LETTER TO LOCAL GOVERNMENT ASSOCIATIONS IN EUROPE

Dear colleagues

We have developed this Toolkit in our determination to give countries in transition the opportunities to raise their standards of local government to those of the best.

European experience shows us that decentralisation is needed to deliver high quality local public services, and to improve the quality of life for all citizens. It also shows us that decentralisation is always a difficult challenge, for which there is rarely an end in sight. It makes constant demands on both central authorities and local government. It requires demonstrations of competence by local authorities and acts of trust by Ministries.

The national association of local authorities is one of the keys to success in meeting this challenge. It can represent the interests of local government; it can work with central authorities as a strategic partner; it can build the capacities of local authorities; it can tell the story of local government to the wider public. Local government deserves a strong Local Government Association.

The leadership of the Local Government Association makes the difference. Good leadership can generate the understanding, ambition and commitment necessary for delivering modern local government. It can develop the expertise. This Toolkit gives the leadership a tool to build up the capacities of their Local Government Association, to meet the challenge of decentralisation and European integration.

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Toolkit [Introduction] : Towards a modern Local Government Association

This Toolkit on **Local Government Associations** is a partnership initiative between the Council of Europe, the United Nations Development Programme and VNG International (Netherlands).

Valuable material and advice throughout the production of this Toolkit have been provided as follows by :-

VNG International – "Benchmark and Logical Framework for ACB" (Association Capacity Building), "Strategic Planning in a Local Government Association" and the ACB Brochure "Dienstverlening".

Council of Europe – "Capacity Building for Local Government" Toolkit.

United Nations Development Programme – "Toolkit for Localising Millenium Development Goals" and "Joining Forces: Cooperation among Municipalities – A Guide for Practitioners".

The International Union of Local Authorities (IULA) – "The LGA Toolkit".

The Office of the Deputy Prime Minister of the United Kingdom – "An Organisational Development Resource Document for Local Government".

The EU's Common Assessment Framework for public sector organisations.

Other key partners, including The Open Society Institute, SNV (Netherlands), GTZ (Germany), KDZ (Austria), KS (Norway), USAID (Moldova) and The Network of Associations of Local Authorities of SE Europe (NALAS) have also actively participated by providing invaluable advice and expertise.

Special thanks go to Mr John Jackson (Director of Capacity Building International UK) for his leading role in the preparation of this Toolkit.

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HOW TO USE THE TOOLKIT

This Toolkit offers a development programme for LGAs. It will be for you – the leadership of the LGA (the Board, the Executive Director and the Heads of Departments …) – to decide whether or not this Toolkit could be useful for you. You might want to translate it, adapt it as necessary to local circumstances and organise an informal Roundtable among yourselves, perhaps with some key stakeholders, to consider whether and how to take it forward.

If you do decide to use the Toolkit, you may want to invite national or international organisations to support the initiative with facilitation, funding or expertise.

You will be able to put the various tools to good use if you:

(a)   *recognise that your LGA needs to be stronger in response to the challenges of decentralisation and European integration;*

(b)   *are willing to assess their level of performance objectively and learn from both your own experience and that of others;*

(c)   *acknowledge where your LGA needs to be stronger and take action to transform the organisation in a systematic and transparent way.*

> ***In SE Europe, the Network of Associations of Local Authorities (NALAS) might promote the use of this Toolkit among its members and encourage them to work in partnership with each other to share the experience in building their capacities. Stronger LGAs might offer support to others. NALAS might build up its own expertise in LGA capacity-building and offer a 'facilitation' service to its members. Indeed, NALAS might seek support from international organisations for a significant programme across the region.***

Building on Assessment

The effective use of the Toolkit depends on a willingness to undergo either self-assessment or external assessment. Assessment is at the core. This is because, unless the LGA leadership recognise and 'own' the challenge, they are unlikely to do much about it. Experts can offer guidance, but the leadership themselves must show the vision and commitment.

Approach

There are 6 general steps in the recommended approach:

1. *Get the agreement of the Board and possible support from other organisations to undertake the change programme offered by the Toolkit.*

2. *Use the Performance Benchmark in Section 2 to analyse the LGA's capacity and performance and draw up an Assessment.*

3. *Identify the priorities in the Assessment and prepare a draft Action Plan. Some actions may be urgent; some might depend on other actions to be completed first; some might wait for the following year(s).*

4. *Agree the priorities with the Board and use other sections of the Toolkit to take the priorities forward.*

5. *Integrate the priorities into the LGA's Strategic Plan and Financial Strategy.*

6. *Use the Performance Benchmark or the Service Provision Health Check every year to monitor progress;* **make assessment part of the culture**.

Principles

A. Some sections can best be used in an operational manner; for example, the section on strategic planning should be used to make the actual Strategic Plan of the LGA more effective.

B. The LGA should maximise the opportunities for dialogue with internal and external stakeholders; each of them has a stake in a strong LGA; they have valuable perceptions and ideas. The leadership should listen to them.

C. The individual sections can be used on their own. But the section on Organisation Development (OD) suggests that real change will only come with a *'whole-organisation'* approach as different aspects (eg advocacy and communications) reinforce each other. This is why the OD approach is significant and could provide the foundation for the other tools.

Leadership or facilitation

Both leadership and facilitation are necessary if this Toolkit is to be used to maximum effect. What is the difference? The Executive Director has to be able to do either, depending on the circumstances.

LEADERSHIP IS:	*FACILITATION IS:*
▪ *Taking a long term view.*	➜ *Helping people see their own future.*
▪ *Concerned with values and moral purpose.*	➜ *Clarifying different values and creating common purpose.*
▪ *Pointing out the challenge to be faced.*	➜ *Relating the challenge to individuals in their work and attitudes.*
▪ *Articulating vision.*	➜ *Helping people clarify own hopes.*
▪ *Focused on the future, on innovation and change.*	➜ *Helping people make sense of what is new and consider alternatives.*
▪ *Seeking collaboration and commitment.*	➜ *Exploring opinions and commitment; seeking common ground.*
▪ *Giving work back.*	➜ *Helping staff get work done together.*
▪ *Listening to the hard questions.*	➜ *Challenging assumptions.*
▪ *Moving towards conflict and difference.*	➜ *Showing people conflict is normal and resolution can be achieved.*
▪ *Seeking to serve and improve service to others.*	➜ *Focusing staff on practical ways to deliver better services.*

To start using this Toolkit to transform the LGA requires the vision, understanding and commitment that come with leadership. To bring the LGA Board and staff on-side requires facilitation; to deliver change requires leadership again. Perhaps leadership and facilitation are two sides of the same coin. Facilitation is a skill of leadership.

How to start

The Executive Director might bring the Board and senior managers together for an informal half-day session of 'blue skies' thinking. This can be used to think whether the LGA needs to reform in the face of current challenges, what its priorities for reform might be, how it might reform, whether it is ready for reform, whether local authorities would welcome reform and what the obstacles for reform might be.

The following format might be helpful:

Use 'blue skies' thinking to generate proposals for the reform of the LGA. Follow the steps set out below to facilitate the group in developing a plan for the proposals:

STEP	ACTION	KEY QUESTIONS
1. Generate aims	Ask each person to write their aims for reform on a Post-it note, then stick on wall and brainstorm for any others.	What needs doing in this situation? Have we missed any important aims?
2. Sort aims	Ask volunteers to cluster the Post-it notes around the main aims; check the meaning of the clusters with the group.	Have we got all possible objectives? What are the main clusters about?
3. Agree priorities	Ask pairs to agree the top 3-4 priorities among the different aims; compare lists of the group.	What are our key aims? Are we agreed? Would other stakeholders share our priorities?
4. Action plan	Form into sub-groups - one for each aim - and draft action plans.	How will these aims be accomplished? What needs to be done by when...?
5. Mandate actions	For each action plan, ask groups to allocate roles and responsibilities.	Who will do what by when? How will we know when an aim is accomplished? How and when will we review progress?

Typical steps in using facilitated discussion in meeting challenges are:

- *Acknowledge the challenge; get agreement on the problem.*

- *Express differences; get all opinions on the table.*

- *Clarify differences; what are the dimensions of difference?*

- *Establish common ground; what do we agree on?*

- *Negotiate on areas of non-agreement.*

- *Agree and decide.*

This approach of <u>facilitated discussion</u> involves everyone and seeks to bring about agreement. It encourages the leadership to be ambitious and confront challenges rather than avoid them.

You will have realised that using this Toolkit is a serious and long term endeavour. If you use it well, you should see the benefits in a stronger and more effective LGA.

In 2002, EU Ministers responsible for public administration adopted an assessment framework for public organisations, called **The Common Assessment Framework**. It follows a philosophy similar to this Toolkit but at a more advanced level. For example, you will need to have introduced a performance management framework in the LGA.

When you feel your LGA has developed sufficiently, you might want to <u>reassess</u> the LGA's capacity and performance with reference to the European standards in the CAF.
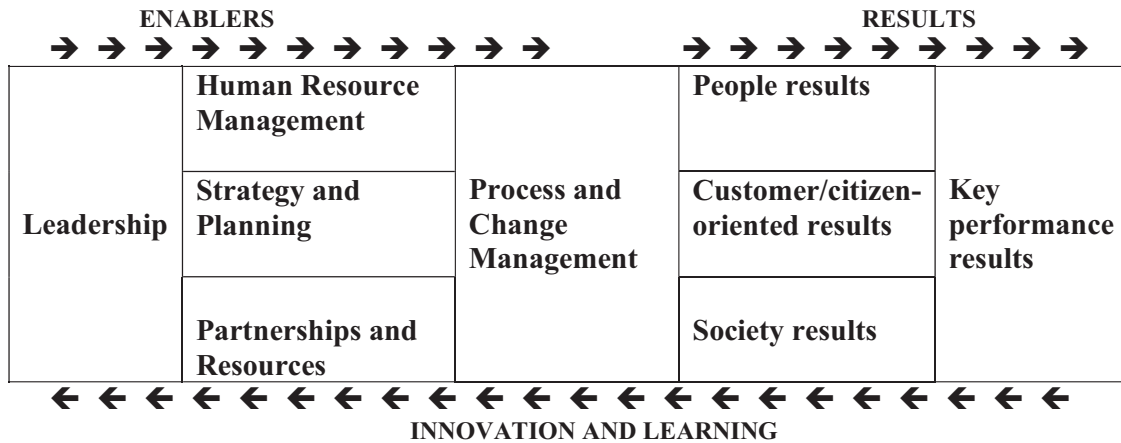

THE COMMON ASSESSMENT FRAMEWORK

The CAF is offered as a tool to assist public sector organisations across Europe to use quality management techniques to improve the performance of their organisation. It provides a relatively simple framework for self-assessment.

The CAF has 4 main purposes:
1. *To capture the unique features of public sector organisations.*
2. *To serve as a tool for public administrators who want to improve the performance of their organisation.*
3. *To act as a 'bridge' across the various models used in quality management.*
4. *To facilitate 'benchmarking' between public sector organisations.*

The structure of the CAF is illustrated below. It sets out the main aspects relevant to analysing an organisation. A list of criteria is provided for each aspect. The criteria identify the main issues that need to be considered when assessing an organisation. This is a powerful framework to initiate a process of continuous improvement.

ENABLERS → → → → → → → → → →   **RESULTS** → → → → → → → → →

Leadership	**Human Resource Management**	**Process and Change Management**	**People results**	**Key performance results**
	Strategy and Planning		**Customer/citizen-oriented results**	
	Partnerships and Resources		**Society results**	

← ←
INNOVATION AND LEARNING

SECTION 1

INTRODUCTION

A. PURPOSE AND CONTENTS OF THE TOOLKIT

B. THE ROLE OF THE LOCAL GOVERNMENT ASSOCIATION

A.   PURPOSE OF THE TOOLKIT

Some years ago, the International Union of Local Authorities (IULA) (now UCLG) published 'The LGA Toolkit'. It explores common issues facing Local Government Associations (LGA) with examples from around the world. It stimulates reflection and provides useful guidance to young LGAs.

This Toolkit from the Council of Europe (CoE) and the United Nations Development Programme (UNDP) complements and builds on the IULA publication. It is particularly addressed to LGAs in transition countries in SE Europe, S Caucasus and Central Asia where decentralisation and the introduction of European standards are on-going challenges. However, LGAs facing transition in other regions may find it useful.

This Toolkit has been prepared in particular for use by LGAs in:		
Albania	*Georgia*	*Romania*
Armenia	*Kosovo*	*Serbia*
Bosnia and Herzegovina	*Moldova*	*"The former Yugoslav*
Bulgaria	*Montenegro*	*Republic of Macedonia"*
Croatia		*Turkey*

Some of these LGAs are new; others have been established for many years. But all of them need to grow into powerful national institutions that champion local government if local democracy is to flourish.

Decentralisation throws up a range of issues. The resources transferred to local authorities may be insufficient for the proper exercise of their delegated competences. Attitudes among some Ministers and central government officials may still be centralised, with a preference to retain power rather than let it go. Some Mayors may not see that one of their core responsibilities is to improve local public services. Local people may show no interest in engaging with their local authority after years of central rule.

LGAs have a particularly important role to play as advocates of decentralisation. Whatever the political will among central authorities to decentralise, local authorities need to demonstrate their effectiveness in order to give confidence to local people and to central authorities that they can manage the responsibilities that decentralisation brings.

To do this well, local government needs a strong LGA to provide a national platform for local government and represent local authorities. The LGA should provide services that strengthen local authorities and build their capacities on a sustainable basis; it should focus donor support on the priorities of local government; it should work with central authorities to deliver better local government.

This Toolkit provides guidance and tools that LGAs can use to assess their current capacity and performance and transform themselves into more effective organisations. They are encouraged to use external facilitators to help them make best use of the tools; they might seek support both from partners and from each other so that they are not alone in facing the challenge of decentralisation (see Annex E).

CONTENTS OF THE TOOLKIT

Section 1: Introduction

A. *The purpose and contents of the Toolkit*

Those involved in the preparation and publication of this Toolkit feel that it is the right publication at the right time. It sets out ideas on how the Toolkit might be used. Is the LGA ready to assess its own capacity and performance objectively? Can it learn from its own experience and from the best practice of others? This Toolkit encourages <u>learning and change</u> in an LGA in response to the challenge of decentralisation.

B. *The role of the Local Government Association*

The LGA plays a key role at the centre of the decentralisation process. What do local authorities want of their LGA? Do they want to strengthen their organisation and performance? Are they willing to pay for it? What does a good LGA look like? Does the LGA have the right ambition? All stakeholders in local government need to develop the vision of a strong LGA. <u>Strength</u> starts from vision and commitment.

Section 2: Analysis in the Local Government Association

A. *The Performance Benchmark of a Local Government Association*

The Toolkit offers a Benchmark that an LGA can use to examine its current capacity and performance and assess its strengths and weaknesses. This will help the Executive Board decide where focused action might best be taken to strengthen the LGA. If an LGA is unwilling or unable to look at itself and to assess its own strengths and weaknesses, then it will not succeed. A <u>self-assessment or external assessment</u> against the Benchmark provides an LGA with the starting point for its own capacity development.

Section 3: Transforming the Local Government Association

A. *Organisation development*

Piece-meal reform is easy but not very effective in transforming an LGA. Each part of an LGA is linked. Efforts to strengthen, for example, strategic planning may be undermined by a weak financial strategy or by inexperienced staff. Sustainable reform needs a <u>total approach</u> to the development of the organisation. Responsibility and drive for reform must come <u>from the leadership</u>. This is the thrust of organisation development.

Section 4: Planning in the Local Government Association

A. The Strategic Plan

Strategic planning is the first step in reform. An LGA needs a <u>vision</u> for where it wants to go and a <u>strategy</u> for getting there. It must be a vision that belongs to all local authorities because they will be asked to provide the core funding. A good Strategic Plan will result in a stronger organisation and will lead to better performance.

B. The Financial Strategy

LGA finances have to be well managed and its programmes funded in line with the Strategic Plan. Core business should be funded from the core budget; other funding can come from grants, paid services, projects and sponsorship. A <u>wide resource base</u> is necessary to maximise income and reduce dependency on donors. This should be set out in a Financial Strategy.

Section 5: The functions of the Local Government Association

A. The Communications Strategy

Local authorities and other stakeholders need to know what the LGA is doing, what its plans are, how well it has done. The LGA needs to listen to and understand the needs and expectations of local authorities and to remain in touch with key stakeholders. It needs to articulate agreed policies and market its services. It needs to be a strong advocate. It needs to work well with the media. There is a clear link between <u>communications and organisational effectiveness</u>. A good Communications Strategy sets out how the LGA will strengthen and manage its internal and external communications.

B. The Advocacy Strategy

A key role of the LGA is to articulate the needs and concerns of local government to central government. It has to <u>communicate and persuade</u>. It has to lobby on behalf of local authorities for new legislation; it has to advocate policies and positions that will best serve the interests of local government. Proposals must be based on robust research. The LGA needs to set out its principles and plans in an Advocacy Strategy.

C. Service Provision

Local authorities need hands-on support from the LGA to make themselves more effective in all aspects of their work. This is their public obligation to decentralisation. Local authorities need help in building up their leadership and strategic management and in delivering public services to higher standards; they need help in learning from best practice, in engaging local communities and in developing partnerships with local public, private and voluntary organisations. The LGA needs to build up a portfolio of <u>capacity-building services</u> that help local authorities deliver better local government.

Section 6: Organisation in the Local Government Association:

What is the best way to structure an LGA to minimise bureaucracy and maximise effectiveness? Broad participation in the LGA by member local authorities and Mayors is a key to its strength. A strong LGA will have a stream-lined committee structure and a Secretariat with experience and expertise. The capacity and style of the LGA leadership will be a key factor in delivering better local government.

Staff are the most important asset of an LGA. They should be the equal of staff in any other organisation. They will be motivated by modern leadership and management rather than by old-fashioned systems of command and control. The LGA leadership should create an environment where staff give of their best and aim for the highest standards.

The strength of an LGA lies in its legitimacy and the authority that comes with expertise. Its legitimacy comes from its ability to reflect the views of Mayors and local authorities across the country, whatever their party affiliation. Without such *legitimacy and authority*, the LGA will not have the credibility it needs with the Government on the one hand and with local authorities on the other.

* * *

This Introduction also brings together some background material that can be used for general reference:

1.   **Annex A** sets out the principles of good governance in a systematic way. This might be shared with every staff and elected representative involved with the LGA to familiarise them with how municipalities should be seeking to carry out their mandate.

2.   **Annex B** provides a checklist of good practice in LGAs in Europe; it can be used to reflect on how well the LGA measures up to these practices.

3.   **Annex C** introduces LOGON, an interactive network focused on EU accession. This may be a priority for LGAs in planning support to municipalities and it is sensible to make best use of European experience.

4.   **Annex D** is a case-study of the LGA in Bulgaria. This is not to say that this is the best model for all LGAs; rather it encourages the sharing of ideas about LGA structures.

5.   **Annex E** is the Template used for recent conferences for Ministers in SE Europe with responsibilities for local government; it sets out the main local government challenges to both Ministries and LGAs in the region and provides the basis for a comprehensive national work programme.

6.   **Annex F** lists things the LGA can do to further EU integration.

7.   **Annex G** introduces the Local Government Information Network (LOGIN).

B.   THE ROLE OF THE LOCAL GOVERNMENT ASSOCIATION

What is good local government?

Local government is first about where responsibility lies. In centralised states, there is no local government as we know it; rather there is central government at local level.

In decentralised systems, local government is to a large extent controlled by representatives who are elected locally and are accountable to local people. Local people have the key responsibility for their own local government.

To exercise that responsibility, local people need to *understand local government* – how it works, what it can do, how it can be influenced. A good local authority will work efficiently, effectively and openly in the interests of local people. It will engage local people and local organisations as *partners* in the delivery of local government.

> *A strong LGA starts with vision and commitment. It starts with people who believe in strong local government and effective local government institutions – people who are determined that their LGA should stand tall among the LGAs of Europe.*

Secondly, local government is about building up the local community, making it a good and secure place to live, work and visit. Local authorities have responsibility for social, economic and environmental development:

➢ *Delivering services that reduce poverty and increase opportunity,*

➢ *Creating an environment for learning, recreation and employment,*

➢ *Improving standards,*

➢ *Protecting natural resources, building infrastructure and ensuring compliance.*

The way a local authority governs a community is known as 'governance'. Good governance must be the goal of every local authority.

How far decentralisation?

The decentralisation of public functions and resources brings government closer to local people. It allows them greater influence on how government is exercised locally.

As newer democracies move away from centralised systems, where should the balance be between centralisation and decentralisation? That partly depends on the circumstances. But it is generally recognised that the greater the degree of decentralisation, the better local government will be able to respond to local needs and expectations.

The European standard is set out in the European Charter of Local Self-Government: local government should manage a <u>substantial part of public affairs under its own responsibility in the interests of local people</u>. In many older democracies, local government may be responsible for 25% or more of total public expenditure.

To reach such levels of decentralisation does not happen all at once. It takes time, and often moves forward in small steps. Central government must be willing to decentralise; they must have the confidence that local authorities can do a good job. Local authorities must demonstrate that they are competent. Local people must want local government.

There is therefore always a tension between the readiness of central government and the demands of local government. Both sides have their own perceptions and priorities. Decentralisation has to be <u>negotiated</u>.

Role of a Local Government Association

An LGA is about developing **'good governance'** throughout the country (see Annex A on the principles of good governance). Its role is to:
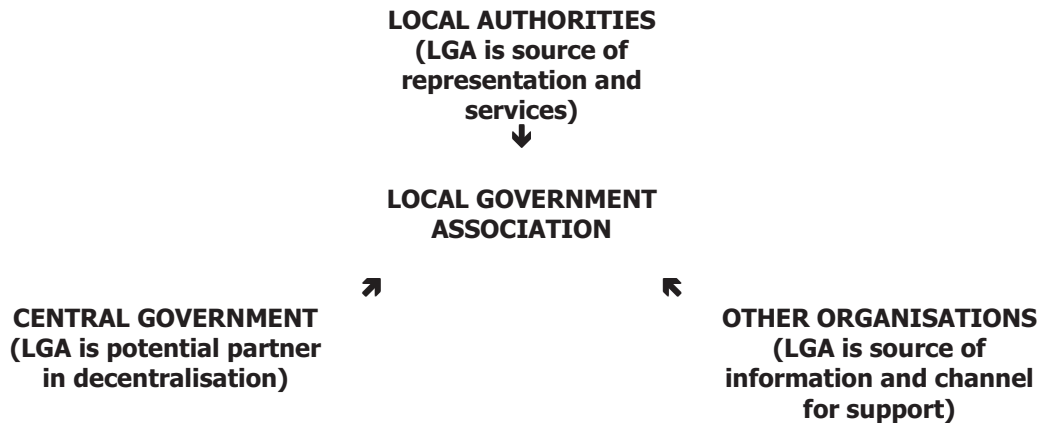
1. ***Articulate local government needs and expectations to the Government.***

2. ***Provide a national platform for local government.***

3. ***Provide services to strengthen local authorities.***

4. ***Negotiate the on-going decentralisation of functions and resources.***

A strong and independent LGA will make a difference. It can promote decentralisation – encouraging central authorities to transfer appropriate competences and resources while at the same time strengthening local authorities so they can take full responsibility for the exercise and control of those competences and resources.

The LGA can also strengthen local government institutions, such as training agencies and information centres, that can can help local authorities develop their expertise, build capacity, and drive up performance towards European standards.

The LGA can actively promote better understanding of the rights, obligations and opportunities of local government among local people and organisations.

The Government should come to see a strong LGA as a **partner** in promoting decentralisation and building up local government. Local authorities will see it as a source of services and representation. National and international organisations will see it as a source of information and a partner in sponsoring programmes.

LOCAL AUTHORITIES
(LGA is source of
representation and
services)
⬇

LOCAL GOVERNMENT
ASSOCIATION

↗   ↖

CENTRAL GOVERNMENT   **OTHER ORGANISATIONS**
(LGA is potential partner   **(LGA is source of**
in decentralisation)   **information and channel**
                                            for support)

The capacity of a Local Government Association

An LGA will need the capacity to carry out these responsibilities to high standards (see Annex B for best practice in LGAs). This will require a modern approach to leadership; how well prepared are the Board, the Executive Director and senior managers for taking on the leadership challenge? How open are they to their own leadership development?

The basis for a strong LGA is its legitimacy and sustainability. This will come from way it represents and supports local government as a whole, from the fees that local authorities are willing to pay and its ability to generate resources. While donor funding may provide temporary or specific support, it is far from sufficient. Local authorities will pay fees if they see the LGA as **their** organisation and if it serves them well.

For that reason, membership of the LGA should not be obligatory; the LGA should have to work to attract and keep its member local authorities. This will make the LGA responsive to what good local government requires.

A strong LGA will have good 'listening' skills. It will understand the concerns of local authorities and their communities; it will know where to find good practice and how to share it more widely; it will have transparent systems that allow the participation of local authorities in developing its policies and priorities from the bottom up. It will be seen as the **champion of local democracy**.

A weak LGA is one which:

- *has limited participation in national policy dialogue;*
- *fails to push for effective administrative and fiscal decentralisation;*
- *fails to give leadership to local authorities;*
- *fails to provide strong advocacy;*
- *shows little capacity to formulate and implement policies to address local needs;*
- *has little communication with the public and stakeholders;*
- *is excessive politicised;*
- *does little to drive improvements in local public services.*

A weak LGA fails to live up to its mandate.

An LGA will not be alone; it is part of the wider international community. It might be a member of an LGA network (eg NALAS). LGAs can learn good practice from each other. They can work together to support decentralisation and European integration (see Annex C for LOGON).

PRINCIPLES OF GOOD GOVERNANCE

NORMS	OBJECTIVES	OPERATIONAL PRINCIPLES
Sustainability	*Balanced social, economic and environmental priorities* *Stakeholder involvement*	*- consult stakeholders on vision and strategy;* *- introduce environmental planning and management;* *- apply the precautionary principle;* *- promote the participation of all citizens in the economic life of the community.*
Decentralisation	*Local autonomy*	*- provide clear frameworks for assigning and delegating responsibilities and commensurate resources to neighbourhood level;* *- establish participatory monitoring systems;* *- make financial transfers predictable and transparent;* *- ensure that administrative, technical and managerial staff are responsive, transparent and accountable.* *- ensure financial equalisation.*
Equity	*Resource allocation* *Empowerment*	*- set out equitable principles for prioritising development and pricing local services;* *- establish investment incentives for targeted sectors and geographical areas;* *- remove unnecessary barriers to secure tenure of land and property and access to finance;* *- ensure fair regulatory frameworks;* *- ensure men and women have equal access to decision-making, resources and services;* *- create rules for freedom of access to information;* *- provide civic education;* *- create legal frameworks for traditional economic and social institutions and for those working in the informal sectors.*
Efficiency	*Management and service delivery* *Efficient investment in infrastructure*	*- use performance management approach with clear objectives, indicators and targets;* *- develop frameworks that encourage trade and minimise costs;* *- popularise service standards and complaints procedures;* *- use transparent contracting and procurement systems;* *- use strategic planning to address needs of all groups;* *- improve the efficiency of revenue collection;* *- develop partnerships with private and voluntary organisations to deliver public services.*

NORMS	OBJECTIVES	OPERATIONAL PRINCIPLES
Transparency and Accountability	*Decision-making processes* *Access to information* *Standards of ethics and professional conduct*	*- engage local people and organisations in planning and budgeting;* *- hold consultations on the budget;* *- establish transparent tendering and procurement procedures;* *- publish independent annual finance and performance audit reports;* *- encourage debate on local issues in the media;* *- promote an ethic of service among officials;* *- create Codes of Conduct for elected representatives and officials;* *- remove incentives for corruption;* *- create public feedback mechanisms (ombudsman, citizen report cards and procedures for petitioning).*
Civic Engagement and Citizenship	*Leadership* *Building a democratic culture* *Empowerment*	*- develop a culture of respect and respect for diversity;* *- promote civic responsibility among local people;* *- make best use of use public hearings, citizens' forums, consultations and surveys;* *- use referendums on important issues requiring choices;* *- use conflict mediation mechanisms where necessary;* *- use law to protect the rights and entitlements of all groups;* *- ensure women's participation;* *- give special support to marginal groups.*
Security	*Disaster preparedness* *Personal safety, crime control and prevention*	*- raise awareness of risk and develop risk management plans for natural and man-made disasters;* *- consult widely on improving security;* *- use policing methods that do not alienate the community;* *- ensure a safe and healthy environment for children;* *- resist all forms of abuse against the person.*

Does your LGA show evidence of best European practice?

BEST PRACTICE IN LOCAL GOVERNMENT ASSOCIATIONS

Institutional
- *Clear vision and demand-driven mandate*
- *Effective strategic planning and business planning*
- *Organisation in line with mandate; committees on priority themes*
- *Good communications policy*
- *Networking with other LGAs; good relations with stakeholders*
- *Capacity to reorganise in light of changing circumstances*
- *Good use of IT in communications with local authorities*
- *Modern Human Resources strategy*
- *Creation of professional associations*
- *Appropriate regional structures*
- *Focus on sustainability and income generation*

Advocacy
- *Strong dialogue with Government, Parliament, NGOs and businesses*
- *Recognition in law*
- *Cooperation agreements with Government*
- *Active participation in national commissions*
- *Proposals for new legislation*
- *Good media strategy*
- *International standing*

Services
- *Capacity-building programmes (eg leadership development)*
- *One-stop-shop Advisory Centre*
- *Training centre; database and network of training organisations and trainers*
- *Database on best practices; organisation of events to share best practices*
- *Access to funding opportunities*
- *Manuals, handbooks and guidelines*
- *Information bulletins, discussion forums*
- *Bulk public procurement*
- *Support for twinning arrangements*
- *Conflict resolution service*

Does your LGA wish to involve local government in the European Union?

LOCAL GOVERNMENT NETWORK (LOGON)

LOGON is an inter-active network for local government about EU accession. It was set up in 1999 and has developed with the experience of those countries that have more recently joined the EU. Local authorities are particularly concerned as they are the focal point of community life where the impact of EC decisions and regulations most affect the citizen.

Objectives:
- *To strengthen local government and provide independent information about the consequences of EU accession.*
- *To provide know-how on reaching EU standards in selected areas.*
- *To exchange experiences on local government issues related to EU accession.*
- *To help local authorities contribute to national dialogue on matters of EU accession where local government will be affected.*
- *To help local authorities transmit the EU way of thinking to citizens and raise their interest.*

Key issues:
- *Environment*
- *Structural policy*
- *Financial and economic policy*
- *Free movement of goods and services*
- *Rights of EU citizenship*

Areas of activity:
1. *Lobbying and communications policy*
2. *Services of General Interest*
3. *Modernisation of public administration*

Methods:
LOGON strengths are its capacity for lobbying, its proximity to Brussels, its capacity to consult with local government in Europe and its capacity for partnership. LOGON uses reports, conferences, working groups and an Internet Competence Centre (portal for local authorities) to achieve its objectives. It cooperates with networks like Eurocities and Login.

Recent topics:
- *Organisation development, training needs and anti-corruption measures*
- *Fiscal decentralisation and financing local government*
- *Municipal services*
- *Public procurement and state aid*
- *Energy and energy-saving*
- *Demographic development, spatial planning and transport*
- *Health and social issues*
- *Acquisition of land, free movement and election rights*

More information on www.ceec-logon.net

Case-study:

NATIONAL ASSOCIATION OF MUNICIPALITIES, REPUBLIC OF BULGARIA

The NAMRB was founded on 11 December 1996 by representatives of 94 municipalities. The Constituent General Assembly elected the first Board of Directors and an Executive Director. The Board determines the structure and composition of staff.

Since 1999 all municipalities are members of NAMRB, which means accepting the Statute and designating representatives. Voluntary participation and equity are basic principles.

The governing body is the General Assembly. It is convened twice a year and each municipality has one vote. The General Assembly elects 19 members to the Board of Directors for 3 years. The Board elects a Chairperson and 2 Deputies. The General Assembly also elects 5 members to the Control Council.

Commissions are set up with elected members to improve legislation and facilitate the exchange of best practice. There are 11 Standing Committees working on:
- interaction between Municipal Councils and their administration
- international cooperation and European integration
- finance, economic activities and transport; small municipalities
- health care; social welfare and employment
- regional development and public works; municipal property
- culture and education; sports, recreation and tourism; women participation

NAMRB has an office, over 30 staff and a network of voluntary experts. Staff work in 3 teams covering presentation and policy, provision of services and administration / finance. Electronic networking is strong. Its powers derive from 10 laws that, for example, enable it to participate in national councils (eg tourism) and other bodies.

On 11 December 2001 NAMRB signed a cooperation agreement with the Government covering decentralisation, EU accession, investment and economic development, and interaction between central and local authorities.

The annual budget is made up of 60% grants, 30% fees and 10% other income. Its activities consist of:
- ➤ representing and defending the common interests of municipalities before the central authorities, including proposing amendments to regulations, advising on the local government budget and as a member of international bodies;
- ➤ proposing improvements to legislation with statements on draft acts, proposals for new acts, conferences and expert meetings;
- ➤ assisting municipalities in exercising their powers through consultancy, expert and technical assistance, training and qualification programmes, conferences, maintaining databases, securing investment and finance, newsletters and other communications tools, disseminating manuals and other publications, best practice exchange;
- ➤ interacting with international organisations, including joint projects, international databases, other Local Government Associations, twinning.

TEMPLATE FOR LOCAL GOVERNMENT REFORM
IN TRANSITION COUNTRIES

CHALLENGES	SPECIFIC OBJECTIVES
Understanding local government *The vision of what local government might be is often unclear to officials and elected representatives at national, regional and local levels, and to local people themselves. A shared vision is hard to find.* *Reforms are not integrated in an agreed overall strategy.*	• Strong local government shall be seen as a key element in the stability and sustainable development of the region and be recognised as such by all state bodies. A national debate on the benefit of decentralised government shall be stimulated. • A comprehensive decentralisation strategy shall be developed, based on a clear definition of the role of local and regional government shared by all stakeholders (government, parliament, local authorities...).

CHALLENGES	SPECIFIC OBJECTIVES
Assignment of competences and resources *Experience shows that most frequent drawbacks in basic legislation are related to the following situations:* <u>*Responsibilities*</u> *Unclear distribution of responsibilities between central, regional and local government.* *Inadequate decentralisation of functions related to policy implementation at local level.* *Undetermined and / or unrealistic scope of local government mandatory functions.* **Resources** *Inadequate assignment of resources by central government to local government (including property, finance, staff) leading to unachievable mandates and poor service delivery.* *Little room for manoeuvre both in raising own revenues at local level and in allocating available resources.* *Imbalances between local authorities in different areas and insufficient equalisation (which create great disparities in development potential and accentuate migration trends).*	<u>Responsibilities</u> • Reduce overlapping responsibilities and vest, whenever possible, the local authorities with exclusive tasks; • Increase decentralisation of responsibilities in the provision of utilities and basic social services at local level; • Fix clear boundaries to mandatory tasks, avoiding long lists of "broad" responsibilities which are assumed to be mandatory as a whole; • Set clear standards in service provision, which shall be consistent with the resources available. <u>Resources</u> • Ensure that all properties needed for the delivery of local services are transferred to local government. • Increase the local government share in public expenditure, consistent with their responsibilities. • Improve the local taxation system, especially land / property taxation which shall become a pillar of this system, and ensure the conditions for its effective enforcement. • Consolidate, whenever possible, earmarked grants, to increase both the room for manoeuvre and the effectiveness in the allocation of resources • Increase the level of equalisation to achieve within a given timeframe a target level [at least 80%].

CHALLENGES	SPECIFIC OBJECTIVES
Implementing legislation *In some countries, important changes in basic laws on local government fall short of implementation or remain ineffective because there is insufficient will at national level and because there are inconsistencies in the legal framework.*	• Conduct an in-depth analysis of the local government legal framework to identify possible internal inconsistencies and point to changes required in basic and sectoral legislation. • Plan legislative reforms in a rational and comprehensive manner and introduce them with timely implementation measures.

CHALLENGES	SPECIFIC OBJECTIVES
Professional structure for elected and appointed officials *The legal status of local elected representatives does not encourage the emergence of a local political elite.* *The legal status of local government staff does not encourage a professional career.*	• Enhance the status of local elected representatives and set out clearly what is expected of them. • Enhance the professional status of local government staff and set out standards for their recruitment, training and promotion.

CHALLENGES	SPECIFIC OBJECTIVES
Relationship between state authorities and local government *Deconcentrated state administration may not support in practice the development of local self-government.* *Excessive administrative supervision by central government may leave insufficient scope for local initiative or for the development of local responsibility / accountability.*	• Reassess and redesign the role and operation of de-concentrated state administration to foster decentralisation. • Ensure that supervisory mechanisms and procedures have a clear rationale and are established by law. • Reduce automatic control of local decisions which do not have a national interest and do not entail sizeable costs.

CHALLENGES	SPECIFIC OBJECTIVES
Institutional dialogue *There is a lack of institutional dialogue between local and central authorities and insufficient recognition by the Government of local government as a partner.* *The National Association of Local Authorities may not have sufficient capacity for effective dialogue with the Government.*	• Facilitate the strengthening of independent national associations of local authorities. • Develop mechanisms of on-going dialogue to ensure full involvement of local government representatives in the reform process.

CHALLENGES	SPECIFIC OBJECTIVES
Transparency and accountability *Standards on transparency, accountability and public ethics are not developed.*	• Set minimum standards for transparency in local authorities and communications with local communities by law. • Establish standards of public ethics at local level and processes for their enforcement. • Establish mechanisms for the participation of local people at critical points in the affairs of local authorities. • Develop national and local audit processes.

CHALLENGES	SPECIFIC OBJECTIVES

Local economic, social and environmental development
 	
Local development affects the quality of life of local people. But local authorities may lack the necessary powers to take the action needed or they may fail to use existing powers. They may not have the vision or the initiative to see what is possible. They may lack specific expertise.
 	
The challenge of local development requires a joint approach by the local authority and other stakeholders. But there may not be the culture of partnership working.
 	
Understanding local development begins with dialogue with local people and organisations about their needs. But communications with the local community may be weak.
	• Encourage local authorities to:
	
	  - Create Local Forums of senior representatives of the public, private and voluntary sectors to consider local development challenges and find shared solutions;
	
	  - Prepare local development policies and strategies, based on local needs analysis, to harness the energies of local stakeholders towards development programmes;
	
	  - Work with neighbouring local authorities and with district / regional authorities to prepare regional development strategies and programmes.
	
	• Introduce provisions and funding mechanisms to enable local authorities to play a stronger role in local development.
	
	• Commission guidance in local economic, social and environmental development for local authorities.
	
	• Encourage best practice programmes and relevant training (eg project design and management) to help local authorities improve their approach to local development and learn from each other.
	
	• Encourage better use of information and communications technology by local authorities to support local development.

CHALLENGES	SPECIFIC OBJECTIVES
Leadership and strategic management *The longer-term vision of the community and of the role of the local authority is usually unclear.* *Local officials and elected representatives are not fully engaged in the core work of their local authority.* *The local authority fails to engage civil society in partnership in the development of the community.* *The local authority fails to communicate effectively internally and externally.* *The local authority fails to use training effectively to improve performance.*	• Offer concrete political support, financial incentives and technical/logistical assistance to: - Assess leadership and strategic management in each local authority against an agreed Benchmark as a platform for an Improvement Programme; - Introduce a requirement that each local authority should draw up a 3-5 year Strategic Plan, and monitor its implementation through annual performance reports against annual plans; - Introduce models and standards for the effective management of the human resources and finance functions in every local authority; - Develop training and communications strategies in each local authority; - Facilitate the development of partnerships between local authorities and with civil society; - Support the development of information and communications technology in each local authority.

CHALLENGES	SPECIFIC OBJECTIVES
Service provision *The quality, quantity and accessibility of service provision vary considerably within and between countries.* *Insufficient use is made of examples of good practice to promote widespread improvements.* *There are few systematic programmes to deliver better performance.* *National associations may not have the capacity themselves to introduce capacity-building programmes for local authorities.*	• Offer concrete political support, financial incentives and technical/logistical assistance to: - Introduce Best Practice Programmes in priority internal and external service areas; - Explore the introduction of innovative approaches to service provision learnt from other countries; - Introduce Fundamental Performance Reviews to identify strengths and weaknesses in particular services as a platform for service improvement; - Introduce Performance Management Programmes for all main services with clear objectives, performance indicators and targets to guide service improvement.

CHALLENGES	SPECIFIC OBJECTIVES

Training
 	
Training is not sufficiently available to all staff and elected representatives.
 	
Training is frequently of low quality, not focusing on priorities and failing to use interesting and interactive methodologies.
 	
Much training investment is wasted by not making best use of existing capacity, by not building on examples of good training practice, by frequent turnover of staff, by lack of co-ordination and cooperation between training providers.
 	
There are insufficient qualified trainers.
 	
Training budgets are often insufficient to achieve impact.
 	
Training is excessively supply-driven rather than demand-led.
	• Offer political, financial and technical/logistical assistance for the development of a National Training Strategy based on a comprehensive Training Needs Analysis in collaboration with all major stakeholders.
	
	• Contribute to the identification or establishment of the appropriate institutional arrangements for delivering the National Training Strategy.
	
	• Play an active role in ensuring that the National Training Strategy is used to:
	  - Develop training priorities;
	  - Develop standardised curricula in core topics;
	  - Make arrangements for course accreditation where appropriate;
	  - Assist training providers in raising their standards and co-ordinating their approach;
	  - Ensure provision of sufficient qualified trainers;
	  - Increase the range of training methodologies in use (eg use of media, best practice etc);
	  - Develop training capacity within each local authority;
	  - Increase national and local resources devoted to training;
	  - Ensure longer-term sustainability in the provision of training.

CHALLENGES	SPECIFIC OBJECTIVES
Understanding of democracy and community participation *A deeper understanding of local democracy and community participation is needed among both local authorities and local people.* *There are insufficient mechanisms for citizen participation and the role of civic society is undervalued.* *A lack of clarity in the legislative framework and the over-regulation of certain procedures do not encourage local authorities to use existing mechanisms of community participation and hinder innovation and experimentation.* *Local democracy and community participation at local level have not sufficient profile within the education programmes.* *Social networks need to be developed.* *The role of women and youth needs to be better recognised and enhanced.* *Communication within multi-ethnic communities is often inadequate.*	• Prepare and disseminate a Guide to Local Democracy, setting out the rights, obligations and opportunities of local and central government and the opportunities for community participation. • Support local and regional forums to develop understanding of democratic participation among local authorities, political parties, NGOs and the media. • Encourage local authorities to establish an active communications policy, tailored to the community's needs and expectations. • Launch, in co-operation with the national association, targeted programmes for local authorities to promote "best practice" on citizen participation. • Support the creation of "learning networks" of local authorities engaged in innovation. • Encourage local authorities to work with civic society to deliver more effective services for local people, and support those that launch initiatives to develop a common longer-term vision of the community. • Promote civic education in schools and universities and through local cultural events to foster participation. • Support training programmes for citizens' groups. • Support the more dynamic NGOs, especially those promoting the participation of women and youth in local politics and decision-making and in developing mutual understanding within multi-ethnic communities.

THE LGA'S ROLE IN FURTHERING EU INTEGRATION

The EU will only survive in the longer term if the citizens of Europe accept it. In this way, local government has a key role to play, as they are the closest level of government to the people.

The LGA can do several things:

➢ Participate in relevant forums, conferences and working parties.

➢ Make statements, hold conferences,and publish articles on the benefits, obligations and risks of EU integration.

➢ Appoint one of its staff members to act as the liaison officer, to develop expertise, to ensure a proper debate and information flow, seek out EU funding opportunities.

➢ Develop links with its country's embassy in Brussels.

➢ Ensure its programme managers understand EU methodology to project development and can prepare good proposals.

➢ Ensure training curricula is relevant to EU integration.

➢ Promote the learning of English and other EU languages.

➢ Begin to introduce EU standards into local government in such areas as public procurement and environmental standards.

➢ Build a link to European umbrella organisations, eg Council of European Municipalities and Regions (CEMR), and make best use of their services.

➢ Develop partnership links with an LGA within the EU.

In particular, cities are seen as important actors as they can influence local development and have the capacity to absorb EU support. The LGA might create a Forum of the larger cities to take forward the agenda for closer European integration.

LOCAL GOVERNMENT INFORMATION NETWORK (LOGIN)

LOGIN is a local government information clearinghouse designed to:

- promote the professional development of local government staff;
- strengthen the capabilities of organisations that support the reform of public administration at the local level;
- facilitate the exchange of information through the Internet as well as by more traditional methods (workshops, publications, conferences and training).

The Internet component of LOGIN is more than a Web site. It is a Web-based, database- driven tool for storing and exchanging information worldwide. Its features allow individuals from different countries and who speak different languages to collect, store, manipulate and exchange information.

The mission of LOGIN is to provide information to decision-makers at the local level through the exchange of knowledge and experience in Central and Eastern Europe and the countries of the former Soviet Union.

Local governments in emerging democracies in Central and Eastern Europe and the former Soviet Union are seeking assistance. With limited budgets, they are working to provide services, promote economic development, communicate effectively with citizens, and operate more efficiently. The autonomy of these local governments largely depends on their ability to find solutions to local problems without seeing increased central government funding as the only option.

To assist these local governments, numerous municipal associations, foundations, and corporations have emerged throughout the region. LOGIN offers them a new way to share information, develop networks and improve their services to municipalities.

LOGIN will provide local government officials with practical solutions to challenges in their daily work. The system is designed with the local government practitioner in mind. However, anyone involved in local government issues will find a wealth of useful information on LOGIN.

LOGIN fosters the exchange of experience and expertise on a wide range of local government issues. Information sources, in the form of case studies, best practices, reports, data, and training materials, come from throughout the region and beyond.

LOGIN also offers a calendar of events (conferences, seminars, training opportunities), updates on national legislation and its impact on local government, a library of research, articles, papers, reports, national and regional news of interest to local authorities, a message board and links to many other relevant sites.

SECTION 2

ANALYSIS OF THE
LOCAL GOVERNMENT ASSOCIATION

A. THE PERFORMANCE BENCHMARK

*This tool draws upon 'Benchmark and Logical Framework for ACB',
a product of VNG International.*

SECTION 2A

THE PERFORMANCE BENCHMARK

AIM OF THE BENCHMARK

To help the Local Government Association assess its performance and strengthen its capacities to support better local government.

CONTENTS

INTRODUCTION

This benchmarking tool provides a practical approach to improving the performance and strengthening the capacity of a Local Government Association through continuous assessment. It incorporates features and practices of successful LGAs and can generate information to assist in prudent decision-making. This should help an LGA:

(i)   strengthen its own governance and internal organisation,

(ii)   introduce good practice in its roles of advocacy, service provision and networking, and

(iii)   develop a culture of transparency and information-sharing.

This Benchmark can provide a picture of where the LGA stands at a given time with the aim of identifying key areas for development.

The LGA will want to be sure that the Benchmark matches its own priorities. They may want to use a Roundtable of representative members of the Board and staff to consider the elements of the Benchmark in detail.

Self-assessment or ... ?

Good managers will use this Benchmark for self-assessment in their areas of responsibility. They will be able to recognise where they are not achieving standards of excellence and why. They can analyse the obstacles and plan action to overcome them. Self-assessment can achieve some results and can begin to develop a culture of continuous assessment. The Benchmark can become a permanent reference point for staff.

However, more is needed. Some managers will not be ready to go public on the need for change. Or their self-assessment may not be robust. Some of the obstacles will be beyond their control. Some of the solutions may need to be inter-connected (eg HR development and capacity-building); others may need authorisation from the top.

... external assessment

An assessment by a small team of trained managers from different parts of the LGA and from outside the organisation will add depth and a degree of objectivity - and therefore robustness and credibility - to the assessment. This may take several days as evidence will need to be collected systematically from a range of sources.

All or some?

Assessment against parts of the Benchmark can always be useful if it is done in line with the LGA's priorities and it is sensibly followed up. But an Assessment against the whole of the Benchmark may be more effective in the longer term. It will not be an easy exercise; it will have to be carefully planned and well organised. But such an Assessment will provide the basis for a serious and comprehensive approach to the development of the LGA.

Whose views?

The individual views of managers about their level of performance will never be sufficient. The collective views of an external team will also not be enough. Such an Assessment should rely on evidence, such as evaluation reports and policy documents. It should also use personal interviews and workshops to seek out the views about current performance and ideas for improvements from staff, service users and NGOs. The Assessment Report will then reflect both the documentary evidence and the views of stakeholders.

From the top?

Because of the inter-connectedness and the strategic dimension, because of the potential for the conflict and difficult decisions that change always brings, it is essential that such a comprehensive Assessment should be led from the top and managed strategically by a representative Steering Group. This will require support from the Executive Director and the Board, and even the General Assembly. Decentralisation and European integration are serious issues that demand a serious approach.

FACTOR 1: STRATEGY DEVELOPMENT

	STAGES OF DEVELOPMENT			
	BASIC	**DEVELOPING**	**PERFORMING**	**EXCELLENT**
1.1 Strategic planning	- Short-term planning done by staff and largely driven by cycle of funding and current crises in local government sector.	- *Ad hoc* departmental work plans developed internally and usually based on previous year's plans.	- Written multi-year strategic plan developed in participatory manner describing what LGA does and is loosely connected to long-term goals and ongoing activities. - Planning based on unrealistic resource expectation and without membership involvement.	- Written elaborate strategic plan developed in participatory manner and demonstrates realistic extension of current activities including vision/mission statements, mid-term and long-term objectives, strategies, programmes and financial plan.
1.2 Strategic monitoring and evaluation systems	- There are no formal evaluation and monitoring systems.	- *Ad hoc* monitoring and evaluation done internally without defined indicators and procedures.	- Monitoring and evaluation is done as internal exercise by staff without involving Board and membership. - Findings are not disseminated and used in future planning and decision-making.	- Strategic reviews, feedback, monitoring and evaluation undertaken periodically with clear and updated qualitative/quantitative indicators taking into consideration inputs from experts, the Board and relevant committees of membership. - Findings of such activities are presented and openly discussed by membership and used for decision-making.

FACTOR 2: GOVERNANCE STRUCTURES			STAGES OF DEVELOPMENT	
	BASIC	DEVELOPING	PERFORMING	EXCELLENT
2.1 Legal status and level of independence	- LGA exists without clear legal status and mandate, and is largely dependent on central government and other organizations.	- Legal status obtained on paper, but in practice LGA is dependent on central government and other organizations.	- Constitution and other legal documents exist, but are not fully implemented. - LGA depends on central government and other organizations for some activities and operations.	- Recognized as an independent membership organization adhering to written constitution. - Autonomous from central government and other organizations through taking independent positions or actions on issues and activities.
2.2 Tasks and responsibilities of Board and staff	- Tasks and responsibilities of the Staff and Board are vague and not agreed upon.	- Confusion on responsibilities between Board and Secretariat, and with minimal involvement of Board.	- Division of tasks and responsibilities between Board and Secretariat is clear, but not fully adhered to.	- Clear definition of Board/Secretariat tasks and responsibilities, giving balance of power: _Board_: decision-making on key policy issues, advisory role, guidance, evaluating, fundraising, providing expertise, supporting, setting policies, monitoring and supervising Executive Director's performance. _Executive Director_: advising Board on decision-making, enabling and informing, proposing policies and actions, supporting policies and direction of Board, leadership and strategic management, implementation of Strategic Plan.
2.3 General Assembly	- meets occasionally, but no constitution and many local authorities do not attend; little influence of LGA direction	- meets annually but arrangements _ad hoc_, some policies and priorities established; ignored by Government.	- meets annually; provides some legitimacy to LGA but little real accountability; rules and procedures set out with 1 or 2 functioning Committees; little external participation.	- clear constitution and streamlined Committee structure; meets annually with good preparation and open debate leading to clear policy positions and priorities for LGA; participation by key stakeholders, including Ministers; holds Executive Board accountable; seen as key event by local authorities.

FACTOR 3: EFFECTIVENESS OF BOARD

	STAGES OF DEVELOPMENT			
	BASIC	**DEVELOPING**	**PERFORMING**	**EXCELLENT**
3.1 Board awareness	- Board members are not aware of ongoing issues and activities; uncertainty about decision-making.	- Board members informed about some activities and issues, but need capacity building.	- Board members have a reasonably good working knowledge of main issues and activities.	- Knowledgeable Board members who are also the public spokespersons.
3.2 Election of Board members	- Board and committee members appointed or co-opted without competitive elections.	- Some Board and committee members elected while others co-opted / nominated.	- Board and committee members are elected but some sections of membership are not adequately represented.	- Board and committee members are proposed and competitively elected by general meeting to reflect members' interests and ensure reasonable inclusion and representation.
3.3 Board meetings	- Board meetings held on *ad hoc* basis, without adequate preparation of agenda, minutes and other documentation; policy is set almost entirely by President or Chief Executive. - Board meetings are a formality; decisions rarely taken.	- Irregular Board meetings that are reasonably prepared, but agenda and decision-making are largely dominated by the Executive Director without much input from Board members.	- Regular Board meetings with poor preparation and no adequate follow-up action on emerging issues. - The President and a few other Board members dominate the proceedings, but there is more open discussion.	- Regular and well prepared Board meetings to monitor management; prompt follow-up on the key issues in accordance with rules and regulations, especially regarding agenda and minutes. - Board meetings discuss real issues fully and openly, and make decisions; each Board member has equal chance to freely express opinion and contribute.

FACTOR 4: LEADERSHIP AND MANAGEMENT

	BASIC	DEVELOPING	STAGES OF DEVELOPMENT	
			PERFORMING	EXCELLENT
4.1 Leadership	- Autocratic approach; no vision; no accountability; no delegation or drive to develop participation.	- Some attempt to look forward and involve local people and organisations but with little effectiveness; staff beginning to develop motivation and sense of direction and belonging.	- Leadership visible and engaging with staff, leading to some delegation and higher levels of motivation; little attempt to engage external stakeholders; communications adequate.	- Leadership visible and accountable; external stakeholders drawn in; partnership with Government to deliver better local government; all parts of LGA working well together; challenges met robustly; good external visibility and reputation; effective delegation throughout the organisation.
4.2 Strategic management	- No longer term planning; decisions inconsistent and taken on *ad hoc* basis; communications poor, with gossip in abundance; staff demotivated leading to high turnover.	- Management team established but with no actual corporate responsibility; micro-management by Executive Director; Strategic Plan prepared but not used; little evaluation of progress; little HR management in evidence.	- Management team making serious contribution to LGA; Strategic Plan being used to give direction; HR management focused on processes rather than performance.	- Strategic Plan seen to direct LGA activity; policies based on good research; wide range of services available to local authorities; good use being made of partner organisations; good internal and external communications; HR management delivering improved performance; active approach to diversifying sources of revenue.
4.3 Operational management	- No attempt to improve quality or accessibility of services; no consultation with users; over- and under-spending common; no attempt to match capacity and expertise to task.	- Some managers using own initiatives to drive up service standards, but little monitoring of results; service users not consulted.	- System and culture encouraging performance improvement; *ad hoc* training available; some user consultation; little attempt to seek out best practice.	- User consultation being used to influence service delivery; performance management systems in place and used to raise standards; staff take pride in work and are keen to develop their expertise through training opportunities; some services seen as best practice.

FACTOR 5: FINANCIAL MANAGEMENT

	BASIC	DEVELOPING	STAGES OF DEVELOPMENT PERFORMING	EXCELLENT
5.1 Revenue from membership fees	- No membership fees collected; most revenue derived either from central government or donor funding.	- Less than 10% of revenue derived from membership fees and is not enough to cover operational and programme costs.	- 50% of local authorities pay membership fees which are mostly used to cover operational costs, while donors fund most of the programmes and activities.	- Over 90% of local authorities pay membership fee that covers both the operations and programmes. - Good balance between LGA self-financed and donor-funded activities / programme
5.2 Other sources of revenue and financial sustainability	- No other sources of self-generated revenue. - No strategy for financial sustainability and independence.	- At least one other source of self-generated income providing minimum of 5% of revenues. - A *d hoc* financial sustainability strategy.	- At least two other sources of self-generated income that together provide minimum of 10% of revenues. - An unwritten Financial Sustainability Strategy in place, but not fully implemented.	- Financial resource base is diverse with good balance of funding with clear analysis of % of total budget funded by members and alternative revenue sources. - Written Financial Sustainability Strategy in place; results taken into account in strategic and operational planning.
5.3 Financial administration and management	- No generally understood financial management procedures, rules and regulations.	- Operates on a rudimentary cash accounting system with incomplete financial records.	- Appropriate set of written financial management, control and accounting procedures, rules and regulations exist, but not strictly adhered to and lack key provisions such as check and balance system of fund management.	- Implements and follows comprehensive set of written policies for administration of funds, covering expenditure authorization and other financial management and accounting procedures. - Evidence of mechanisms ensuring timely liquidity monitoring, management of cash flow, budgeting, financial statements, financing operations, auditing, insurance management taxation, solvency planning.
5.4 Financial management personnel	- Executive Director or other staff perform this function in addition to other responsibilities.	- Staff engaged in financial management have only basic skills.	- Finance and administration staff have good understanding of tasks and responsibilities, but lack professional expertise.	- Financial management and accounting staff have requisite professional skills of financial planning, analysis and comparison of actual accounts against budgets, providing specific management information, analysis of financial performance against quantified objectives/targets.

FACTOR 6: INTERNAL CONTROL AND TRANSPARENCY

		STAGES OF DEVELOPMENT		
	BASIC	**DEVELOPING**	**PERFORMING**	**EXCELLENT**
6.1 Internal control and transparency	- No internal financial control systems in place.	- *Ad hoc* internal control and transparency mechanisms.	- LGA generally follows transparent financial control practices that minimize potential for misuse of misappropriation funds, but not fully institutionalized.	- Exercises internal financial control rules and regulations, ensuring compliance with financial management policies and procedures.
	- No independent financial reviews and financial auditing take place.	- *Ad hoc* internal reviews and audits take place, but only for isolated activities, programmes and projects depending on requirements of funding organizations.	- Independent financial reviews and audits take place regularly, but there is no open discussion on how to improve performance. - Results of such activities are not presented to wider membership.	- Independent reviews and audits take place regularly, including discussion on performance control and improvement. - Results of such actions are presented to the members for discussion at the appropriate meetings.

FACTOR 7: SERVICE DELIVERY				
			STAGES OF DEVELOPMENT	
	BASIC	DEVELOPING	PERFORMING	EXCELLENT
7.1 Quality of services	No services for membership.	Only a few services offered to members, but not in line with objectives and goals of LGA.	A number of services targeted for a select number of local governments, but not properly co-ordinated and are largely donor dependent.	- LGA offers and delivers high quality innovative services to membership (both individually and collectively) in the major local government fields. - Quality, affordable and self-financing services offered in line with the diverse membership needs and demands.
7.2 Service satisfaction	- No efforts to carry out membership service satisfaction surveys.	- Membership service satisfaction surveys administered usually at the general meeting.	- Membership service satisfaction done regularly, but without follow-up action for most issues.	- LGA regularly undertakes membership service satisfaction surveys, whose results are factored into future service delivery planning.
7.3 Innovative best practices	- No exchange of key lessons from innovative best practices in service delivery.	- Little effort made to document the innovative practices in service delivery.	- Innovative service delivery best practices and major lessons presented, shared and exchanged only during the general meeting and are not properly documented.	- Innovative best practices and major lessons in service delivery are documented, widely shared, exchanged and replicated to other service areas.
7.4 Performance management	- No management of performance.	- Some performance indicators but not used systematically to improve services; interest depends on individual managers rather than corporate management.	- Performance indicators established for key services; some corporate interest but system bureaucratic and seen as paper exercise rather than real management tool.	- System of performance management in operation providing key information for staff and elected representatives; PI data used to improve services within streamlined system.

FACTOR 8: CAPACITY BUILDING

	BASIC	DEVELOPING	STAGES OF DEVELOPMENT PERFORMING	EXCELLENT
8.1 Capacity building	- No capacity building activities.	- LGA conducts a few sporadic seminars for select group of local governments and staff.	- *Ad hoc* capacity building activities, not properly co-ordinated and dependent on donor funding.	- Regular capacity building activities targeting the various cadres of staff and categories of local authorities, based on self-financing and cost-sharing.
	- Little or no serious consideration made regarding content of capacity building programmes.	- Content of capacity building reflects interests of government and funding agencies, not actual needs of local governments and staff.	- Content of capacity building is appropriate for local authorities, but skewed in favour of certain groups of local authorities or personnel. - No marked improvement in staff job skills after training	- Capacity building content is relevant and tailor-made on the basis of various cadres of local authorities personnel and local governments. - Evidence of marked improvement in skills and performance for targeted personnel after training.
	- LGA has no role in developing capacity building programmes for local authorities.	- Passive role for LGA; capacity building programmes largely dominated by central government or donors; no co-ordination.	- LGA plays role in design and development of capacity building programmes, but on invitation by government and funding agencies.	- LGA recognized and plays leading co-ordinating role with government and other stakeholders to develop and implement capacity building policy for training local government staff.
	- Little or no effort to carry out Training Needs Assessments (TNAs).	- Training Needs Assessments (TNAs) done on *ad hoc* basis for specific capacity building activities.	- Training Needs Assessments (TNAs) selectively carried out only for some categories of local governments and staff.	- Regular assessments of demand and satisfaction with capacity building through comprehensive Training Needs Assessments (TNAs), identify relevant training opportunities to recommend to members and provide actual training.
	- No plan for future capacity building activities.	- Some capacity building exists, targeting few local authorities and dependent on donor funding.	- Plans for future capacity building activities exist, but not based on evaluation of ongoing programmes.	- LGA has prepared a comprehensive and long-term proactive plan for future capacity building activities based on feedback and evaluations of ongoing activities.

FACTOR 9: LOBBYING AND ADVOCACY (1)

	BASIC	DEVELOPING	STAGES OF DEVELOPMENT	
			PERFORMING	EXCELLENT
9.1 Strategy	- No strategy for lobbying and advocacy; members articulate incoherent positions on issues.	- A little lobbying and advocacy without proper strategy.	- Some lobbying and advocacy undertaken based on written strategy, but resources required for implementation are lacking.	- Appropriate written lobbying and advocacy strategy being implemented with skills and resources.
9.2 Resources and capacity	- Lacks capacity for undertaking lobbying and advocacy. - No designated spokesperson.	- Staff and Board have very limited capacity (time, networks and expertise) to develop and undertake lobbying and advocacy activities. - Confusion over role of spokesperson; all Board speak for LGA.	- Staff and Board have knowledge of basic lobbying and advocacy skills on issues in local government. - Inadequate time and resources. - There is a clearly designated spokesperson but he/she is not independent.	- Strong policy research capacity in terms of staff expertise and Board awareness and commensurate resources. - There is clearly designated independent and daring spokesperson.
9.3 Type and character of issues	- Selection of issues narrowly focuses on legal positions of officials or councillors and not broadly on local government issues. - Lobbying and advocacy based on hearsay with some questions by few mayors or officials to government institutions when opportunity arises.	- Broader focus on problems of local government. - Some lobbying and advocacy positions are written while others are unwritten.	- Issues addressed in *ad hoc* manner without prioritization and informed analysis of key pressing issues of importance to local government and with minimal involvement of membership.	- LGA has ability to anticipate, prioritize, thoroughly analyze and set agenda or pace on key policy and legislative issues affecting local government through informed policy research and analysis with active membership involvement. - Policy analyses on legal, political, financial, economic, social and technical implications of main issues are critically thought out and thoroughly conducted.

FACTOR 9: LOBBYING AND ADVOCACY (2)				
			STAGES OF DEVELOPMENT	
	BASIC	DEVELOPING	PERFORMING	EXCELLENT
9.4 Quality of positions taken	- Positions developed based on superficial mouth-piece talking or sloganeering to reiterate government or opposition position, opinion and ideology without independence.	- Positions developed and presented on *ad hoc* basis without adequate policy research. - Positions developed with emphasis on asking questions without offering appropriate and viable alternatives.	- Lobbying and advocacy is largely reactive through passive participation in task force meetings and commenting on ready-made legislative and policy documents without having impact on their initiation and outcome.	- Key lobbying and advocacy positions are presented in credible, coherent, defendable and persuasive manner, using empirical information and providing viable alternatives, suggestions and concrete solutions for improvement.
9.5 Interaction with member local authorities	- No interaction or involvement of membership in development of lobbying and advocacy positions.	- Little or inconsistent involvement of only few members in lobbying and advocacy activities. - LGA perceived as platform for mayors from bigger and urban cities/municipalities with minimal participation of officers.	- Lobbying and advocacy takes place but is not properly co-ordinated. - There is no efficient communication system to alert members when advocacy help is required.	- Issue and policy formulation for lobbying and advocacy are done in participatory manner. - Inputs from members solicited and incorporated at various stages with regular updates on progress and results.
9.6 Interaction with Government	- No communications with Government; relationship is one of conflict. - LGA seen as unimportant.	- Might meet with local government Ministry occasionally but no formal agenda; LGA seen as always begging for something.	- Meets once or twice a year with central authorities with specific agenda; some consultation on draft legislation.	- Meets every 2 months with central authorities with agreed agenda and follow up of issues; underpinned by Cooperation Agreement. - Appropriate participation in each other's strictures (eg General Assembly, Decentralisation Commission); seen as partners in developing better local government; early systematic consultation on proposed policy and legislation.

FACTOR 10: OUTREACH AND COMMUNICATIONS

| | BASIC | DEVELOPING | STAGES OF DEVELOPMENT | |
			PERFORMING	EXCELLENT
10.1 Strategy for Communication	- Little or no communication strategy; ineffective internal and external communication flow.	- Some thinking about several choices on communication and outreach activities, but on ad hoc basis.	- Unwritten communication strategy with inadequate resources and capacity for communication function.	- Written communication strategy identifying information required by membership; specifies how information will be sourced and processed prior to dissemination; outlines best methods of disseminating different categories of information.
10.2 Choice of mechanism	- No mechanisms for effective information dissemination and communication.	- Basic forms of communication used, but on ad hoc basis e.g. occasional newsletters.	- Variety of communication mechanisms e.g. press releases /conferences, postal mail etc, but is still under resource pressure.	- Clear communication mechanisms with adequate resources (expertise and financial) and co-ordination.
10.3 Type and character of information disseminated	- Little or no information disseminated to membership.	- Indiscriminate circulation of all types of information to members that are sometimes irrelevant. - Useful information at head office is neither organized nor circulated.	- Clear distinctions and choices are made on which information should be used and its relevance to needs of various membership categories. - Some information is partially organized and available upon request to membership.	- Clear definition of communication profiles from which membership can have options for selecting the relevant information profiles. - Vital information, including innovative 'best practices' is systematically organized in database and exchanged with membership through workshops, publications, webpage and other channels.
10.4 Direct contact with membership	- Little or no direct contacts with membership.	- Some members aware of role of LGA, but its activities remain blurred to others due to lack of regular contacts.	- Infrequent consultative meetings with membership apart from general meetings; hence its activities and role are not widely known.	- Regular regional and countrywide outreach activities from which LGA learns about problems and needs of members; collects information to input into programmes and activities; shares information on activities / achievements and constraints; recruits new members and collects more subscription fees through peer pressure.
10.5 Visibility	- No visibility among membership, public, government institutions, media.	- LGA only visible among some members, media, government and public.	Ad hoc and unco-ordinated efforts by some Board members and staff to make LGA visible to membership and stakeholders.	- Clear evidence of visibility and contacts with relevant government institutions and general public.

FACTOR 11: NETWORKING, EXCHANGE AND LEARNING

		STAGES OF DEVELOPMENT		
	BASIC	**DEVELOPING**	**PERFORMING**	**EXCELLENT**
11.1 Character of networking	- Little or no evidence of networking and collaboration with other organizations.	- Passively participates in number of formal and informal networks without clear goals and objectives on what is to be achieved.	- Makes informed choices on which type of networks to enter on basis of clearly specified priorities, goals and objectives.	- Evidence of active participation, contribution and synergy building with relevant local, regional and international networks. - LGA contributes and proactively uses networks to improve chances of achieving its goals and objectives.
11.2 Types of exchange and learning	- Little or no national, regional and international exchange and learning activities.	- Select number of local authorities participate mostly in the general meeting and a few other activities within the country.	- Exchange and learning activities and meetings for membership are organised on *ad hoc* basis in case urgent political matters or when LGA is called upon by membership to organize exchanges. - Results of such activities are not documented or used.	- LGA and membership actively and regularly participates in various national, regional and international conferences, study tours, conferences etc. to exchange ideas and learn from their counterparts. - Results of exchanges are documented, shared and widely used to improve local governance and service delivery.

FACTOR 12: HUMAN RESOURCE MANAGEMENT (1)

	BASIC	DEVELOPING	STAGES OF DEVELOPMENT PERFORMING	EXCELLENT
12.1 Staff roles, job descriptions and responsibilities	- Staff are unclear about their respective roles and job descriptions.	- Blurred lines of staff responsibility, authority and reporting with tendency of being dictated by requirements of donors and other outside factors.	Written organization chart and job descriptions, but not kept up to date following changes in responsibility.	- Staff know and agree on their tasks, responsibilities, authorities, and accountabilities to ensure results. - Written organisational chart and job descriptions reflect roles and are regularly updated.
12.2 Staff policies and procedures	- No evidence of personnel policy or written office procedures.	- A limited set of written personnel policies and/or office procedures in place.	- Written personnel policies and procedures exist, but do not comprehensively address office requirements or are out of date and not consistently adhered to.	- LGA has established written, updated and agreed upon set of personnel procedures for all staff.
12.3 Teamwork and communication	- Staff work as individuals; no efforts to promote teamwork and shared accountability for outputs of team. - Communication among staff and with Board is highly hierarchical and compartmentalized, one way and about problems or crises.	- Teams are encouraged but they are not clear about their purpose and do not meet regularly.	- Teams meet regularly and understand different personality types and preferences, but not fully institutionalized.	- Team members feel dependent on each other and have a sense of shared ownership of achievements to improve performance. - Structure safeguards unity as an organisation and at same time allows for professional autonomy of units. - Emphasis on motivation, open and two-way communication, delegation, mentoring and coaching of staff rather than preservation of power.

FACTOR 12: HUMAN RESOURCE MANAGEMENT (2)

	BASIC	DEVELOPING	PERFORMING	EXCELLENT
			STAGES OF DEVELOPMENT	
12.4 Staff recruitment, motivation and development	- Recruitment not based on merit and professional expertise but on other factors. - No provision and support for training and professional development opportunities for staff. - Staff feel their contribution is not recognized and are not motivated.	- Staff recruited on an *ad hoc* basis depending on the nature of work. - Training opportunities usually restricted to professional staff on case by case basis. - Staff productivity is low due to poor motivation.	- Some staff members are recruited on merit while others are not. - Training tends to be *ad hoc* and for selected number of staff who take own initiatives to look for training opportunities. - Staff motivation is limited and does not include fringe benefits.	- Recruitment of all staff done purely on merit, professional expertise and experience. - Training and development plans take account of personal development plans and each staff member has equal chance of being trained to improve skills and performance. - Staff are highly motivated to achieve results and productivity is high.
12.5 Performance appraisal	- Staff performance appraisal is not undertaken at all.	- Performance appraisal carried out when deemed necessary by individual supervisors.	- Annual or at least periodic performance evaluations of most staff, but results are not discussed.	- Written annual or semi-annual performance appraisal of all staff, whose results are discussed with the individual employees and new performance targets set for the following year.

FACTOR 13: PROGRAMME DEVELOPMENT

	STAGES OF DEVELOPMENT			
	BASIC	DEVELOPING	PERFORMING	EXCELLENT
13.1 Project management capacity	- No project management capacity and inadequate funding to implement activities; over-reliance on external consultants and volunteers.	- Weak project management capacity (expertise for proposal writing and implementation) even when funding is available.	- The relevant staff have knowledge of basic project management but lack professional skills.	- LGA has capacity and resources to develop high quality project proposals and win additional funding and implement activities in line with its strategic objectives.
13.2 Involvement of membership	- Activities and programmes tend to be donor-driven without any inputs from LGA during planning, initiation and implementation.	- Activities, programmes are initiated, implemented and evaluated mainly by staff and few Board members without inputs from wider membership.	- Only Board and select number of members are involved in activities, programmes and projects.	- Activities and programmes in various fields are relevant to diversified needs of members and designed in true consultation and negotiation with them through active participation in committee work, consultative meetings, workshops.
13.3 Relevance of activities and programmes	- Activities and programmes not in line with LGA's objectives and goals.	- LGA seeks grants from external partners, but tends to go for grants that may not be in accord with its strategic objectives.	- A variety of donors and partners, but their relations with the LGA are characterized by misunderstandings and poor communication as a result of lack of written guidelines.	- Relations between the LGA, partners and donors are based on mutual expectations and formulated in the form of contracts or other documents with clearly stated input, output, accountability and responsibilities and in line with LGA's strategic objectives.
13.4 Research	- No research carried out; personal views of individuals dominate.	- Some attempt to underpin policies and programmes with systematic thinking; but consultations not carried out scientifically; no formal budget.	- Need for research recognised; some budget; generally left to programme managers but no quality control; several research methods used.	- Research unit established with budget; regular consultation with member local authorities and other stakeholders to develop qualitative and quantitative findings to underpin policies, positions and programmes; variety of methods used; links to other research establishments in place; research seen to add legitimacy.

SECTION 3

TRANSFORMING THE LOCAL GOVERNMENT ASSOCIATION

A. ORGANISATION DEVELOPMENT

This tool draws upon 'An Organisational Development Resource Document for Local Government' by the Office of the Deputy Prime Minister, United Kingdom.

SECTION 3A

ORGANISATION DEVELOPMENT

AIM OF ORGANISATION DEVELOPMENT

To help a Local Government Association modernise its overall organisation in response to changing circumstances.

CONTENTS

INTRODUCTION

This document contains a set of Organisation Development (OD) assessment and improvement tools and techniques that can be used to transform an LGA, develop its capacity and improve its performance. They fall into 4 broad categories:

1.   People-based approaches.

These take the view that organisations are best developed by developing their people. If staff are well trained and well motivated, and if they feel well treated, then good organisational performance will follow.

2.   Quality-based approaches.

These hold that organisations are best developed through rational techniques that analyse current practice and seek technical changes to bring about improvement.

3.   System-based approaches

These see organisations as a set of inter-related parts; change comes from developing awareness of the ways in which the parts relate to each other and finding ways of changing the system all at once.

4.   Dialogue-based approaches.

These suggest that organisations cannot change through introspection; they are transformed through 'developmental conversations' that happen between the organisation and its customers and partners.

All these approaches have merit. It is important to be pragmatic; different kinds of tools may be useful at different times. They cover key themes:

a.   *Whole organisation improvement*
b.   *Leadership*
c.   *Culture*
d.   *Service improvement*

Each theme is divided into 4 sections:

(i)   OD outcomes (what constitutes high performance);

(ii)   The OD approach (a strategy of using the techniques in the current situation to bring about change);

(iii)   OD assessment tools and techniques (how to assess what is going on in the organisation);

(iv)   OD implementation tools and techniques (tools to help intervention).

How to use the OD tool

OD is not a simple exercise; it cannot be delegated. It is a powerful tool and requires a long term commitment. It focuses across the organisation and deep within the organisation. It is about culture as much as performance. It must be led from the top under a high-level Steering Group. It might generate numerous activities.

Change can be difficult. It may be sensible a use an **external facilitator** – one who has expertise and knows the organisation to some extent, one who can be objective and sensitive. The LGA should think in terms of a 1-3 year programme to allow change to be integrated in the Strategic Plan and Financial Strategy and for its impact to be evaluated.

This OD tool offers many ideas that can be turned into learning exercises. Several of them are about learning from self-assessment. The information developed through the Performance Benchmark can be useful (see Section 2).

One way to assess the level of performance of the LGA is through *Peer Challenge*. The LGA can invite, for example, 2 Mayors, a Head of Administration from a local authority and 1 or 2 independent 'experts' (including the facilitator) to form an Assessment Team; they can assess the LGA against the objective criteria of the Performance Benchmark through the perceptions of the staff, local authorities and strategic partners, using surveys, interviews and document research.

1.   WHY IS ORGANISATION DEVELOPMENT (OD) IMPORTANT?

Local government is changing rapidly. Local people are more aware of their rights and opportunities and demand better services and greater participation. There is growing international pressure to pursue decentralisation. Integration within the wider European community drives standards of expected performance higher.

Local authorities control a significant proportion of public expenditure, and Governments expect a high degree of accountability. While some 5-10% of total public expenditure is spent through local government in a number of countries in Eastern Europe, the proportion rises to over 25% in others. Such is the outlook for local government.

LGAs have a key role to play in (i) helping local authorities strengthen their capacities to deliver good local government, (ii) advising their Governments on the legal and policy frameworks that would best support effective decentralisation and (iii) bringing the public on-side. This is their challenge.

To meet this challenge, LGAs need new thinking and new ways of working. Meeting the needs and expectations of local authorities and fulfilling the demands of Governments for performance and efficiency require new approaches to organisation, to service design and delivery, and to engagement with partners and citizens.

Transforming organisations and the services they provide requires a 'whole organisation' perspective. This is why OD emphasises the development of the organisation as a whole, not just its parts.

A key aspect of OD is that the leadership of the organisation has to be at the forefront of change, setting the challenge, defining the goals and shaping the approach. OD is a tool for <u>organisational leadership</u>. But leadership of change within an organisation is the responsibility of all managers in the organisation. HR also has an important role in developing the expertise in the organisation for initiating and managing change.

> *OD must be led from the top.*

Executive Directors are often caught between their responsibility towards Mayors and councillors for local priorities and their accountability to their Government for standards. Managers may not have the time or skills to fulfil their staff management role to the full. HR often focuses on process rather than strategy. Yet all 4 groups – Executive Directors, Mayors, managers and HR - have key roles to play.

What is Organisation Development?

OD methodology has 6 essential ingredients:

1. Data gathering	*4. Design of an intervention*
2. Feedback to the organisation	*5. Implementation*
3. Diagnosis of the situation	*6. Assessment of the impact*

Sustainable changes are sought at the 'whole system' level with supportive changes in culture. The goal is to enhance an organisation's effectiveness by:

> ➤ *continually maturing in response to changes in the external environment,*
>
> ➤ *significantly improving performance through changes to people management, competence, communication, systems and structures.*

Development in an organisation is not the same as Organisation Development. OD is about:

> ➤ **Dealing with causes over symptoms;**
>
> ➤ **Working with whole systems rather than parts of them;**
>
> ➤ **Changes in culture over changes in behaviour;**
>
> ➤ **Change of a system rather than changes in a system.**

Often what appears to be a problem on the surface is often rooted in the culture of an organisation, in its attitudes and practices. Incremental change may not be enough.

Responding to change may mean **new ways of working**:

> - *co-operating with external partners;*
>
> - *creating mechanisms for departments to work together towards shared objectives;*
>
> - *giving staff the competence to be effective, the freedom to be innovative and the credit for success;*
>
> - *listening to what staff and stakeholders are saying, recognising weakness in the organisation and taking action to rectify it;*
>
> - *exploiting the value of networking;*
>
> - *giving clear leadership, managing risk, accepting responsibility, being publicly accountable.*

Factors that help or hinder organisational change are summarised below:

DRIVER OF CHANGE	SUPPORTING FACTORS	HINDERING FACTORS
Positive purpose	**Clear reasons for change that have meaning for people; they are visionary, concrete and will make a difference.**	**Change for its own sake or to further ambitions of individuals.**
Leadership	**Leaders who own the OD agenda, engage with staff, live the values they seek for others, focus on outcomes and promote a culture of fairness.**	**Leaders who think OD is someone else's responsibility, are aloof from staff, do not set an example and who think they are the most important.**
Adequate scale	**Initiatives that are co-ordinated, transformational and make a real difference to the organisation.**	**Piecemeal initiatives that chip away at the problem but are incoherent or inadequate.**
Productive central and operational relationships	**Relationships that focus on the needs of the organisation and its services, building trust, delegating, supporting operational efforts to deliver, adding value.**	**Doing too little, assuming services are fine, failing to challenge or support performance.** **Doing too much, interfering in operations, policing and delegating tasks without adequate support, not acting strategically.**
Sensitivity to local circumstances	**Initiatives are localised and relevant, consistent with and reinforcing other initiatives, allowing adjustment through listening and responding.**	**Unrefined requirements imposed on services, creating confusion, not taking account of views of service users, insufficient resources, not tackling things that are not working.**

What makes OD work?

OD is about change, about transforming organisations. It is about:

- *Going forward with the right purpose;*
- *Giving the right leadership;*
- *Getting the scale of change right;*
- *Making corporate and operational relationships productive;*
- *Being sensitive to local circumstances.*

> *OD is a never-ending process to maintain the health and effectiveness of the LGA.*

Efforts to bring about change can be <u>real</u> or <u>fake</u>, based on pretence. They can be incremental, making steady progress towards a goal. They can be cosmetic, with more talk than action. They can be destructive, losing needed expertise and motivation. They can be impossible, not getting beyond dreams. OD is for real.

2.   IMPROVING ORGANISATIONAL PERFORMANCE

Modern organisations are different from those of 10 years ago; they cannot perform well in isolation. The OD challenge for an LGA is to build an organisation that:

- *Meets both local and national expectations;*

- *Develops structures, relationships and leadership that deliver services collaboratively and represents local authorities effectively in a changing world;*

- *Produces continuous performance improvement;*

- *Is expert in showing local government leadership, working with partner organisations, and commissioning or delivering a range of services to local authorities that reinforce each other and lead to better local government;*

- *Listens to local authorities so that its services respond to their needs and expectations.*

The LGA leadership needs to work together in new ways, not through instructions but with every person understanding the organisation's purpose and being capable of responding to the changing environment as individuals while being committed to the team effort. Communications and trust become more important and each member relies on the strengths of each other, fulfilling different roles as circumstances dictate.

FROM OLD WAYS	TO NEW WAYS
Running services by giving orders	*Running services by influencing, negotiating, persuading*
Concern for boundaries (my area, my work, my buildings, my staff, my budget)	*Concern for capacity (our resources, their fit together, the outcomes they will achieve)*
Access to buildings	*Access to information, expertise, services*
Parochial planning	*Negotiated approaches, strategic planning*
Internal accountancy	*External accountability*
Concern for access to as much funding and as many funding sources as possible	*Concern for sharing and aligning those finances to priorities*
Input and output measures	*Outcome measures*

The OD approach is to improve the performance of the organisation through positive changes in all areas. This means working not only with structures and systems but also with peoples' behaviour, perceptions, attitudes and mindsets.

The OD approach is to assess how far the whole organisation has developed and initiate changes that result in transformation across the whole organisation. The OD method means:

> - *Looking at the whole system and the relationship between the parts, not just the parts by themselves;*
> - *Comparing the organisation's performance with expected standards;*
> - *Seeking to find strengths as well as areas for development;*
> - *Including relationships with partners;*
> - *Using objective methodologies.*

One way is to use a model that allows you to assess the gap between current performance of the LGA and what it should be:

PRIMARY QUESTIONS	WHAT SHOULD BE?	WHAT IS?
Purpose: *How clear are local authorities about the LGA's purpose and mission? How supportive are they?*		
Structure: *How adequate is the fit between the LGA's purpose / mission and the internal structure?*		
Rewards: *What are the similarities and differences between what the LGA formally rewards and punishes and what the LGA staff actually believe they are rewarded or punished for doing?*		
Helpful mechanisms: *Which processes and procedures in the LGA (planning, budgeting, information systems etc) actually help staff and Board members do their work and which of them hinder more than help?*		
Relationships: *How good are the relationships between (i) individuals, (ii) groups / units / departments, and (iii) the person and the requirements of his / her job? How adequate are the mechanisms for dealing with conflict?*		
Leadership: *How good is the leadership at ensuring that these different elements of the LGA are in balance and that issues are identified and resolved effectively?*		

OD intervention strategy

Whole organisation interventions are necessarily large scale. If significant change is to occur, the interventions are likely to be more revolutionary than evolutionary. Usually a number of reinforcing interventions are necessary, each aiming at the same goal – a substantial improvement to the culture and performance of the LGA. Typical interventions might include:

- *Strategic reviews*
- *Performance management development*
- *Communications strategies*
- *Leadership development*
- *HR modernisation*

The following table summarises possible responses to the LGA's strengths and weaknesses:

WHOLE ORGANISATION ASSESSMENT SHOWS ISSUES WITH:	POSSIBLE INTERVENTIONS:
Performance is good in parts, poor in others	*Service improvement techniques*
Strong service provision does not seem to lead to better local government	*Organisation culture work; strategic reviews to strengthen coherence of services; leadership development*
LGA disconnected from local authorities and strategic partners; is introspective and insular; slow to notice changes in environment	*Engagement with local authorities and partners; expertise in partnership working; transparent accountability*
Low morale amongst staff who feel overworked and unappreciated	*Leadership development; cultural development; equality and diversity initiatives*
LGA not representative of local authorities and not engaged with some of them.	*Leadership development; transparent accountability; specific initiatives*
No sense of direction; poor prioritisation and focus	*Leadership development*

The selection of interventions is based on:

- *identification of the issues;*

- *identification of the causes of the problems;*

- *choosing interventions from outside to inside and from top to bottom.*

OD tools and techniques

<u>Strategic reviews</u>

Reviews provide opportunities to look carefully at how things have been done and how they should be done in the future. The type of review would depend on its purpose:

SERVICE REVIEW Focuses on outcomes and leads directly to incremental change within existing services.	THEMATIC REVIEW Focuses on a theme across the LGA (eg HR management, use of IT); aims for better coordination, integration and use of best practice; leads to greater effectiveness and efficiency.
CORPORATE REVIEW Focuses on the effectiveness and integration of the different activities of the LGA; leads to better leadership and possible restructuring in the light of priorities.	RELATIONSHIPS REVIEW Focuses on links with local authorities and strategic partners as they perceive them; aims to build more constructive, transparent and responsive relationships; leads to longer term sustainable step-change

Performance management development

Performance management is an essential discipline for improving the quality of LGA services. A performance management system needs to:

- ➢ *Focus on improving local government;*
- ➢ *Have sufficient internal and external challenge;*
- ➢ *Have a limited number of key indicators to signpost performance;*
- ➢ *Cost less to implement than the benefits it realises;*
- ➢ *Produce self-sustaining continuous improvement;*
- ➢ *Involve local authorities and partners in a collaborative way;*
- ➢ *Both celebrate achievement and identify poor performance;*
- ➢ *Produce accessible and timely performance information;*
- ➢ *Have performance review and reporting procedures embedded;*
- ➢ *Trigger action in response to missing targets, indicators and standards;*
- ➢ *Link individual performance appraisal, operational performance and strategic planning.*

Performance management turns ambition into delivery.

Performance management enables the LGA as a whole to show progress towards achieving its priorities based on evidence. The system should be transparent and fair; data should be robust. Staff and managers should seek to use the information to improve their own performance. A limited and focused set of targets and milestones with particular emphasis on outputs and outcomes can motivate the LGA to greater achievement. Too many targets and performance indicators can be detrimental, and not so helpful if they mainly reflect inputs.

Five levels of maturity in performance management from progress and time perspectives:

5. Performance culture
- All staff empowerment is facilitated
- Widespread management by fact and process
- Plans reflect organisation capability
- Capability improvement aligned with strategy
- Continuous improvement achieved

⇑   ⇑

4. Performance management
- Ownership is devolved
- Objective inter-dependencies mapped and better understood
- Decisions based on facts
- Actions changed through use of information

⇑   ⇑

3. Effective performance reporting
- A cohesive set of strategies
- Alignment cascade throughout the LGA
- Clear accountability established

⇑   ⇑

2. Systematic performance measurement
- Single coherent database established
- Key performance data collected efficiently
- Efficient reporting of performance

⇑   ⇑

1. Disparate uncoordinated approach
- Duplicated effort, difficult to consolidate
- Time-consuming, irreconcilable, mistrusted

Where a performance management system fails, it is usually because it has become bureaucratic and promotes a blame culture. Performance management is not an annual exercise but a permanent personal discipline.

One system is the 'Balanced Scorecard'. This approach develops a set of scorecards that capture both what the LGA is trying to achieve and how it intends to go about it. Scorecards can be produced for different levels. They take measures first from local authorities and secondly from the learning, people, process and finance perspectives.

Communications strategies

A key element in OD is the development of an effective Communications Strategy that enables key information to be sent out and received. Good communication underpins good performance management.

The main headings of a Communications Strategy might be:

Key principles and aims	**A statement about the outcomes of communications, about how the LGA wants to be experienced by local authorities, Government, strategic partners, public, media, LGA Board and staff**
Responsibility for communications function	**Clear statements about the expectations of communications placed on all managers in the LGA that are reflected in job descriptions and monitored through performance appraisal**
Communications functions	**Description of the roles played by specialists and spokespersons within the LGA**
Internal communications	**Strategy for internal communications including ways of informing and listening to staff; key methods of communications for different purposes**
Consultation	**Strategy for consulting local authorities, the Government and strategic partners**
Media relations	**Guidance on dealing with the media**
Corporate identity	**Covering the branding and style to be used**

Good communications will be:

- *Accessible, simple to understand*

- *Valid and high quality, timely, open, honest and reassuring*

- *Audience-sensitive, suiting the needs of local authorities, Government, strategic partners, public, media, LGA Board and staff as appropriate.*

3.   LEADERSHIP IN AN INTER-DEPENDENT WORLD

The challenge for today's leaders goes beyond running their organisations well. Relationships with the Government, with national and international organisations, with the media, with communities, with the network of LGAs – these relationships all charge leaders with delivering results in collaboration with others.

Improvements in economic social and environmental development cannot be achieved by one local authority working alone. They may lack sufficient authority, expertise or resources themselves. The table below shows some typical links for a local authority; the LGA must be able to support the 'network of local government':

THE PARTNERSHIP NETWORK

Community safety
- Police
- Courts
- Youth groups
- Schools

Employment
- Business development
- Business skills
- Investment

Transport
- Roads
- Bus companies
- Railways
- Taxis

Health
- Hospitals
- Clinics
- Health education
- First aid at home

LOCAL GOVERNMENT

Housing
- House builders
- Planning system
- Utilities
- Social housing

Leisure and arts
- Libraries
- Tourism
- Cultural activities
- Sports clubs
- Schools

Environment
- Environmental protection agencies
- Planning system
- Water supply
- Forestry

Education
- Schools
- Youth groups
- Family
- Job skills

The Executive Director cannot provide this leadership alone; all LGA managers and Board members have leadership responsibilities. The task of an Executive Director is to create an environment in which everyone can exercise leadership appropriately.

Good local government depends on people who:

- ***Are oriented towards leadership rather than just management;***
- ***Prioritise engagement and collaboration above a personal use of power;***
- ***Are as expert in the human skills of managing change as in the technical skills of problem-solving;***
- ***Have an outward-looking corporate view rather than an insular service-based view;***
- ***Are capable of going beyond traditional boundaries and of inspiring change in people***
- ***Deliver real outcomes.***

A good LGA depends on the Executive Director working well with its Board and staff. This comes from a common vision, shared objectives, mutual understanding and respect for the different roles.

Leadership versus management

Managers are primarily focused on completing tasks within established rules and procedures. Staff look to managers to provide a job, to offer certainty, to make good use of their skills and to create the environment in which they can do a good job.

Managers do things right; leaders do the right things. The challenge is to do the right things right.

The skill of leadership is to focus on the bigger picture and not to get involved in operational detail, to act on behalf of the whole community, to harness the efforts and expertise of other organisations to help deliver mutual objectives.

Leadership action needs to reverberate around the organisation, building a climate that will impact on the organisation's culture. What leaders prioritise, how they behave, the language they use – all this can help build the effectiveness of the organisation, its staff and its partnerships.

Individualism versus engagement

The Executive Director and other leaders in an LGA have responsibility for raising the standards of the organisation - and where they are ambitious, to those of the best. The competence of the individual counts. But in a highly inter-dependent environment, this approach must be balanced with an engaged style of leadership that:

- *Establishes networks of people within and across organisations who can develop sustainable ideas and solutions;*
- *Understands that respect is earned through 'lived' values and performance;*
- *Values participation in the formulation of ideas as a first step towards their effective implementation;*
- *Sees the need for leaders to act as a resource for those who develop and deliver policies and programmes;*
- *Ensures that the organisation's management system is developed, implemented and continuously improved;*
- *Develops a shared vision of local government and the role of the LGA;*
- *Motivates, supports and rewards staff.*

Technical versus adaptive change

Managing change is a vital skill for leaders. But many change management efforts fail, even when the proposed change is sensible, mainly because people do not 'own' the need for change or they do not agree with the method.

One kind of change is technical, where, for example, a solution to a problem can be found by altering a procedure. This does not require a change to attitudes. Adaptive change goes beyond the immediate power of an individual; it is about where change can only succeed if people 'buy into' it. They might need information about it; they may need to be persuaded; there may need to be incentives, plans and resources to support it.

With adaptive change, leaders do not just need to exercise power; they have to command attention and generate a focus on the key issues so that people see the need for change.

Community versus organisation leadership

The responsibilities of the Executive Director go beyond the organisational boundaries of the LGA. This is true of leadership. The Executive Director has to respond to national and regional agendas, represent the needs of all local authorities and a range of stakeholders, and seek out opportunities of collaboration with other public, private and voluntary bodies. It is important to get the balance right between taking care of the organisation and giving national leadership.

Leadership qualities

The table below shows the gap between what qualities local people in one area associated with leadership and the kind of leadership they actually experienced.

KEY LEADERSHIP QUALITIES	PREFERRED VALUE OF QUALITIES %	EXPERIENCED QUALITIES %	GAP IN DESIRED LEADERSHIP QUALITIES
Inspiring	55	11	-44
Strategic thinker	41	31	-10
Forward looking	36	31	-5
Honest	26	21	-5
Fair-minded	23	25	+2
Courageous	21	8	-13
Supportive	20	21	+1
Knowledgeable	19	39	+20
Ambitious	13	38	+25
Imaginative	10	11	+1
Loyal	5	14	+9
Self-controlled	4	14	+10

These results suggested that people had had enough of leaders who stood out as being knowledgeable, ambitious and self-controlled; they wanted leaders who were more inspiring, courageous and strategic. Good leaders are in the business of focusing on the outcomes they want to achieve and are willing to make changes to achieve these outcomes. This means leading people into change – a process that can be uncomfortable and threatening but ultimately reaps rewards.

The 'Respect and Collaboration' approach

A key aspect of effective leadership is the recognition that different circumstances and different people need different styles of leadership.

Phil Collins describes the attributes of 'Level 5' leaders (ie at the top of the hierarchy of executive capability) in successful organisations in his book 'Good to Great':

- *Mix of personal humility and professional will;*
- *Ambitious for the company before themselves;*
- *Set up their eventual successors for even greater success;*
- *Display modesty and diligence;*
- *Are strongly driven, infected with need to produce sustained results, resolved to do whatever necessary, however difficult the decision;*
- *Seek to attribute success to reasons other than themselves, but accept full responsibility for failure.*

'Level 5' leaders exist all around us, if we know what to look for.

The OD approach

The questions an OD approach generates are:

➢ *How do we assess the leadership capability in the LGA?*

➢ *How do we assess whether staff feel well led?*

➢ *How do we highlight leaders' strengths and skills gaps to inform their development?*

➢ *How do we choose the interventions best suited to developing leaders with the skills and values needed to produce better local government?*

➢ *How do we measure whether the changes have been successful?*

Leadership assessment: tools and techniques

Staff survey

Staff surveys offer the opportunity to gather feedback on LGA managers' capabilities. Typical questions might be about how far people agree with the following statements:

MY MANAGER	
▪ *Sets me clear goals* ▪ *Trusts me to get on with the job* ▪ *Gives me the support I need* ▪ *Encourages me to make my own decisions* ▪ *Treats staff fairly* ▪ *Demonstrates the importance of valuing diversity* ▪ *Gives me feedback on my performance*	▪ *Values my contribution* ▪ *Listens to my ideas and suggestions* ▪ *Recognises good performance* ▪ *Deals with poor performance* ▪ *Keeps me well-informed* ▪ *Encourages me to look at my own learning and development* ▪ *Supports me*

The following questions to staff will allow you to assess the performance of the LGA leadership:

SENIOR MANAGEMENT AND BOARD To what extent do you think they are:	
▪ *Leading the organisation in the right direction?* ▪ *In touch with the needs of local authorities?* ▪ *In touch with the opportunities of working with other stakeholders?* ▪ *In touch with staff opinion?*	▪ *Approachable?* ▪ *Taking the right decisions for the LGA?* ▪ *Good at understanding the problems staff face?* ▪ *Knowledgeable in their area?*

Critical Incident Analysis

Critical Incident Analysis seeks to analyse at least 3 particular incidents from different perspectives to illuminate what the leadership has done in particular situations. Critical incidents could be about major restructuring, something that involves the whole organisation (eg the General Assembly), or challenges with positive or negative characteristics (eg new legislation, new policies, budget savings requirement).

Actions can be evaluated against 3 dimensions:

> *Inspiration*
>> *Integrity*
>>> *Practicality*

Inspiration relates to the leadership's capacity to interpret aspirations and enthuse staff and Board members with a sense of purpose and belief.

Practicality relates to the leadership's capacity to introduce practical measures needed to turn aspiration into reality.

Integrity is about fairness, probity and focus on equal opportunity.

External leadership analysis

An alternative to the above exercises is to set up a small but capable peer group to carry out an assessment. This will provide a higher degree of objectivity to the findings.

360 degree feedback

This is an exercise leaders themselves can carry out. They ask a small sample of peers, subordinates and managers to provide an assessment of their performance against a set of general criteria or of criteria specific to the LGA's challenges.

LEADERSHIP CRITERIA	
▪ *Vision*	▪ *Style*
▪ *Strategy*	▪ *Efficiency*
▪ *Integrity*	▪ *Relationships*
▪ *Values*	▪ *Targets*

This method is intended for self-development where the feedback should be confidential, but can also be used for organisation development where the findings will be shared.

Competency frameworks

Competency frameworks provide a list of skills and behaviours that each individual should demonstrate in the course of their work. The individual will be formally assessed against those competences through regular appraisal.

An example of typical LGA Executive Director capacities (borrowed from Solace Enterprises, UK) is set out below:

TYPICAL LGA EXECUTIVE DIRECTOR CAPACITIES

---

1. The capacity to work with the political dimension
- *creating effective dimensions across the boundary of politics and management*
- *building strategy with the Board*
- *maintaining constructive relationships with the Government and with Mayors*

---

2. The capacity to lead change and develop the organisation
- *maintaining consistency with underlying values while developing the culture*
- *working with uncertainty, ambiguity and the inevitability of change*
- *developing appropriate uses of power, empowering staff and managers*
- *promoting the continuous development of the management team*

---

3. The capacity for maintaining personal perspective and self-knowledge
- *maintaining a curiosity about perspectives other than one's own*
- *maintain belief in self*
- *developing personal resilience, sustainability and emotional literacy*
- *keeping a sense of humour*

---

4. The capacity to develop and enable effective partnerships and external relationships
- *being a champion of local government*
- *orchestrating effective partnerships with other organisations*
- *maintaining constructive relationship with the Government*
- *maintain close communications with all local authorities*
- *effective use of the media to achieve appropriate profile*

---

5. The capacity for maintaining focus on strategic and long term issues
- *scanning the horizon to generate an awareness of potential scenarios*
- *developing and promoting a strategic view for the LGA and for local government in the country*
- *holding an awareness of the LGA's strategic capacity*

---

6. The capacity to lead and integrate Performance Management
- *creating a culture focused on high performance, innovation and service to local authorities*
- *being able to turn around areas of under-performance*
- *sustaining continuous improvement across all service areas*
- *demonstrating the achievement of public value*

Leadership development

What to do with the findings of leadership assessments?

Leadership development programme

Learning is focused on the development of the individual. Inputs are generally modular and built around themes. Some programmes lead to qualifications, some include personality tests. Modules are organised away from the workplace with other people at similar levels of seniority. This allows individuals to widen their horizons and learn in a safe environment where they can explore deep-seated attitudes and behaviour.

Personal and shared
beliefs about leadership

Skills for working in a
political system

Understanding leadership
in the LGA

The strategic agenda for
the LGA

The future for local
government

If leadership development programmes are to make a difference, participants need to complete the following process:

- ❖ *acquisition of knowledge, skills and awareness;*
- ❖ *transfer of awareness to the LGA staff and Board members;*
- ❖ *appreciation and development of skills in 'real-life' situations;*
- ❖ *improvements seen in the impact of the new competences within the LGA.*

Coaching and mentoring

A <u>coach</u> has expertise and offers the leader suggestions and new techniques and sometimes skills development or training. The relationship is confidential but the LGA will expect organisational benefits to accrue.

A <u>mentor</u> should understand the job of the leader but will depend on technical expertise less than a coach. Rather, a mentor will help the person think through and face current challenges. A mentor's interventions are focused on the development of the person and will be confidential. A leader can find it valuable to bounce ideas and concerns off an uninvolved third party.

Action learning

Action learning brings together a closed group of people from different organisations and who do not normally work together. It deepens their awareness of the issues they each face and helps them finds solutions and ways forward. The rest of the group help the process by asking questions that seek to broaden and deepen a person's understanding of the issue being dealt with, its effects and the solutions that might be developed.

Team building

Team building focuses on improving the way a team functions. It deals with such issues as the team's objectives, the different styles and personalities in the team and how they fit together, their ways of working and any inter-personal conflict, and the team's impact on the LGA's culture.

Applied leadership development

This focuses on developing the team in-house. Its aim is the development of the organisation rather than the individual. Personal development is the product of organisation development. The group carries out applied pieces of work during the programme. Applied leadership development is growing in popularity and is often supplemented by other leadership training techniques.

4.   AN APPROACH TO CULTURAL CHANGE

Culture cannot be defined with exactitude. It is a system of beliefs, values, attitudes, working practices and expectations that are present within the LGA, which affect all those working for the LGA and pervade policies, procedures, staff practices and outcomes.

Culture is about assumptions and intellectual habits of mind that are shared by groups of people. It affects the way people think about the LGA and local authorities. It is about where loyalties lie.

Cultural beliefs are largely buried. They are rarely articulated, but they help people make sense of their environment. Information that contradicts such beliefs does not always change them; a strongly held belief will often filter out facts. They can be expressed in comments such as:

> *"Leaders don't understand the difficulties of front line staff".*
>
> *"The LGA is disorganised but will manage".*
>
> *"Mayors need to be told what to do".*
>
> *"We won't be effective unless we consult local authorities first".*
>
> *"We must persuade the Government to involve us more in policy-making".*

A successful organisation tends to be characterised by the following cultural features:

Openness

- *Consultation: The LGA is open to local authorities and has ways of consulting them; it bases its aspirations on their needs and expectations; local authorities know this and feel it is worthwhile making their views known.*

- *Receptiveness: The LGA Board and staff are open to scrutiny, feedback and challenge; local authorities and other stakeholders believe the LGA makes good use of their opinions.*

- *Mutuality: the LGA Board and staff know they are reliant on local authorities and other stakeholders to contribute to the LGA's outcomes and to help the LGA have an impact.*

Aspiration

- *Results focus*: Local authorities can see their priorities reflected in the LGA's priorities and clear performance indicators and targets help everyone know what is planned and what is being achieved.
- *Unanimity*: There is a common sense of purpose and an understanding of the contribution that the Board, the staff and partners make.
- *Confidence*: Local authorities, stakeholders and the LGA Board and staff are confident in their ability to achieve the things they strive for.

Leadership

- *Inspiration*: People have faith in the leaders and believe in the vision they articulate.
- *Practicality*: People believe they can rely on the leaders to stay focused, have clear priorities and put in place the practical measures needed to turn aspiration into reality.
- *Integrity*: Leaders listen and act in a way that promotes fairness, trust and equality.

Organisation

- *Appropriateness*: The systems and procedures embody the values of the LGA.
- *Utility*: People find the systems and procedures help them do their work better.
- *Diversity*: The organisation is open, flexible and responsive in its working arrangements.

Empowerment

- *Commitment*: People are dedicated to the LGA's goals and to the outcomes they are trying to achieve.
- *Learning*: Staff are encouraged to gain the awareness, knowledge and skills necessary; effort and achievement are rewarded; people are challenged and helped to do better.
- *Latitude*: Staff are empowered to use their discretion, creativity and innovation to achieve given outcomes.

Achievement

- *Outcomes: People can easily see the difference the LGA makes to local government.*
- *Excellence: The LGA is recognised for being among the best and for achieving best practice.*
- *Reputation: The LGA enjoys a reputation among local authorities, the Government and other stakeholders for making a positive contribution to local government.*

Cultural assessment: tools and techniques

Culture is hard to measure; people don't talk about it. One way is to assess it at 3 levels:

1. *Things you can see*

These include the layout of offices, how staff dress, the time they keep, the way they communicate, the language they use.

2. *The values of the leaders*

These are what is stated in strategy documents, such as 'We welcome proposals for improvements'; 'We are close to local authorities'; 'We value our staff'. The issue is whether such statements are borne out in practice. What if the LGA is at odds with what it says? There is culture below this level.

3. *Shared tacit assumptions*

This is where the LGA Board and staff act on their beliefs. In such cases, culture is well established and difficult to change.

There are therefore 2 types of experience:

- **Transparent cultures** – where what is said is done

- **Hidden cultures** – where what is said is not done and where deeper beliefs stand in the way of change.

How to get under the LGA's skin and expose the shared tacit assumptions?

Hofstede's organisational characteristics

Ask staff to score the organisation on continuums between 1 and 10 as set out in the table below:

ORGANISATIONAL CULTURE DIMENSIONS	
Process-oriented *How things are done, correctness, procedures, risk averse, routine, decisions by group, change takes a long time*	**Results-oriented** *Outcomes matter more than processes, every day is different, risk, thinking outside the box, decisions by individuals, quick change*
Staff-oriented *Organisation concern for employee learning, capacity and welfare*	**Job-oriented** *The job matters more than anything, delivery, doing things on time*
Parochial *Strong organisational identification, loyalty to the team / department / organisation*	**Professional** *Strong professional loyalties, resistance to corporate initiatives*
Open system *Diverse, influenced by stakeholders, services delivered through various means, partnership working, enabler rather than provider*	**Closed system** *Difficult to join, glass ceilings, cliques, change is internally driven, plans and targets proliferate, provider rather than enabler*
Loose control *High discretion roles, freedom to experiment and innovate, flexible working practices*	**Tight control** *Micro-management, high degree of measurement, enforcement policies and procedures, hierarchy*
Pragmatic *What matters is what works, flexibility, customer orientation, diversity and tolerance*	**Normative** *Correct practices, rules and regulations, homogeneous language and practices*

There are no right or wrong answers here. The exercise aims to provoke debate about what kind of cultural characteristics would best serve the LGA in current circumstances.

Before you plan changes in response to such assessments, you should exercise caution. First find out why current characteristics exist. Get to their causes. Is the LGA capable of change? Knowing this will help the LGA plan a better culture change strategy.

There are 2 factors that will help:

(i) People like to know what motivates those trying to drive change; leaders must be seen to be open about the culture.

(ii) Don't get bogged down in process and in change for the sake of change; link the exercise to some organisational issue.

See the previous chapter. The analysis should include the views of Board members and staff at different levels. Key questions to be addressed are:

- *What happened – from different perspectives?*

- *How did the different groups experience the actions of each other?*

- *What assumptions were made about why particular groups acted as they did?*

- *What beliefs and loyalties were at work?*

- *How does the current LGA culture compare to the culture it needs to have to be a successful, high performing organisation?*

Cultural Assessment Framework

Use a survey against the cultural features of an effective organisations (set out earlier in the chapter) to help the LGA Board and staff understand the current LGA culture and identify areas for change.

Understanding the culture you have

Any organisation, including an LGA, contains several cultures. They are influenced by the national culture, the LGA's purpose, the 'market' in which the LGA operates, historical attachments, key dilemmas and available technology.

National culture

Set out below are key cultural dimensions derived from national characteristics. Organisations would place themselves on the continuum for each characteristic in the light of their national background. Where does your LGA stand? Where do your Board and staff feel most comfortable?

CULTURAL DIMENSIONS

Individualism	←	→	*Collectivism*
Certainty	←	→	*Uncertainty*
Short term	←	→	*Long term*
Masculine	←	→	*Feminine*
Hierarchy	←	→	*Equality*

To change a culture, you need to understand where it comes from. For example, if you wanted to increase openness, you may have to intervene specifically to reduce the degree of individualism.

The LGA's purpose

The LGA's purpose can be a strong determinant of culture. The LGA will attract certain kinds of staff, for example. Strong purpose can increase motivation and develop broader perspectives. Focus on the purpose through, for example, raising the profile of strategic planning, will have constructive implications for the culture.

Nature of the market

A key aspect of the market is the feedback about products and services from customers. How quickly does the LGA receive feedback from local authorities? Establishing sensitive feedback mechanisms can bring about rapid change as the LGA seeks to satisfy those who pay its costs.

Historical attachments

Perhaps the LGA Board and staff have been together for a long time. They may have developed a loyalty to each other that blinds them to their effectiveness in strengthening local government. Do they welcome new Board members or new staff? A degree of turnover will bring in new ideas and commitments; too much turnover will lose experience and expertise.

Key dilemmas

Every LGA faces dilemmas. If not actively resolved, they will be sorted out through the predominant culture. For example, in a closed culture the LGA's literature might say it is performing well when actual results are seen to be poor. It is consequently not trusted. Change will only come if it both improves its results and increases its transparency.

New technology

New technology allows an LGA to be much more open with up-to-date information. Investment in technology can bring greater transparency. Are the LGA Board and staff ready to be so open?

Culture change strategy

Culture change is about changing the conditions on which the culture is based. It is about changing beliefs and behaviours. It is not achieved through decisions or by strict control. Several techniques in the right sequence are necessary. There are 3 stages:

   1. People first have to realise the need for change ('*unfreezing*'). Exhortations are not enough. Inspiring visions will help some people. People have to come face-to-face with the consequences of the way the LGA currently operates. They must believe there is a problem.

2. Changes must be introduced that have an impact on the culture ('*moving*'). It involves mobilising effort across the organisation, whether it's about new structures, systems, policies, procedures or training programmes.

3. The changes need to be institutionalised ('*refreezing*'), making them part of the new way the LGA has of doing things.

Unfreezing techniques

Future mapping

Ask the staff and Board members to work in groups to consider the issues the LGA might be facing over the next 5 years. Key questions are:

- Who are the actors? – local authorities, mayors, government, sponsors.
- What is happening? – trends, legislation, developments, threats, opportunities.
- How are the various changes linked?
- How will the LGA accommodate these changes?

Large-scale consultation

This could include conferences on the future, surveys, interviews and focus groups.

Challenge focus

Consider some real negative experiences of the LGA; work out what went wrong in each case and how the problems could have been avoided. Draw out the 'moments of truth'. Rather than offer solutions that fail for lack of ownership, challenge the LGA to do better, releasing creativity rather than urging compliance.

Appreciative enquiry

This is the opposite of Challenge Focus. Identify people doing well and develop growing examples of good practice or desirable behaviour. This builds confidence.

Moving techniques

The key to changing culture is leadership. Culturally-determined leadership behaviour can include:

- *focusing on, controlling and measuring key issues on a regular basis*

- *allocating scarce resources*

- *teaching and coaching*

- *allocating rewards and status*

- *recruiting, selecting, promoting, retiring, disciplining staff*

- *reacting to critical incidents and crises*

- *managing relationships*

CONDITION CREATING CULTURE	LEADERSHIP ACTION
National culture	*Leaders are clear about how Mayors, local authorities and stakeholders should be treated; they exemplify partnership and respect.*
LGA purpose	*Leaders breathe new life into the organisation, bringing alive the vision and putting it into practice.*
Market (external environment)	*Leaders are pro-active, keeping in touch with developments and anticipating changes, integrating external changes into the LGA's objectives.*
Internal climate	*Leaders deal with key cultural 'icons' that deviate from the desired culture, showing the organisation how to engage, collaborate and innovate.*
Historical attachment	*Leaders create strategic alliances and partnerships and demonstrate commitment to them, honouring and moving on from relationships that served them well in the past.*
Key dilemmas	*Leaders negotiate with stakeholder to align capacity to activity, engaging people across the organisations to solve problems and grasp opportunities.*
Values	*Leaders act with integrity, care and resolve, exemplifying the values they want the LGA to adopt.*

Conditions for cultural change

Key elements of an organisation relate to each other and should form a consistent whole if cultural change is to occur. They include:

OBJECTIVES

PROCESSES   **STRUCTURE**

REWARD SYSTEMS   **LEADERSHIP**

SKILLS AND VALUES
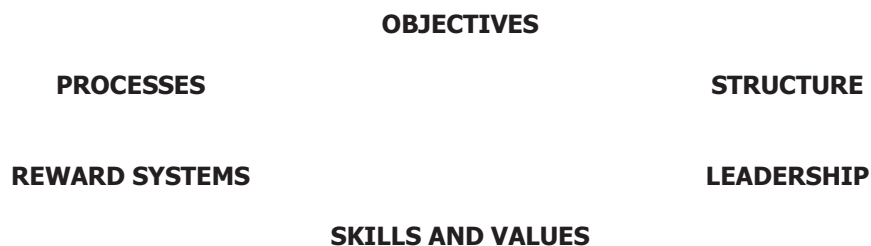
Change in one needs to be reinforced by change in the others. The leadership needs to ensure that the changes being introduced become embedded in the LGA ('*refreezing*').

5.   IMPROVING SERVICE PERFORMANCE

Local authorities expect LGA services of high quality and expectations are rising. An effective LGA will develop services that:

- *Perform well against agreed performance indicators;*

- *Demonstrate continuous improvement;*

- *Are sensitive to the changing needs of local authorities;*

- *Are aligned with the LGA's objectives;*

- *Act within legal and financial constraints;*

- *Are efficient and deliver good value for money;*

- *Make sensible decisions on funding and risk;*

- *Understand the link between staff motivation, skills development and performance improvement.*

Where does your LGA come in the set of continuum (1-10) between poor and excellent service performance set out below?

SERVICE PERFORMANCE ASSESSMENT MATRIX

FACTOR	POOR PERFORMANCE	EXCELLENT PERFORMANCE
Local authority engagement	*No approach beyond listening to complaints*	*Systematic quantitative and qualitative consultation; services developed in collaboration with users*
Performance improvement	*No approach; no performance indicators; service plans descriptive, not analytical*	*Suite of performance indicators; staff engaged in monitoring, responding to data and driving up standards*
Corporate contribution	*Services unaffected by LGA priorities*	*Clear contribution of services to LGA objectives; service plans influenced by LGA priorities*
Learning and development	*No training plans; training used as punishment or reward*	*Coherent training plans linked to LGA needs and service improvements; plans resourced and outcomes monitored*
Probity	*No clear standards; evidence of breaches of requirements; risk not assessed; budgets poorly managed*	*Quality services delivered within budget and other constraints; risk management embedded in service planning; resources moved towards priorities*

An OD approach will gather information on service performance, facilitate communication with local authorities, support continuous improvement, help services encapsulate the LGA's values and intervene when the service is performing poorly. OD seeks to minimise central control in order to maximise staff sense of responsibility while ensuring the services remain true to the LGA's vision and culture.

OD techniques

It is important to choose the right approaches to OD to suit the circumstances.

1.   *People-based approaches*

These examine the relationship between competence and achievement. Individual competence can be developed through on- and off- the-job training, e-learning, coaching and peer learning. A key tool is <u>Training Needs Analysis</u> (TNA) that identifies the factors that feed into the development of a learning programme.

COMPETENCE / ACHIEVEMENT MATRIX

	ACHIEVEMENT	
	LOW	**HIGH**
HIGH **COMPETENCE**	**Targets insufficiently stretching**	**Excellent services**
LOW	**Urgent development need**	**Dialogue with local authorities, planning and re-training**

Competence development ensures that staff are able to do their work well. It starts with a performance specification setting out the standards required and covers knowledge, skill, motivation and achievement.

2.   *Comparison-based approaches*

<u>Service Gap Analysis</u> starts with consulting local authorities' ideal level of service, what they think would be realistic to expect and what they feel they are actually getting. Managers also need to ask staff what they think. Comparisons can be made with recognised standards and good practice. Managers are then in a position to tackle the negative gap.

<u>Benchmarking</u> involves investigating best practice (in-house, other organisations, region), analysing performance, and planning and implementing changes to reach the Benchmark levels. It is important not to get bogged down in detail - a typical risk of Benchmarking. Benchmarking can cover data (on staff, costs, outputs and outcomes), process (sequence of activities), function (structure, operations and performance) and strategic outcomes (implementation of policy objectives).

Benchmarking should lead to better performance at strategic, organisational and operational levels.

3.   *Quality-based approaches*

How well does the service meet local authority expectations? Quality is derived from conforming to the specification, design, local authority requirements and performance indicators. The aim is to improve the economy, efficiency and effectiveness and to target wasteful activities such as paperwork, waiting times, unnecessary movement and processing, excessive communications and things that go wrong.

Seeking continuous improvement can involve everyone in questioning the rules, developing resourcefulness, getting to the root of problems, reducing or changing activities, eliminating unnecessary tasks. Gradual changes can build up over time.

Pareto Analysis means identifying that 20% of the issues causing 80% of the problem. The Fishbone Diagram helps trace the causes of problems.

FISHBONE DIAGRAM

People   **Machines**

Methods   **Materials**
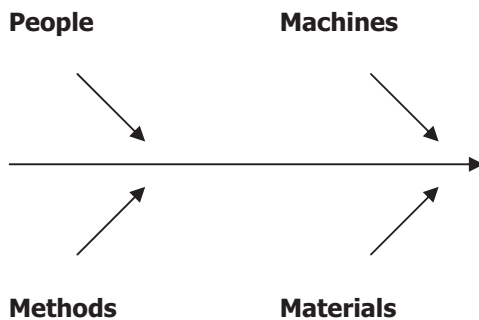
The 'Five Whys' technique seeks out root causes of problems by asking 'why?' in ever greater depth. It instills a questioning attitude and never accepts the first reason given.

Process-mapping shows how services are delivered by identifying every step and setting out connections. This can be a basis for identifying gaps or unnecessary constraints and suggesting improvements.

IMPORTANCE - PERFORMANCE MATRIX

	IMPORTANCE	
	LOW	**HIGH**
HIGH	Not that important to local authorities but LGA may be doing it well	Local authorities want it and get it
LOW	Not so important to local authorities and LGA does not do it well	Local authorities want it but do not get it

(PERFORMANCE is the label on the vertical axis, between HIGH and LOW)

The Importance – Performance Matrix (set out above) helps you think about the value of a service.

4.   *Dialogue-base approaches*

<u>Affinity and inter-relationship diagrams</u> are especially helpful when local authorities face particular problems (eg growing youth crime or the need for better care for the elderly) and seek LGA support to help solve them.

LGA staff and selected local authority professional staff meet and use brainstorming to:
- *decide on the outcomes sought;*
- *brainstorm the causes of the current situation;*
- *show on a diagram who owns the issue;*
- *identify the links between the elements;*
- *develop a plan of action.*

<u>Quality Circles</u> allow involved staff to get together on a regular basis to identify problems in a service as they arise. <u>Challenge Groups</u> consisting of both involved staff and outside stakeholders, come together to challenge every aspect of a service. In all group activity, it is important to understand the difference between puzzles and problems. A puzzle requires one specific answer. For a problem, a solution has to be developed. This is where the sharing of ideas and experiences is invaluable.

6.   CONCLUSION: THE ROLE OF PEOPLE MANAGEMENT

To be successful, OD requires a change of thinking in an organisation. This starts with the people involved. Hence the importance of the Human Resource (HR) function.

HR is not just about managing such processes as recruitment and discipline. More importantly, HR should contribute to the vision and objectives of the LGA by ensuring that policies and practices lead to individuals doing their best. It is about HR working with managers to deliver better services. It is about strategic thinking. HR has to identify its special contribution to LGA improvement.

Managers have the role of creating the right environment for staff to perform well. They need to be able to motivate staff, involve them in changing culture, coach them and promote their personal development. HR has the job of helping the managers to do this.

HR ROLE IN CHANGE

- *Understand, and help others understand, the likely impact of any change;*
- *Work with the LGA leadership to create the vision and the pathway;*
- *Ensure that the people issues are integrated into any change project;*
- *Support and develop the change project teams and managers;*
- *Create effective staff involvement strategies;*
- *Create an integrated approach to changing organisational and staff processes;*
- *Develop HR strategies to meet the new circumstances;*
- *Monitor and review progress; ensure that lessons are learnt for the future.*

KEY MESSAGES

- *OD looks at the whole organisation, from leadership and performance through to communications and culture.*
- *OD needs to be led from the top and facilitated with the right expertise.*
- *OD is about transformation; it is not for wimps.*
- *OD will help the LGA develop new ways of thinking and working in the face of the challenges of decentralisation and European integration.*
- *Identify the drivers of change in the LGA: what supports or hinders them?*
- *Have the courage to be challenged by a team of peers.*
- *What is the gap between the LGA's vision and the reality?*
- *Performance management turns ambition into delivery: does your LGA have a performance culture?*
- *The purpose of the Communications Strategy is to support better performance.*
- *Leadership is about leading; this is different from managing.*
- *Technical changes are easy; real change affects attitudes and behaviour.*
- *Is the Board transparent: does it act on its beliefs?*
- *Is the LGA's culture right for the challenges ahead? What is the leadership doing to shift the culture?*

SECTION 4

PLANNING IN THE
LOCAL GOVERNMENT ASSOCIATION

A.   THE STRATEGIC PLAN

B.   THE FINANCIAL STRATEGY

*These tools draw upon 'Strategic Planning in a Local Government Association (LGA)',
and the ACB Brochure 'Dienstverlening' – products of VNG International.*

SECTION 4A

THE STRATEGIC PLAN

CONTENTS

INTRODUCTION

Local Government Associations are at different stages of development. Some have clearly elaborated Strategic Plans that have become a key working document of the leadership. Others tend more to react to day-to-day events without clear longer term goals or priorities.

Yet most LGAs face similar challenges and can exploit similar opportunities. Local authorities expect much of their LGA. External funding can be channelled through an LGA. Local government Ministries could work in partnership with a strong LGA to deliver local government reform. All local authorities need capacity-building. Good local government requires a strong LGA to give the necessary leadership and sense of direction.

Strengthening an LGA starts with effective strategic planning – not just a document but a strategic planning system that makes best use of the Strategic Plan. Not a document that stays in the office cupboard, but one that is on everyone's desk and provides the necessary framework for deciding priorities and generating commitment. Strategic planning is a mechanism for improving performance.

This Tool is an easy-reference manual for developing a Strategic Plan and an effective strategic planning system. It draws on good practice and provides a benchmark. The LGA should have the necessary capacity and mechanisms for developing effective strategic planning.

Because of the importance of the Strategic Plan and the care needed in drawing it up, the LGA may choose to invite an external facilitator to provide assistance.
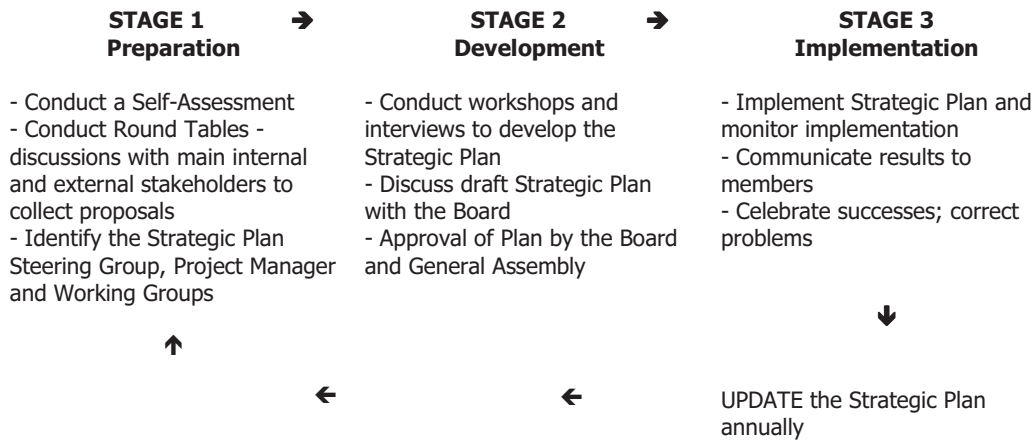
1.   PURPOSE OF STRATEGIC PLANNING

LGAs perform best when there is common agreement on their objectives and priorities and on the strategies for their implementation. Strategic planning helps an LGA identify:

> a. *The organisation's reason for existing*
>
> b. *Strategic priorities and objectives*
>
> c. *Any re-structuring necessary in the organisation*
>
> d. *The required human and financial resources*
>
> e. *Operational plans*
>
> f. *Monitoring and evaluation mechanisms*

Furthermore, the strategic planning process allows for healthy self-criticism. It helps to generate commitment by actively involving all the key stakeholders – the Board, staff, local authorities and government. Strategic planning is not a one-time exercise or a cast-in-stone product but an on-going dynamic and flexible process.

STRATEGIC PLANNING CYCLE

STAGE 1 Preparation	➜	STAGE 2 Development	➜	STAGE 3 Implementation
- Conduct a Self-Assessment - Conduct Round Tables - discussions with main internal and external stakeholders to collect proposals - Identify the Strategic Plan Steering Group, Project Manager and Working Groups		- Conduct workshops and interviews to develop the Strategic Plan - Discuss draft Strategic Plan with the Board - Approval of Plan by the Board and General Assembly		- Implement Strategic Plan and monitor implementation - Communicate results to members - Celebrate successes; correct problems

⬆

⬅   ⬅   UPDATE the Strategic Plan annually

⬇

Benefits of strategic planning

- ### *Vision of the future*

Strategic planning provides clarity about the LGA's future; it creates both the political and the operational framework for achieving the LGA's objectives. The Strategic Plan is the <u>reference point</u> for planning and managing the LGA's work.

- ### *Results-oriented LGA*

Strategic priorities and objectives start from the needs and expectations of local authorities. This allows the LGA to be driven by local authority <u>demands</u> rather than the priorities of, say, funding organisations. Consequently, strategic planning will help an LGA find the proper balance between being a predominantly political organisation and a more businesslike, results-oriented professional organisation.

Guidelines for a well-written Strategic Plan:

<u>*Short and to the point:*</u> *Do not use flowery language; be specific and straightforward; avoid confusing language and appreciate that the first impression must be the best one.*

<u>*Readable:*</u> *Make sure that the plan has a coherent and logical construction; avoid double meanings and superfluous digressions; use a down-to-earth and practical style that invites the reader to continue reading.*

<u>*Understandable:*</u> *Do not use too much technical jargon, but if you have to, explain it; appreciate that readers, even decision-makers, are not always planning experts.*

<u>*Honest:*</u> *Do not cover up weaknesses that could affect the feasibility of the LGA's ambitions; present reality and realistic plans.*

<u>*Reliable:*</u> *Presentation of realistic and recognizable plans makes your LGA appear reliable.*

<u>*Convincing:*</u> *Show ambition, enthusiasm and belief but do not be overambitious; it is better to adapt the Strategic Plan in a positive way than face a frustrating gap between original plans and final outcomes.*

- *Publicly recognised LGA*

An LGA should have a good image. Its reputation will help to generate both funding and political support from different sources. A convincing professional Strategic Plan can demonstrate the LGA's ability to develop mature policies and manage important projects.

- *Management tool*

A Strategic Plan gives direction to the Board. It creates commitment. This will help the Board in the implementation of its priorities and objectives.

- *Communication tool*

Finally, the Strategic Plan is an instrument for communication. All stakeholders, including the public, can be informed about the LGA's policies, strategies and objectives. It will help influence people to support change and to strengthen local government.

2. THE PREPARATION STAGE

As a first step, you should consider the following questions:

Resources: Are enough money, people and time available to support the process?

Culture: Is the organisation's attitude business-like, proactive and results-oriented?

Commitment: Are skilled personnel available that can be dedicated to the process?

Vision: Is there enough understanding of the organisation's long-term goals?

Motivation: Are the people involved aware of the need for strategic planning?

Acceptance: Will the strategic planning process fit in with the needs and expectations of the organisation and the local authority membership?

Climate: Is the outside world ready for greater aspirations from the LGA?

Steering Group

A key success factor is the level of sustained commitment given to the strategic planning 'project'. It is important to establish a Steering Group of up to 15 key players who combine expertise and representation of the LGA's key interests.

Final responsibility for the Strategic Plan and the way it is used will lie with the Board and the General Assembly.

Process owner:

There needs to be two strong persons to take the political and executive responsibilities for the project between them. They should be supported by a professional and dedicated Project Manager.

Example: Terms of Reference for the Strategic Plan Steering Group

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Purpose:
To oversee the approach, preparation and dissemination of the Strategic Plan and create the conditions for its successful implementation.

Tasks:
> *Represent the interests of the Board, member local authorities and staff.*
> *Agree the Job Description of the Project Manager.*
> *Appoint the Project Manager and any supplementary Working Groups.*
> *Agree the project plan for the development of the Strategic Plan.*
> *Agree an effective progress monitoring mechanism; receive regular progress reports and take action accordingly.*
> *Keep the Board informed of progress.*
> *Refer to them for decisions where appropriate.*
> *Agree the draft Strategic Plan and strategic planning system and present it to the Board for approval.*
> *Agree a communications strategy to ensure maximum awareness and support.*

Membership:
> *Vice chairperson of the Board (chair)*
> *Two further representatives of the Board (cross party)*
> *Executive Director, 2 senior Directors and 2 representatives of operational staff*
> *Two representatives of member local authorities*
> *External participants*

Timescale:
> *The draft Strategic Plan should be presented to the Board for approval at its mid-October meeting, in expectation that it will be presented to the General Assembly in December for agreement.*

Staff:

Staff with the required expertise should be made available to support the project, (i) from the Management Team because of their seniority and technical backgrounds, and (ii) from other staff to ensure that operational matters are considered realistically.

LGA Board:

The Steering Group will be accountable to the Board and should include some Board members; they will have to ensure that the Board is informed of progress and is ready to take any necessary decisions.

Mayors:

The Steering Group should include 1-2 influential Mayors who will be able to keep the wider membership informed of progress.

Stakeholders

The stakeholders include all the internal and external actors that interact with the LGA. Member local authorities and staff are the internal stakeholders; NGOs and central authorities are the external stakeholders. It will be important to involve all interested stakeholders in the strategic planning process to take account of their views and generate support. This can be organised through roundtables and bilateral discussions.

Project management

Managing the process well will be a challenge, given the political and professional currents in an LGA. The starting point is a clear Project Plan.

Keys to success are:

- **Goals:**

What is the purpose of strategic planning for the LGA? What are your expectations? Are they realistic and attainable? What are the success factors and potential pitfalls?

- **Work plan:**

The Steering Group will need to establish Working Groups for specific tasks. A Project Team will have to be set up to draft the Strategic Plan with clear responsibilities, a budget and timetable. Surveys will be needed to identify the expectations of staff and member local authorities. Communications will be critical.

- **Terms of Reference and Job description:**

You will need to draw up Terms of Reference for the Steering Group and for any Working Groups. The different tasks of Project Team members should be set out in Job Descriptions. Job Descriptions should be short and clear to allow for flexibility.

- **Timing:**

Project Team members will normally be doing their own full-time job as well. You will want to consult team members on the time they can devote to the project.

- **Monitoring:**

The Project Plan should include specific performance indicators and output targets. There should also be a Project Team meeting structure in the timetable – perhaps 1 or 2 a month to make it easier to monitor progress systematically and make timely adjustments.

- **Resources:**

The budget should cover all project aspects and will help you keep control of the process.

3.   STRUCTURE OF THE STRATEGIC PLAN

Strategic Plans in LGAs tend to range from a few general goals to an appealing, practical plan. Answers to the following questions constitute the structure of the Strategic Plan:

> *Where are we now (self-assessment)?*
> *Where do we want to be within 5 years from now (vision and mission)?*
> *How do we get there (policies, strategic priorities and objectives)?*
> *How are we going to organise it financially (financial plan)?*
> *What actions do we have to take (work plans)?*
> *How do we monitor the process (evaluation and review)?*

Self-assessment

The first action to be taken is to determine the current status of the LGA. This can be done by means of the **Performance Benchmark** (see Section 2 of the Toolkit). Another option is to conduct an **Environmental Scan**; this is a method for collecting basic data that describes the LGA along with its problems and issues. It should contain the following information that can be made available to the Working Groups:

* *Data that describes the LGA, its problems and issues*
* *Current activities that are planned and budgeted (eg municipal improvements)*
* *Current budget and sources of revenue*
* *Potential sources of revenue*
* *Lists of known needs and deficiencies*
* *The extent of member involvement in LGA's affairs*
* *The key stakeholders and partners, eg business partners, NGOs, international organisations and public sector bodies*

The LGA may organise meetings with stakeholder groups to generate the information, perceptions and ideas for the Environmental Scan. The Project Manager should prepare the results of the Environmental Scan in a report for the Working Groups. A summary of the document should be included as an Annex of the Strategic Plan.

Vision and mission

Where do you want the LGA to be in 5 years' time? Will it be able to speak with one voice to the Government? Will it respect the various views across the political spectrum? Will it be providing first class capacity-building services to its member local authorities? Will local authorities be willing to pay more in fees so that it can do a better job? Will it be a source of authoritative information on local government?

The Mission Statement is a core responsibility of the Board.

Strategy

Strategic planning is a converging process: every next step has a more practical, down-to-earth character starting with the <u>Vision and Mission Statement</u>. It describes the <u>route</u> towards achieving long-term goals, for which the Board is also responsible.

It is sensible to distinguish between the internal and external strategies.

Because good performance by local government requires an effective LGA, the internal strategy is about creating an organisation that best serves the member local authorities.

Strategic priorities and objectives

There are 3 core goals of an LGA:

1. **The advocacy role:** representing and defending the interests of its members and articulating its needs and expectations.

2. **The provision of supporting services:** to help local authorities develop their leadership and their capacity to deliver high quality public services.

3. **The collection and dissemination of information:** to keep all stakeholders informed about local government.

Priorities should be relevant to the majority of member local authorities. They should reflect **demand**. The Board should therefore hold consultation sessions with representative local authorities.

Strategic objectives are about the delivering the priorities in the short and medium term. Each objective should be set out with milestones, timescale, outputs and responsibility.

Objectives should be **SMART** (see below). Milestones represent measures on the way to fully achieving the objective; they serve as monitoring mechanisms. They help to answer the questions: *'Are we on the right track? Are we on schedule? Are we within budget?'*

The SMART principles:
S = Specific (objectives and targets should be concrete and clearly deliverable).
M = Measurable (the targets and performance indicators should be measurable).
A = Achievable (if programmes are too complex, time-consuming or expensive, there will be a risk of failure; targets should be achievable).
R = Realistic (targets should match resources; the focus should be on ends, not efforts).
T = Timebound (realistic timescales and deadlines for the completion of work are necessary if objectives are to be delivered).

Strategic priority No 1

OBJECTIVES	MILESTONES	TIMESCALE	OUTPUTS	RESPONSIBILITY
1.				
2.				

Financial Strategy

The Strategic Plan can only be implemented with the appropriate resources, particularly staff and funding. It is therefore clearly linked to the Financial Strategy and should include a section on the budget and sources of funding.

A major risk for LGAs in transition countries is their dependence on donor funding and the mismatch between local authority competences and available central government funding. Hence the importance of developing an effective fee structure and complementary sources of funding.

The Strategic Plan should show that:
  ➢ *The core business of the LGA is funded through membership fees.*
  ➢ *That donor funding is used for supplementary programmes.*
  ➢ *There are plans to increase the funding from fees (eg by increasing fee tariffs and improving collection methods) and from paid services.*
  ➢ *There are plans to expand the LGA's project development capacity.*
  ➢ *There are on-going advocacy initiatives to bring central funding into line with local authority commitments and with European standards.*

How the Strategic Plan is written and presented is important. Many people will read it. It should inspire the staff and member local authorities and give confidence to the Government and other organisations; it needs to be appealing for maximum impact.

4.   IMPLEMENTATION

The responsibility for implementing the Strategic Plan lies with the Executive Director. But the Strategic Plan is relevant to different stakeholders – to the staff, to member local authorities, to central authorities and to national/international organisations. The Executive Director should use every opportunity to use the Strategic Plan to engage these stakeholders in support of the LGA's work.

There will be some areas of work where the LGA may prefer to work in partnership with other organisations. The Strategic Plan can identify the potential for partnership working.

It will be the implementation of the Work Plans that delivers the LGA's strategic objectives. There are many mechanisms for monitoring progress:

- ➢ *Weekly meetings of the Executive Director and staff to exchange information.*

- ➢ *Monthly meetings of the Executive Director with staff based on (i) a short written progress report from each manager (on track, ahead, delay, deviations), including financial developments (expenditure and income versus budget), and (ii) a preview of forthcoming activities and possible delays, developments or complications.*

- ➢ *Quarterly written progress and financial reports submitted to Board by the Executive Director.*

- ➢ *Quarterly written reports to inform supporting organisations.*

- ➢ *An annual written report (including a financial report) to the Board and General Assembly on achievements in implementing the Work Plans and the submission of Work Plans for the next year.*

For the sake of efficiency and effectiveness, the Executive Director should have the mandate to adapt Work Plans where circumstances change or progress is not as planned. If this occurs, he/she should include in the quarterly reports to the Board the justification for any such changes.

5. PRESENTATION AND COMMUNICATIONS

Presentation is important. It creates first impressions. <u>Appearance</u> is enhanced if the Strategic Plan is printed on quality paper, has an attractive layout and is well bound. A good-looking document invites reading. But how do you 'sell' it?

A good Strategic Plan can have a dramatic effect on the LGA, especially in accomplishing organisational change. All stakeholders should receive a copy with a covering letter from the Executive Director and President.

Change can create conflict and hostility, and strategic planning often brings <u>change</u>. Consultation and information meetings are essential to explain the reasoning behind the changes. A failure to communicate honestly can lead to demotivation and a lack of confidence in the LGA's leadership.

Other external communications techniques include:

> ***Production of special editions of your external newsletter or magazine.***
> ***Participation in news media (interviews, panel discussions, presentations).***
> ***Meetings with editorial staff of national and local newspapers.***
> ***Production of press releases.***
> ***Presentations on the LGA's website.***
> ***Production of newspapers articles.***

In-house communication consists of continuously drawing attention to the Strategic Plan and the progress being made. Why not put the LGA's mission statement, set out in a couple of keywords, on business cards and letterheads? Celebrate reaching milestones by talking about them at formal meetings and informal encounters. Write articles for bulletin boards and internal newsletters. Show through the presentation of specific accomplishments that the LGA is heading towards its goals.

6. UPDATING THE STRATEGIC PLAN

Once developed, the Strategic Plan must be implemented. But circumstances change; projects are completed; objectives are achieved. The Strategic Plan should be updated annually to evaluate progress and inform future operational planning. This should be the responsibility of the same Steering Group and Working Groups.

They should:

- *Review and evaluate the Strategic Plan.*
- *Identify new actions to be taken in the next 2-5 years and introduce the necessary modifications.*
- *Eliminate plans that are no longer feasible.*
- *Assign responsibilities.*
- *Prepare an updated Strategic Plan.*
- *Define a process for disseminating, discussing and adopting the Strategic Plan with members.*
- *Adopt the updated Strategic Plan.*

THE STRATEGIC PLAN - A TOOL FOR ACCOUNTABILITY

The Strategic Plan is a principal tool of accountability for the LGA. The requirement for a Strategic Plan should be set out in statute. The Strategic Plan should be agreed by the Board on an annual basis with a summary presented to the General Assembly along with a report on achievements.

The Strategic Plan helps to ensure that the Secretariat carries out the priorities of the Board. Heads of Departments should have the chance to update the Board on progress against the Strategic Plan in their separate areas of responsibility twice a year.

Thus the LGA will be seen to be transparent and accountable in what it plans, what it achieves and how well it manages the budget. The Board will develop a better understanding of the work of the Secretariat. The Heads of Department will better understand the concerns of the Board and will be encouraged in their performance.

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7.   STRATEGIC PLANNING AS A MANAGEMENT TOOL

Once the Strategic Plan has been adopted, it constitutes a *managerial framework*. Daily operations, facilitating change, monitoring processes and coaching people can be much better organised where there is consensus about the strategic goals. As long as actions serve the achievements of strategic goals, potential opposition can be managed better.

> ***Strategic planning gives direction to the LGA's future.***

Results management

Many LGAs assess their work by inputs and efforts rather than outputs and outcomes. This reflects a not very businesslike culture. Good strategic planning tends to bring about a shift to a more *results-oriented attitude* based on modern management principles.

This shift is unavoidable because member local authorities are increasingly expected to do the same and because the achievement of goals is impossible if policy-making is not followed up by results-oriented operational management. If the Strategic Plan's objectives are 'SMART', they will inspire the LGA's leadership to become more *entrepreneurial* and staff to become more *managerial*.

Human resources development

It is the member local authorities that should determine the LGA's strategic policies and the Strategic Plan should reflect that. If the LGA's policy so far has been more supply-oriented, a demand-driven approach can cause conflict; it may overcharge existing staff or exceed their capacity and skills. Part of the planning process is, therefore, to assess the current capacity and skills in the LGA and bring them into balance with what is required. Inadequate staff should be released; new staff may need to be recruited.

This means that the LGA will need to promote performance appraisal and staff development to create the expertise needed for delivering the strategic objectives. This requires sound human resources policies and management under the responsibility of a professional personnel manager.

Change management

Associations that operate without a Strategic Plan are doomed to confront elected representatives and staff with a reactive day-to-day approach. People who feel comfortable in this environment will tend to resent changes. However, a results-oriented Strategic Plan demands organisational and, consequently, **behavioural changes**. Such change management is probably the most difficult part of the implementation.

The clearer you have been in describing how to achieve the strategic objectives, and the earlier in the planning process you have involved staff, the easier it will be to get the support and commitment for the necessary changes.

Final thoughts

> - *Strategic planning lets future priorities have an influence on today's activities.*
> - *Strategic thinking is more important than strategic planning.*
> - *Strategic planning, if not implemented properly, has the potential to generate conflict, waste time and consume resources for relatively little return.*
> - *The real purpose of strategic planning is not to develop plans but to stimulate forward-thinking and action.*
> - *Strategic planning is a dynamic and flexible process that never ends.*
> - *Strategic planning aims at organisational changes and thus can have a dramatic impact on LGA structure and policy*
> - *Strategic planning aims at improving people's performance in order to improve performance of LGAs.*
> - *Daily routine and the lack of strong operational leadership are major threats to strategic planning.*

8. CHECKLISTS

Contents of the Strategic Plan:

Front page	Document title, covering period, name of author(s), date of production, date of Management Board's approval, date of adoption by Congress.
Table of contents	Chapter heads, subheads, page numbering, annexes, consulted literature.
Introduction	Background, justification, purpose, goals.
Methodology	Preparatory measures, procedures, participants, decision-making process.
SWOT analysis	Methodology, participants, most important findings (top 3 per item), summary or extensive presentation, conclusions.
Vision and Mission	Clear, simple, brief statement about final goal or destination, consensus, link with core business.
General Strategy	Distinction between internal (organisational) and external long term strategic goals.
Strategic priorities	Description of more specific internal and external long term strategic focus.
Strategic objectives	Mid-term goals, milestones, deadlines, output targets, responsibilities.
Risk analysis	Assessment of risks that may need to be managed.
Success factors	Preconditions for successful implementation.

Pitfalls in strategic planning:

Daily routine	Daily routine wins if plan is boring, not motivating, unappealing and without incentive.
SMART standards not applied	Objectives and goals insufficiently specific, measurable, attainable, realistic or time-bound.
Insufficient resources available	Lack of funding, people, expertise.
No sense of need for strategic planning	Resistance to change, short term policy, no vision.
Weak leadership	Lack of control, monitoring, support, initiatives, action, seniority; reactive, passive attitude.
Overload	Insufficient prioritization; strategies are too many and too broad; lack of proper capacity and skills.
Plan cast in stone	Lack of flexibility and dynamism.

KEY MESSAGES

> ➢ *A good Strategic Plan is an efficient weapon; use it to set the direction, communicate the right messages and harness the energy of stakeholders in a common purpose.*
>
> ➢ *Strategic planning requires realism, honesty and long term commitment. Do you have these qualities?*
>
> ➢ *A good Strategic Plan leads to more effective local government. Does yours?*
>
> ➢ *A Strategic Plan gets the organisation it deserves.*
>
> ➢ *Without careful preparation, a Strategic Plan will not work.*
>
> ➢ *Do not ask who is responsible for the future; it is you.*
>
> ➢ *If you do not know where you are now, how will you know where to go? Self-assessment is not just the first stage; it should be an every-day part of the culture.*
>
> ➢ *Do not forget the Financial Strategy and Operational Plans; otherwise the Strategic plan will not work.*
>
> ➢ *Is your Strategic Plan good enough to give away?*
>
> ➢ *A Strategic Plan is about leading change, not just about reacting to it.*

9. SELF-ASSESSMENT: SUCCESS FACTORS IN STRATEGIC PLANNING

Consider the success factors set out in the table below; assess how good your LGA is at strategic planning. Where there is room for improvement, list actions to be taken.

SUCCCESS FACTORS IN STRATEGIC PLANNING	HOW WELL DOES YOUR LGA ACHIEVE THEM?	ACTION
Consensus *Do all parties support the planning process and its envisaged objectives?*		
Commitment *Is everybody ready to participate in the process and accept all consequences?*		
Communication *Is the process integrated in the Communication Strategy?*		
Capacity and skills *Are there enough trained, competent staff to do the job?*		
Dedication *Is there enough ownership at all levels?*		
SMART *Are all identified objectives really SMART?*		
Motivation *Are people motivated by the process, environment and leadership?*		
Support *Do the process and people have support at all LGA levels?*		
Mandate *Are tasks, responsibilities and instruments clearly allocated to the right people?*		
Resources *Are enough resources allocated to the process and its implementation?*		

SECTION 4B

THE FINANCIAL STRATEGY

CONTENTS

1.   THE PURPOSE OF FINANCIAL PLANNING

The strength of an LGA reflects its financial capacity. How does it manage its finances? What are the various sources of funding for an LGA? How sustainable are they? What financial expertise does the LGA have? Can it develop good project proposals?

The greater the LGA's income, the better it can carry out its core functions. An LGA has 3 core functions:

> *Articulate local government needs and expectations to the Government.*

> *Provide a national platform for local authorities.*

> *Provide capacity-building services to strengthen local authorities.*

These functions cost money. A core source of funding will be the fees that local authorities pay to the LGA. But they will only pay those fees if they see they get something of value in return. Hence it is also true to say that the better it can carry out its core functions, the greater the LGA income will be.

When local authorities see the value of the LGA, they will give it their active support.

To determine the services which an LGA should offer, it must find out which services are wanted by local authorities and how they might be funded. Key questions must be asked:

1. *Does the activity contribute to the LGA's mission?*
2. *Are the private or voluntary sectors capable of delivering the service?*
3. *How can services be best organised?*

2.   THE FINANCIAL STRATEGY

Financial planning and strategic planning go hand in hand. After all, how can you reach your destination if you have not planned the resources you need?

Financial planning means the development of a long-term Financial Strategy that aims at the sound development of the resources needed to achieve the long-term goals of the Strategic Plan. Resources can come from several sources:

> ➢ *membership fees,*
> ➢ *income through the provision of paid services,*
> ➢ *external grants and technical support,*
> ➢ *project management fees,*
> ➢ *income from advertisements in LGA publications, conference fees etc.*

A good Financial Strategy indicates in headlines:

- *how the LGA's operations and services will be financed,*
- *how resources are expected to grow,*
- *activities to which resources will be allocated.*

The Financial Strategy and the Annual Work Plans are the starting point for the yearly exercise to plan income, expenditure and financial results in the Annual Budget.

Although financial planning is of utmost importance to the successful implementation of the Strategic Plan, its structure is not complicated. A good financial plan consists of:

- *The expected expenditures, comprising total operational costs, core business costs, costs for additional (paid) services, project costs and contingencies.*
- *The expected revenues, comprising the total amount of membership fees, income through additional (paid) services and other funding.*
- *The expected surpluses or deficits.*
- *Explanatory notes.*

Some LGAs depend heavily on donor funding. If you have identified financial independence and sustainability as a strategic priority, it is advisable to pay extra attention to developing the LGA's own income from membership fees and supplementary activities. Core activities should best be financed completely through membership fees, while donor funding should be limited to specific projects as far as possible.

The efficient **collection of fees** is an essential part of good financial management.

A format for a medium term financial plan:

	YEAR 1	YEAR 2	YEAR 3	GRAND TOTAL
1. EXPENDITURE				
1.1 Operational costs				
Core business costs as a % of total operational expenditures				
1.2 Costs of strategic programmes and projects				
1.3 Contingencies				
1.4 Other				
TOTAL EXPENDITURE				
2. REVENUES				
2.1 Membership fees				
Membership fees as a % of total yearly operational income				
2.2 Paid services				
2.3 Supplementary income				
2.4 External grants				
2.5 Other				
TOTAL REVENUES				
3. EXPECTED FINANCIAL RESULT				

Hence the importance of:

- *Having a clear understanding and consensus of the LGA's strategic goals.*
- *Having clearly defined what you consider as core business, additional services and externally-funded projects.*
- *Having a well thought-out membership fee formula, along with a serious fee collection and sanction policy.*
- *Having policies to (i) increase the proportion of membership fees as a % of the LGA's total income, and (ii) restrict the growth of core business costs (ie costs of running the LGA) as a % of total expenditure.*

Financial planning is a dynamic process. The Financial Strategy provides the framework for the Annual Budget; but the Financial Strategy needs to be adjusted each year in the light of achievements, new demands, failures and changes in the external environment.

3.   WORK PLANS AND BUDGETS

The annual Work Plans and Budgets are the mechanism for delivering the LGA's Strategic Objectives. A format for a Work Plan might look as follows:

Strategic priority:							
Responsible department:							
Responsible manager:							
Work plan #:							
Work plan period:							
	Activity	*Performance Indicators*	*Results/ outcome*	*Respons-ibility*	*Parties involved*	*Timescale*	*Progress*
Objective # 1:	*1*						
	2						
	3						
Objective # 2:	*1*						
	2						
	3						
Etc.	*1*						
	2						
	3						

The development of Work Plans should start in the last quarter of the year and should cover the following 12 months. The basis of the Work Plans will be an assessment of progress in implementing current Work Plans and in achieving the objectives and parameters in the Strategic Plan and the Financial Strategy.

Work Plans and the Annual Budget should be developed in parallel; it is pointless including objectives that cannot be funded. Likewise, activities of low priority should be avoided; the funding could be better spent elsewhere.

Once the Work Plans are established, the budget for the next year can be finalised. The final column can be used to note progress in, say, quarterly review meetings.

4. FINANCING THROUGH SUBSCRIPTION FEES

Local authorities pay a subscription fee to their LGA. In principle, this payment is not related to the number, type or amount of services used by a local authority. In practice, some local authorities use products and services more frequently than others.

Bigger cities may require less support from the LGA than others because they have more staff who can do the work, while smaller local authorities with limited staff may depend more on the services and expertise provided by the LGA.

Determining the subscription fee

Obviously, an LGA must collect a minimum level of fees to finance core activities. How does it determine the subscription fee payable by a member? Which formula is best, bearing in mind the many differences between local authorities?

There are different formulas that can be used. One possibility is to collect an amount based on the number of citizens of a local authority. Another is to collect a fixed amount from every local authority plus an amount per citizen. The fee may also be based on the budget of a local authority.

Whatever formula is chosen, richer municipalities normally pay more than less prosperous ones. Determining the level of the subscription fee and its distribution is a critical issue to be decided by the General Assembly and reviewed regularly.

To determine a subscription fee formula, it is important to have answers to some key questions:

- *What is the financial capacity of the local authorities? What would be a reasonable amount to ask?*
- *Is the LGA capable of representing them and delivering the products and services that would justify the contribution?*
- *Are contributions expected to generate the entire budget required by the LGA, or are there any other sources of income (e.g. donors or paid services)?*

Collecting fees

The LGA will need to make agreements for fee collection. Many LGAs find it difficult to actually collect subscription fees in full. Good procedures can certainly contribute to their smooth collection. But local authorities can find themselves in a difficult financial situation and may need to be encouraged to pay the right amount at the right time.

An LGA can be quite inventive when it comes to motivating local authorities to pay the fee. For instance, local authorities who have paid their fees could receive discounts for attendance at seminars and courses. Subscription fee payments can be aligned to the timing at which local authorities receive their funding from the State.

5. FINANCING THROUGH EXTERNALLY FUNDED PROGRAMMES

The funding generated by an LGA externally, eg from donor organisations, is often a significant part of the LGA's budget. With further decentralization and potential EU accession, more money is becoming available for local government.

External funding can open the possibility of developing a new service or product. It is a source of 'seed-money'. The LGA can use such funding to pilot a particular service, to learn what is involved and how to match the service to local authority needs and expectations. Once such a service is operational, the LGA may be able to fund its continuation from its core budget.

To generate such funding, the LGA will need expertise in project-writing and project management. Project-writing expertise helps the LGA to think through the issues that a donor will be interested in and to set out the proposal in a logical framework. Good project management will help bring the project to a successful conclusion and to account properly for all expenditure.

This is part of developing a **'track record'**. A successful project leads more easily to further project funding opportunities.

When local authorities have experienced a service or product delivered by the LGA and find it useful, they will be more inclined to pay for it, either through increased subscription fees or through specific payments for that particular service.

The down-side of donor-based financing is **dependence**. The risk is that the activity will cease once such funding is withdrawn. This is particularly difficult when such funding has been used to support the very structure of the LGA. This should generally be avoided or should be done in such a way that a planned phase-out gives time to the LGA to develop its own funding source.

> *LGAs should focus in their own strategic planning to build in a growing proportion of self-financing and a growing capacity to use external funding more effectively.*

6. FINANCING THROUGH PAID SERVICES

Paid services for individual local authorities

In principle, the LGA's activities are carried out for the sake of all its member local authorities or for groups of local authorities. If an LGA invests time and expertise to answer the needs of one local authority, then another local authority can claim the same thing. This often happens. Sometimes, this kind of demand reduces the effort the LGA can put into its core business.

The dividing line between activities the LGA should and should not support can be difficult to draw. What is important is that the LGA invests in services that can be of benefit to all local authorities. At the same time, it can develop services that only some local authorities feel they need. For example, stronger city local authorities may want to introduce performance management when rural local authorities have other concerns.

In some cases, it may be sensible for the LGA to offer *commercial services* for which individual local authorities would pay. This can be useful for more specialised services where expertise has to be brought in. But it is not so easy where a local authority budget is limited. The decision to offer a paid-for service would depend on a limited demand, the availability of expertise, an assessment of local authorities' willingness to pay and the added value of the LGA's involvement.

Paid service in case of common need for products and services

In addition to paid-for services to individual local authorities, the LGA might consider introducing paid-for services for a broad range of local authorities where it would be difficult to fund such services out of the core budget. Such services might cover office supplies and IT support for example, where purchasing expertise is required. Or the LGA could organise a specific annual summer school for which participating local authorities would pay. In principle, all local authorities can benefit from these services.

Criteria for paid services

When deciding **whether** a service should be organised and delivered, the LGA should consider two factors:

1.   *To what extent does the activity contribute to the LGA's mission?*

2.   *What market structures are there and what are the risks for the LGA with regard to offering the service?*

Criteria 1 - The activity should add value to the LGA's mission

An LGA's mission expresses its long-term ambitions in practical terms; it shows what the LGA hopes to achieve and describes its essential characteristics. The first question to be asked is whether the service provides an essential contribution to realising the LGA's mission. If a service has little to do with achieving the LGA's long-term objective, it is questionable whether the service should be offered.

It is important to make the entire decision-making process regarding service provision as open and transparent as possible. This certainly applies if local authorities must pay for specific services. This can be achieved by providing them with clear information, perhaps through meetings, and involving them in the deliberations.

The process of generating support must not be underestimated and requires a lot of time; sufficient preparation time before the service gets off the ground is important.

Criteria 2 – Can the market provide the service?

A second important question is whether the service is already offered by the private or voluntary sectors. If the market does not or cannot provide the desired service, then the LGA can choose to develop it itself.

To assess whether a service is suited to be set up as a commercial activity, it is important to review how many suppliers there are in the market. One supplier can create monopolistic situations and can force the price up and allow standards to fall. This adds to the risk of using the market to provide the service. At least with two suppliers, it is possible to switch supplier in the case of dissatisfaction, but if that fails to resolve issues of price or standards, there is no other option.

With several suppliers in the market, the price is slightly more negotiable and it is possible to seek out the better standards.

The LGA may feel that it is possible to draw up an acceptable contract with a supplier to deliver a particular service when there are not many suppliers. After all, the LGA represents a potentially <u>very large market</u> and it may be able to insist on certain demands.

Spectrum of possibilities

In deciding whether to commercialise a service, the LGA should consider two questions:

1. *Is the service of strategic importance to the LGA?*

2. *Does the service, if delivered by an external supplier, carry a high or low risk?*

The strategic importance is directly linked to the extent in which the service contributes to the LGA's mission. The closer to the mission, the higher the importance.

The *risk* relates to the market. What is the likelihood that the supplier will be able to deliver the service on demand at a fair price to the required standards?

The levels of risk and importance for a particular service being commercialised can be plotted on the diagram below. In the top left corner will be the services that are strategically important but carry low risk if commercialised. In the bottom right corner will be services that carry high risk and low strategic importance for the LGA.

If the LGA decides to set up a service, it should understand that this can involve risks. The market conditions can change; the LGA could, for example, face <u>competition</u>. If the service has been incorporated in a separate company, then that company could go bankrupt. Bankruptcy does not only mean financial damage, but also damage to reputation; a bad reputation can certainly be detrimental to an LGA.

Local authorities could lose confidence in the LGA and no longer view it as "their" representative. The respect in which the LGA is held at national government level could also suffer damage and reduce its ability to lobby effectively. So the LGA should ask itself if it wants to run this risk.
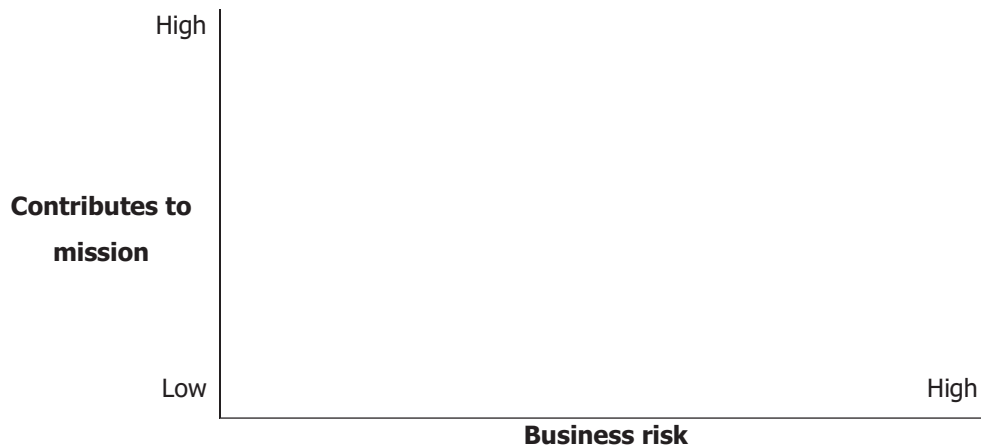
The supply of products and services should be weighed against the realistic chance that the investment generates a good return. If there are risks, the potential returns may not materialise. Will the local authorities actually want the service once it is offered? An LGA may see golden opportunities once the possibility of a paid service presents itself, but how certain is it that the service will be profitable?

A commercial risk can also be managed by entering into a partnership with a third party, whereby the profits – and the risks – are shared.

7. HOW TO ORGANISE A SERVICE

Organising a new service within the LGA

If the LGA has decided to offer a specific service, how will this be organised and delivered? Will the LGA choose to undertake this internally or incorporate the service in a separate entity or company, in which the LGA has a majority interest?

An LGA may like to gain experience with a new service within their current organisation. The service is set up and staffed as part of the relevant policy sector. There are several reasons for organising the service within the current organisation:

- *The LGA wants to develop its own expertise.*
- *It is a relatively small service.*
- *The service is only provided a few times a year.*
- *The prospects for the service are uncertain (market, financing etc).*

The costs of the new service must first be calculated. The decision on whether or not the service will be financed from the LGA's core budget must be made. In some cases, the 'normal' conditions in which the market price determines the cost may not apply. If the LGA feels it should set up a service because the market does not sufficiently meet the needs, then the following elements should be considered:

- *What will be the cost of the staff needed to run the service?*

- *What are the operational costs of the service (transport, equipment etc)?*

- *What administration costs must be included? The LGA's management will obviously be involved with the new service and will want to supervise it.*

If some of the expertise and tools needed for the service already exist within the LGA, the LGA may be able to limit the costs to local authorities.

It is also important to advertise the service to local authorities. A promotional programme is needed to ensure the local authorities know about the benefits of the service and any extra costs they may need to incur.

A new entity for providing the service (company)

If the LGA does not want to offer the service from within its current organisation, it could offer its members a (paid) service via a new entity. The LGA might choose to set up a wholly owned subsidiary or other structure that is majority owned by the LGA.

The advantage of placing the activities in a new company is that the company has a more independent status. This independence is only partially true because the LGA remains responsible for the company's actions from an administrative point of view; the LGA will be accountable to its member local authorities. The establishment of a company is not necessarily a way to exclude risk.

Policy and administrative tasks are such an integrated part of an LGA that they cannot be properly carried out by an independent company.

KEY MESSAGES

➢ *If your core business is not fully funded by membership fees, you may be too dependent on external funding.*

➢ *Project development capacity will give you a valuable tool for generating external funding.*

➢ *Are you credit-worthy? Those who pay look for good results and accountability; use their funds well and further opportunities will arise.*

➢ *The Strategic Plan, Financial Strategy and Operational Plans must fit together like Russian dolls.*

➢ *Make fee collection something to be proud about.*

➢ *Staff input into financial planning helps to ensure realism.*

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8. SELF-ASSESSMENT: SUCCESS FACTORS FOR AN EFFECTIVE FINANCIAL STRATEGY

Consider the success factors set out in the table below. Assess how effectively your LGA achieves them; where there is room for improvement, list actions to be taken:

SUCCESS FACTORS IN A FINANCIAL STRATEGY	HOW WELL DOES YOUR LGA ACHIEVE THEM?	ACTION
➤ Is the LGA committed to an effective Financial Strategy? ➤ Is there an efficient process for developing the Financial Strategy? ➤ How closely is the Financial Strategy linked to the Strategic Plan and Annual Work Plans? ➤ How well does the Financial Strategy follow good financial planning and budgeting principles? ➤ Is there a realistic medium term financial plan? ➤ Does the Financial Strategy identify a broad range of sources of income? ➤ Do subscription fees match the core business of the LGA? ➤ Are subscription fees fully collected? ➤ How dependent is the LGA on funding from donors? ➤ How well does the LGA sell services? ➤ How well does the LGA make use of the market? ➤ Does the LGA have the necessary expertise for developing and managing financial resources?		

SECTION 5

FUNCTIONS OF THE
LOCAL GOVERNMENT ASSOCIATION

A.   THE COMMUNICATIONS STRATEGY

B.   THE ADVOCACY STRATEGY

C.   SERVICE PROVISION

SECTION 5A

THE COMMUNICATIONS STRATEGY

<u>CONTENTS</u>

Page

This tool draws upon 'The LGA Toolkit' by the International Union of Local Authorities (IULA).

INTRODUCTION

Communication is a key function of the leadership and management of any institution, particularly an LGA where there are multiple audiences with different political perspectives and interests.

Efficient communication is not just giving out information; just as important is to encourage exchange and feedback. In order to survive, the LGA must <u>inform</u> all its stakeholders. But if it wants to grow, it must also <u>listen</u> and adapt itself in response.

> *Good internal communications promotes a spirit of co-operation;*
> *it is a symptom of good leadership.*

1.   THE PURPOSE OF COMMUNICATIONS

Good local government puts local authorities at the centre of a thousand communities. They have the power to make a real difference to peoples' lives.

There is also a risk that they will not live up to the trust put on them – by their own staff, by local people and organisations, by central and regional authorities, by national and international organisations.

Each stakeholder needs to know about the successes, needs and expectations of local authorities. Local authorities need to know what is happening at national level and among other local authorities; they need to be aware of opportunities and risks. The LGA Board and staff need to understand the LGA's priorities and plans.

A. Internal communications

A good *internal communications strategy* keeps LGA Board, staff and member local authorities informed. It contributes to their integration within the LGA, fosters a feeling of belonging to the organisation, creates a healthy work environment and increases efficiency.

> *Local authorities will be more willing to provide increasing fee income for the LGA*
> *if they know it is doing a good job and is responding to their needs.*

Internal communications go beyond the mandatory General Assembly and the legal obligations of accountability. A good <u>Communication Strategy</u> establishes a dialogue between the LGA and its member local authorities by:

- ***<u>informing</u> them of the services offered by the LGA;***
- ***<u>explaining</u> the LGA's priorities, projects and political positions;***
- ***<u>gathering</u> local authorities' reactions and comments on key issues to inform local government policy.***

B. External communications

External communications are vital to ensure other stakeholders remain committed to good local government and ready to support decentralisation and capacity-building. Key stakeholders are the central and regional authorities and NGOs; in some cases, the private sector has an interest.

Real accountability requires good communications.

The LGA needs good communications with external stakeholders for several reasons:

- **central authorities provide core local authority funding and develop local government policies and legislation; they have responsibility for the degree of decentralisation;**
- **national and international organisations often work in partnership with local authorities or provide funding for programmes and projects;**
- **the media are interested in key policy issues that affect local government;**
- **citizens want to feel confident that local government is trying to do a good job.**

C. The Communications Strategy

A good *Communications Strategy* is an essential feature of a good LGA to ensure that the right messages get to the right audiences at the right time.

What is a Communications Strategy?

An organisation must understand its 'communications environment'. It will define its communications policy and establish the objectives and priorities of its communications programme based on the vision, the mission and priorities of the organisation.

The next step is the Communications Plan, which lists a series of specific short, medium and long-term projects allowing the organisation both to inform its partners and to listen to them. Once a project is executed, the organisation measures its success by analyzing a series of simple performance indicators, and starts planning the next series of communications actions.

COMMUNICATIONS
POLICY

COMMUNICATIONS
OBJECTIVES AND
PRIORITIES

BUILDING A
COMMUNICATIONS
STRATEGY

ANALYSIS OF
PERFORMANC E
INDICATORS

COMMUNICATIONS
PLAN

COMMUNICATIONS
PROJECTS
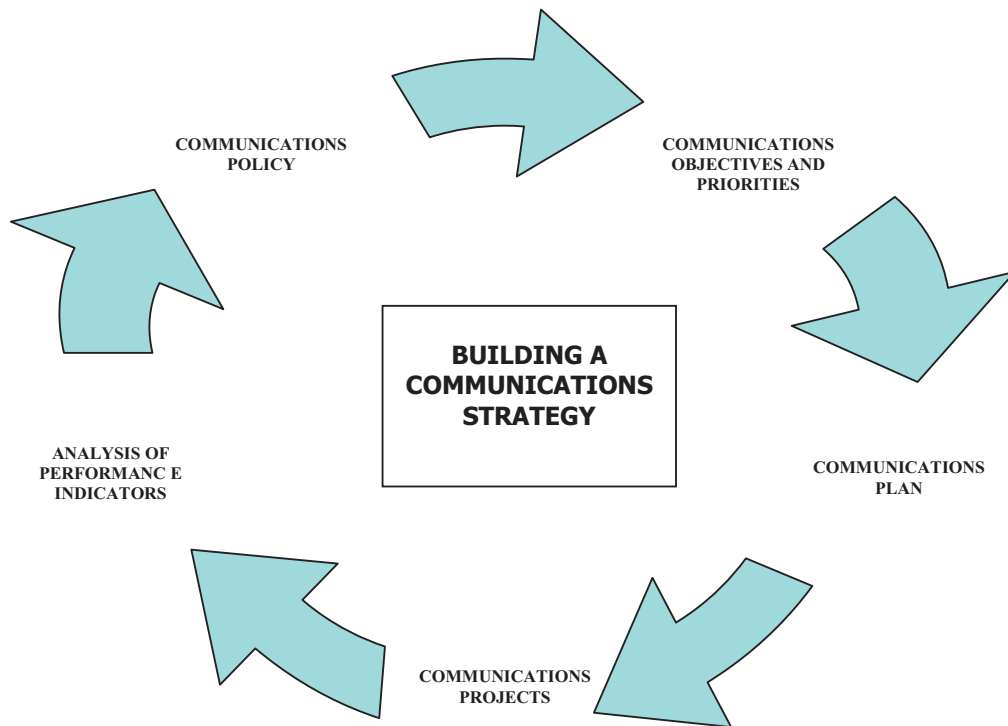
Good communications will need the full support of the LGA leadership. There are 4 critical success factors:

1. **The leadership is convinced of the importance of communications.**

2. **The leadership agrees that communications must be planned in a strategic way, just like any other managerial functions, adopts a Communications Strategy and oversees its implementation.**

3. **The leadership provides sufficient budget and resources (including a communications professional).**

4. **The leadership insists on regular updates of the Communications Strategy, because the political and financial environment of the LGA changes every year.**

2.   UNDERSTANDING THE COMMUNICATIONS ENVIRONMENT

The first task is to assess the state of communications in the organisation. You can use the following exercises. The responses to the questions should be objective; you may use small workshops, for example, to ensure a robust view is obtained.

A. SPOKESPERSONS

Who are the people _speaking on behalf of_ the LGA?	
□ *The President (or Chairperson) of the LGA* □ *The Vice-Presidents of the LGA* □ *All members of the LGA Executive Board*	□ *The Executive Director of the LGA* □ *The Communication Officer of the LGA* □ *Particular staff of the LGA*

- A limited number of official spokespersons will avoid confusion in the messages. It might be the President or Vice-President of the Board, but others may be needed for specific occasions. Whoever it is must have the necessary expertise and authority. Bad news should be conveyed by the leadership.

- It is necessary to have good feedback mechanism between the LGA staff and the spokespersons, who must be briefed before giving an interview or speaking in public.

- The Executive Director or Communications Officer can provide factual information on LGA programmes, but should leave political comments to the political leadership.

- Each time the LGA Board members and staff express themselves, they represent the LGA; they convey a message, good or bad. The LGA leadership must be attentive to the feelings and communications skills of the Board members and staff.

B. MESSAGES

What are the _main messages_ the LGA is currently trying to convey?
1. _____
2. _____

- The main messages should be aligned with the Strategic Plan; communications conveys the mission and the vision of the organisation and helps to harness commitment towards its goals and strategic priorities.

- If the LGA is promoting too many objectives at the same time, it will loose its focus; the audiences will also be confused by too many messages. You should establish your main communications objectives for the coming years, and stick to these messages.

- Messages can be transmitted very informally, like in a conversation; or in a very formal manner, for example in a conference or an advertisement.

C. AUDIENCES

Who are the LGA audiences?	
Internal audience □ **Members of the LGA Board** □ **LGA employees** □ **Elected representatives of local authorities** □ **Employees of local authorities**	**External audience** □ **Members of Parliament** □ **Central authorities** □ **National organisations** □ **Public affairs and political journalists** □ **Citizens** □ **International organisations**

Internally:

- Staff and Board members require in-depth information on all the projects and political decisions of the LGA. They may also have interesting suggestions.
- Staff like 'internal' news, such as achievements and management issues.
- Local authorities require in-depth information, especially on policy and technical issues; they want to know more about the wider local government family.

Externally:

- You should use the opportunity of sharing your achievements and plans with central authorities; this may help them see the LGA as a reliable partner.
- Keep information to the public simple and relevant.
- Communications with NGOs is important, but will depend on whether they are partners or competitors.

D. TOOLS

What <u>tools</u> are used by the LGA to transmit messages to the various audiences?

□ **Logo**	□ **Conferences**
□ **Conversations in person**	□ **Government hearings**
□ **Telephone calls**	□ **Brochures**
□ **Letters**	□ **Posters**
□ **Business cards**	□ **Magazines or bulletins**
□ **Emails**	□ **News releases**
□ **Billboards**	□ **Paid advertisements**
□ **Banners**	□ **Interviews**
□ **Meetings**	□ **Sponsored television or radio shows**
□ **Seminars**	□ **Circular, or membership letters**

- You must make sure in advance that a communications tool is appropriate and that it will reach the targeted audience. What is the audience's <u>interest</u>?
- <u>Adapt</u> the text to your target audience; write brochures in simple language.
- Plan the <u>distribution</u> of your information material to reduce costs and time constraints.
- To reach the public-at-large, consider <u>radio</u> and <u>newspaper</u> advertisements.
- You might even be able to get <u>sponsorship</u> from a private-sector company to cover part of the costs of the material in exchange for some visibility.

E. FEEDBACK

> *Good communications goes both ways; the LGA must <u>inform</u> its audiences and <u>listen</u> to their views, giving them the option to reply, comment, protest, or ask for more information.*
>
> *What tools are available for target audiences to <u>transmit comments and questions</u> to the LGA?*
>
> | | |
> |---|---|
> | □ **Telephone** | □ **In person at the LGA offices** |
> | □ **Directory of LGA members** | □ **In a suggestions box at the LGA offices** |
> | □ **Website** | □ **During discussions and question** |
> | □ **Intranet** | **periods at the LGA General Assembly** |
> | □ **Email** | □ **Mail** |

- The only way the LGA can develop appropriate services and policies and achieve high standards is by <u>listening</u> to its members.
- All the information material should mention the LGA <u>address and phone number</u>.
- A link to a <u>Website</u> and an email address are now expected from any serious organisation.

F. OBSTACLES

> *Even the best-planned communications can face obstacles, whether 'physical' obstacles (a bad telephone line, a letter lost in the mail, the overabundance of competing information) or 'emotional' obstacles (a personality conflict, cultural or linguistic differences).*
>
> *What are the most obvious <u>problems that can affect the LGA</u> in its communications?*

□ *Lack of communications between the LGA Board and LGA staff* □ *Cultural or linguistic differences*

□ *Lack of communications between the LGA Board and LGA staff*	□ *Cultural or linguistic differences*
□ *Lack of communications among the LGA staff themselves*	□ *Political tensions between local and central authorities*
□ *Infrequent meetings of the LGA Board*	□ *Lack of interest in the population*
□ *Lack of sufficient staff or funding to produce communications tools*	□ *Population scattered over a large area*
□ *LGA leadership does not believe in the importance of communications*	□ *Lack of interest from journalists on local government topics*
	□ *Misunderstanding of the LGA mission*

- In countries with more than one official language, the LGA must consider translating its material and organising regional events in the <u>local language</u>.

- In areas with a low level of literacy, the LGA printed material should rely on <u>illustrations</u>, such as posters, photos, caricatures, etc.

- Both <u>urban and rural</u> sectors should be well represented in the communications tools.

- Constant use of the <u>logo</u> helps to identify any material produced by the LGA.

- The LGA leadership must understand that by informing its staff, members and partners, it is <u>empowering</u> them. This can be very motivating.

3.   WRITING THE COMMUNICATIONS POLICY

A communications policy brings together the LGA principles, procedures and guidelines for communicating with internal and external audiences. It takes into account the assessment of the current communications environment. Above all, it must be aligned with the LGA's Strategic Plan.

The policy document should contain the following information:

a.   The LGA context

- *Vision and mission of the LGA*

- *Positioning (or slogan) of the LGA*

- *Corporate values of the LGA*

- *Priorities of the LGA*

b.   The responsibilities for communications within the LGA

-    *Who is the official spokesperson on political issues?*

-    *What is the title, position and name of the staff member responsible for communications?*

-    *What are the responsibilities of each member of the communications team?*

-    *What part of the overall LGA budget is assigned to the communications sector?*

**An LGA staff member working professionally on communications
is not a luxury, but a necessity.**

---

c.   An analysis of the audiences

Who is in contact with the LGA? The LGA must be aware of its various audiences, in order to develop the right tools to communicate with them. What are their specific interests and characteristics?

d.   A detailed description of all the LGA communications practices

-    *Description and detailed use of the <u>logo</u>.*

-    *Designation process for the LGA <u>spokesperson</u> (and substitute) to provide briefing for an important meeting, a press conference or an interview.*

-    *Process for giving an <u>interview</u> to a journalist to give the official position.*

-    *<u>Approval process</u> for the LGA communications projects. Who has the authority to sign off a publication or the organisation of an event? What authority is delegated to the Communications Officer? What is the involvement of the Executive Board?*

-    *Rules regarding selling <u>advertisements</u>, generating <u>sponsorships</u> and endorsing <u>commercial enterprises</u>.*

-    *The process for managing '<u>Mandatory' communications projects</u>, such as the Annual Report, the General Assembly or the annual Member Survey?*

The communications policy should be consulted regularly, especially while preparing a new communications project. Each member of the Board and staff should have a copy of the policy document. It should be updated when necessary.

4.   ESTABLISHING COMMUNICATIONS OBJECTIVES AND STRATEGIES

The LGA must set out the long- and medium-term communications objectives, and then think about the strategies that will achieve these objectives.

Example:

LONG-TERM OBJECTIVES AND STRATEGIES (5 years)	
1. Establish the LGA as the representative of local authorities	a) Inform all target audiences about its mission, functions and activities b) Promote collaboration with strategic partners c) Reinforce the LGA brand (reputation, logo, image) d) Elaborate a punctual training programme for new councillors e) Offer briefing sessions on the LGA to new Members of Parliament
2. Raise the media's responsiveness to local government in order to raise a positive media coverage	f) Organise training events for journalists g) Increase the number of articles and TV/radio shows featuring local government issues in a positive light h) Start a campaign through paid advertisement in various media i) Promote key members of the LGA Board as experts available to comment on the news (good governance, taxation, environmental issues...) j) Strengthen the ability of local authorities to promote themselves

MEDIUM-TERM OBJECTIVES AND STRATEGIES (2-3 years)	
1. Develop two-way communications	a) Facilitate the exchange of best practice among local authorities b) Establish a network of contacts in each local authority c) Facilitate events that encourage personal contacts d) Develop communications tools to promote the exchange of information e) Use new technologies to facilitate the exchange of information
2. Embed LGA corporate values in staff and Board members	f) Educate staff members and Board members on the corporate values g) Create a climate favourable to institutional change h) Share information on local government with staff and Board members

Communications is critical to the LGA role of <u>advocacy and lobbying</u>. The Communications Strategy and the Advocacy Strategy should be integrated.

5.   ELABORATING THE COMMUNICATIONS PLAN

The *Communications Plan* is a series of tangible <u>projects</u> (events, publications, programmes) that will help the LGA reach its goals.

Arising from the communications objectives and strategies, the projects are aimed at the internal or external audiences; they can be sporadic or regular projects on a short, medium or long-term basis. The projects also include feedback mechanisms, such as surveys of the membership and seminars/visits of local authorities, in order to foster exchanges between the LGA and its members.

The Communications Plan lists <u>all</u> the communications projects that the LGA will undertake in the coming year, and provides the following information for each item:

- *Name, description, timescale and performance indicators of the project*
- *Person/sector responsible and budget*
- *Partners, if the project is developed in collaboration and target audience*

The Communications Plan is a dynamic document that should be rewritten every year in the light of the LGA's budget and priorities. A Communications Plan can also be written for a specific project of major importance, for example to promote a national conference.

The following excerpts are taken from a Communications Plan developed by the Standing Conference of Towns and Municipalities (SCTM), in Serbia.

External audience – Objective 2
Communicating with the media and journalists

Activity	Responsible person	Audiences	Time frame/ deadline	Comments/recommendations	Performance indicators	Budget
Visits to media	Communication Officer, Executive Director	Journalists that follow the area SCTM is interested in	Until 1 April 2004.	Standing Conference should make contacts with the media more frequent. One of the efficient ways to establish good communication and co-operation is to organise visits with the media, where the SCTM delegation will become acquainted with management of media and introduce the Organisation.	List of media visited\n\nList of journalists met\n\nPress coverage resulting from the visits\n\nIncrease contacts with the journalists met	XX $
Preparing and sending statements	Communication Officer	Journalists, editorialists	Regular activity	Statements are a way of communication that reflects what the organisation thinks about certain issues. It can be a reaction to particular event important for the Organisation. SCTM should go public in this way more often. Topic of statement can be any SCTM Committee meeting that addressed major issues related to the work of local government. SCTM must react to events much faster.	Increase number of statements distributed\n\nShorter reaction time between event and distribution of statement\n\nNumber of statements being quoted by media\n\nRequests for interviews resulting from the statements	0$
Contact with local media	Communication Officer	Journalists in the regional and local media	Regular activity	There are great numbers of local media and founders of majority of the media are local governments. Establishing co-operation with the local media will make it possible to simultaneously raise certain issues, important for local government, in great number of local media.\n\nIt is also possible to organise a network of these media.	Number of contacts with local media\n\nCoverage in the local media\n\nCreation of a mailing list of local media\n\nCreation of a network of local journalists	XX $

6.   A FEW COMMUNICATIONS TOOLS

There are many possible tools for communicating internally and externally: imagination and budget are the only elements limiting your choice. However, it is extremely important to choose tools that are appropriate for the audience.

Some companies may agree to partially fund the LGA communications projects, if they see a potential benefit for themselves regarding visibility, reputation and potential customers. These sponsors will usually ask that their logo appear on the publication or on the site of the event.

A.   Printed material

A big, complex document using lots of colours on a glossy paper means higher printing costs. Contact a few printers and ask for ways to save on your budget.

Bulletin	*Letters*
Directory of members	*Brochure or guide*
Calendar	*Invitation*
Map of the country	*Annual report*
Press review	*Promotional items*
Business cards	

B.   Audiovisual material and visual support

These items enhance the LGA presence during a conference or a seminar.

Transparencies/slides

Video

Posters and banner

C.   Electronic communications

Before developing an electronic tool, the LGA must ensure that its members will be able to use it. Many organisations invested a lot of time and money in a state-of-the-art Website when their main audiences did not have the equipment needed.

D.   **Events**

Events provide significant opportunities for promoting the LGA:

Public assembly	*Training for Board and staff*
'Open Doors' event	*Reception*
Training seminar	*Kiosk*

E.   **Consultation tools**

Never forget to <u>listen</u> to your audience. Feedback on the LGA operations is rarely given in a spontaneous manner, so it will often be necessary to provoke reactions from your audiences. The information you will get in return is priceless.

Survey	*Round tables*
Regional tours	*Suggestion box*
Reply coupon	*Email address of the LGA*
Query or complaint	

F.   **Media**

A comprehensive approach is the most effective, using as wide a variety of media as possible.

Paid advertisement	*News conference*
Regular column	*News release*

> **Media relations is a complex part of the Communications Strategy, yet it can become one of the LGA's most powerful tools.**

7.   DEALING WITH THE PRESS

The LGA needs to establish good links with journalists covering local government issues.

A.   Reactive media relations

At some point, journalists will want to know the LGA position on such issues as funding for local authorities, policies or new legislation. The LGA must seize this opportunity to promote itself. The LGA will gain credibility as an expert organisation.

- ➤ *Answer telephone calls or emails from reporters quickly with the appropriate information. If the journalist wants an interview, make the arrangements.*
- ➤ *The LGA Board and staff should know the right way to handle a media request.*
- ➤ *Make sure that the spokesperson has been briefed well on issues likely to arise.*

B.   Proactive media relations

Organisations with a good Communications Strategy **generate** media requests; they do not wait for them. The LGA should make regular efforts to feature in the newspapers and magazines, on the radio or on television.

- ➤ *Circulate and archive a daily press review of articles on local government.*
- ➤ *Get to know the journalists who work on public affairs and politics.*
- ➤ *Connect what is happening in the news with LGA issues to raise media interest.*

Seminar for better relations between the media and local government

Develop a series of one-day events for a better understanding between media and local government in every region of the country:

- **- roundtables with reporters, elected representatives and officials,**
- **- training sessions that are focused on what journalists want and how to interact with them,**
- **- a fake press conference and a film of participants for training purposes,**
- **- the distribution of a brochure on good media relations.**

You may need the help of a firm specialising in public relations.

> *Establish the LGA as a think-thank of local government experts, offering comments of the LGA spokesperson and people with expertise on current topics.*

> *Be certain that what you are going to announce news release or press conference is truly 'news'. Find an <u>interesting angle</u>. If the LGA gets a reputation for sending uninteresting information, the media will lose interest.*

> *Prepare news releases on 'success stories' and send them to the media as features.*

> *Create 'photo-opportunities' in news conferences to illustrate your message.*

> *Send 'letters to the editors' on local government issues, signed by the LGA President or Executive Director to various newspapers in a timely manner.*

> *'Open line' radio or television shows (where the public can call and ask questions on specific issues) are often looking for guests; offer the LGA spokesperson.*

> *Negotiate with local radios, televisions stations and newspapers to launch regular shows with local government personalities or articles on local government issues.*

C.   Media relations in a time of crisis

Imagine a hypothetical situation, for example a conflict between the LGA and the government. A journalist learns about it. How should the LGA deal with the media?

If the LGA refuses to answer difficult questions or pretends that everything is "business as usual", the media and the public will feel that the LGA is hiding something. The way to deal with the media in a time of crisis is to be <u>open and honest</u>, and to <u>stay calm</u>.

There are various ways to react to negative coverage in a newspaper, on radio or on TV:

> *Contact the journalist involved to offer an interview on the LGA position.*

> *Within two days, send a letter to the newspaper, clarifying the LGA position.*

> *If a lot of media are asking for an interview, organise a press conference.*

- There are always two sides to a story; the LGA should show understanding of both sides.
- It is never a good idea to reply "No comment" when a reporter asks a question.
- The LGA leadership must be actively _looking for solutions_ during a time of crisis! The LGA messages are only as good as the LGA actions.
- A good communicator can always turn negative coverage into a positive story. Try to find the _angle_ that will feature the LGA strong point.

8. SELF-ASSESSMENT: SUCCESS FACTORS IN COMMUNICATIONS

Consider the success factors set out in the table below; assess how good your LGA is at communications. Where there is room for improvement, list actions to be taken.

SUCCCESS FACTORS IN COMMUNICATIONS	HOW WELL DOES YOUR LGA ACHIEVE THEM?	ACTION
The LGA gives importance to internal and external communications.		
All staff and Board members are committed to good communications and trained in good communications.		
Staff and Board members feel they are well informed about the work of the LGA.		
Local authorities feel they are well informed about the work of the LGA.		
Central authorities and other stakeholders feel they are well informed about the work of the LGA.		
The LGA's communications policies and plans are realistic.		
There is a well-resourced, up-to-date Communications Strategy that is used to direct the LGA's communications.		
It is clear who speaks on behalf of the LGA officially, what the main messages of the LGA are, who the key audiences of the LGA are.		
The LGA uses a wide range of communications tools effectively.		
The LGA is good at listening and getting feedback.		
The LGA works well with the media.		

KEY MESSAGES

➢ *Internal communications ensures that staff know the priorities of the leadership and that senior managers know the realities of the front line.*

➢ *External communications generates understanding and support for the LGA's goals.*

➢ *There is a clear link between the quality of communications and the effectiveness of the organisation.*

➢ *A Communications Strategy gets the right message to the right people at the right time, using the appropriate spokespersons and a range of communications vehicles.*

➢ *Communications is as much about listening as about telling, particularly for the organisation.*

➢ *In a professional world, communications must be professionally managed.*

➢ *Without a good Communications Strategy, the LGA will be a weak advocate of local government.*

➢ *Be pro-active; better to have the media involved than to be ignored.*

SECTION 5B

THE ADVOCACY STRATEGY

CONTENTS

This tool draws upon 'The LGA Toolkit' by the International Union of Local Authorities (IULA).

AIM OF THE ADVOCACY STRATEGY
To help the LGA develop its influence on particular issues
in the interests of better local government.

1.   PURPOSE OF ADVOCACY AND LOBBYING

Advocacy and lobbying are about representing the interests of local government to central authorities and other stakeholders and protecting the rights of local authorities.   This is a core function of LGAs. Indeed, some LGAs in newer democracies have not yet developed much beyond this.

In the early stages of decentralisation, it is natural that advocacy and lobbying should develop as the foremost function. Local authorities need functions and resources if there is to be any proper local government. They need to make themselves felt. The transfer of competences and budgets needs to be pushed with reluctant central authorities.

There will always be specific objectives that the LGA will want to achieve that can be achieved more effectively if the LGA lobbies the right people and builds coalitions of people and organisations that have a mutual interest. These might range from a concerted attack on truancy in schools to the protection of a particular geographic area.

The LGA needs to push forward its arguments. But it must be a push based on knowledge and understanding – knowledge of the real needs, capacities and limitations of local authorities; understanding of the perceptions of central authorities and other stakeholders and the reasons behind them.

Central authorities must be convinced. They will not be bullied; weak arguments and mere assertions will bounce back. Advocacy and lobbying is about knowledge and persuasion.

Persuasion depends on good communications. A good **Advocacy Strategy** will identify the issues that are important for the LGA to advocate and the tactics to be used; a good **Communications Strategy** will enhance an LGA's ability to communicate its advocacy. Both strategies together will enhance the LGA's ability to exercise its national influence.

2.   SPEAKING WITH ONE VOICE

Where different LGAs in one country lobby with their different points of view and with no co-ordination, they considerably diminish their effectiveness. The separate voices may represent different political parties, different personalities, different geographical areas or different local authority size (eg cities/villages). To leave it to central authorities to distinguish between the voices is to give them an excuse to do nothing.

> ***Local government must learn to speak with one powerful voice.***

Where there are several LGAs in a country, serious consideration should be given to bringing them together, whether in a single organisation or a federation, in the interests of a united local government. The experience of other countries offers valuable learning.

3.   THE ADVOCACY STRATEGY

The LGA should develop an Advocacy Strategy. This will have both an outward-looking and an inward-looking dimension.

The outward-looking dimension will set out the aims and objectives that the LGA is seeking to achieve through advocacy and how it will achieve them. What are the issues for which the LGA must lead the advocacy?

The Advocacy Strategy should show how the LGA will launch initiatives, draw people in and sustain the effort over time. The target audience needs to be clearly identified and tactics for persuading them drawn up. What messages do they need to hear? Who will best deliver the messages? What will be the best means of delivery?

THE ADVOCACY STRATEGY

LOOKING OUTWARDS	
Objectives	➢ *Distinguish short and long term goals.* ➢ *What policy changes are sought?* ➢ *How to build consensus around initiatives?*
Audiences	➢ *Who has the authority to deliver the change?* ➢ *Who can influence those with authority?*
Messages	➢ *How to craft them to make them persuasive?* ➢ *Are they rooted in the same basic truth?* ➢ *Are they tailored to different audiences?*
Messengers	➢ *The same message has different impacts depending on the messenger.* ➢ *Who are the most credible messengers for different audiences?* ➢ *Which messages require technical expertise or personal experience?* ➢ *What information or training do the messengers need?*
Delivery	➢ *Tactics can range from the gentle (lobbying) to direct action.* ➢ *What would be the best mix of methods for a given situation?*
LOOKING INWARDS	
Resources	➢ *What is available from past advocacy work, alliances, staff and other people's capacity, information and political intelligence?* ➢ *Does the budget match the demand?*
Gaps	➢ *Take stock of current resources.* ➢ *Identify additional resources you may need – alliances to be built, capacities to be developed, such as links with the media or research to be undertaken.*
First efforts	➢ *Short term goals that would bring the right people together.* ➢ *Early wins; something achievable that lays the groundwork for the next step.*
Evaluation	➢ *You need to monitor progress in implementing the Strategy. Do the messages need amending? Are they getting through? Does each alliance contribute something? Is the media listening?* ➢ *Make mid-course corrections as necessary; discard what does not work.*

The inward-looking dimension of the Advocacy Strategy will consider the LGA's existing resources, experience and connections on which to build. How should the Strategy be launched? How will progress be monitored? Evaluation is important. It may be necessary to make changes to the approach if the Strategy is not working properly.

Do not start from scratch; build on what you have.

The responsibility for developing and delivering the Advocacy Strategy must be clear. The Executive Director will play a key role as the objectives of the Strategy will reflect the issues seen as important by the LGA's Board. The messages must be seen to be coming from the heart of local government itself.

***Messages must appeal both to what is right
and to the self-interest of the audience.***

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4.   RESEARCH

The Advocacy Strategy must be built on good research. The arguments behind positions must be objective, comprehensive and robust. The LGA must be confident in its <u>arguments</u> and must be able to put its case at the highest levels and in challenging circumstances.

The LGA should be capable of preparing and reviewing <u>draft legislation</u>. It could, for example, analyse the impact on local authorities of public resource flows, or set out the training implications of forthcoming legislation. This requires a capacity to analyse issues, assess options and prepare recommendations.

Research

Research adds legitimacy to policy and legislative proposals. A good LGA will pride itself on its research capacity – its ability to:
- *identify and understand best practice,*
- *consult local authorities through surveys and targeted interviews to develop robust quantitative and qualitative findings,*
- *use formal committees to consider policy papers and make recommendations,*
- *debate openly on issues in the General Assembly,*
- *consult NGOs and other stakeholders systematically.*

An LGA should develop its own research capacity to provide intellectual support throughout the organisation. It should also seek to build connections with other research institutions such as Universities and policy centres in order both to expand their research capacity and to bring in partners that can support them in meeting the challenges of decentralisation and European integration.

ADVOCACY TO IMPROVE MUNICIPAL PROPERTY OWNERSHIP IN SERBIA

Most municipal property is still in the ownership of the State under the Law on Assets. This reduces the capacity of municipalities to promote local economic development.

The Standing Conference of Towns and Municipalities (SCTM) worked with local companies to launch a practical and innovative research and advocacy campaign. The research showed the size of the consequent economic loss: it was some 1.3 billion euros to the country over the last decade; the research also predicted continuing losses of 100 million euros each year in the future unless the law was amended.

The figures were difficult to ignore. Local stakeholders and the media were interested. At SCTM's following Annual Conference, a big counter in the hall added 4 euros to the 1.3 billion euros every second to show the scale of the continuing loss. This was eye-catching and several speakers drew attention to this long-neglected problem.

While the SCTM is still waiting for amendments to the Law, it feels it has broken new ground. The issue will not go away and pressure is building up for action to be taken.

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5.   ADVOCACY COALITIONS

Coalitions with other organisations can be valuable in supporting particular objectives in the Advocacy Strategy. For example, a national LGA campaign to fight poverty can be strengthened by creating coalitions of particular local authorities and NGOs working together to develop and implement local anti-poverty strategies.

Coalitions can create a stronger public image, bring together diverse ideas and resources and avoid duplication of effort. They can link groups at community, regional and national levels. They can bring newer advocates together with more experienced ones so that expertise and commitment can be shared.

Coalitions can operate at less formal or more formal levels; greater effectiveness is often achieved by the less formal structures:

- *'networks'*   – *organisations that do not meet but share information;*
- *'ad hoc'*   – *where one organisation takes the lead but with no formal membership or structure;*
- *'more formal'* – *with membership criteria, meetings and assigned staff.*

> **The most important decisions that a coalition asks are <u>at the beginning</u>:**
> - **What goals will it set for itself?**
> - **Who will it include/exclude?**
> - **What kind of structure will it create to facilitate its work?**

Tensions in a coalition can easily arise, as each member of a coalition has its own interests and priorities. *Tensions should be managed rather than hidden*; the issues should be addressed constructively so that conflict does not begin to dominate.

6. A PARTNERSHIP APPROACH

An LGA must develop its policy and legislative proposals and seek to influence central authorities. These might cover:

- *Next steps in decentralising competences and resources;*
- *Proposals for new legislation;*
- *Employment of local government officials;*
- *National training strategies;*
- *National campaigns;*
- *Raising standards in service provision;*
- *Joint action against, for example, poverty.*

An LGA needs to understand the <u>perspectives of central authorities</u> to make any dialogue as constructive as possible. Most governments would welcome the idea of working in partnership with the LGA to improve local government. In partnership with a good LGA, a Government would achieve more than it could have done alone.

Case-study:

> *The Standing Conference of Towns and Municipalities (SCTM) (Serbia) took the initiative to prepare and propose a draft Law on Local Government Finances and negotiate with the Ministry of Finance to take it forward in a legislative package. The new law was adopted by the Government in 2006.*
>
> *The SCTM started by conducting a number of detailed studies on such issues as tax rates, fees and charges. These provided the foundation for the proposal. The SCTM was consulted every step of the way and liaised extensively with the central government and its members (especially its Committee on budget and finance).*
>
> *The law marks a significant change in the system of intergovernmental financial relations. It greatly enhances the predictability, transparency and equitability of local government finances. The most significant innovation has been transforming property tax into an important source of revenue for local authorities and transferring the collection functions to the local level. <u>This tax will become an effective tool for local economic development</u>.*
>
> *The lesson is that the SCTM did not wait to comment on draft legislation from the Finance Ministry, but rather first presented a draft to the Ministry as a <u>platform for future negotiations</u>. This demonstrates that a proactive LGA can have a decisive impact on legislation that affects local government.*

There is a mutual interest in introducing new policies and legislation more effectively where these serve the interests of local government. While central authorities and the LGA will have their own respective agendas, it is important to find the common ground.

For example, a new policy or piece of legislation can be preceded by targeted training for those in local authorities responsible for its implementation. This can be better achieved where there is good dialogue between the parties.

Such partnerships can operate through, for example, bi-monthly meetings, LGA participation in decentralisation commissions and Parliamentary committees, and Government participation in the LGA's General Assembly and relevant committees.

> ***Partnership between local and central authorities***
> ***in the interests of better local government should be welcomed.***

Early consultation on draft proposals for new policy or legislation by either side is <u>evidence of effective dialogue</u>. Where such partnerships work well, they are usually underpinned by a **Co-operation Agreement**.

7.   DEVELOPING LEGITIMACY

Where an LGA has initiated proposals for new policy or legislation, it should be able to show how they have been developed to reflect the real interests of local government. This will give such proposals greater legitimacy.

> ***Legitimacy brings authority along with it.***

A good LGA will have its own mechanisms for bringing together the different perspectives of its own membership. They may include Policy Committees, research, consultation processes and formal procedures. Differences of opinion should be sorted out as far as possible before they become part of the dialogue with central authorities.

The LGA's research function can be particularly important so that legitimacy is not undermined by poorly researched arguments.

There is no need for the LGA to lobby on everything. That might undermine its authority. Focus on what is important. Where consensus is not possible, the LGA leadership will have to make its own judgement in the public interest. Sometimes it is better to leave such issues to the Government.

Legitimacy is also enhanced by the sense of responsibility with which issues are <u>negotiated</u>. Where the LGA achieves its negotiating objectives, it must take responsibility for the outcome. Effective negotiations require good faith on both sides. Nothing is worse than winning the argument and doing nothing about it subsequently.

KEY MESSAGES

➢ **_Advocacy may be the first priority of the LGA in transition; but the LGA must equally develop its information, networking and service functions in order to generate widespread understanding and support for local government and to build capacity among local authorities._**

➢ **_Advocacy is about knowledge and persuasion; central authorities must be <u>persuaded</u>, not begged._**

➢ **_Advocacy is not one-way; it is about <u>negotiating</u>. Negotiations carry future obligations on both sides; the LGA must also take responsibility for the outcome of the negotiations._**

➢ **_The most powerful advocacy comes from <u>coalitions</u> that the LGA builds in support of local government._**

➢ **_Good advocacy requires good <u>communications</u>; the Advocacy Strategy should be supported by the Communications Strategy._**

➢ **_Speaking to central authorities with <u>one voice</u> is more powerful than a babble; the LGA needs transparent mechanisms to create its legitimate voice._**

➢ **_The Advocacy Strategy must be built on good <u>research and policy analysis</u>._**

➢ **_How well does the LGA <u>understand</u> the points of view of the central authorities?_**

➢ **_Is the LGA respected enough to work in <u>partnership</u> with central authorities to deliver good local government?_**

8.   SELF-ASSESSMENT: PITFALLS IN ADVOCACY AND LOBBYING

Consider how much your LGA suffers from the pitfalls set out below. For any failure, consider what action might be taken to reduce it.

TYPICAL PITFALLS IN LGA ADVOCACY AND LOBBYING	IS THIS A COMMON OCCURRENCE (YES / NO)?	ACTION
• *Failing to define a policy issue clearly.* • *Failing to identify the specific audience.* • *Domination of policy formulation by outspoken members.* • *Divisive politicisation of policy issues.* • *Aggressive stance towards central authorities.* • *Policy positions that are only reactive and do not introduce new ideas.* • *Isolation of the LGA through lack of consultation with stakeholders.* • *Insufficient involvement of member local authorities.* • *Failing to establish advocacy and communications strategies.* • *Allowing policy to become out of date.* • *Leaving policy 'on the shelf' and not implementing it.* • *Wanting to do everything at once and losing focus.* • *Not having permanent channels of communications with the local government Ministry and with Parliament.* • *Thinking too much from your own perspective without the aim of a win-win outcome.* • *Using a wish-list approach without the confidence of being a strong partner in government.* • *Not working with strategic allies.* • *Spending too much time in discussion rather than taking action.* • *Certain members being allowed to use the LGA to promote their own interests.*		

SECTION 5C

SERVICE PROVISION

CONTENTS

This tool draws on the 'Capacity-Building Toolkit' of the Council of Europe, 'The LGA Toolkit' of the International Union of Local Authorities, the 'Toolkit for Localising Millenium Development Goals' and 'Joining Forces: Cooperation among Municipalities – a Guide for Practitioners' of UNDP.

USING THIS HEALTH CHECK

Local Government Associations are invited to use this Health Check through peer review methodology to assess and strengthen their capacity to provide services to local authorities.

INTRODUCTION

The LGA should reflect the hopes and expectations of local authorities – their elected representatives and staff. After all, it is their Association. It is there to serve their interests. They pay fees to support it.

A key role of the LGA is to help local authorities to become more effective, to build their capacity – that is, to improve their strategic management, to raise their standards in service provision and to engage their local community more effectively. In particular, the LGA should focus on the development of local leadership capacity, for this is the critical factor in improving local governance.

LGA services should reflect the needs and priorities of local authorities. An LGA can carry out the necessary research through consultation, newsletters, seminars and discussion groups. Local authorities are more likely to pay membership fees if they find the services helpful and relevant.

Each LGA service should have a clear target audience, (eg Mayors, staff or elected representatives, rural or urban local authorities, Directors of HR). Some of these services (eg the provision of legal advice) might be covered by membership fees where they are seen to be part of the LGA's core business. Others might be paid for by the service users.

The LGA can develop service provision partnerships with NGOs and other institutions to bring in possible new funding and expertise. Donor funding can be used to pilot or kick-start the provision of a new service and for temporary projects.

The LGA might prefer to use its own competitive advantage to deliver a service itself. Or it might consider that a service can be better provided by another organisation (eg IT consultancy), perhaps under contract. It might involve itself only in the design and standard-setting of a service, and leave service delivery to a third party. The effectiveness of services should be monitored through surveys and consultation.

APPROACH TO USING THIS HEALTHCHECK

1. *Translate the Health Check; use a Roundtable of stakeholders to understand it and adapt it to local circumstances.*

2. *Identify a small group of 3-4 'peers' – perhaps a Mayor, a Head of Administration and 2 people with expertise in organisation development and train them in peer review methodology, using this Health Check.*

3. *Research any current assessments of the LGA.*

4. *Carry out a survey of local authorities to get the views of Mayors on what they would like from their LGA and what they would be willing to pay for; follow this up with a series of local Roundtables to discuss the results of the survey and the way forward.*

5. *Commission the peer review team to carry out a Health Check of the LGA, assessing strategic LGA documents, taking account of the results of the survey and Roundtables, getting the views of major stakeholders through bilateral interviews and participating in such events as Board meetings.*

6. *Present the Health Check report to the LGA Board for consideration; develop a draft Service Development Strategy and Action Plan for building the capacity of the LGA for Board agreement.*

7. *Present the agreed Strategy and Action Plan to the General Assembly to seek the support of all local authorities for its proposals.*

A good LGA will want to build up its capacity in a range of services. Services reinforce each other: for example, research capacity provides the basis for evaluating existing programmes and ensuring new ones are robust; communications capacity makes sure new programmes are widely known and encourages greater involvement.

CORE COMPETENCES OF LEADERSHIP

1. Vision and strategy	➢ Develops a realistic vision and a set of values in consultation with local people and organisations, balancing short and long term requirements. ➢ Develops and communicates policies and strategies, welcoming contributions from others. ➢ Leads by example, setting high standards of behaviour and performance.
2. People management	➢ Values all staff and elected members, and helps them to play a constructive role with proper support and resources. ➢ Applies effective personnel disciplines and promotes career opportunities. ➢ Devolves responsibility to managers where appropriate and supports innovation.
3. Commun-ication	➢ Reaches out to all groups in the community, maintains dialogue and helps them become engaged with local government. ➢ Keeps elected members, staff and local people well-informed about its policies and performance, and consults them on its plans. ➢ Ensures all elected members are contactable and have the interests of local people at heart.
4. Planning and review	➢ Has clear planning arrangements at community, corporate and service levels for both short and medium term. ➢ Demonstrates clear mechanisms for scrutinising the performance of local services. ➢ Reports clearly and in public on performance results and future plans. ➢ Consults elected members, staff and service users on the design of local services.
5. Innovation and change	➢ Challenges the status quo, and introduces new ideas and better ways of doing things. ➢ Seeks out good practice, disseminates lessons and provides learning opportunities. ➢ Uses project management effectively to introduce change and deliver specific goals.
6. Service management	➢ Manages services efficiently and effectively, in a way that delivers value for money, encourages staff to give of their best, and takes account of the views of service users. ➢ Uses objectives, priorities, performance indicators, standards and targets in all services to drive up performance, and monitors them regularly to inform policy and planning, and to demonstrate accountability. ➢ Compares its performance to the best in other authorities and sets targets for improvements. ➢ Carries out fundamental performance reviews of service provision in order to deliver real improvement.
7. Resource management	➢ Manages finance transparently to achieve maximum benefit, deliver value for money, and avoid unmanageable risk. ➢ Makes best use of assets. ➢ Ensures that resource management responds to the objectives and priorities of the local authority.
8. Citizen participation	➢ Keeps citizens informed; requests, listens and responds to local views, and welcomes feedback on users' experience of services. ➢ Creates opportunities for local participation in the design and delivery of services. ➢ Develops neighbourhood bodies to ensure citizen participation in local decision-making. ➢ Encourages registration and voting.
9. Alliance-building	➢ Builds strong partnerships (eg for service delivery) with local organisations, with other tiers of Government. ➢ Creates opportunities for local organisations to contribute to effective local governance. ➢ Makes best use of international opportunities for co-operation.

1.   INFORMATION SERVICES

Service definition:

> **The collection, assessment, processing and dissemination of information, for both internal and external use.**

A good Information Service allows the LGA to present itself as knowledgeable and up-to-date. It has access to a wide range of information from local authorities about tasks, responsibilities and concerns. The information can be used to improve services and update databases. It can support policy development, research and training.

A good Information Service will need effective <u>information management</u>. The selection of relevant information will be as important as how it is used.

The aim of an Information Service is to:

- provide information on local government as necessary
- underpin policy decisions and service development
- promote the agenda of the LGA
- provide feedback on core activities
- stimulate innovation
- provide an early-warning system

Some information can be used as an external service, eg through 'front desks' and information/problem-solving seminars; other, perhaps more sensitive, information can be used in-house.

Print	newsletters briefings fact sheets leaflets, brochures annual reports	manuals thematic publications case-studies of good practice directories
Web-based	website intranets database – directories, statistics,	best practice electronic mailing interactive sites
Help Desks	telephone enquiry helplines	email enquiries
Other	libraries CD Roms information seminars	departmental experts One Stop Shops

An LGA should provide a good database of relevant statistics and other information. A good database provides accessible information; the better the information, the more it will be used and the higher the profile of the LGA. Data should be <u>timely</u> and <u>meaningful</u>, otherwise it should be removed.

Accessibility means that the right person should be able to access the right information at the right time without difficulty.

Management of the database must be the responsibility of a qualified member of staff. That responsibility must include ensuring proper inter-connections between the LGA's different activities and departments.

A good Information Service needs adequate investment. In return, it should be able to generate revenues, eg through advertising.

Key factors critical to preparing and implementing a good Information Service:

CRITICAL SUCCESS FACTORS	SCORE 1 2 3 4 5
• **There is an Information Management Strategy and Plan.** • **Staff, elected representatives and the leadership are aware of it and acknowledge its importance; it satisfies their needs; the leadership 'owns' it.** • **It provides opportunities for user feedback and evaluation.** • **The IT used is compatible with the IT in use in local authorities.** • **The IT is not seen as an end in itself.** • **It satisfies the needs of local authorities.** • **It is under the responsibility of the right professional and uses trained staff.** • **It supports good communications within the organisation.** • **Databases are up to date.** • **The information feeds from and into the different LGA units.** • **The information given outside reflects the LGA's desired image.** • **The LGA and local authorities are willing to pay for the Information Service.**	
TOTAL	

To assess the quality of your Information Service, you might want to score it against this set of Critical Success Factors.

2. SPECIALIST SERVICES

Service definition:

> *The provision of advisory and technical services to local authorities*

A strong LGA will provide a range of specialist services to local authorities. They might include services to help local authorities tackle legislative, management or IT issues. It may be more cost-effective for the LGA to employ or contract a lawyer, a management consultant or an IT specialist to advise local authorities than it would for each local authority to develop their own specialist expertise.

In this way, an LGA can also stay abreast of the latest developments in such fields.

The starting point is to identify the specialist needs of local authorities and to use the service to meet those needs.

This may also be a sensible approach where there is a shortage of relevant specialists. The LGA can either employ them full-time in-house or can contract them for particular tasks. Such services can be provided freely, with costs covered by the core income of the LGA. Or local authorities can pay for the services requested.

Examples of specialist services:

> - *Help Desk to advise on new legislation*
> - *Legal advice*
> - *Provision of Guidelines on implementing new legislation*
> - *Model bye-laws*
> - *Policy advice and guidelines on health and safety, managing disabilities, equal opportunities*
> - *Details of good practice*
> - *Seminars and training courses*
> - *Employment advice*
> - *Specialist experts contracted out in such fields as IT, law, engineering, architecture, accountancy, management*
> - *Provision of a model financial management system and related software*
> - *Support for local economic development and other services*
> - *Conference and seminar facilitation*
> - *Publishing*

It may well be possible for an LGA to generate additional income by offering such expertise to other organisations, or by taking on assignments for the Government.

Key factors critical to providing good specialist services:

CRITICAL SUCCESS FACTORS	SCORE 1 2 3 4 5
• **The LGA first consulted with local authorities on their needs.** • **Different options were assessed; the chosen method is the most cost-effective one.** • **The direct provision of the service by the LGA has a clear advantage over its provision by another service provider.** • **The objectives, timeframe, target audience and linkages to other parts of the LGA are clear.** • **Local authorities are willing to pay for the services, either directly or through the LGA.** • **There is a mechanism for evaluating the efficiency and effectiveness of the services.** • **The services have a role in the collection of good practice.** • **The services are made available to all local authorities.** • **The LGA has in-house skills to support the service.**	
TOTAL	

To assess the quality of your specialist services, you might want to score it against this set of Critical Success Factors.

3. TRAINING

Service definition:

The provision or commissioning of training services to local authorities

The provision or commissioning of training is a core service of any LGA. Continual training is required by local authorities for new legislation and policy developments; induction and on-going training is needed by all elected representatives and officials.

Core training will provide the skills and expertise required to carry out the functions of a local authority to a minimum standard. Additional training will be required to drive up standards of performance to those of the best.

The LGA can research and prepare – or commission:

1) *induction* programmes or 'minimum training packages' that all new officials/ elected representatives should follow;

2) *core* training materials for each function / level of responsibility;

3) *additional* training materials and programmes for supplementary training and professional development in the broad range of local government activity.

There are many good quality materials and programmes that can be shared more widely. The LGA can become a recognised training resource centre by establishing a library to make training materials and programmes more widely available.

Some training can be outsourced. NGOs and the private sector can be effective training organisations. The LGA will want to ensure that the training provision they offer meets accepted standards and provide support, as necessary, to help them strengthen their own capacities. A good **Quality Assurance system** will weed out incompetent training providers, bad trainers and poor training materials and programmes.

There needs to be sufficient trainers of a recognised standard at national and local levels who understand local government and the issues faced by elected representatives and officials. The LGA will want to ensure an adequate supply of qualified trainers.

An LGA can maintain a Network of officials and elected representatives who can act as training experts or assistants. The LGA thus becomes a Clearing House for trainers and training experts and assistants.

THE TRAINING ROLE OF THE LGA

Support the development of knowledge and skills in local authorities   - *stimulate the professional development of local authority staff to drive up the standards of leadership and strategic management, service provision and community participation;*   - *adapt training to specialised needs;*   - *increase the effectiveness of elected representatives;*   - *develop networks to support professional development.*
Consolidate training as a core function of the Local Government Association   - *develop a strategic approach and become a reference point for training;*   - *introduce new ways of doing things;*   - *promote debate on the LGA's mission and strategy;*   - *promote the use of IT.*
Be an instrument for national cohesion   - *ensure all local authorities, including smaller ones with little income, have access to the training that they need;*   - *supplement/complement the work of other training providers;*   - *introduce and standardise the criteria for modernising local authorities and set out the consequent training implications;*   - *introduce Quality Assurance into local government training;*   - *become a key source of information on local government.*

Training supports capacity-building and is more than the provision of courses. **Study visits** to local authorities achieving best practice standards can open minds to new and better ways of doing things. **Training bulletins** can carry new ideas. **Self-learning** can be encouraged. The whole range of training methodologies should be promoted.

An LGA can deliver training directly or commission training from an external training provider while setting the parameters for its design and monitoring. Or it can do both. **The training role of the LGA is critical, as training directly affects the effectiveness of local authorities.**

Training must be **demand-led**. It is more effective if local authorities articulate their demand for training in the light of their own circumstances. Local authorities themselves should develop the <u>capacity</u> to provide some training locally. One of the tasks of the LGA is to help local authorities develop their own training capacity.

An LGA will want to ensure that local government officials have proper <u>career structures</u> in law, and that any turnover of officials is minimised. In this way, officials will be more motivated to undergo training as they will see its benefits both in raising their standards of performance and in their own career development. Furthermore, their local authority will retain their expertise.

The LGA might want to develop, in particular, a <u>leadership development programme</u> for Mayors and senior officials and elected representatives, given that good leadership is a critical 'gateway' to good local government.

Preliminary questions when building training capacity in the LGA:

> *Are other providers supplying training?*
> *Can the LGA effectively compete in the training market?*
> *What added value would the LGA bring?*
> *Should the courses be centralised or decentralised? What are the implications?*
> *Should an infrastructure for distance learning be established?*
> *Should the LGA be a direct training provider or a training co-ordinator?*
> *Should the LGA provide training through its own organisation, or should it establish a 'daughter' training organisation?*
> *How will the training be funded? Will fees be charged?*

An LGA might wish to introduce a **National Training Strategy** to create a professional training environment. The starting point will be to bring all the main stakeholders together into a Steering Group to oversee the initiative. This helps to create consensus and ownership. The Project Manager can be supported by an international expert to make best use of the experience of other countries.

The first stage is to design and complete a comprehensive **Training Needs Analysis** (TNA). This will identify local authorities' views on their training, the training implications of legislation, the perceptions of existing training providers and their training expertise. This is important because a National Training Strategy should seek to make best use of existing training experience and capacity.

The National Training Strategy will also need to set out the <u>institutional mechanisms</u> for delivering its objectives. A National Training Strategy will allow the LGA to give **strategic direction** to the various training initiatives and to seek further funding for its training priorities.

On the basis of TNA findings, a National Training Strategy can be prepared and discussed until it is acceptable to the main stakeholders. The LGA can then prepare operational Training Plans/Reports on an annual basis. It will want to update the TNA and Strategy every 2-3 years.

Key factors critical to providing good training services:

CRITICAL SUCCESS FACTORS	SCORE 1 2 3 4 5
• The LGA develops a strategic approach to local government training with a National Training Strategy that engages the commitment of all stakeholders. • A Training Needs Analysis is the starting point of any new training programmes. • There is training that focuses on current or emerging issues. • Training is timed to meet needs, eg in relation to the electoral cycle or new legislative or policy development. • Training complements other priorities of the LGA. • The LGA has in-house logistical and professional capacity to support its training function. • There is a system of evaluation that leads to improvements in training. • The LGA seeks to drive up the quality of the contents and methodology of training. • Professional trainers are used to plan and deliver training; practitioners are used as trainers. • Training costs are recovered. • There is systematic training of trainers, and a pool of trainers. • Training takes account of local circumstances. • There is variety in training methodology and IT is well used. • Local authorities develop their own training function.	
TOTAL	

To assess the quality of your training services, you might want to score it against this set of Critical Success Factors.

MATRIX: QUALITY ASSURANCE IN TRAINING

	Factors influencing the training environment **ENVIRONMENT**	Factors influencing training providers, trainers, materials and methodology **EXPERTISE**	Factors influencing training effectiveness **OUTCOMES**
NATIONAL FRAMEWORK	■ Legal and policy framework for local government training ■ National Training Strategy for local government ■ Training market ■ Role of national and international organisations	■ Local Government Association ■ Coordinating body for standards ■ Accreditation and certification process ■ Association of Professional Trainers ■ National database of trainers ■ National library of training resources	■ Training impact assessment ■ Update of Training Needs Analysis and National Training Strategy ■ Updating training curricula and methodologies
LOCAL AUTHORITY LEVEL	■ Commitment of the local authority leadership ■ The Human Resources function	■ Training Needs Analysis	■ Training programme impact assessment
INSTITUTIONAL LEVEL		■ Standard selection criteria (trainers / providers)	■ Training programme evaluation

4.   CAPACITY-BUILDING

Service definition:

> *The capacity to develop programmes to strengthen local authorities' leadership and strategic management, service provision and community participation*

Running training courses is not the only way to increase knowledge and skills in local authorities. There are many other capacity-building tools that can be used.

Local authority leadership is a critical factor in the delivery of good local government. The LGA can offer **Leadership Development Programmes** based on the Leadership Benchmark. This can be used for basic workshops; it will also allow a local authority's leadership to self-assess, or be assessed by an external team of trained 'peers', how effective and democratic their local authority is against an external standard. This provides the leadership challenge. The local authority can then prepare an Implementation Plan to build on their strengths and overcome any weakness.

Best practice is a powerful way for local authorities to learn how to improve services. Good service managers will seek out best practice directly. The LGA can organise **Best Practice** programmes each year in which best practice can be identified and rewarded in such fields as human resource development, local economic development and services to elderly people. Best practice local authorities can become training vehicles for other local authorities. Case-studies can be published.

BEST PRACTICE PROGRAMME

	Preparatory stage	Award stage	Capacity-building stage	Outcomes
BEST PRACTICE ➜ MODEL	*By National Association*: National Workshop ➜ Steering Group	*By Steering Group*: Theme selection ↘ Prospectus ↘ Selection ↘ Best Practice Award	*By Best Practice Authorities*: **Training programmes:** Preparing training materials ↘ Training best practice staff ↘ Consultancy, Open days, Study visits, Workshops	Higher standards and increased efficiency and effectiveness in internal and external services Innovation in service delivery Best practice culture

The LGA can introduce a **Performance Management System**. This sets out objectives, key performance indicators and standards in key policy areas, based on research and consultations. The data can be collected to show local authorities whether or not their performance is improving year on year or in comparison with other local authorities. Performance management can be used by local authorities' leadership and service managers – and by the LGA - to set targets and to drive up performance standards.

CASE-STUDY: PERFORMANCE INDICATOR TABLE FOR LOCAL ECONOMIC DEVELOPMENT

Objective: to increase and sustain small business start-ups

ACTIVITY	TARGET	PERFORMANCE INDICATOR (PI)	TYPE OF PI	METHOD	RESPONSIBILITY
Training for young entrepreneurs in business skills	30 graduates a year	No. of graduates	Volume	College records	College Head
Support for existing small businesses - grants - training - services - counselor support	70% satisfaction rate 30 grants 6 seminars on different subjects	Survey return No. of grants Use of learning 3 months later	Satisfaction Input Effectiveness	Annual survey Unit records Telephone survey	Communications unit LED Manager LED Adviser
Sustaining new businesses	80% of Year 1 start-ups survive 2 years	No. of start-ups still operating profitably	Volume	Survey in Year 3	Communications Unit

If the LGA introduces performance management with care, a performance culture can evolve within local government.

Where a local authority is faced with a serious weakness in a particular service, it can undertake a **Fundamental Performance Review** of the service and develop recommendations for change. A systematic approach, including the use of external expertise in review teams to ensure objectivity, will mean that the findings are robust, that there is real ownership of the problem and a determination to put it right. The LGA can train Performance Review Managers from local authorities; it can create a national pool of such Managers to whom all local authorities have access.

The **Reduction of Poverty** must be a key goal of any local authority. They can develop local anti-poverty programmes within the context of national anti-poverty strategies. But such programmes require good leadership, co-operation with local partners, joined-up activities, engagement with the community and a comprehensive approach. LGAs can work with central and regional authorities to develop a national anti-poverty strategy to support local authorities in fighting poverty in the local communities.

LGA action to support local anti-poverty programmes:

1   *Assess current local authority programmes that constitute a fight against poverty as a starting point for a National Anti-Poverty Strategy for local government.*

2   *Meet with central authorities to understand the existing framework for anti-poverty programmes and discuss the role local government might play.*

3   *Hold an 'Anti-Poverty Roundtable' for key stakeholders to (i) consider the issue of poverty in the country, (ii) assess its causes and effects, (iii) take account of any national anti-poverty initiatives and funding opportunities, and (iv) agree on the role, responsibilities and opportunities of local government in fighting poverty.*

4   *List the typical challenges that local authorities will face in developing and implementing Local Anti-Poverty Strategies and possible responses they might make to overcome them; identify what the LGA might do to reduce these obstacles.*

5   *Prepare and agree a National Anti-Poverty Strategy for Local Government as a framework for Local Anti-Poverty Strategies.*

6   *As a preparatory step, ask the local authorities to carry out audits of the quality of their governance, taking account of the perceptions of their internal and external stakeholders, and see what improvements they can make.*

7   *Establish an anti-poverty coalition of local authorities; send a letter to Mayors inviting them to join.*

8   *Join the central authorities in sending out powerful anti-poverty messages through a media campaign and through direct communication with all local authorities.*

9   *Put together and disseminate a set of case-studies of good practice in fighting poverty for use in training; share best practice and promote inter-municipal co-operation programmes.*

10   *Help local authorities to (i) organise Anti-Poverty Community Workshops to involve local people and organisations in developing Local Anti-Poverty Plans; (ii) carry out Stakeholders Analyses to show how different stakeholders may benefit from, and contribute to, Local Anti-Poverty Strategies; (iii) carry out assessments of how well they are specifically supporting vulnerable groups like women, minorities and youth and develop appropriate actions plans.*

Good internal and external communications in a local authority can make a significant difference to the quality of local public services. The LGA can help local authorities develop **Communications Strategies**.

Community engagement is essential if a local authority is to respond to local needs and make best use of local resources. The LGA can help a local authority assess the degree of **Community Participation** in local government against a recognised Benchmark and take action to engage local people and local organisations more effectively.

LGA action to support inter-municipal co-operation:

1. Seek out, publish and establish a library of good practice in inter-municipal co-operation both from among local authorities and from neighbouring countries; disseminate ideas through a regular bulletin and holding expert workshops.

2. Prepare and publish a 'White Paper' on inter-municipal co-operation to encourage local authorities to look at specific challenges they face and the potential benefits of working together in a form of co-operation, including potential access EC funding.

3. Set out and disseminate the legal provisions for inter-municipal co-operation along with an Explanatory Note that encourages local authorities to explore the potential advantages of such arrangements.

4. Set out a core capacity-building programme with appropriate training materials and targeted study visits that the LGA might offer to any municipality considering an inter-municipal co-operation programme.

5. Set out model arrangements for public-private partnerships and arrange training programmes for municipal officials considering such arrangements.

6. Set up a National Forum with the private and voluntary sectors and with appropriate Ministries to discuss the opportunities and obstacles for inter-municipal co-operation and the possible roles of the different organisations with a view to increasing the number of co-operation projects and participating municipalities.

One of the main challenges in local government is for local authorities to harness the commitment and efforts of organisations to the common purpose of good local governance. Some services may be better outsourced. Local authorities can work in **Partnership** with public, private or voluntary organisations to deliver services or develop strategic thinking. A local authority can join with other local authorities in **Inter-Municipal Co-operation Programmes** to build capacity, reduce costs, share expertise and increase efficiency and effectiveness in service delivery. The LGA can play an essential role in encouraging local authorities to learn to work with other organisations for the benefit of both themselves and their local communities.

Key factors critical to providing good capacity-building services:

CRITICAL SUCCESS FACTORS	SCORE 1 2 3 4 5
• *The LGA develops a strategic approach to local authority capacity-building, engaging the commitment of all stakeholders.* • *Capacity-building complements other priorities of the LGA.* • *The LGA has in-house logistical and professional capacity to support its capacity-building function.* • *There is a system for evaluation that monitors the effectiveness of capacity-building programmes and leads to improvements.* • *Trainers or project managers are used to plan and deliver capacity-building programmes; practitioners are used as 'experts'.* • *Capacity-building takes account of local circumstances.* • *There is a variety of capacity-building programmes that reinforce each other.* • *The LGA actively looks for capacity-building models that it might be able to adapt to local circumstances and implement.*	
TOTAL	

To assess the quality of your capacity-building services, you might want to score it against this set of Critical Success Factors.

5.   PROJECTS AND PROGRAMMES

Service definition

The capacity to develop internally and externally funded projects and programmes to help implement the LGA's objectives and priorities

Projects and programmes help the LGA deliver its objectives and priorities. They bring recognition to the LGA. They can supplement the core income of an LGA and can be used to introduce innovative activity which otherwise might not be funded. They provide an LGA with access to external funding and alliances.

An LGA can become a channel of supplementary funding for specific local authorities, for example to carry out a pilot project.

Building the project and programme capacity in an LGA is a serious task. It must include the professional capacity to design proposals and secure funding, to monitor and evaluate projects, to provide useful project reports. It means identifying lessons and good practice in local government, and disseminating them for wider application.

The team responsible for the project and programme capacity should be able to secure the confidence of donors and local authorities alike. They should have the reputation of being able to deliver results. They give donors a mechanism by which the donors themselves can reach their own goals.

Typical objectives of projects and programmes:

▪ **Push forward its priorities.** ▪ **Complement initiatives of the central authorities.** ▪ **Facilitate decentralisation.** ▪ **Build institutional capacity in local authorities.** ▪ **Create standardised frameworks.**	▪ **Strengthen the LGA's institutional capacity, eg by developing a training facility.** ▪ **Launch national programmes.** ▪ **Implement training and capacity-building programmes.** ▪ **Carry out specific research.**

The risk of externally-funded projects and programmes, of course, is a growing dependency on external funding. The key question is always: 'What happens when the external funding stops?' This is the key to sustainability. Every externally-funded project and programme should have an 'exit strategy'.

With a project and programme capacity, an LGA can play a greater leadership role. It can provide a reliable channel of funding for the Government and donors and of co-ordinating project design and reporting. It can be seen by local authorities as providing a useful service. This can win the confidence of the local authorities in the LGA, thus developing the possibility of increasing fee income.

Key factors critical to developing capacity in projects and programmes:

CRITICAL SUCCESS FACTORS	SCORE 1 2 3 4 5
• **Projects and programmes meet the LGA's objectives and priorities and have political backing.** • **They do not overshadow the LGA's core activities.** • **There are clear procedures for project and programme management.** • **The follow-up to projects and programmes and their sustainability are considered at the start and are set out in 'exit strategies'.** • **The LGA remains in the 'driving seat'.** • **There is on-going communications (such as through progress reports) with donor organisations.** • **The LGA understands how each project or programme meets the objectives of partner organisations.** • **The LGA applies the necessary financial management capacity.** • **The budgets include overheads and contingency allowances.** • **The LGA can show a record of success and previously audited accounts to give confidence to donors.** • **Positive results are actively disseminated and used.**	
TOTAL	

To assess the quality of your project and programme capacity, you might want to score it against this set of Critical Success Factors.

6.   RESEARCH

Service definition

> ***The capacity to carry out research in support of the LGA's own programmes and of local authorities themselves***

Research can play an important role in helping an LGA take a well-informed position when tackling issues, promoting policies or developing new programmes. It can support advocacy, policy development, training, capacity-building and communications programmes. This will give the LGA more authority and legitimacy.

Research will allow an LGA to help local authorities provide stronger leadership and strategic management, provide better services and engage the local community more effectively. Programmes can be better focused. Best practice can be identified. Funding can be used to deliver better value for money.

Research will allow the LGA to play a more pro-active role. It can give a bird's-eye view of issues and allow them to be seen from different perspectives. It will allow trends to be monitored, benchmarks developed and performance verified.

Research can provide the basis for an annual publication of local government statistics that can be an important source of information to various stakeholders.

Typical research methods:

▪ *desk research* ▪ *literature review* ▪ *data analysis* ▪ *surveys/questionnaires (postal, electronic, website)* ▪ *telephone interviews*	▪ *individual interviews/visits* ▪ *interviews of stakeholder organisations* ▪ *specialised seminars* ▪ *focus groups*

The LGA should have a clear strategy for using and disseminating research results, whether through a publication or through the media, road-shows or conferences.

Research can draw on the knowledge, expertise and capacities of the local authorities themselves so that local authorities contribute to their own capacity-building.

A good research unit will support the objectives of an LGA's Strategic Plan. It can generate income by supporting linked research with external organisations. It can link into research networks and make use of their experience and expertise. It can support research efforts by local authorities themselves.

Key factors critical to building research capacity:

CRITICAL SUCCESS FACTORS	SCORE 1 2 3 4 5
• *The research must fit the LGA's priorities.* • *The Terms of Reference for research should be clear.* • *The criteria for selecting researchers should be robust.* • *There should be a constructive working relationship between the commissioning body and the researcher.* • *Internal and external researchers should be linked.* • *The responsibility for deciding whether research results should be made public and remain unpublished should be clear.* • *The ownership of the research and its findings should be clear.* • *There should be a strategy for communicating and using the results of the research in an accessible form.* • *The research results should be used by different departments.* • *The research work of the LGA should be well known.* • *The LGA should be recognised as a key source of local government data.* • *The LGA should be part of a research network.* • *Research should help build alliances with other organisations.*	
TOTAL	

To assess the quality of your research services, you might want to score it against this set of Critical Success Factors.

SECTION 6

ORGANISATION IN THE LOCAL GOVERNMENT ASSOCIATION

A. LEADERSHIP, STRUCTURE AND MANAGEMENT

SECTION 6A

LEADERSHIP, STRUCTURE AND MANAGEMENT

CONTENTS

This tool draws upon 'The LGA Toolkit' by the International Union of Local Authorities (IULA) and the EU's Common Assessment Framework for public sector organisations.

1.   LEADERSHIP

The *effectiveness* of the LGA will depend to a large extent on the leadership of those responsible. Good leadership will release the energies of the staff; it will harness the efforts of partners in a common purpose; it will give a clear sense of direction; it will demonstrate a determination to achieve the mission of the LGA.

Leadership is not so much about the qualities of individuals. It is not about command and control; anyone in authority can do that. **Rather, leadership means understanding the <u>challenges</u> confronting the LGA and applying the <u>practices</u> needed to turn the LGA into a high quality organisation, respected by partners and delivering outcomes that local authorities want.**

Leadership is about being willing to assess oneself and to improve, about looking in a mirror and learning. It is about creating an environment where everyone can exercise leadership within the parameters of their job.

THE 15 LEADERSHIP CHALLENGES

➢ *Developing direction and strategy*	➢ *Improving work processes*
➢ *Creating a learning organisation*	➢ *Streamlining procedures*
➢ *Adapting organisational structures*	➢ *Encouraging responsibility*
➢ *Developing powerful teams*	➢ *Mobilising knowledge*
➢ *Building a culture of innovation*	➢ *Leading in networks*
➢ *Fostering equal opportunities and diversity*	➢ *Developing joint working*
	➢ *Managing change*
➢ *Promoting partnerships*	➢ *Managing risk*

In these challenges, what are the priorities of the LGA's leadership? Where are the strengths? Where is development needed? Any reform programme needs strong leadership; it would be sensible to run a parallel leadership development programme as part of any reform programme.

The responsibilities of the LGA's leadership are broad and are set down below. How well do these responsibilities correspond to those the Executive Director?

UNDERSTANDING LEADERSHIP IN AND BY THE LGA

➢ **Giving direction to the organisation:**
  - *Developing a vision and a mission;*
  - *Establishing values;*
  - *Translating the vision/mission into strategies and operational plans;*
  - *Responding to change;*
  - *Ensuring effective communications.*

➢ **Establishing modern management in the organisation**:
  - *Developing organisational structures and processes;*
  - *Establishing measurable objectives;*
  - *Giving direction to output and outcome targets;*
  - *Identifying the resources necessary for delivering the LGA's objectives;*
  - *Establishing a management information system with appropriate audit;*
  - *Establishing a framework for projects and team-working.*

➢ **Motivating and supporting staff:**
  - *Leading by example; demonstrating personal willingness to change by welcoming constructive feedback;*
  - *Keeping staff informed; delegating responsibilities; helping them achieve their objectives; recognising success; addressing individual needs;*
  - *Encouraging innovation and continuous improvement;*
  - *Establishing values of mutual trust and respect;*
  - *Instituting effective performance appraisal and supporting training and development.*

➢ **Managing relationships with local government:**
  - *Ensuring the Board is sufficiently informed, committed and supported to be able to make effective policy decisions, monitor implementation and actively support the LGA;*
  - *Ensuring the General Assembly is committed to, and accepts accountability for, the development of local government;*
  - *Ensuring local authorities are properly represented at national level and receive appropriate advisory and capacity-building services;*
  - *Sponsoring professional associations that are committed to raising performance standards in local authorities;*
  - *Ensuring that the LGA represents all local government.*

➢ **Managing relations with the Government, the media, the public and other stakeholders**:
  - *Influencing central authorities on the legislative and policy framework for local government by its legitimacy and through regular dialogue;*
  - *Ensuring a positive image of local government in the media;*
  - *Building constructive partnerships with international and national organisations that support the development of local government;*
  - *Developing public understanding of, and respect for, local government.*

When you, as Executive Director, have considered this list, set out what you might do to strengthen the leadership of both senior colleagues (Board, Heads of LGA services) and yourself. You might design Staff and Board Surveys to get the views of your main stakeholders; this would add objectivity and develop a wider commitment to create a strong LGA.

2.   STRUCTURE AND CORPORATE GOVERNANCE

The LGA has a high calling – to represent local government both nationally and internationally at the highest levels and to build up the capacities of local authorities. This requires an organisation that:

> - *is respected and has integrity and influence,*
> - *has the legitimacy through the full support of local authorities,*
> - *delivers good outcomes for local government,*
> - *works in partnership with central authorities and other stakeholders,*
> - *responds well to challenges.*

> *Strong local government requires and deserves a strong LGA, a first class organisation with a high calling. Achieving high standards starts with awareness of the strengths and weaknesses in the LGA's organisation and management.*

There is no single way of structuring an LGA. It depends on the circumstances, on the vision of local authorities and on the LGA's mission. Ambitious local authorities that have a clear vision of strong local government will ensure that the LGA reflects their ambitions; an ambitious LGA will help local authorities develop their vision.

The structure should allow the LGA to achieve its objectives efficiently and effectively as set out in its Strategic Plan. It should at the same time encourage active participation by its member local authorities and their Mayors.

> *The LGA structure should allow member local authorities to:*
> - *Be mobilised to support policy development and advocacy activities;*
> - *Have opportunities to exchange views and share good practice;*
> - *Have opportunities to contribute to the LGA's strategic development.*

The LGA must be able to make swift and effective decisions and react to external events as appropriate. This needs trust, efficiency and a delegation of authority, and underlines the importance of the sense of partnership between the Board and the Executive Director.

A typical LGA will have the following bodies:

- *General Assembly and President*
- *Executive Board, Committees and Working Groups / Task Forces*
- *Executive Director and Secretariat*

A strong LGA recognises that it is more effective when it speaks with one voice and focuses on local government concerns rather than party political interests, even though political contacts can be useful. It will operate across parties.

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**The greater the political polarisation of the LGA,
the greater its ineffectiveness.**

</div>

There will always be minority views; these should be taken into account, not ignored.

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**Focus more on local government concerns that unite the parties
rather than divide them; build up the will to work together.**

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The Statute

The Statute should set out the objectives and principal rules of the LGA; it should provide the basis for the LGA to be representative and to function with transparency and accountability. It should set out the rights and responsibilities of its members and verify the decision-making processes. It will cover the governance of the LGA, including auditing and membership fees. A key role of the Statute is to settle disputes.

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CONTENTS OF THE LGA STATUTE
- *Name of LGA*
- *Goals and mission*
- *Main methods for achieving goals and mission*
- *Legal and non-profit status*
- *Eligibility of membership; rights and responsibilities of members*
- *Structure of LGA, including General Assembly, Executive Board, Committee structure, Presidency and Secretariat*
- *Provisions for amending Statute*

</div>

It is better to keep the Statute brief as it is difficult to change it. It is better to use the more flexible Rules of Procedure/Standing Orders to cover operational detail.

> *A good Statute does not guarantee that the LGA will work well;*
> *but a bad one will ensure that it fails.*

Rules of Procedure

The Rules of Procedure will set out how the LGA works. They should avoid bureaucracy. They will include more detail than the Statute, such as the fee collection system and voting rights, and will be easier to amend as circumstances change.

Conventions

The LGA may want to write down how it is to be politically and ethically managed. There may be conventions, for example, of seeking consensus, making Press statements, preventing and resolving conflicts of interest, and chairing Committees. The **Code of Conduct** and its enforcement mechanisms provide the basis for ethical management:

The LGA Code of Conduct should include sections on:
- *__Ethical standards__ - that promote trust and confidence in the integrity, objectivity and impartiality of the LGA;*
- *__Scrutiny__ - so that individuals know that arrangements in their private lives cannot be separated from their public duties;*
- *__Decision-making__ - so that individuals make decisions in their official capacity in the interests of the LGA and local government;*
- *__Private interests__ - so that individuals do not have private interests that conflict with their public responsibilities, and that any potential conflict is declared openly;*
- *__Gifts and benefits__ - so that individuals do not, and are seen not to, give or accept bribes;*
- *__Preferential treatment__ - so that individuals do not favour particular persons or organisations for reasons of self-interest in the pursuit of their public responsibilities;*
- *__Insider information__ - so that individuals do not take advantage of such information for private gain;*
- *__Property__ - so that LGA property is not used for private purposes.*

Governing Bodies

The **General Assembly** brings together all member local authorities every 1-2 years. It deals with constitutional and other matters of fundamental importance; it may convene an Annual Conference to deal with other issues, such as programme development.

Case-study:

COMPETENCES OF GENERAL ASSEMBLY, AAC, ALBANIA

  a. *Elects the Chairman of the Association.*
  b. *Elects members of Steering Committees of the Association.*
  c. *Elects members of Permanent Commissions.*
  d. *Elects members of the Auditor's Commission.*
  e. *Approves the financial means of the Association.*
  f. *Examines and approves amendments to the Statute of the Association.*
  g. *Approves the policies of the Association.*
  h. *Approves the Strategic Plan.*
  i. *Approves the Annual Financial and Activity Report and the Action Plan.*
  j. *Decides upon the exclusion of a member under the terms of the Statute.*
  k. *Decides upon the affiliation, division and dissolution of the Association.*
  l. *Decides the membership fee.*
  m. *Requests external auditing from authorised auditors.*

The **Executive Board** is the LGA's political decision-making body and is appointed by the General Assembly. It will meet every 1-2 months and be responsible for strategy, policy development, coordination and budget oversight.

The competences of the Board should be clear. It should represent the interests of the various facets of local government such as cities/rural areas, gender, minorities and regions. Membership may be based on political strength in the General Assembly. Board members represent local government as a whole, not their own municipalities.

The **Executive Director**, who leads the Secretariat, will report directly to the Board and is responsible for the implementation of decisions taken by the Board.

The **President** is influential as the political representative of local government and is elected directly by the General Assembly. It may be sensible to rotate the Presidency between political parties or to stipulate that the President and Vice President should belong to different parties.

Committees allow a wide range of members to participate in the LGA's work. Members can bring significant knowledge and expertise with them.

Some Committees are permanent. But expert **Task Forces** or **Working Groups** may be set up for specific issues on a temporary basis.

Committees might cover such areas as:

• *Budget*	• *Human Resource Development*
• *Public ethics*	• *Strategic planning*
• *Policies and programmes*	• *Structure and organisation*
• *Research*	• *Sponsorship and fundraising*

The role of Committees is to act as:
  ➢ *A source of advice on policy development and advocacy;*
  ➢ *A channel for engaging member local authorities in the work of the LGA;*
  ➢ *An instrument for drawing on first-hand experience and expertise*

Case-study:

COMMITTEE STRUCTURE OF ZELS, MACEDONIA

  • *Administration (reception/administration; financial management; IT)*
  • *Legal and Central Government (legal advice, translation/administration)*
  • *Communications and Public Relations*
  • *Professional Groups*
  • *Fundraising and Paid Services*
  • *Training and Education*

The various structures should be streamlined and <u>integrated</u> within a common purpose. A good LGA will ensure such integration with careful planning, clear procedures, good communications and effective administrative support for every Committee/Task Force; every member should feel he/she has something to *contribute* and something to *learn*.

> **The LGA will be better known and appreciated among local authorities**
> **if it engages a wide range of local authorities and**
> **delivers good outcomes for local government.**

Sub-National structures

It may be sensible for the LGA to create sub-national structures. These would facilitate closer communications with local and regional authorities. They could ensure that LGA services better respond to the needs and expectations of local authorities; this would encourage more members to join the LGA.

The added value of a regional structure needs to be balanced with the financial costs of its development and the risks of duplication and conflict. The relationship between national and sub-national structures and their respective responsibilities must be clearly set out and agreed. A devolved structure must not be allowed to divide the national organisation and weaken the LGA's influence with central authorities.

Where regional structures exist, the national LGA will have an important role of co-ordination and support. A regional structure is unlikely to be helpful in a small country.

The Secretariat

The Secretariat needs to be strong enough to deliver the objectives and priorities of the LGA. Given the challenge of decentralisation and European integration, these are significant; they challenge the Executive Director and Board to find new ways of building up the capacity of the Secretariat. There must be enough staff who have:

- **Sufficient authority to deal with their counterparts in central Government and Parliament and transform local government issues into political or executive action;**
- **Sufficient understanding to enjoy the confidence of local authorities;**
- **Sufficient expertise to manage the provision of reliable advice and high quality programmes.**

The organisation of the Secretariat depends largely on its resource base. With smaller LGAs, a number of different kinds of responsibilities may be combined in single posts, especially that of the Executive Director. The consequence is often an over-worked Executive Director, insufficient expertise and limited effectiveness.

As an LGA develops, it should seek to reduce the operational tasks expected of the Executive Director (eg direct training) and allow him/her to focus on the strategic role. An Executive Director needs time for communicating, planning and negotiating.

A Management Team of the Heads of services can add considerably to the effectiveness of the LGA's management. It provides a mechanism for linking strategic focus to operational delivery. Each member of the Management Team must have recognised experience and expertise and be capable of taking responsibility and delivering outcomes. The LGA must be able to attract such staff to take responsibility for key functions:

- *Administration and finance*
- *Communications*
- *Training*
- *Capacity-building services*
- *Human resource development*

- *Member services*
- *Research*
- *External relations*
- *Legal services*
- *Advocacy*

There must be good communications expertise throughout the LGA. A small but professional communications unit can promote a strong image of the LGA and a wider understanding of the challenges and opportunities of local government.

3. INSTITUTIONAL MANAGEMENT

Good institutional management is essential for a truly effective, influential, pro-active and financially viable organisation. The LGA needs to have clear goals and division of responsibilities, clear policies and procedures, a performance culture, ethical values and strong financial control; it needs to maintain motivated and well functioning staff.

There are several signs/symptoms of effective or ineffective institutional management:

Turnover of staff

Low turnover suggests greater efficiency and motivation. Are the staff proud to work for the LGA? Do they talk about their work outside the office? Do they give of their best?

Communications

Good communications is a sign of an effective organisation. Staff understand the priorities of the leadership; the leadership understand the realities of the front-line. Stakeholders feel a shared sense of purpose. Just talking to staff and stakeholders can quickly demonstrate the quality of communications.

Corporate management

An effective Executive Director will make good use of a senior management team. This reduces any centralising tendencies; more things get done; expertise is greater; policy is better analysed; responsibility and risks are more widely shared; communications is better; the LGA is able to face corporate challenges that cross internal boundaries.

Financial management

How well is the budget managed? Do staff have an input into the budget preparation process? Is there a clear focus on budgeting to deliver clear outputs in line with the Strategic Plan? Is the LGA properly resourced? Does the audit process add value or just exercise control? Does the leadership actively seek new sources of revenue?

Performance management

A good LGA will be seen to manage performance with a focus on delivering real outcomes and ensuring that the staff have the expertise to succeed. Motivated staff will search out best practice. Performance indicators will be part of daily work. It is easy to run a good training course, for example; but using training to make a difference in service quality is the challenge. Well-used performance indicators drive up standards.

EXAMPLES OF LGA PERFORMANCE INDICATORS

➢ **Level of local authority satisfaction with the LGA**	➢ **The number of constructive partnerships**
➢ **The degree of public understanding of local government**	➢ **The extent of positive media coverage of LGA activities**
➢ **Extent of LGA staff training**	➢ **The impact of services on local authorities**
➢ **Staff satisfaction with the LGA leadership**	➢ **The increase in funding from membership fees**
➢ **Proportion of staff fulfilling their personal development plans**	➢ **The increase in income-generating activities**
➢ **Staff turnover rate**	

Policies and procedures

Policies should reflect the will of the General Assembly. The implementation of policies underpins the work of the Secretariat. Procedures (or processes) turn inputs into outputs and cover everything from Committee preparation to decision-making. It is the obligation of the Executive Director to ensure that procedures are streamlined to reduce inefficiency.

Policies and procedures should be set out clearly in a **Manual** that is helpful and up-to-date, so that staff know the steps they need to take. Such a Manual is like a 'rule book' and provides an induction tool for new staff members. It ensures consistency.

> **The LGA Manual should:**
> - **Convey the leadership's philosophy, communicate organisational policies and procedures in a corporate approach;**
> - **Improve communications, translating philosophies and policies into action and promoting efficient operations;**
> - **Reduce training time, acting as a guide for staff and creating an awareness of how routines should be carried out;**
> - **Improve productivity, speeding up decision-making by providing a source of answers to typical questions and ensuring compliance;**
> - **Strengthen operations by becoming a standard of quality for the LGA.**

Achievement

Does the LGA take pride in achievement and celebrate success? Recognition helps staff feel good. The 'feel good factor' delivers better results. On the other hand, failure to recognise weakness is a sign of immaturity. Brushing things 'under the carpet' does not make the LGA stronger. Transparency about both strengths and weaknesses is the starting point for sustainable improvement.

Local authority survey

Have you ever considered organising a Survey of member local authorities to discover their views on the LGA's performance, strengths and weaknesses and opportunities? Such a Survey could ask them to give their views on such topics as:

- **The overall image of the LGA;**
- **The overall performance of the LGA;**
- **The relevance of the LGA to their requirements;**
- **The services provided by the LGA;**
- **The relationship between the LGA and its stakeholders;**
- **The commitment of the LGA to local government priorities;**
- **The leadership and management of the LGA;**
- **The efficiency and effectiveness of the LGA;**
- **The LGA's approach to change and modernisation;**
- **The capacity and expertise of LGA staff;**
- **The willingness of staff to give of their best;**
- **The competence of the LGA Board;**
- **The quality of LGA communications;**
- **The Press coverage of local government;**
- **The extent and quality of LGA consultation with member local authorities;**
- **The LGA's approach to public ethics.**

How would member local authorities like the LGA to develop?

4.   HUMAN RESOURCE DEVELOPMENT

The LGA's key asset should be its staff. HR development comprises policies in such key areas as:

- *recruitment, so that the staff recruited are the best for the job;*
- *training and coaching, to enable staff to continually develop their expertise;*
- *performance management, to ensure strong focus on delivering results;*
- *discipline and grievance, so that staff know where they stand and how they might seek redress if necessary;*
- *equal opportunities and diversity, to make best use of the talents available.*

Modern HR development is about **enhancing capacity** rather than exercising control. It will ensure delegation is effective so that staff not only do the job they are assigned but do it to *high standards* and with a degree of *creativity*. It will promote high levels of motivation among staff; they will feel good about their job and give more than they are asked for.

Staff are the LGA's greatest asset.

How good is the LGA in its HR Development function? Set out below is a list of modern HR Development practices. You, as Executive Director, might wish to consider how you can lead improvements in HR Development. You might use this list as the basis of a Staff Survey in order to gather their views and generate wider commitment and legitimacy to any changes you might propose.

MODERN HR DEVELOPMENT PRACTICES

➢ *Include HR Development within the Strategic Plan and Financial Strategy:*

- *Developing and communicating a modern HR Development policy;*
- *Regularly analysing current and future HR needs in line with the ambitions and capacities of the LGA and its stakeholders;*
- *Set out clear merit-based policies on recruitment, promotion, rewards and the assignment of managerial functions; follow principles of equal opportunities;*
- *Ensure Job Descriptions are clear and coherent and are used as the basis for recruitment and development plans;*
- *Develop the leadership and management skills required by managers;*
- *Create good working conditions.*

> ➤ *Identify, develop and use staff competences in line with the LGA's objectives and targets:*

- *Identify the competences of staff in terms of knowledge, skills and attitudes;*
- *Develop a Training Plan for corporate and individual training needs and use modern training methods in its implementation;*
- *Agree Personal Development Plans with each member of staff, based on performance appraisal;*
- *Develop leadership skills throughout the organisation;*
- *Ensure new staff are properly trained and supported;*
- *Promote internal and external mobility of staff.*

> ➤ *Involve staff in the development of the LGA through delegating responsibilities and promoting dialogue:*

- *Promote a culture of open (not hierarchical) communications and dialogue;*
- *Ask staff for their suggestions and respond appropriately;*
- *Consult staff on plans and proposals affecting the LGA and on ways of measuring achievement;*
- *Support staff in their work;*
- *Conduct Staff Surveys every year.*

Performance Appraisal

Performance Appraisal is a confidential dialogue between each staff member and his/her manager. It starts at the beginning of the year with agreement about the **objectives** expected to be achieved during the year. A **Mid-Year Review** provides an opportunity to assess progress and update the objectives as necessary.

The Performance Appraisal **discussion** at the end of the year allows an assessment of how well the objectives have been achieved, how effectively the competences have been demonstrated, and the development of a **Personal Training Plan**. The forms below provide a model framework for Performance Appraisal.

Example: Outline of an Annual Staff Performance Appraisal Form

- *Name / Relevant dates / Grade:*
- *Timetable for completing Form:*
- *Job title / purpose/ responsibilities / resources managed:*
- *Summary of [up to 6] job objectives and an assessment of achievement:*
- *Management objective and assessment of achievement:*
- *Personal objective and assessment of achievement:*
- *Assessment of competences in job (see below):*
- *Personal Training and Development Plan:*
- *Overall performance assessment:*

It is essential that Performance Appraisal is seen as a supportive process and allows staff to communicate freely with their managers. It is about helping staff become more effective. It is an opportunity for each manager to get feedback on their performance.

When Performance Appraisal is used with the idea of command and control, any dialogue will not be open and exhaustive and its benefits will be minimised.

Example: Form for assessing job competences

ASSESSMENT OF COMPETENCE IN CURRENT JOB A = Consistently demonstrates competence at high level B = Consistently demonstrates competence at satisfactorily level C = Requires development of competence				
COMPETENCE	A	B	C	ASSESSMENT (with examples, training needs etc)
Working with people				
Delivery of results				
Analysis, problem-solving and decision-making				
Communications				
Personal effectiveness				
Using/managing resources				
Managing and developing staff				
Job expertise and professional competence				
Building and leading a team				
Strategic thinking and planning				

Performance management

Performance indicators are about using data to assess performance in any area, including HR. It is essential they are used properly:

➢ They should focus on a few priorities; too many indicators become bureaucratic.
➢ They should be 'owned' by the person using them, so that they are used to drive up performance and not just as a paper exercise.
➢ They should be used to show where performance is good, and where action is needed.
➢ They should be used systematically and with discipline as part of every day work.
➢ They should be clearly defined so they measure exactly what they are meant to measure.

PERFORMANCE INDICATORS FOR HR DEVELOPMENT IN THE LGA

▪ *Levels of absenteeism and sickness;* ▪ *Rates of staff turnover;* ▪ *Levels of staff motivation;* ▪ *Staff understanding of LGA priorities;* ▪ *Staff willingness to change;* ▪ *Level of delegated responsibilities;*	▪ *Staff use of training opportunities;* ▪ *Staff satisfaction with LGA communications;* ▪ *Staff satisfaction with the LGA leadership;* ▪ *The use of individual and team performance indicators;* ▪ *The use of information technology.*

5. WORKING WITH MEMBERS

The LGA should ensure that every new member of the Board or of any Committee should be trained to understand the powers and obligations of the Board/Committee, its objectives, its limitations and its ways of working.

Members should receive proper briefing for each meeting and any support necessary for effective follow-up. In this way, they will come to appreciate the work of the LGA.

There are many points of contact between the Executive Director and members:

- *With Board members, both individually and as the Board;*

- *With the Board Chairperson;*

- *With the General Assembly and Committees and Task Forces;*

- *With individual Mayors who come to seek assistance, offer suggestions or want to promote particular policies or legislative proposals;*

- *With local authorities receiving LGA services;*

- *With local government spokespersons when the Press have an interest.*

In particular, the Executive Director will want to meet with the Chairperson of the Board at least once a week to discuss issues, plan forthcoming events, assess recent activities and agree priorities.

It is important that these contacts are conducted properly. Here are some unwritten rules:

TEN GOLDEN RULES OF MEMBER CONTACT

1. Respect the Board members for what they are: the managing body of the LGA. Show that you listen; help them to understand the issues so they can make intelligent decisions with a sense of commitment; keep them up-to-date; make them feel indispensable.

2. Combine professional competence and humility when participating in the Board or the General Assembly; share with them your ambition but let them own it. Your job is to make best use of their funding to deliver their priorities.

3. When members are negotiating with central authorities, ensure they understand their responsibility for delivering their side of the negotiated outcome.

4. Treat every positive suggestion from members seriously; investigate the options and report back on the outcome.

5. Make it clear that the LGA is not in the business of giving individual favours.

6. Engage members with specific interests or expertise to contribute to the work of the LGA within clear limits, whether through membership of Committees or Task Forces or by working with particular members of staff on specific proposals.

7. Always show that you are aiming at high standards; do not put up with anything second class.

8. Treat the Press as potential friends of local government; act with patience and honesty, but always be careful to avoid potential pitfalls.

9. Always think about how well the LGA is engaging minorities; ensure particular groups are never excluded from the mainstream.

10. Don't try to do everything yourself; delegate with trust and high expectations; harness the energies of others in a common purpose.

KEY MESSAGES

➢ **Good leadership is about confronting challenges and applying good practices with determination.**

➢ **Know that the LGA reflects the views of its member local authorities and listens to its stakeholders.**

➢ **The Committee structure must add value; members must have the chance to contribute.**

➢ **Operational management is the business of staff; the business of leadership is leadership.**

➢ **Strategic management is about strategic thinking.**

➢ **Staff are the LGA's greatest asset; they should be the best; be proud of them; celebrate their success;.**

➢ **Good communications is the glue that gives the local government community a common purpose.**

➢ **Set down and disseminate the LGA policies and procedures in a Manual and its personal standards in a Code of Conduct.**

➢ **Treat all members with care, humility and professional competence.**

6A.   SELF ASSESSMENT: SUCCESS FACTORS FOR EFFECTIVE ORGANISATION

Consider the success factors set out in the table below and assess how well your LGA achieves them. Where achievement can be improved, list the actions to be taken.

SUCCESS FACTORS	HOW WELL DOES YOUR LGA ACHIEVE THEM?	ACTION
➤ The LGA has a light and flexible approach that encourages member participation.		
➤ There is a balanced representation of different sizes of local authorities, parties and minority groups.		
➤➤ The structure supports the strategic goals of the LGA. Are staff and political leaders working towards the same goals with a clear division of responsibilities.		
➤ The LGA takes a strategic approach that focuses on key issues and accommodates the wide range of member interests.		
➤ There are mechanisms that facilitate two-way communications, providing forums for debate, feedback, information and sharing good practice.		
➤ The LGA's committees are credible and well-structured, and ensure the active involvement of members.		
➤ The LGA has the ability to respond quickly to events and to set a forward-looking agenda.		
➤ There are mechanisms for developing innovative policy ideas and promoting particular initiatives.		
➤ The LGA has the ability to target specific members with its communications strategy and service provision.		
➤ There are regulations limiting the influence of party politics.		

6B.   SELF ASSESSMENT: SUCCESS FACTORS FOR EFFECTIVE MANAGEMENT

Consider the success factors set out in the table below and assess how well your LGA achieves them.
Where achievement can be improved, list the actions to be taken.

SUCCESS FACTORS	HOW WELL DOES YOUR LGA ACHIEVE THEM?	ACTION
➤ *The budget is in line with the Strategic Plan.* ➤ *Financial reports are provided on a regular basis within set deadlines.* ➤ *The LGA has a good fee collection procedure.* ➤ *The LGA has a robust audit framework.* ➤ *The LGA has a Manual for policies and procedures that is available to all and is regularly reviewed.* ➤ *There are training opportunities for all staff.* ➤ *There is high motivation among staff.* ➤ *The LGA uses a performance management approach with clear job descriptions, staff appraisal and incentives to perform well.* ➤ *The LGA is recognised for its good leadership.* ➤ *Leadership is encouraged throughout the organisation.* ➤ *The Executive Board is well managed and its members each contribute to the work of the LGA.*		

Toolkit [Section 6] : Towards a modern Local Government Association

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