

Meeting of NOAC on 16 September 2014 at 1.00 p.m. at offices of the PRTB, O'Connell Bridge House, Dublin 2

*Present:* Pat McLoughlin (Chair), John Buckley, Tara Buckley, Garrett Fennell, Constance Hanniffy, Paul Lemass, Martina Moloney, Micheál Nolan and Colleen Savage

*Secretariat:* Sheila McMahon and Declan Grehan

*Apologies:* Kevin Baneham, Pdraig McNally and Henry Upton

Introduction

The Chairman welcomed everyone to the first meeting of NOAC, gave a brief description of his background and invited the attendees to do the same. Having completed the tour de table, he reflected on the wealth of experience that the members bring to the work of NOAC and that while this experience is the reason for their appointment, it was important to remember that their membership of the Commission was not for the purpose of representing the interests of their parent organisations. He stated that his preference would be to operate by consensus, minority reports will not be allowed, his role will be to act as the public face of NOAC and individual members should not speak against NOAC reports. The hope was to have two more meetings before the end of the year and put in place a work programme for 2015 and the objective today was to identify a couple of areas to concentrate on.

The Chairman advised the meeting that the Minister had been invited to address the NOAC before it started its work but was unable to attend due to another commitment. While the resources directly available to NOAC were limited, there were other resources within the sector that could be utilised. Given the NOAC's size, he did not consider it necessary to adopt formal standing orders. If agreement could not be reached on an issue, the matter would be decided by vote. If for some reason he missed a meeting, it was agreed that the chair would be decided at the meeting by those present and that the NOAC's quorum should be 4. He was open to suggestions as to the venues for meetings, including to having the occasional meeting outside Dublin at a convenient location for all the members.

Secretariat matters

Sheila McMahon advised the members that the secretariat consisted of herself and Declan Grehan, with one more to be assigned. Documents would be circulated for members' views/amendments and the final agreement would take place at meetings. She said she would email members the data that they needed to supply for the purposes of processing fee and any T&S payments and requested any member who wish to waive their member fee to email her to that effect and asked that members would indicate their preference for an annual or a twice yearly payment. The members agreed that they should each be circulated with a spreadsheet of their contact details. She advised the members that the NOAC would be included in a statutory instrument to prescribe it for the purposes of the Ethics Acts before the end of the year so members would have to complete annual statements of interest. The FOI Act applies to NOAC as does the Code of Practice for the Governance of State Bodies so a code of business conduct was required. Declan Grehan had prepared the draft code circulated to them for their consideration which did not have to be agreed today and the Chairman suggested that members could make any suggested changes before the next meeting and sign it then.

Martina Moloney asked if it would be possible to facilitate attendance at meetings by video and queried how the circulation of documentation for amendment by members could be managed as efficiently as possible. The secretariat stated that they would look at having a member's area within the NOAC website which they were in contact with the Department's IT Unit about establishing at the url [www.noac.ie](http://www.noac.ie).

### NOAC's Statutory Functions

The meeting then gave some consideration to the Commission's functions.

In relation to performance indicators, Colleen Savage queried if a definition of customer service needed to be developed and Martina Moloney agreed that the word customer is complex in the context of the range of LA functions, as it can even include tourists. Constance Hanniffy referred to the need for NOAC to steer a clear path and for guidance in the context of the new community role. John Buckley suggested that as the setting of indicators was a big task, NOAC should look at LA areas of activity in a detailed thematic way and out of that the indicators would emerge and he expressed the view that there is somewhat of an inherent conflict in the one entity both setting the indicators and scrutinising the performance against them. Paul Lemass endorsed the suggestion of a thematic approach and pointed out that NOAC needs to be mindful of the existing reporting burden on LAs so it was important to build on whatever was already there. Garrett Fennell enquired what local government bodies are within NOAC's remit and it was clarified that it covers regional assemblies and all bodies over which LAs exercise control, including for example, the LGMA. The Chairman referred to the changing customer base and public expectations arising from water charges and LPT and that, rather than a scattergun approach, NOAC should have no more than 20 indicators that are clear as to the outcomes being measured. The NOAC will have to determine how it will focus on customer service in its work plan. He proposed to invite some members of the Local Government Audit Service to the next meeting to discuss if areas of interest to NOAC could be investigated by the LGAS.

On the issue of best practice, John Buckley reiterated that a thematic examination would identify what works best in particular LAs and NOAC could report on that. Martina Moloney made the point that LAs in Ireland have a much narrower range of functions than in other countries and it would be beyond NOAC's capacity to research good practice elsewhere, and suggested that NOAC should start from the philosophy that the aim is to add value to LAs and not just to scrutinise for the sake of it. The Chairman said that his LGER experience was that the areas of debt management, debt collection and housing refurbishment showed how to develop best practice. NOAC needed to follow up on the LGER implementation and see where it is now and follow up on any delays in progressing implementation. He proposed inviting David O'Connor of the CCMA's Programme Management Office to the next meeting to discuss the LGER implementation, what has been achieved and what their priorities are for 2015.

On service level agreements, the view was that active monitoring of all individual agreements would not be feasible and the Chairman commented that the fundamental relationship in an SLA is between the two parties concerned. Constance Hanniffy said the first step should be to establish what agreements exist and in what areas. Martina Moloney advised that apart from water and LEOs, LAs did not tend to enter into formal agreements. This may be why the legislation refers to 'what is in the nature of an agreement'. John Buckley and Paul Lemass reiterated that a thematic examination would shake out how business is conducted and what agreements exist.

Martina Moloney suggested that the Department should specify the national policy the implementation of which it wants NOAC to focus on. While Departmental allocations to LAs are clearly specific, the Local Government Fund is a block grant. It would be important to understand the role of existing agencies so that NOAC does not duplicate. Colleen Savage queried if NOAC's role was to look at what policy is being implemented or the process for implementation. Paul Lemass suggested that an obvious one to focus on could be Gateway for which there was a clear target, and also Housing which is a Government priority. The Chairman added that it might be useful to look at issues arising from the early signs of economic recovery, such as the level of planning applications and how they are being processed and also the policy to introduce e-planning. The Chairman stated

that the PMO needs to be advised as to NOAC's priorities for implementation so that they can be taken on board in their work programme and so that the PMO can be satisfied that it is focussing on the relevant issues for NOAC. John Buckley added that a progress report should be sought from the PMO that could form the basis of a report by NOAC.

The secretariat was asked to establish if the Department intended to give any guidance to LAs on the preparation of their corporate plans and to report back to the next meeting.

#### Work plan, Strategy and Scope of Role

The Chairman said that a work plan can be developed after the next meeting as it would be premature to map out a vision until after NOAC meets with the Director of Audit and the PMO as it will need a good idea of what's happening in LAs and what it should focus on. The statement of strategy which will be required by year end will follow on from the work plan. Paul Lemass added that the LGAS and PMO would not be able to tell NOAC what's happening on issues such as housing or roads and consultation with other agencies such as the NRA and Housing Agency would be needed but their capacity to engage with NOAC might be limited. Micheál Nolan raised the scope of NOAC's role and that individuals might seek to refer matters to NOAC for examination that would not be appropriate. It was agreed that NOAC would not get involved in an individual activity unless it has more generally applicable implications and would not deal with any matter in respect of which another forum exists, e.g. Ombudsman, SIPO, Bord Pleanála, etc.

#### Performance Indicators

In the further detailed discussion on the development of performance indicators, the Chairman pointed out that what gets measured gets done and that LAs needed to be absolutely clear that the data provided would be the basis of judgments as to performance. Colleen Savage said that indicators need to move away from a purely functional measure and while this is not easy to achieve the data should be derived from external sources rather than the service provider. Martina Moloney commented that standardised indicators do not work because of the disparity of LAs' circumstances and that there may be a need to question the customers as only they can give their perception of the service provided. John Buckley suggested that NOAC also needed to focus on its own outputs, what is it trying to produce and to identify what can be done without overly relying on collaboration with other agencies.

The Chairman commented that his LGER experience was that while efficiency can be identified, evaluation of effectiveness is virtually impossible and the Commission, within the thematic approach suggested, will be as challenging as possible regarding outcomes, but it will not be easy. John Buckley expressed the view that NOAC is positioned outside the LAs and can call it like it is, so if the evidence is of variable performance, NOAC should hold the mirror up and ask the questions.

Tara Buckley said her understanding of what NOAC should be doing is identifying what has been promised establishing what has been delivered and issuing recommendations on how to sort out any gap in between, which in her experience was often a factor of the attitude of staff delivering the service. Paul Lemass responded that there are areas where the targets and outcomes will be clear, such as Gateway, and others where it will not be clear, such as housing. Even in the case of Gateway, NOAC should include narrative on the issues that arose for LAs to inform the future direction of that initiative. Colleen Savage acknowledged that while many indicators would be a quantitative measure only, NOAC would have to ask customers for their views in order to achieve a qualitative aspect, which is not easy.

The Chairman commented that NOAC has to be mindful of LAs' role as the second tier of government and cannot interfere with the legitimate role of the local public representative. He

added that how NOAC operates will determine how others operate and if it can't add value to the sector, it may be a case of needing to seek additional powers. John Buckley stated that a scoping paper per theme is required, setting out the issues, methodology, sources of evidence and what's doable.

Martina Moloney clarified that the CCMA KPI Working Group of which she was a member was set up at the request of the former Minister. Now that NOAC has been established it is for NOAC rather than the Department to decide on its recommendations. The secretariat clarified that any decisions made by NOAC on performance indicators would be instead of the service indicator report and not in addition to it. The point was made that the performance indicators used by NOAC would not be set in stone and would have to be adaptable and responsive to change.

Garrett Fennell advised the meeting that a lack of own resources hindered the LGER which became dependent on the CCMA and this impacted on independence, which could be an issue for NOAC. John Buckley suggested developing a protocol whereby the LA Internal Audit would be asked to validate performance data from LAs before submission. Micheál Nolan queried if all functions were to be scrutinised and referred to the differences of scale between LAs which impacted on performance and also that a customer's view of a local authority will depend on which particular service had been accessed.

Colleen Savage suggested that NOAC needed to establish what aspects of local government are important to citizens, notwithstanding the thematic and political issues, and what is the current level of service and its limited budget for research should be utilised in this area initially. Paul Lemass indicated that as the budget is small, a clear objective would have to be in mind and any survey would need to be carefully designed. The Chairman agreed that a survey would have to be carefully done but that some sort of benchmark study would be useful for later comparison.

#### Revised LGAS Code of Audit Practice

John Buckley suggested that when NOAC is providing comments on the draft revised Code of Audit Practice of the LGAS it should focus on the LGER recommendations. The Chairman proposes to meet with the Director of Audit before the next NOAC meeting and to provide any formal NOAC observations on the code after the next meeting.

#### Any Other Business

Constance Hanniffy suggested that the LA Chief Executives should brief the Councillors on NOAC's role.

Martina Moloney enquired if member disagreement would be recorded in the case of majority reports and it was confirmed that as a vote would be required in those circumstances, the disagreement would be recorded in the relevant meeting minutes.

#### Next Meeting

It was agreed that the next meeting would be held on Tuesday 28<sup>th</sup> October at 11.00 a.m in the offices of the PRTB, if available. Allocation time slots would be given to the Director of Audit and to the Director of the PMO and also to the discussion of and decision on performance indicators to be used in reporting on 2014. That meeting will therefore continue into the afternoon.

The meeting concluded at 4.20 p.m.