



Department of the
Environment

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Council Chief Executive

Email: liz.loughran@doeni.gov.uk

Your Ref:

Our Ref:

Date: 30th June 2014

DEPARTMENTAL FUNDING FOR CHANGE MANAGERS / CHANGE MANAGEMENT TEAMS - LETTER OF OFFER FOR PERIOD 2014/15

Dear Chief Executive,

The purpose of this letter is to offer financial support of £500,000 for Change Managers and Change Management functions under the reform programme in 2014/15 to be divided equally across 11 council clusters.

In accordance with this allocation, the Department is prepared to offer clusters an allowance of £45,455 to a nominated lead council on behalf of each council cluster to pay for a Change Manager or to pay for support of change management activities for the period 2014-2015.

If you accept this offer, a legally binding contract shall be created. Accordingly you should read this Letter of Offer carefully before accepting. The conditions attached to this offer are set out below.

1. Financial Assistance

- 1.1. The funding offer is as detailed above and is payable for costs that are wholly, exclusively and necessarily incurred in conducting the duties of the Change Manager and Change Management functions in supporting and ensuring the implementation by clusters of the local government reform programme.
- 1.2. The functions required for both Change Managers and Change Management functions are outlined by way of examples in (Annexes 2 (i) and (ii)).
- 1.3. Precise funding amounts will be based on invoiced costs and financial assistance is payable on production of validated invoices and authentication process as determined by the Department. (Annex 3)

- 1.4. The above offer is the maximum amount payable and will not be increased.
- 1.5. The Department shall only provide financial assistance based on outputs delivered in accordance with the terms of reference for Change Managers and Change Management functions. (Annexes 2 (i) and (ii)).
- 1.6. Financial assistance will only be paid provided that progress reports demonstrate that the outcomes stated in the respective terms of reference (Annexes 2 (i) and (ii)), have been realised.
- 1.7. This offer of financial assistance is not transferable to any other project or organisation.
- 1.8. Definitions of terminology used in this Letter of Offer are given at Annex 1.

2. Claims for Financial Assistance & Payments

- 2.1. Financial assistance will be payable to constituent councils that have:
 - 2.1.1. appointed a Change Manager in order that they may act as an integral support in implementing the local government reform programme;
 - 2.1.2. demonstrated that the money will be used to support appropriate Change Management Functions under the supervision of a Change Management Team which will better support the implementation of the local government reform programme in line with clear business reasons;
 - 2.1.3. provided progress reports to the Department's Programme Office in the required format, ensuring the effective management of this critical period for the Regional Local Government Reform Programme; and
 - 2.1.4. agreed on the lead council and nominated a person in that council for purposes of budget, banking and financial matters.

Councils must provide the Department with written confirmation of all the above information.

- 2.2. In advance of payment in respect of costs arising from change management, the Department must be provided with satisfactory documentary evidence of work undertaken by a Change Manager or for Change Management functions i.e. evidence such as minutes of meetings etc., as outlined in Section 10, below.
- 2.3. Payments in respect of salaries will be paid quarterly in advance. Salaries should be paid, in the first instance, by individual councils/lead council. Claims should be co-ordinated by the lead council and submitted to the Department for reimbursement.
- 2.4. All payment claims should be made on the official forms issued by the Department. No other forms shall be accepted. Specimen copies of these forms are provided at (Annex 3). Claims must be accompanied by supporting original documentation.

- 2.5. The lead council shall provide the Department with further information and clarification in relation to any aspects of the Change Managers or work associated with Change Management functions as the Department may from time to time request.
- 2.6. Payment of funds will be made directly into the lead council's bank account. (see paragraph 12.1).
- 2.7. There shall be no obligation on the Department to make payment in respect of claims, which are received more than 3 months after the end date of the financing period.
- 2.8. The Department accepts no liability in respect of any loss attributable to any delay in the payment of funding or to any suspension, reduction or cancellation of financial assistance.

3. Withholding/Repayment of Financial Assistance

3.1. The Department reserves the right to suspend, defer or withhold or clawback any or all of the payment and/or require the lead council to repay part or all of the financial assistance if:

- the conditions of this offer are not met; or
- any information given to the Department on behalf of the lead council in connection with the application or claim for financial assistance is found to be false or misleading or there has been a failure to disclose any material fact which would have had a bearing on the Department's consideration of the application; or
- there is a substantial or material change in the nature, scale or timing of the project; if the project is used for purposes other than those specified in the application; or
- if the project has in any other way not been implemented in accordance with these conditions of offer.

4. Default

4.1. The following events of default will apply:

- The constituent councils are in breach of any of its obligations under this Letter of Offer and have failed to remedy such breach within 28 days of a written request from the Department to remedy the breach.
- The constituent councils fail to repay to the Department any sum due by it whether under these terms and conditions or otherwise.
- The constituent councils are for any reason no longer able to implement the Project.

- If any other event occurs in relation to the constituent councils that it might be reasonable to expect it to materially and adversely affect their ability to comply with the obligations of this contract.

4.2. Then, in any such event, the Department may suspend or terminate the agreement made between the Department and the lead council in this Letter of Offer and its acceptance. Then the Department shall be entitled to seek repayment from the constituent councils. The amount repayable shall be the total payment of Transition funds (other than those received from another source), or such lesser amount as the Department at its discretion may determine.

5. Changes to the Project

5.1. The funding provided by the Department shall only be used for the purposes of the project as defined in the terms of reference for appointment of Change Managers or support for a Change Management approach approved for financial assistance by the Department under the terms and conditions detailed in the Letter of Offer.

5.2. Any proposed or anticipated changes over the lifetime of the project must be notified in writing at an early stage to the Department. Continuation of financial assistance will be subject to the written approval of the Department and formal amendment to this Letter of Offer.

5.3. Failure to inform the Department of any changes and obtain its approval in writing may result in the termination of the funding and the Department may require the lead council to repay any monies paid.

5.4. Any notification to the Department detailing changes to the project must include:

- The reasons for the change
- Details of the change itself
- An explanation of how the project still meets its objectives
- Reasons why the project still merits funding from the Department

6. Financial Management Systems

6.1. The lead council must demonstrate effective controls and present clear audit trails of all transactions of total expenditure relating to the project.

6.2. The lead council must immediately inform the Department in the event of the identification of any administrative errors in the project funding, acts of fraud and/or any circumstance that has caused or is likely to cause a loss or misuse of funding. The lead council must submit a full and detailed report in writing to the Department.

6.3. The lead council's accounting records must separately record all monies received and expended under this Project.

6.4. The lead council must have documented internal procedures for expenditure and financial control including bank account details, cheque signatories, and expenditure authorisation levels.

7. Insurance

7.1. The lead council shall indemnify and keep indemnified the Department against all actions, proceedings, costs, claims, demands, and liabilities arising out of or resulting from all or any of the activities associated with the Project (see Annex 1).

7.2. The lead council shall maintain such insurances as are necessary to cover all possible liabilities and will ensure that adequate insurance is obtained for any asset purchased and maintained in force during its lifetime. The lead council should ensure it has appropriate employee liability insurance if applicable.

8. Nominated Contact/Officer

8.1. A duly authorised and empowered official of the lead council must accept this offer on behalf of the constituent councils. The lead council's nominated representative shall be known as the Nominated Contact/Officer. The lead council must advise the Department if the Nominated Contact/Officer changes. The Department's written acknowledgement will be forwarded to the lead council.

8.2. The Nominated Contact/Officer shall sign all subsequent communications to the Department, including claims for payment.

8.3. If before the Project has been satisfactorily completed the Nominated Contact/Officer wishes to resign, retire or otherwise disassociate him/herself from the Project, (s)he shall immediately inform the Department and liaise with the Department in relation to the appointment of a new Nominated Contact/Officer. Until that appointment has been approved by the Department (in writing) and the new Nominated Contact/Officer has acknowledged that (s)he is liable and contractually bound to the Department as if (s)he had been named in the original Letter of Offer, the Nominated Contact/Officer at the time of this offer shall remain liable to the Department whether or not (s)he is still actively associated with the Project.

9. Disclosure

9.1. The Department reserves the right to publish details of the project and financial assistance referred to in the Letter of Offer at any time.

10. Inspection & Reporting

- 10.1. The lead council must keep and make available on request records relating to the work of the Change Managers and delivery of the change management functions, to report on progress against targets, as defined in (Annexes 2 (i) and (ii)), and in accordance with any other guidance which may be issued by the Department.
- 10.2. Minutes of the meetings of the relevant Transition Committee and Transition Management Team must be submitted to Local Government Policy Division 2.
- 10.3. The Department/agents of the Department shall have the right to inspect the Project at any time and to require such further information to be supplied as they think fit and to be provided with such documents or items as they shall require.

11. Equality and Neutrality

- 11.1. No aspect of the activity being funded should be party political in intention, use or presentation; or likely to be perceived as discriminatory on grounds of religion, colour, race, gender or disability. Any activities, such as campaigning, by the constituent councils must be in furtherance of, and ancillary to, its main purposes. The Department shall judge as to whether or not any activity of the constituent councils offends against this clause.

12. Bank Account

- 12.1. All Departmental monies for the Project will be lodged in the lead council's bank account. Details of the bank account should be forwarded to the Department. The lead council shall ensure that all Departmental funding relating to the project is identifiable as such.
- 12.2. Any changes to the bank account details must be notified to the Department in a letter signed by the Project Principal. All such changes must be notified to the Department before implementation.

13. Acceptance of Offer of Financial Assistance

- 13.1. Please confirm that both the above Letter of Offer and the terms and conditions contained in it are acceptable (pro-forma attached – Annex 4). The completed letter should be returned to Liz Loughran, Director, Local Government Policy Division 2, Department of the Environment, Level 4 Causeway Exchange, 1-7 Bedford Street, Belfast, BT2 7EG.

Yours sincerely

Liz Loughran
Local Government Policy Division 2
Department of the Environment

CC: Chief Executive Designates

DEPARTMENTAL FUNDING FOR CHANGE MANAGERS / CHANGE MANAGEMENT FUNCTIONS

Definitions of Terminology

Terminology	Meaning
“Letter of Offer”	The letter to which these terms and conditions are attached, setting out the details of the Project for which interim funding is available from the Department.
“Change Manager”	A person appointed to provide integral support to councils for delivering the local government reform programme in their respective cluster.
“Change Management”	Functions undertaken to support the implementation of the Local Government Reform Programme by clusters. Some clusters may prefer using a Change Management approach as an alternative to appointing a Change Manager.
“The Department”	The Department of the Environment (in Northern Ireland).
“Constituent councils”	These are the councils which will come together and will form the new local government districts.
“Lead council”	One of the constituent councils, as agreed between them, to be responsible for finance, record keeping and reporting functions.
“Funding”	Financial assistance paid to the constituent councils for the purpose of Change Managers and change management functions delivering the outputs identified in the Letter of Offer and in the terms of reference for clusters (Annexes 2 and 3).
“The Project”	The project is any activities associated with a Change Manager and/or change management activities.
“Outputs”	The targets defined in the terms of reference for Change Managers and a Change Management approach (Annexes 2 and 3). These form the basis of payments to councils.
“Nominated Contact/Officer”	A representative to be nominated by the lead council for signing this Letter of Offer, subsequent communications with the Department and payment claims.

Annex 2 (i) & (ii)

Annex 2 (i) - EXAMPLES OF CHANGE MANAGER ACTIVITIES

- The main roles of a Change Manager appointed to support the implementation of the Local Government Reform Programme is to provide direction, guidance and support to their Cluster to ensure progress in accordance with the Local Government Reform Programme Implementation Plan.
- The Change Manager will be responsible for providing progress reports to the Department's Programme Management Office demonstrating the progress being made by their respective clusters against the agreed regional and local level tasks critical to the success of the reform programme.
- The Change Manager will act as a conduit between the New Council, Constituent Council, Transition Management Teams and the Department and will also be responsible for ensuring their elected members are properly briefed in regards to Local Government Reform. Change Managers will be expected to develop working relationships and effectively communicate with appropriate stakeholders.
- Change Managers will operate in a flexible manner to successfully manage the operational change process. Change Managers may be required to participate in forums with Department officials and other Change Managers to ensure consistency of approach and sharing of good practice in relation to the Local Government Reform Programme.

(ii) – EXAMPLES OF CHANGE MANAGEMENT FUNCTIONS

- The change management functions performed by councils will relate to the ongoing operational management of transition at the local level. Change Management functions shall be in accordance with the direction of the New Council taking account of the guidance from the Department and the Regional Transition Operational Board.
- In relation to Change Management functions where financial support can be provided would relate to assisting the New Council during the shadow period and Transition Management Team by providing some funding for services surrounding the local implementation programme plan, secretarial activities, administrative functions, consultancy support or communication type events to help the development of the reform programme locally.

NB - The examples of Change Manager activities and Change Management functions are not exhaustive but provide a general framework in relation to what may be considered for the purposes of utilising the funding provided.

DEPARTMENTAL FUNDING FOR LEAD COUNCIL / TRANSITION MANAGEMENT TEAMS

Letter of Acceptance

Dear Ms Loughran,

I accept the terms and conditions of the Department of the Environment's Letter of Offer and its Annexes dated ** June 2014. I confirm that I am duly authorised and empowered to sign this letter of acceptance.

Project Principal

Signature 1	_____	Date	_____
Name †	_____	Position †	_____
Council †	_____		_____
Address †	_____		
County †	_____	Postcode †	_____

(† – Print in block capitals)

Causeway Coast & Glens Shadow Council

To: Shadow Council

Funding for Change Managers/Change Management Activities

Date 24/7/14

For Decision

1.0 Reporting to Council

Linkage to Corporate Plan	
Strategic Priority	Transition and Transformation
Objective	
Lead Officer	David Jackson
Cost: (If applicable)	Offer of £45,455 Financial Support

1.1 Background

As part of the Northern Ireland Executive Funding package for the Reform of Local Government, £500,000 was allocated per annum for two years (2013-2014 / 2014-2015) across the 11 new Councils towards Change Manager/Change Management Costs. This equates to an offer of £45,455 per Council in each Financial Year. A letter (Enclosed) has been received from the Department of the Environment (DoE) offering each new Council the funding for the current Financial Year, setting out within the letter of offer conditions for acceptance. These conditions are the same as those for the previous Financial Year.

1.2 Recommendation

It is recommended that the Causeway Coast and Glens Shadow Council agree to accept the funding of £45,455 towards Change Manager/Change Management costs and authorize the Clerk and Chief Executive to sign the letter of acceptance as required by the DoE.