Corporate Governance for Local Authority members

The Corporate Plan,
Service Delivery Plan,
Constance Hanniffy
I intend to address this issue in the following order.

a) Firstly I will give a definition of Corporate Governance, and I will examine the need for such a structure in Local Authorities.

b) I will refer to the new and improved working structures and responsibilities of Local Authorities and how they are expected to blend to provide an efficient and effective mode of operation.

c) Corporate plan.

d) Service Delivery plan.

e) Monthly Management report.
Definition background and need for corporate governance in local authorities.

What is Corporate Governance?
It is a system of Rules, Practices and Processes by which a company or organisation is directed and controlled, and it balances the interests of stakeholders in a company or organisation.

Why do local Authorities need Corporate Governance?
They deliver services and have large financial budgets, have a broad base of stakeholders and are enshrined with responsibilities though Legislation. Thus Governance is essential, in the past even with a less structured system issues have arisen over the delivery of services e.g. Planning, Public Procurement, and even human resource issues, financial oversight.
Traditionally it was difficult for councillors to police their local authority.
New and improved working structures and responsibilities of local authorities and their contribution to effective and efficient governance.

But with the advent of new responsibilities and the necessity for value for money efficiency and changing work practices the necessity for local authorities to adhere too and embrace business practices have increased over the years.

The role of the elected member in the process of Governance, policy formulation and administration has also changed.

The 2001 Act provided for the elected member a governance structure namely, the C.P.G. for governance and the S.P.C. for Policy formulation. It also brought into the system Corporate Planning, the County Audit committees, the County Development boards and the Community Fora.

All of those structures involved the elected member working alongside community and business interests, setting polices and strategies which eventually would turn into plans and actions to be delivered to the citizen via the County Manager and the council staff.
The Act also brought us ethics in public life and guidelines for members to adhere too. This will be covered at a later date under a different Module.

The 2014 Act built on the existing structures and provided for a more structured Audit Committee, a more comprehensive Corporate plan, and a Service Delivery Plan and the monthly Management report system. It also replaced the County Development boards and the Community Fora., within the Local community development committees (LCDC) and the Public participative networks (PPN). This Act placed the local authority as driver and overseer of Community development and enterprise support and development.

The 2014 act established the National Oversight and Audit Commission whose role is to provide a platform for the independent verification of Local Government, a module later this morning will deal with the workings and role of the Commission and responsibilities for the Local authority in reporting and interaction.
The Corporate Plan.

It is the Central component of the Local Authority business architecture, linking key elements such as policy, organisation, operational activity, governance and performance management. It is the Local Authorities strategic framework for action during lifetime of the council. Section 134 of the Local government act amended by the 2014 Act requires every local authority to prepare a Corporate Plan within 6 months of the date of their A.G.M.in a local election year.

Plan Preparation.
Each Local Authority should decide on the format, style and contents which suits its circumstances ,while at the same time respecting the Legislation in particular section 134 (10) of the 2001 Act which provides for departmental guidelines to help with plan preparation. Example an AGM in mid June Corporate Plan mid Dec ,but the Act under section 134 (4)B allows for the timeframe to be adjusted for the preparation of the Corporate Plan.
Role of the Corporate Plan.

A) A framework of action for the Local Authority.

B) Plays a key role towards the realisation of the vision set out in the action programme for effective local government, i.e. for local government to be the main vehicle of governance and public service at local level, leading economic community and social development and delivering efficient and value for money services.

C) Delivering and representing citizens and communities as effectively and accountable as possible.
Value of the Corporate plan.

Will be determined by the quality and breath of the strategic planning in its preparation, and the effective use of the plan to direct the business of the council through processes such as Annual Service delivery plan.

Planning the ongoing development of performance measurements and management.

Any major change in strategic direction must be reflected in revisions of the Corporate Plan if and when they arise.
Plan Preparation.

Must be prepared on an inclusive basis—involving internal and external stakeholders at Local level, such as CPGs SPCs LCDCs PPNs Regional Assemblies etc.

Plan must have regard to the functions of the Municipal District members in each district and the services and priorities of the Municipal Districts.

Corporate plan must be broadly coherent with the existing regional planning guidelines (now the regional spatial and economic strategies) and also with relevant National policies.
(Plan Preparation continued)

Plans should be prepared for 5 years hence the framework of objectives must be for that period, and should identify a relevant number of strategic objectives that they wish to deliver on during the timeframe of the plan.

Local authorities as per section 134(11) of the Act should put in place reporting arrangements to ensure that progress on plan implementation is monitored.

Section 134(3) of the Act states that the CEO must consult and involve the CPG in plan preparation, it must be a two way process the elected member and the CEO. They must consult with staff and then the internal and external consultation process must follow.
A list of all those consulted in the process and submissions received must be published within the plan, following the consultation process the plan must be finalised by the CPG before submission with a recommendation for adoption to the full council, who as a Reserved function adopt the plan.

A copy of the plan must be submitted to NOAC to facilitate the NOACs role to review the adequacy of the plan prior to its approval.

The Corporate plan also has to be presented to the LCDC in the context of that committees role in relation to the coordination of public services at local level.
Plan Content

• Principal activities of the Local authority.

• Objectives for L.A. over 5 year period and the strategies for achieving those objectives.

• Human resource activities incl training and development for staff and members.

• Statement as to how the Authority proposes to review its performance in respect of each of its objectives and supporting strategies, taking into account need to work towards best practice in service delivery.

The organisational structures of the Local authority incl corporate support and ICT and the changes proposed to promote efficiency of operation—and improved customer service etc.
Key elements to be incorporated into Corporate Plans

- Mission statement.
- Core Values (strategic goals)
- Operating environment
- Strategic objectives and supporting strategies.
- Performance baselines
- Internal Capacity and resources.
- Implementation and monitoring (Annual Report)
- Service level agreement.

The Corporate Plan is in other words a commitment to deliver effectively and efficiently, and ethically within the L.A. area. It is a commitment to be open and accountable in its operations.

You as elected Councillors alongside staff will be empowered to highlight problems and identify weakness in meeting the standards set and as expected by the citizen.
Plan Monitoring.

The progress of the plan will be included in an Annual Progress Report which will be submitted alongside the Draft Budget – it will highlight progress and also the actions required to correct lack of progress. Reporting of progress of corporate plan should be included in the Monthly Management Report.

In relation to the Local enterprise and community plans which will be formulated by the LCDCs, you as a local authority are required to carry a review of the corporate plan in order to take on board the contents of the LECPs (section 134 (8)) of the Act. This intent should be referenced in the Corporate Plan.

Such a review of the Plan must also have regard to any recommendations made by NOAC in respect of the adequacy of the Corporate Plan.
It is recognised that circumstances change over a time span. You must react and respond to change, the Annual Progress report and the monthly Management Report are the vehicles to identify change.

A Focused, Robust, and Comprehensive Review and reporting procedures are necessary for Credibility.
Many Local authorities have produced an annual business plan which acted as the mechanism for implementing corporate plans. Now as per Section 50 of the 2014 Act, L.A. are required to prepare a Annual Service Delivery Plan, which will,

• Identify the services to be provided
• Specify the level of standards which they are expected to deliver.

The service delivery plan must give details of all activities to be undertaken across all key function areas to deliver on the corporate plans objectives. It will also monitor and evaluate to ensure that the objectives for service delivery is achieved.

It will provide a new methodology by which Local Authorities can gauge and be gauged on their own yearly performance.

The local Gov Act 2014 lays down clearly the process
The Process

1. Prepared by the CEO in consultation with the Elected Members.

2. Considered by elected members and adopted by resolution with or without amendments.

3. In amendments members must have regard to the Adopted Budget Section 103(9) of the Act.

4. Service delivery plan cannot be adopted until after the Annual Budget.

5. The adoption of the plan is a reserved function. It is the tool for the elected member to scrutinize the work of the CEO, ensuring that works and undertakings are adhered too.
Plan Contents.

• Statement of services to be delivered or otherwise provided within the financial year that the plan relates.
• Objectives and Priorities for the delivery of each service and strategies for achieving those objectives.
• The Performance Standards intended to be met in the Service delivery.
• How the L.A. proposes to access its performance in respect of service delivery including the identification of the relevant indicators as prescribed by legislation.
• Local Authorities must take account of such policies and objectives in relation to any of its functional programmes as set out.
• Service level agreements.
• The Plan should take account and reflect the principal activities of Municipal District members and where necessary list consultation for that purpose.
Assessment of Plan.

The L.A, must include an assessment of its service delivery for the year in its annual report and it must reference how it achieved or not its performance standards and indicators as specified in Regulations and such indicators as identified by NOAC.

Also remember the Minister of the day may propose Regulations but he may also specify comparison standards between local Authorities.

Thus you must monitor and ensure the service delivery plan meets its targets and delivers on the vision and content of the Corporate plan.

Under section 136(2) as inserted by Section 50 of the Local Government Reform Act the CEO is required to prepare a monthly management report.

Section 2 and subsections 3 and 4 states clearly that on or before the 7th day of each month set by resolution of the council the CEO prepare a report in relation to the performance of his or hers executive functions in the proceeding calendar month.

The report includes implementation of policy and or other matters required by the council in the exercise of its reserved functions and in the provision of council services.

A copy of the Management Report when prepared must be furnished to each elected member.

The minister may prescribe by Regulation in relation to the reports form and content, he may also prescribe that certain elements be reported say on a bimonthly or quarterly basis.
Report content.

- Financial position
- LCDCs activities PPNs and LEOS position and progress
- Tourism enterprise
- Housing (homeless, housing requirements and repairs)
- Library service
- Planning Service
- Environmental services
- Roads lighting
- Fire and emergency and flood Risk.
- Capital projects update
- Water and Waste Water and S.L.A.
- Service Level Agreements.
THE ELECTED MEMBERS POSITION

Question, monitor, evaluate the report and compare it to the service delivery and corporate plans, and ensure that they are been adhered too.

Ensure Budgets are been controlled , in other words are your reserved functions which are your call been implemented and providing an achievable vision for the Authority.
Remember the Corporate Plan, and the Service Delivery Plan are your bible, the Management Report is your vehicle for ensuring that the contents of your bible are been delivered.....never travel without them.
If you are going to do something carelessly it is better to give it up entirely.

ANY QUESTIONS.

THANK YOU CONSTANCE HANNIFFY.