot deliver this reform alone. They will need the support of the Scottish and UK Governments to deliver this agenda. This will mean being clear about current priorities and what can be afforded, providing legal and other expert support and finding innovative ways to raise funding.
4. Shared services can be delivered by all eight Councils or within smaller groups.

There will be no escape for Northern Ireland

*“... it is very difficult to anticipate exactly what will happen after 2011... there will be reductions in real spending... challenges for Departments...
...[and]... big reductions in capital spending.”*

Sammy Wilson: Ministerial Statement. NI Assembly. 7 Jul 2009

*“... the hands of any government will be tied for the next 4-5 years...
...[and]... obviously there will be quite substantial spending cuts”*

Owen Paterson: Shadow NI Secretary. Briefing 2 Sep 2009

“...the country has run out of money and tough action is required. The ‘real choices’ in British politics were how to protect jobs while getting the public finances under control. Whoever wins the election is going to have to take these choices, anyone who tells you otherwise is frankly lying to you.”

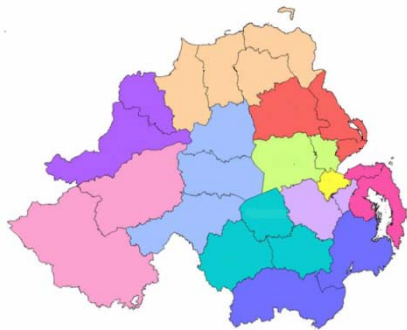
George Osborne, Shadow Chancellor 6 Oct 2009

Local Government in NI has the additional challenge of RPA reform

Can RPA reform of local government provide a new operating model which will deliver better outcomes for citizens, communities and local businesses?



while costing less than the current arrangements



- ✓ 26 councils to 11
- ✓ Transfer of functions from Central Government
- ✓ New responsibilities (e.g. Community Planning)
- ✓ Performance Management Framework

There are “people” implications across the RPA transformation agenda

11 new fully transformed Councils (Recommendation 1)

Design & delivery of new, efficient and effective operating models

Integration of service delivery areas with a focus on outcomes

Focus on citizens, communities and local businesses (Customer First)

New ways of working, partnerships to deliver local frontline services

Loss of experienced / senior staff

New generation of Councillors (Recommendation 2)

New skills and experiences / loss of experience

Induction, training and support

Collaboration (Recommendation 3)

New ways of working

Working with partner councils and other bodies to deliver outcomes

There are “people” implications across the RPA transformation agenda (continued)

Human Resource Framework (Recommendation 9)

Clarity on implications for staff pre-'A' day, 'A' day and post-'A' day

Mapping of staff to new organisations

Programme of Work (Recommendation 10)

Programme working across the sector

Working at regional and local levels

Focus on delivering benefits

A new culture, a new set of behaviours (Recommendation 13)

Collaborative behaviours

Customer Focused behaviours

High Performance behaviours

Innovation-led behaviours

People.... The reason transformation projects fail

- ✘ 75% of change management programmes fail....and 9 of the top 10 reasons for these failures are related to people issues;
- ✘ Indifference of staff is the cause of 68% of service delivery quality issues;
- ✘ 80% of people leave their managers, not their job.

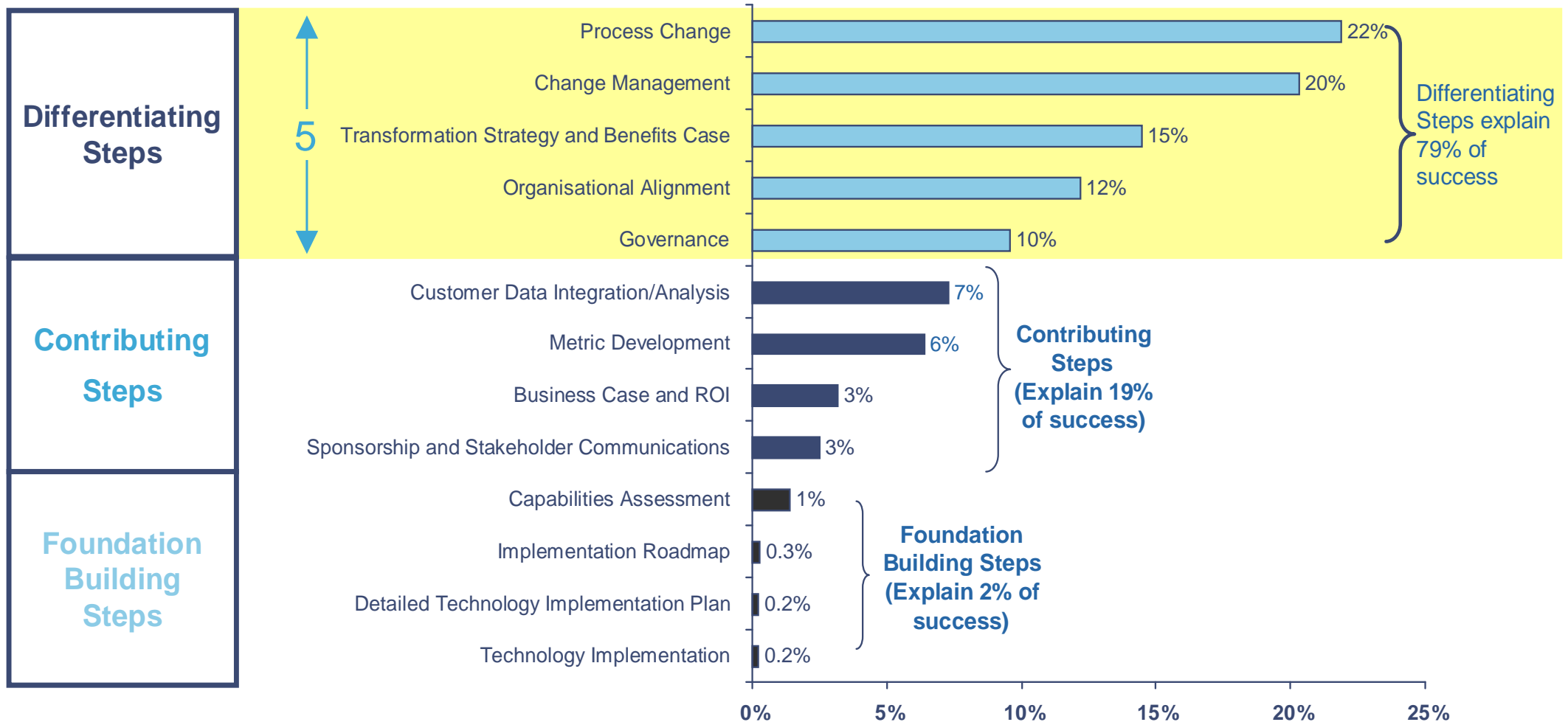
“... when asked what went wrong with their transformation projects, 4% of the managers cited technology problems, 1% said they received bad advice, but 87% pinned the failure of their transformation program on the lack of adequate change management.”

The 11th PwC global CEO Survey states that chief executives considered the following to be the key critical barrier to change:

- *lack of collaboration across functions – 45%;*
- *lack of alignment of performance measures – 33%; and*
- *lack of investment in building new skills, knowledge or mindsets in employees to adjust their behaviour – 32%.*

People.... The reason transformation projects succeed

We believe that **managing people successfully through the change** is one of the key drivers of success that differentiates successful programs.



Local Government Reform – Making the change...

Benefits

Keep business benefits at the heart of change

Challenge data and its interpretation

Agree measures of success and how to monitor them

Focus on the actions which make a difference fast

Involvement

Through involvement build vision and hunger for success

Engage the front-line before during and after

Communicate with a purpose

Sustainability

Give leaders the skills and - the heart - to lead

Make sure systems, processes and culture reinforce the change

...and Making the Change Stick

