



**Local Authority National Partnership Advisory Group**

Issues concerning the Local Authority National Partnership Advisory Group (LANPAG) were raised with the Department of the Environment, Heritage and Local Government (as the Department was named at that time), by the Committee of Public Accounts by way of correspondence dated 13 October 2010. The matter was the subject of discussion at the committee meeting on 28 October 2010 concerning the Appropriation Account for the Department's Vote.

LANPAG had been mentioned in the course of the Committee's meeting of 7 October 2010 concerning Chapter 37 of the 2009 report of the Comptroller and Auditor General addressing the SKILL programme. The link between the two issues was that grant payments were made under the SKILL programme into a SIPTU trade union bank account entitled the "SIPTU National Health and Local Authority Levy Fund Account" and LANPAG had also provided some funding to SIPTU through this bank account. The SKILL programme was not financially supported by LANPAG and the programme did not run in the local government sector.

The previous briefing note, prepared for the Committee regarding the role and funding of LANPAG, is attached for reference.

**Background:**

LANPAG was established in 1999, jointly by local authority management and unions, under the terms of the national partnership agreement – Partnership 2000. Its initial purpose was to support each local authority in devising its approach to workplace partnership. Over the past decade, it has co-ordinated and supported the implementation of partnership programmes and initiatives designed to promote partnership as the preferred mechanism for dispute resolution and implementation of the change and modernisation agenda in all local authorities.

Overall, the local government sector has enjoyed positive industrial relations in the past decade; in the challenging circumstances of the past two years, the sector has shed some 6,912 jobs (c.4,271 contract/temporary and 2,641 core) and reduced its overtime bill by nearly 40% (€120m to €73m) without any major industrial disputes.

Local authorities were early movers in terms of reducing staff numbers and costs with the reductions beginning in 2008 - well before the Public Service (Croke Park) Agreement. LANPAG aided this process through a framework for the implementation of the 3% reduction in the 2009 pay budget. Items such as non filling of vacant posts and overtime were identified nationally for action locally.

Workplace partnership was designed to support change through positive rather than adversarial relationships between management and unions, and required significant capacity building to develop new structures and forms of engagement in the workplace. In the local government sector, leadership and

implementation of the process by local authority management using the mechanism provided by LANPAG coincided with major organisational change, modernisation, innovation and expansion in services and systems, and major technology change.

#### **Funding of LANPAG:**

Between 1999 and 2009 the Department provided €37.7 million to LANPAG for partnership purposes in the local authority sector. More than 50% of the funding went towards the salaries of partnership facilitators and projects pursued by partnership committees in city and county councils.

Annual estimates of required funding for partnership, and funding recommendations in respect of specific projects and initiatives, were generally developed by four nominated Trustees – two Management (a County Manager and a representative from the Local Government Management Services Board) and two Union (one from IMPACT and one from SIPTU) – and presented to the full LANPAG Board for consideration and decision. The annual funding estimates agreed by LANPAG were then submitted to the Department for consideration.

The bulk of the funding has been provided from the Local Government Fund (LGF); while some Exchequer funding was made available for this purpose in the period 2000-03, LANPAG has been exclusively supported by annual allocations from the LGF since 2004. The annual allocations are set out below:

<b>Year</b>	<b>Amount (m)</b>	<b>Year</b>	<b>Amount (m)</b>
1999	€0.9	2005	€ 3.5
2000	€ 3.6	2006	€4.6
2001	€ 3.5	2007	€ 4.8
2002	€ 3.3	2008	€ 4.1
2003	€ 2.9	2009	€ 3.1
2004	€ 3.4	<b>Total:</b>	<b>€37.7</b>

The 2010 LANPAG budget was agreed with the Department and an allocation of €1.05m was made available. However, partnership activity slowed pending the Croke Park Agreement and the 2010 allocation was not drawn down. LANPAG had funds on hands of €2,240,992 at the start of 2010 and it paid out €1,406,562 during the year.

All income of and expenditure by LANPAG was covered in the annual audit of the accounts of the Local Government Management Services Board, by the Local Government Audit Service, as the Board hosted and provided administrative support for LANPAG.

#### **SIPTU funding via LANPAG**

Between 1999 and 2009, LANPAG provided funding of €789,919 to SIPTU on foot of SIPTU invoices for training of SIPTU trade union representatives in areas such as capacity building, interest based bargaining and other areas relevant to the partnership process. The funds were paid by LANPAG into the

SIPTU National Health and Local Authority Levy Fund account. The annual breakdown is as follows:

Year	Amount	Year	Amount
1999	€857.90	2005	€ 91,856.66
2000	€ 358.32	2006	€179,263.67
2001	€ 0	2007	€ 271,563.56
2002	€ 0	2008	€ 181,746.14
2003	€ 15,000	2009	€ 39,272.91
2004	€ 10,000	<b>Total:</b>	<b>€789,919.16</b>

Funds were paid on receipt of a SIPTU invoice for the relevant amount, backed up with relevant invoices/documentation - for example, invoices from third party suppliers. Such invoices typically covered items associated with the holding of workshops, workplace participation, training and development. Supporting third party invoices in relation to, for example, consultants, conference room costs, hotel accommodation, printing and stationery are available for €589,919 in spending.

While LANPAG holds SIPTU invoices for the remaining €200,000, third party supporting invoices were not available. In the circumstances, the Department directed LANPAG to seek reimbursement of this amount from SIPTU and, pending such reimbursement, to take immediate steps to return €200,000 to the Local Government Fund.

#### **Current Financial Position:**

LANPAG refunded €200,000 to the Local Government Fund in March 2011, leaving it with a balance on hands of €643,003 at the beginning of April 2011. The Department agreed a very targeted and much reduced budget with LANPAG for 2011 of €388,500 - with no allocation for SIPTU training initiatives. The funds were specifically aimed at initiatives in the areas of education and training, Health and Safety, and Performance Management and Development. The remaining balance on hands at LANPAG - taking account of mature liabilities of €25,125 - was €229,377 and this amount was refunded to the Local Government Fund in May 2011. In total, LANPAG refunded just under €430,000 to the Local Government Fund in 2011.

#### **SIPTU Report:**

In their report, the Trustees of SIPTU found that Funds totalling €4,493,796 were lodged to the account in question from certain public bodies or their officials by way of refunds under the SKILL Programme, the Health Services National Partnership Programme and the Local Authority National Partnership Advisory Group. At 18 March 2011, there was an unexpended balance of €697,894.

It was agreed that the remaining balance should be refunded to the Exchequer and the Department of Finance requested of SIPTU that this remaining balance be refunded on this basis.

## Local Authority National Partnership Advisory Group

### Role of LANPAG

The Local Authority National Partnership Advisory Group (LANPAG) was established in 1999, jointly by local authority management and unions, under the terms of the national partnership agreement – Partnership 2000. Its initial purpose was to support each local authority in devising its approach to workplace partnership. Over the past decade it has co-ordinated and supported the implementation of partnership programmes and initiatives designed to promote partnership as the preferred mechanism for dispute resolution and implementation of the change and modernisation agenda in all local authorities.

The broad policy context in which LANPAG was established was informed by:

- The Government's desire to "deepen partnership, taking it from the national level to sectoral, community and enterprise level" (Taoiseach's Statement, October 1996), and the subsequent request from the Taoiseach to the Minister for the Environment and Local Government (August 1998) to negotiate a national framework within which partnership structures could be put in place in each local authority;
- The Government policy for modernising local government – *Better Local Government* (1996) – key themes of which included securing greater efficiency and better customer service in local government.

The Local Government Management Services Board (LGMSB, now the Local Government Management Agency or LGMA) acted as the host agency for LANPAG, which comprises representatives of City and County Managers, Trade Unions, the Department of the Environment, Heritage and Local Government and the LGMA. It is jointly chaired by a management and a union representative. Executive and administrative support for LANPAG is provided by, amongst others, a Partnership Officer (Grade VII) in the Human Resources Division of the LGMA; partnership facilitators are supported and Local Partnership Committees and working groups operate in each local authority (City/Co Councils).

Broadly, the role of LANPAG over the past decade has been to co-ordinate, advise and support each local authority in the development of its partnership arrangements. LANPAG has therefore been involved in a wide range of activities including

- Supporting the delivery of training for facilitators, partnership committees, working groups and joint chairs of partnership committees,
- Assessing and funding projects submitted by partnership committees,
- Promoting national projects, notably the Return to Learning initiative,
- Establishing and servicing national networks for partnership facilitators and joint chairs,

- Resourcing the employment of whole-time partnership facilitators in each City/Co Council,
- Developing and implementing multi-year Strategic Plans for the development of partnership in local government,
- Publishing information materials and guidelines for management and staff in local authorities,
- Reviewing the progress of partnership, and intervening when requested to provide external facilitation in cases of serious breakdown,
- Working, as necessary, with Government Departments and other agencies, for example the National Centre for Partnership and Performance, to advance workplace partnership in local government.

Overall, the local government sector has enjoyed good industrial relations in the past decade; in the challenging circumstances of the past two years, the sector has shed just over 5,850 jobs (c.4,036 contract/temporary and 1,814 core) without any major industrial disputes and while maintaining service delivery.

### **Funding**

The Department has provided annual funding for partnership purposes in the local government sector since 1999; the total allocation made to the Local Government Management Services Board (now LGMA) over 1999-2009 was €37.7 million: €36 million was drawn down by LANPAG and €34.6 million has been expended by LANPAG. The bulk of the funding has been provided from the Local Government Fund (LGF): while some Exchequer funding was made available for this purpose in the period 2000-03, LANPAG has been exclusively supported by annual allocations from the LGF since 2004. The annual allocations are set out below:

<b>Year</b>	<b>Amount (m)</b>	<b>Year</b>	<b>Amount (m)</b>
1999	€0.9	2005	€ 3.5
2000	€ 3.6	2006	€4.6
2001	€ 3.5	2007	€ 4.8
2002	€ 3.3	2008	€ 4.1
2003	€ 2.9	2009	€ 3.1
2004	€ 3.4	<b>Total:</b>	<b>€37.7</b>

All income and expenditure by LANPAG has been shown separately in the annual accounts of the LG Management Services Board and has accordingly been covered in the audits in respect of each year since 1999 by the Local Government Audit Service.

Annual estimates of required funding for partnership, and funding recommendations in respect of specific projects and initiatives, were generally developed by four nominated Trustees – two Management (Co Manager,

LGMA) and two Union (IMPACT, SIPTU) – and presented to the full LANPAG Board for consideration and decision. The annual funding estimates agreed by LANPAG were submitted to the Department, and were assessed in the Local Government Division which discussed the details annually with the LANPAG Trustees, prior to making a recommendation for sanction.

The LANPAG accounts confirm that the major portion of the funding provided by the Department was paid by LANPAG to fund the salaries of partnership facilitators in local authorities. There are currently 35 partnership facilitator posts (Grade VII, salary max €57,235), and €18.5 million or 53.4% of funding has been paid in subvention to local authorities in respect of facilitator salaries and operation of partnership committees.

The Partnership Facilitator role is to assist management and unions to develop partnership at individual local authority level, and work effectively together to promote partnership among staff through information transfer, capacity building and training. The initial role of the facilitators was expanded subsequently so that they also played a key role in the implementation of Performance Management and Development (PMDS) in the sector, and in delivery and performance verification under successive national agreements.

Apart from recoupment of the above salary costs, some €9 million in annual funding was used primarily to support projects at national and local levels. Funding decisions were made by the LANPAG Board on the basis of Trustee recommendations. From the outset, LANPAG provided guidance to partnership facilitators in regard to project proposals; the process of project selection, based on written project proposals, was kept under review and guidance was developed to reflect a growing emphasis on strategy and the achievement of defined objectives through project delivery. In 2004, LANPAG developed a policy on “Handling Significant Change through Partnership”, and this included a summary of the issues which were considered to need the support and guidance of LANPAG.

In addition, the Return to Learning Initiative was a key national initiative co-funded by LANPAG with support through the VECs. In the ten-year period to 2009, €4 million was provided by LANPAG. The programme had some 3,400 participants, mainly from outdoor and general operative workers in the local government sector, who received a basic education in numeracy and literacy. A 2005 evaluation, by LANPAG with Polaris Consultants and the National Adult Literacy Agency, indicated that the initiative had a significant impact on the participants’ literacy capabilities, self-worth and work/life skills and had lasting subsidiary benefits for the local authorities arising from the enhanced capacities of their work-force.

Other key national projects supported by the Department through LANPAG included:

- Educational grants – junior and leaving cert grants for general operatives; IPA scholarship places and national FETAC course places;

- Training for different purposes, including Health and Safety in the workplace; Information and Consultation of Employees Act 2006; PMDS, and implementation of Public Private Partnerships;
- Support of national and regional partnership events to facilitate learning through shared experience, including facilitators and joint chairs networks.

A range of local partnership initiatives/projects were also supported, usually on a 50/50 basis with the sponsoring local authority, on the basis of written project proposals approved by LANPAG. These covered, for example, communication skills, equality issues, health and safety, dedicated training in areas such as: report writing, ECDL, career development, customer service and change management.

Over the period 1999-2009 LANPAG undertook, and funded from the annual grant, three international study visits related to partnership in other jurisdictions (USA, Canada, Spain) at a cost of just over €91,000. The 9-10 participants in each case comprised principally local authority officials, union representatives and LGMA/LANPAG representatives. The Department of the Environment, Heritage and Local Government was represented by an official on two of these study visits, and written reports were prepared in each case.

#### **SIPTU funding via LANPAG**

Over the period 1999-2009, funding was allocated by LANPAG to training of SIPTU trade union representatives in areas such as capacity building, interest based bargaining and other areas relevant to the partnership process. Total funding allocated to such training amounts to just under €790,000, and these funds were paid by LANPAG into the SIPTU National Health and Local Authority Levy Fund account. The annual breakdown is as follows:

<b>Year</b>	<b>Amount</b>	<b>Year</b>	<b>Amount</b>
1999	€857.90	2005	€ 91,856.66
2000	€ 358.32	2006	€179,263.67
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Funds were paid on receipt of a SIPTU invoice for the relevant amount backed up with relevant invoices/documentation, for example, invoices from third party suppliers. Such invoices typically covered items associated with the holding of workshops, workplace participation, training and development. Supporting 3<sup>rd</sup> party invoices in relation to, for example, consultants, conference room costs, hotel accommodation, printing and stationery are available for €589,919 in spending. At the Department's request the LGMA

has written to SIPTU seeking copies of invoices not currently made available in respect of €200,000 granted to SIPTU for the purposes of training in relation to the introduction and use of PPPs.

The SKILL programme was not financially supported by LANPAG and the programme did not run in the local government sector.

### **Outcomes**

Workplace partnership was designed to support change through positive rather than adversarial relationships between management and unions, and required significant capacity building to develop new structures and forms of engagement in the workplace. In the local government sector, leadership and implementation of the process by LANPAG coincided with major organisational change, modernisation, innovation and expansion in services and systems and major technology change. The tendency of earlier years to deal only with “soft issues”, noted in an evaluation of local government partnership by Cornell University (School of Industrial and Labour Relations, 2007) was addressed by the policy on “Handling Significant Change through Partnership” (2004). Pilot projects in seven local authorities, (for example, involving DBO versus direct labour, change in refuse collection and street cleaning, reviews of stores and depots) in late 2005 refined the policy which has since been used as the framework in which to address a wide range of significant issues, including non-renewal of contracts; management of vacancies; changes in work organisation; job redesign and new work practices; and cross-service and cross-directorate functioning.

Workplace change and modernisation, achieved within a framework of partnership and with a high measure of IR stability, has included workplace reviews (facilities management; refuse collection; change in water, fire and library services; machinery yard operations); DBO implementation and PPP projects; implementation of service delivery reviews (flexible opening hours, customer service initiatives); outsourcing and contracting out; staff mobility, redeployment and relocation, and performance management.