

Session 8 - Decentralisation and Strategic Planning at the Local Government Level

And A Tale of Two Cities

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Coverage

- Linkage between Government levels
 - Service Delivery
 - Budgets
 - Macro Indicators
 - Client Feedback
- City 1 –
 - Planning for results at local level
 - Budgeting at the local level
 - Monitoring of Performance
- City 2 –
 - Achieving a service results focus and improving performance

Context

- Local Government already delivers a wide range of traditional and essential services to their communities
- They typically face growing demand as people move to cities seeking better income opportunities
- Usually their resources comprise both locally raised revenues and financial support from national or provincial government

Decentralisation

In most countries, **National or Federal Government** have moved to devolve responsibilities to **provincial governments** and onto **local governments** [but not always accompanied by the resources to match those responsibilities].

This has led to Local Governments improving their professionalism, management and operating practices using RBM

National and Local Government can interact in various ways

- National level
 - policy, program development and funding
- Provincial level
 - Delivery of selected programs and coordination of implementation
- Local level
 - delivery of selected programs and services

As well as Local Government having its own exclusive range of services [outputs] and desired outcomes

Interaction Examples

■ Health

- Policy
- Funding
- Monitoring

■ Local Level

- Clinics
- Public Health

■ Transport

- Policy
- Funding
- Major Roads

■ Local Level

- Local roads
- Major roads
- local mtce

■ Private Sector Development

- Policy
- Programs
- Funding

■ Local Level

- Business Licensing

Budget Linkages

- Specific Program funds
 - Health, Education, Infrastructure, etc
- Share of specific revenues
 - Property taxes, VAT, etc
- Grants to alleviate specific circumstances
 - Rural v Urban, etc

Budget Linkages - Significance

■ City*	Own %	Tfrs %
– Kathmandu	26	74
– Cebu	38	62
– Bangalore	90	10
– Melbourne	97	3

Source: ADB, 2001. *Urban Indicators for Managing Cities*.

Data adjusted to remove loans from calculations

Macro Indicators

- Population
- Health & education
- Urban land & housing
- Services
- Environment
- Transport
- Cultural
- Finance
- Governance

ADB Urban Indicators

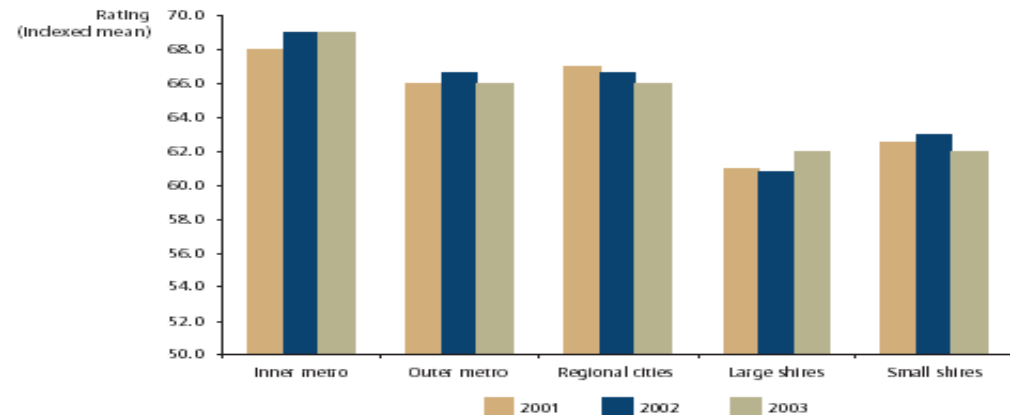
Report Card expected by State

Government

Residents' Rating	Score
Excellent	100
Good	80
Adequate	60
Needs improvement	40
Needs a lot of improvement	20

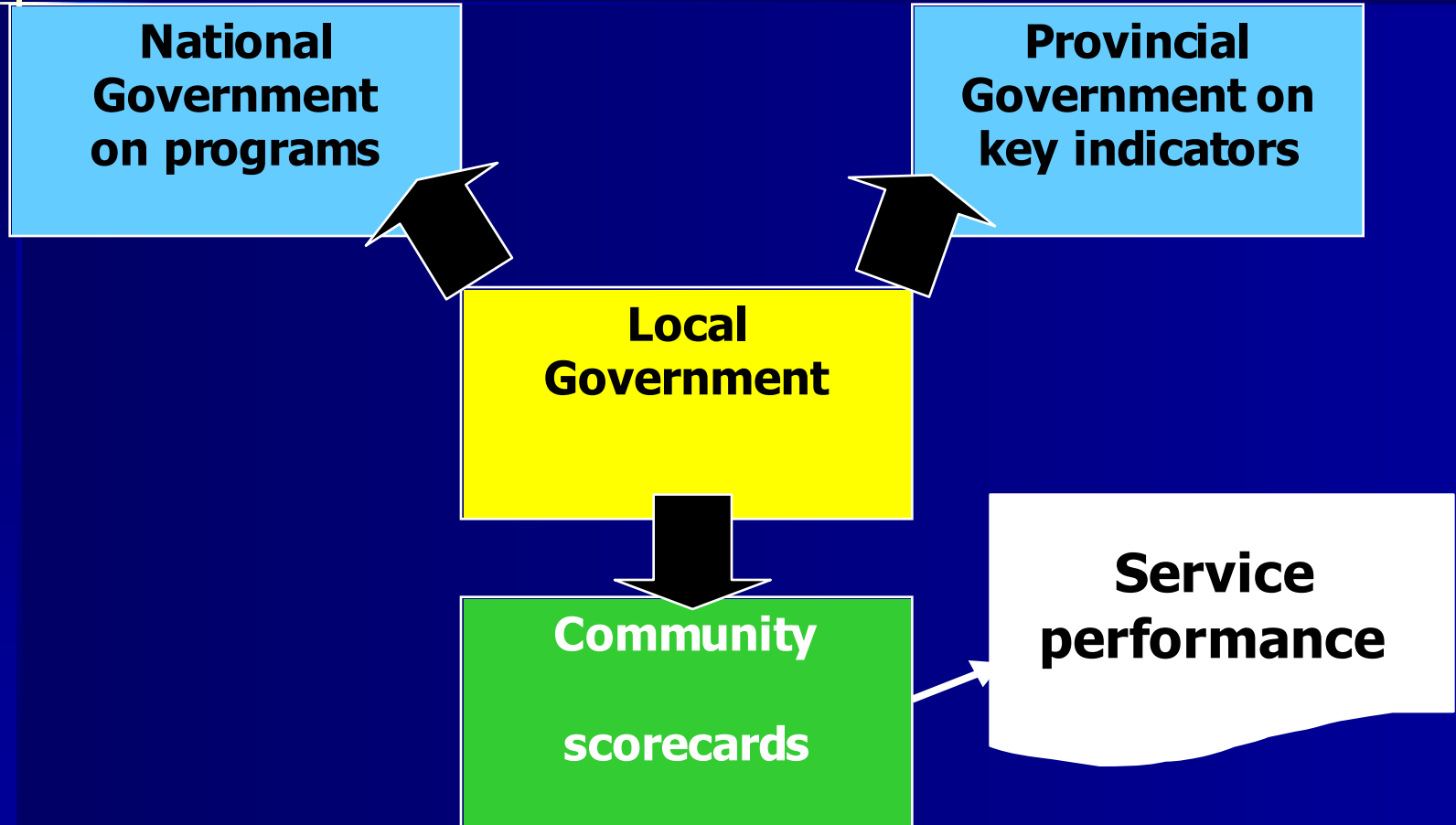
An average of all respondents' comments indicates the council's overall performance. An indexed mean of 60 would show an overall 'adequate' performance by the council.

Figure 2. Overall satisfaction



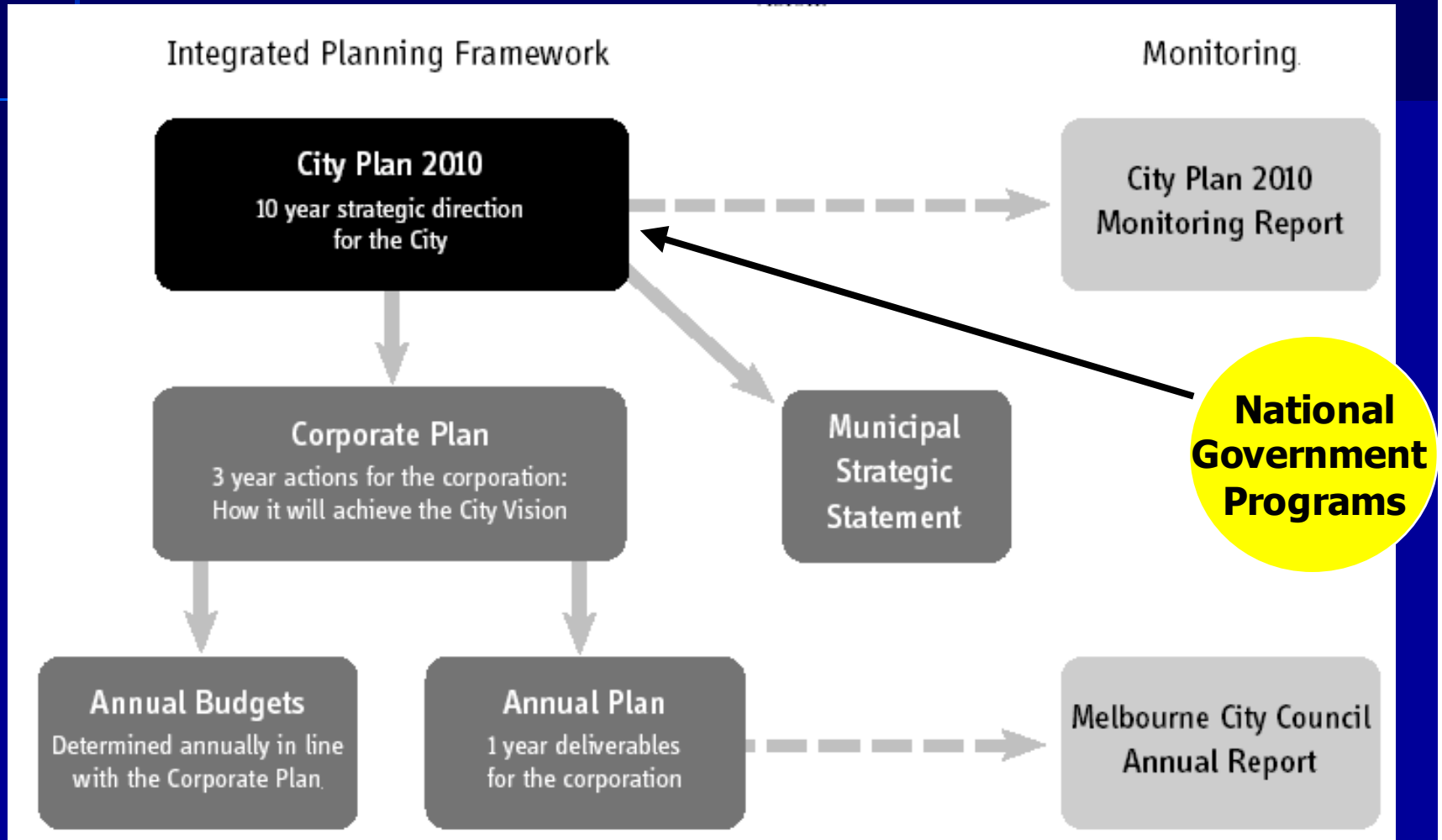
Source: Local Government Victoria, Department of Victorian Communities. 2004. *Local Government in Victoria 2003: 4*, Figure 2. Melbourne: Local Government Victoria

Stakeholder Feedback



City 1

Local Government Planning



Source: City of Melbourne. 2004. *City Index 2003 –Progress against City Plan 2010 performance indicators*. 2. Melbourne: City of Melbourne.

Targeted Outcomes

Most Liveable City

Connection
and
accessibility

Innovation
and business
vitality

Inclusiveness
and
engagement

Environmental
Responsibility

1 Connected and Accessible City

- 1.1 The ability of businesses to communicate and trade both electronically and physically with trading partners
- 1.2 The ability of businesses to foster good corporate citizenship
- 1.3 The ability of the community to communicate electronically
- 1.4 Community access to and within the City
- 1.5 Access to the City and key attractions via its park system

Various
outputs
and
services
needed to
achieve
outcomes

Source: City of Melbourne. 2004. *City Index 2003 –Progress against City Plan 2010 performance indicators*. 3. Melbourne: City of Melbourne.

Outputs

1 Connected and Accessible City

1.1 The ability of businesses to communicate and trade both electronically and physically with trading partners



Outputs

Port Services

Airport Services

Company relocation
advisory services

Public transport and
pedestrian services

**State operated facilities, under
national laws and policies**

**Privately operated under national
laws and policies**

Local Government provision

**State and Local Government
provision under national policies**

Outputs – adopted rules

- At least one cost and one quality indicator for each Key Service Output for managing the business.
- At least one cost and one quality indicator at service level for reporting to the community.
- Amended Business Plan to reflect the Improvement Plan.
- Strategies for improving service delivery, where improvement is demonstrable to the community.
- A report to Corporate Management Team outlining these strategies.
- Communication to stakeholders.

Budget Linkages

Standard financial reporting formats for whole organisation

Outcome costing

Standard financial reporting formats for departments

Outputs [services] costing

Plus TBL reporting

Indicators set for each output

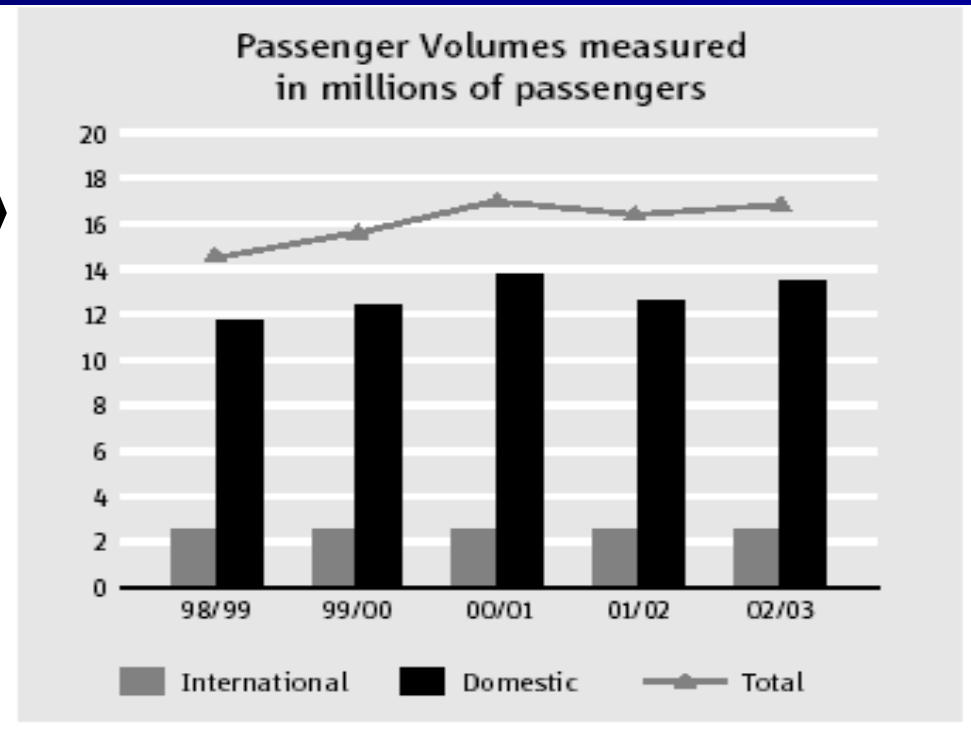
Outputs

Port Services

Airport Services

Company relocation
advisory services

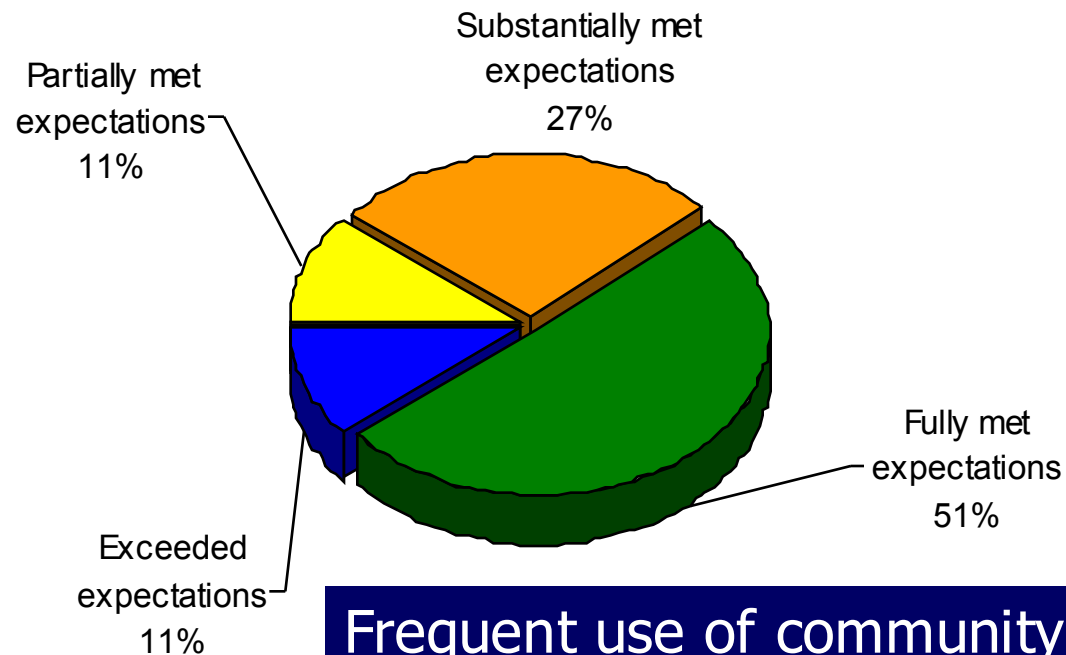
Public transport and
pedestrian services



Source: City of Melbourne. 2004. *City Index 2003 –Progress against City Plan 2010 performance indicators*: 4. Melbourne: City of Melbourne.

Indicators track success

Ratings given as a percentage of all Key Strategic Activities



Frequent use of community scorecards

City 2

Six Steps to achieving a service focus

1. Commitment by Elected officials
 - Awareness
 - Seeking results
2. Build Capacity
 - Set up and train improvement team and managers
3. Results Targeting
 - Defining services [usually a 100 or more]
 - Select high priority services
4. Participation
 - By NGO and community
5. Implementation
 - Early wins
 - Benchmarking
6. Institutionalisation
 - Integration into budget
 - Internal leadership

Results

- Significant service improvement
- Enhanced self financing capability
- Greater community satisfaction
- Management style change
- Growing city

Survey on impact of NGO/ Citizen Groups on Quality of Public Services

- 93 percent of the respondents agree that citizen awareness of the problems concerning public services in Bangalore has increased in the last three years.
- 89 percent of the respondents say there are more citizen / resident Groups active in Bangalore than three years ago.
- 83 percent of the respondents state that they are personally more actively involved in the issues of public service quality than they were three years ago.
- 54 percent of the respondents feel that the public agencies are more responsive to citizen problems than three years ago.
- 89 percent of the respondents feel that newspapers are reporting more on local governance issues than three years ago.
- 69 percent of the respondents feel public pressure has resulted in improved services.
- 68 percent of the respondents say that, as a result of public pressure, willingness to change in public agencies is more than it used to be earlier.
- 29 percent of the respondents feel that corruption has declined as a result of public pressure while 46 percent feel it has not declined, and 25 percent are unsure.
- 47 percent of the respondents feel that the behaviour of the staff in public agencies has improved as a result of public pressure.
- 49 percent of the respondents say public pressure has lead to increased sharing of information by public agencies
- 79 percent of the respondents acknowledge the role of NGOs/resident groups in creating greater confidence among the people in their ability to bring about improvement in public services in their neighbourhood.

Issues

- Conflict rather than cooperation between government levels
- National Governments willing to devolve responsibility but not release commensurate resources
- Unclear expectations on service standards from decentralisation
- Local Governments typically lack capacity to accept devolved responsibilities

Institutionalising a results approach is not a quick process and suffers from political change

Participant Activity

- Identify two examples of decentralisation from national to local government
- Assess if any of these issues arose
 - Conflict rather than cooperation
 - More responsibility without matching resources
 - Unclear expectations of 'service standards'
 - Lack of LG capacity to cope with added services
- Any lessons learned from decentralisation experiences to date

Feedback on Activity

- Examples
- Issues
- Lessons Learned

Summary

- Local Government now a key player in achieving both national and local goals
- They also need to adopt an RBM approach to cope with their added responsibilities
- A number are already proving they can do so, effectively engaging with their communities