

2015

National Oversight and Audit
Commission

NOAC ANNUAL REPORT

2015

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Chairman's Statement:



I am pleased to submit the second annual report of the National Oversight and Audit Commission (NOAC), which covers the period 1st January – 31st December 2015. NOAC is an independent statutory body established to provide oversight of the local government sector in Ireland. It has a broad ranging remit that extends to any function performed by a local government body. This report outlines the range of activities NOAC has undertaken to fulfil its objective of providing oversight, while also identifying and encouraging best practice in the sector.

2015 saw NOAC settle into its work programme following an initial period that is typical for any new body, where there is time spent assessing the operating environment, establishing a mission/purpose and strategic direction, and identifying resources that can be utilised in conducting projects or reviews.

NOAC established a number of sub-groups to take responsibility for the following projects: Performance Indicator reporting in local authorities, composite report of local authority Quality Assurance reporting requirements under the Public Spending Code (PSC), customer surveys, housing reviews, financial performance and Local Enterprise Offices (LEOs). Work progressed well during 2015 resulting in the publication of the 2014 Report on Performance Indicators in local authorities, a report on NOAC's review of the adequacy of Local Authority Corporate Plans 2015-2019 and the outcome of a local authority housing tenant experience and satisfaction survey carried out by Behaviour & Attitudes for NOAC.

During 2015 the following reviews commenced with publication of a final report expected in 2016: the maintenance and management of local authority housing stock, local authority performance of their statutory functions in relation to the private rented sector, and aspects of the work of LEOs.

In identifying areas for review, NOAC will try to select aspects of local government functions that are of interest but also areas that NOAC feels show room for improvement. NOAC will endeavour to structure its reports so that effecting positive change will be the ultimate outcome.

Apart from the Secretariat, NOAC has limited resources available to it outside of the expertise of its membership and is reliant on the co-operation of agencies that can offer input into its activities. During 2015 NOAC received substantial support and assistance from the Local Government Management Agency (LGMA) in compilation of the 2014 Report on Local Authority Performance Indicators and from the Housing and Sustainable Communities Agency (HSCA) whose input into NOAC's housing reviews is ongoing. Ancillary support is also provided by the IT and Accounts Section of the Department of the Environment, Community and Local Government (D/ECLG). On behalf of NOAC, I wish to extend sincere gratitude to all agencies/bodies that supported NOAC throughout 2015 and to the 31 local authorities that complied with the various requests for information made by NOAC during the year.

Pat McLoughlin
Chairman

13 April 2016

NOAC Membership

NOAC's membership is statutorily prescribed as a minimum of 6 and a maximum of 9 members. There is provision for the Minister for the Environment, Community and Local Government to increase by order the number of members to 12 for a period of up to two years. S.I. No. 298 was made by the Minister on 1 July 2014 and increased the number of members to 12 for the period up to 30 June 2016.

The appointed members bring a variety of expertise to their work, including from the legal, consumer, audit and local government elected member and management perspectives. At the end of 2015, there were 11 members of NOAC, Garrett Fennell having resigned his membership in May 2015 due to increased pressure of work in his private capacity. The current members and their appointment dates are as follows:

Chairman	Pat McLoughlin	1/7/2014
Members	Kevin Baneham	10/7/2014
	John Buckley	1/7/2014
	Tara Buckley	1/7/2014
	Connie Hanniffy	1/7/2014
	Paul Lemass	2/9/2014
	Padraig McNally	1/7/2014
	Martina Moloney	1/7/2014
	Micheál Nolan	1/7/2014
	Colleen Savage	1/7/2014
	Henry Upton	1/7/2014

Member Biographies

Pat McLoughlin, Chairman:



Pat McLoughlin, B.A, L.L.B., M.B.A., works as a management consultant. He was Chief Executive of the South Eastern and Eastern Health Boards. He left the health sector in 2006 having served as Head of Hospitals and Deputy CEO of the HSE. He was CEO of the Irish Payment Services Organisation until December 2013. He has assisted Government, on a pro bono basis, on reviews of public expenditure, childcare, health insurance and justice. He has served on the Boards of a number of voluntary bodies.

Kevin Baneham:



Kevin Baneham is a practising barrister. He specialises in civil law, including housing and employment law. He is a graduate of the King's Inns and University College Dublin. He was previously a member of a school board of management and a director of an NGO. He sits on the NOAC housing sub group.

John Buckley:



John Buckley is an accountant and a Barrister-at-Law. Prior to his appointment to the Commission he served as Comptroller and Auditor General. He has over 40 years' experience in public audit and was the first Director of Value for Money Audit in the Office of the Comptroller and Auditor General. He also serves on the Council of the Economic and Social Research Institute and chairs its Audit Committee.

Tara Buckley:



Tara Buckley is Director General of RGDATA (Retail Grocery Dairy & Allied Trades Association) which represents the interests of 4,000 Irish family-owned shops, convenience stores and supermarkets. Tara is a member of the High Level Group on Better Regulation, the Retail Consultation Forum and the National Payments Plan Steering Committee.

Constance Hanniffy:



Constance Hanniffy is a graduate of NUI Galway and holds a BA (Hons) in Community and Family Studies. She was an elected member of Offaly County Council from 1974 to 2014 and a member of the Midlands Regional Authority from 1994 to 2014. She was also a member of the Irish delegation to the Committee of the Regions from 1998 to 2014. She is a past member of the National Economic and Social Forum (NESF) and of the Taoiseach's Devolution Commission (1995-97) which made recommendations to Government on local government reform and a member of the D/ECLG's Consultative Committee on the Local Government Reform Green Paper.

Paul Lemass:



Paul Lemass is an Assistant Secretary in the D/ECLG, with responsibility for the Local Government Division. Prior to this he was Ireland's Environment Counsellor in Brussels from 2010 – 2014, including the period of the Irish Presidency in 2013. He holds a primary degree in Mechanical Engineering from UCD, and a Masters in Business Administration from Northwestern University, Chicago, and has worked in private, non-profit and public sector roles throughout his career.

Padraig McNally:



Padraig McNally, from Carrickmacross Co. Monaghan, is a Suckler and Beef farmer. A member of Monaghan County Council from 1985 to the present; four times elected Chairman/Mayor of the Council; also elected to Carrickmacross Town Council in 1994 until its abolition in 2014. He is a past member and Chairman of Monaghan VEC/ETB and past member and Chairman of the Border Regional Authority. Padraig was the first President of the newly established AILG (Association Irish Local Government).

Martina Moloney:



Martina Moloney was a career official in Irish Local Government for almost thirty-seven years. She holds a BA and MA in Public Management and a Doctorate in Governance and is a member of the Institute of Accounting Technicians. She worked in eight Local Authorities and held the post of Director of Community and Enterprise and Corporate Services in Galway City Council, before being appointed as County Manager in County Louth and subsequently as County Manager in Galway prior to her retirement in July 2014.

Micheál Nolan:



Micheál Nolan was a member of Kildare County Council from 2007 to 2014 and of Newbridge Town Council from 2009 to 2014. He is a former 2-term Mayor of Kildare, Chairperson of Co. Kildare Development Board (2009 to 2014), Chairperson of the Mid-East Regional Authority 2012 and Chairperson of Kildare electoral area in 2013. Since leaving elected office in May 2014 he set up a

Transport and Logistics company, serving the Irish, UK and Benelux regions. He continues to serve his local community on various voluntary boards, is a Peace Commissioner and Commissioner of Oaths.

Colleen Savage:



Colleen Savage is a consultant in consumer insight and marketing strategy using a combination of quantitative and qualitative research skills. She has worked across the private sector, bringing the consumer perspective to strategy and communication development. She has also conducted research on citizen perceptions on public policy areas such as equality and human rights, voting intentions and effectiveness of government strategy. She was a member of the National Consumer Agency for two years, before it became part of the Competition Authority. As a board member she focuses on bringing her experience in both market research and data analysis to ensure that the consumer first elements of local government reform are reflected.

Henry Upton:



Educated in Templeogue College followed by UCD where he graduated with a B. Comm. in 2003, Henry Upton was an Administrator in the ASTI Credit Union where he worked from 2006 until 2014. He was elected to Dublin City Council in June 2009. As a Councillor he was a member of the Audit Committee and the Arts, Sport and Culture Sub Committee. He was a member of the Dublin Regional Authority from 2011 to 2014 and served as Deputy Lord Mayor of Dublin City in 2013/14.

Fees

The annual fee payable to those members of NOAC who did not waive payment is below: Travel and subsistence expenses incurred are paid using standard Civil Service rates available at <http://www.revenue.ie/en/business/payee/guide/employers-guide-payee-expenses.html>.

Member	€7,695
Chair	€11,970

A table listing the attendance of members at NOAC meetings in 2015 is at Appendix 1. NOAC thanks the PRTB and LGMA who provided venues for these meetings.

Presentations

During 2015 a number of requests were made to NOAC to give presentations on its work. It had been agreed at the first NOAC meeting that the Chairman would, where possible, perform the role of NOAC spokesperson and the Chairman gave the following presentations:

- 27th February 2015 – Local Government Audit Service Annual Conference
- 28th February 2015 – Southern Regional Assembly, members training work-shop
- 8th May 2015 – Local Authority Heads of Finance, Athlone
- 9th October 2015 – Local Authority Heads of Information Systems, Trim

Working Methodology

NOAC took a decision early on that it would establish sub-groups as the best way to progress many of the broad ranging functions assigned to it. These groups take responsibility for progressing various projects, with regular reporting back to the full NOAC when key decisions are required. The nature of NOAC's statutory functions means that some sub-groups will be required for the foreseeable future, while others may only exist for the duration of a particular project. The sub-groups conduct much of their work via email.

The membership of the sub-groups during 2015 and a summary of the work conducted by each sub-group throughout the year are below:

Permanent sub-groups:

- Performance Indicators – Constance Hanniffy, Paul Lemass and Martina Moloney
- Customer Survey – Pat McLoughlin, Paul Lemass, Micheál Nolan and Colleen Savage
- Financial Performance – Pat McLoughlin, John Buckley, Tara Buckley, Paul Lemass Martina Moloney and Henry Upton

Project Specific sub-groups:

- Housing – Kevin Baneham, John Buckley, Paul Lemass and Pádraig McNally
- Local Enterprise Offices (LEOs) – Tara Buckley, Constance Hanniffy
- Public Spending Code (PSC) – John Buckley, Paul Lemass, Martina Moloney and Henry Upton, and Garrett Fennell until May 2015

Performance Indicators

Meetings: Thursday 11th June, Tuesday 7th July, Monday 20th July 2015 and Tuesday 1st December 2015.

Role: The NOAC Performance Indicator Sub-Group's mandate is to recommend appropriate performance indicators in respect of local authority activity and to oversee the data collection, verification, compilation and publication of a report on those indicators annually.

Compiling the report involves liaising with the LGMA, local authorities and sections within the D/ECLG, the Department of Jobs, Enterprise and Innovation (D/JEI) and the Department of Transport, Tourism and Sport. NOAC published the 2014 Report on Local Authority Performance Indicators on 16 December 2015. It is available at <http://noac.ie/wp-content/uploads/2016/02/NOAC-Performance-Indicators-Report-2014.pdf>. The report was presented to the Minister for the Environment, Community and Local Government and to

the Joint Oireachtas Committee on Environment, Culture and the Gaeltacht. A summary of the report is at page 18.

The sub-group conducted a data and process verification exercise that involved selecting a limited number of indicators and local authorities to be the subject of a more in-depth review visit by members of the sub-group to ascertain how data provided for the indicators was collected, managed and stored. The objective was to assess whether or not each local authority had sufficiently similar data collection, storage and reconciliation processes in place to be satisfied that the data inputted for each indicator was comparable across all local authorities. The results of this review formed an integral part of the overall report on the performance indicators. Eight local authorities and seven indicators were selected for review in respect of the 2014 report as follows:

Local Authority/Date Visited	Indicators
Dun Laoghaire Rathdown CC – 15/07/2015	F1 – Cost Per Capita of the Fire Service
Meath County Council – 15/07/2015	J1 – No. of Jobs Created
Carlow County Council – 22/07/2015	M1 - 5 Year Summary of the Revenue Account Balance
Fingal County Council – 22/07/2015	H2 – Housing Voids
Clare County Council – 23/07/2015	L1 – Library Visits
Galway County Council – 23/07/2015	L2 – Cost of Operating the Library Service
Cavan County Council – 28/07/2015	P4 – Cost per capita of the Planning Service
Cork City Council – 12/08/2015	

Customer Survey

Meetings: Wednesday 21st January and Friday 20th March 2015.

Role: The role of the sub-group is to initiate and oversee customer surveys that NOAC commissions, whether as part of a thematic review undertaken into particular local authority functions or otherwise. The group was established following NOAC's second

meeting on 28 October 2014 and relates to its functions under section 126C(1)(a) of the 2001 Local Government Act to scrutinise local authority performance against relevant indicators that relate to customer service and under section 126C(1)(c) to support the development and enhancement of best practice. The group recommends the activities or functions that should be the subject of a survey by a market research firm, develops requests for proposals and reviews questionnaires.

During 2015 the group sought proposals from market research firms to undertake a survey of local authority housing tenants, the results of which will be incorporated into the report of the review into the maintenance and management of local authority housing. Behaviour & Attitudes were selected and conducted the survey during October and November 2015.

Some of the findings from the survey were published by NOAC in December 2015 and are available at <http://noac.ie/wp-content/uploads/2015/12/Tenant-Survey-BA-for-NOAC.pdf>.

A summary of the key findings is at page 22.

Financial Performance

Meeting: Tuesday 29th September 2015.

Role: The group was established in September 2015 to progress NOAC's function under section 126C(1)(b) of the Local Government Act 2001 to scrutinise the financial performance, including in relation to value for money, of local authorities in respect of their financial resources.

Following on from presentations given at various NOAC meetings by the Local Government Audit Service (LGAS), the Valuation Office and the Programme Management Office's Debt Management Project Group, and from a review of the LGAS Activity Report published at the end of March 2015, a decision was taken to conduct a review during 2015 of the following aspects of local authority financial performance: LGAS audit reservations, significant revenue deficits, rates collection performance and timeliness of the production of Annual Financial Statements.

NOAC wrote to the Chief Executives of the local authorities that showed a general revenue

deficit balance at 31 December 2013 that was greater than 9% of its revenue seeking their views on the impact of this deficit on the financial sustainability of the authority. Information was also requested on measures taken to address a modified audit opinion in relation to one local authority in respect of bad debt provision for the main revenue collection accounts.

In relation to rates collection performance, 11 local authorities were identified that either were among the weakest performers in the proportion of rates due that was collected and/or had the highest level of arrears in respect of the 2013 levied amounts. NOAC wrote to the Chief Executives of each of these local authorities seeking information in relation to the collection performance and collection systems employed. NOAC established the sub-group following receipt of the local authority responses. Further information was then sought from the 11 local authorities regarding 2014 rates collection performance and accounting practices and policies.

A report on these reviews will be published by NOAC in 2016 and the sub-group will then recommend the areas of local authority financial performance that should be examined next.

Housing

Meetings: Monday 16th February 2015, Wednesday 20th May 2015, Friday 19th June 2015 and Friday 23rd October 2015

Role: The purpose of this group is to direct and oversee thematic reviews into the performance of aspects of local authority housing functions. The initial reviews to be overseen by the group relate to the maintenance and management of local authority housing and the performance of functions under the private rented housing regulations. These thematic reviews relate to NOAC's function under section 126C(1)(d) of the Local Government Act 2001 to support the development and enhancement of best practice in the performance by local authorities of their functions. The group was established in October 2014.

Following a meeting with the CCMA Housing Committee in May 2015, a Focus Group of local

authority Housing Officials was assembled to assist the sub-group in developing suitable questionnaires to elicit salient information on the practices and procedures in place among the various local authorities while executing their maintenance and management and private rented sector functions.

The Focus Group provided valuable insight as they briefed the NOAC sub-group on the geographic and demographic disparities between local authorities that impacted on the information sought. The expertise of the Focus Group enabled the sub-group to compile a set of questions that firstly could be answered as the data would be available and secondly would give a meaningful picture of what is involved in performing the two functions under review. Four questionnaires issued to local authorities on 27 August 2015 and replies had been received from all 31 local authorities by end November 2015. Analysis of the data obtained from these surveys and compilation into draft reports is being undertaken by the Housing and Sustainable Communities Agency for NOAC. NOAC expects to publish both reports in 2016.

Local Enterprise Offices (LEOs)

Role: The role of this group is to recommend and oversee the type of review that NOAC should undertake into LEOs and relates primarily to NOAC's function under section 126C(1)(e) of the 2001 Local Government Act to oversee how national policy in relation to local government is being implemented by local authorities and potentially also to its function under section 126C(1)(d) to monitor and evaluate adherence to any service level agreement entered into by local authorities.

LEOs were established in 2014 to reform the system for the delivery of State supports to micro- (10 or less employees) and small enterprises by dissolving the county/city enterprise board structure and creating an enhanced enterprise support model to be delivered at local level within each local authority, under the aegis of the D/JEI and supported by Enterprise Ireland (EI).

The LEOs are to act as a local first-stop shop for new entrepreneurs and existing micro-enterprise and small business owners through which all information on State supports for

small and micro-businesses can be accessed. Information on other supports and bodies with programmes relevant to small businesses, as well as important local services and compliance requirements, are also to be provided through LEOs. Where businesses have a clear high growth potential, they can be fast-tracked to the next level of support from EI or other State agencies. This reform is a core element of the Action Plan for Jobs with the objective to make the operating environment more coherent, responsive and conducive to entrepreneurship at local level. It is also a key element in the reorientation of local government towards economic development functions.

D/JEI and EI made a presentation to NOAC at its meeting on 20 October 2015. The LEO sub-group is considering the approach that should be taken to a review of the implementation of this policy initiative with a view to a review commencing in 2016.

Public Spending Code

Meeting: Thursday 12th February 2015.

Role: The Public Spending Code (PSC) requires annual Quality Assurance (QA) reports to be submitted to the Department of Public Expenditure and Reform (D/PER) in respect of all public expenditure. NOAC has the function of compiling a composite QA report for the local government sector from the 31 individual local authority QA reports. The QA report is made up of the following 5 Steps: 1) Provide an inventory of projects/programmes at different stages of the project life cycle, 2) Confirm publication on the LA's website of procurements exceeding €10m, 3) Complete 7 self-assessment checklists contained in the PSC, 4) Conduct a more in-depth review of a selection of projects/programmes, and 5) Complete a short summary report for NOAC of the preceding steps and of the local authority's judgement of the adequacy of the appraisal/planning, implementation or review work examined.

NOAC's role in this process is to verify that each step has been completed by each local authority and to compile the composite report. This work is overseen by the sub-group and the composite report, as well as being submitted to D/PER, will be published on the NOAC website annually. Local authorities were given an extended date of 30 September 2015

within which to submit their QA reports in respect of 2014. This deadline was met and by the end of 2015 the composite report was at an advanced stage of preparation.

Other Activities

NOAC is statutorily required to monitor the adequacy of local authority Corporate Plans and to evaluate the implementation of those plans. A report of NOAC's review of the adequacy of Local Authority Corporate Plans 2015-2019 was published in December 2015 (see page 21). NOAC hopes to commence evaluation of the implementation of these plans in late 2016.

In the context of its function regarding oversight of local government (public service) reform, NOAC decided, in February 2015, to seek a progress report from the LGMA's Programme Management Office (PMO) on the implementation of the public service efficiency reforms contained in the 106 recommendations of the 2010 Local Government Efficiency Review (LGER) and information on the business cases applying to shared services projects being advanced through the PMO. At the end of 2015 revised drafts were nearing completion by the PMO, and NOAC expects to publish in early 2016 a report on the final position regarding the implementation of all the LGER recommendations and on the progress in the delivery of shared services projects aimed at enhancing the efficient and effective delivery of local government services.

During 2015 NOAC invited representatives of the LGMA's PMO's Debt Management Project Group, the Valuation Office, the D/JEI and EI to discuss particular areas of interest in the context of its work programme:

Debt Management Project Group – 3 March 2015

Fiona Lawless, Des Bruton, Kathy Quinn and Maria Melia from the Group established by the PMO to develop policies and procedures to improve debt collection in relation to

commercial rates, housing rents and housing loans briefed the NOAC members on the issues and on the Group's objectives.

The background to the project included the recommendations of the 2012 CCMA business case and of the 2014 BearingPoint Debt Management Review for D/PER. The main objective of the Group is to streamline debt management policies, including bad debt write-off and recovery, across the local government sector. The Group is focussing initially on rates collection as commercial rates account for a third of local authority income. Issues in relation to rates are the limited collection powers, no ability to charge interest and penalties, the lack of an equivalent to the tax clearance certificate system, frequent changes of company identity, high volume of small ratepayers with 25% paying less than €5,000, no priority in accessing the courts and, when a court order is obtained, there are usually no goods to seize. Not all local authorities have debt management systems in place or in use. The Debt Management Project Group expects the fruits of its work to come through in 2016 with an improvement in collection performance. Incentives for payers and disincentives for non-payers, which had been looked at by the LGER, are being included in the project as part of potential changes requiring legislation.

Valuation Office – 17 April 2015

Patrick Conroy of the Valuation Office gave a presentation to the members of NOAC. He outlined some of the provisions of the Valuation Act 2001, which was amended in 2015 and now allows the use of valuers that are not Valuation Office staff for the first time. Use of private sector valuers will be piloted in Carlow/Kilkenny and a system of self-assessment under detailed guidance from the Valuation Office will be piloted in Galway city.

Each local authority has a valuation list consisting of the name, address and rateable valuation of each commercial property in its area. The authority decides the annual rate of valuation (ARV) by dividing its required rates income by the total of the rateable valuations on the list. It is the responsibility of the authorities to initiate revisions of valuations in their area. This applies only where there is a physical change to an existing property, a new commercial property comes into existence or a property ceases to be used commercially. A revaluation process is underway at present and scheduled for completion in 2018 with

about a third of properties now re-valued representing about half of the values. This involves re-valuing all the rateable properties in an area at a specific valuation date and the values will apply for a minimum of 5 and a maximum of 10 years. The exercise is required to be revenue neutral – it is merely a redistribution of rates liability, restoring relativity at a point in time and an inflation cap applies to the rate that is struck for the following year.

The information and insight gained from this presentation added to that gained from the Debt Management Project Group and fed into the review being conducted into rates collection performance by local authorities.

Department of Jobs, Enterprise and Innovation (D/JEI) and Enterprise Ireland (EI) – 20 October 2015

In the context of the LEO sub-group Eugene Forde, Fergus Doyle and Claire Crowley of D/JEI and Richard Murphy, Martin Corry and Gerry O’Grady of EI were invited to a NOAC meeting to brief the members on the progress made by LEOs. They outlined the significant challenge of taking the standalone former County Enterprise Boards (CEBs) and converting them into local authority units under the oversight of EI while also meshing them with current enterprise policy.

D/JEI’s objectives are that LEOs become fully integrated into the local authority structure, to ensure improved data gathering and information flows are put in place and to avoid LEO staff getting diverted from their micro-enterprise role into the wider economic development role applicable to local authorities. NOAC was briefed on a customer survey that had been conducted by EI that highlighted many positives about the ease of engagement and the interaction with staff and also some negatives relating to communication channels, particularly the flat experience offered by the website, and lack of awareness of some of the services on offer. Comprehensive training programmes are being implemented with a specific focus on the customer experience of dealing with LEOs and a customer charter is being developed. Contacts are being built up with the other significant agencies relevant to LEO services (e.g. Chambers Ireland, Skillnet, Revenue, Department of Social Protection, Microfinance Ireland). While EI considers LEOs have got off to a great start, it wants them

to widen the entrepreneurial and enterprise experience and be available to every micro-enterprise in the country.

EI recommended that any performance indicator dealing with soft supports that might be introduced by NOAC should encompass the areas of participants attending relevant training courses, Start Your Own Business support and use of mentoring. D/JEI advised that a limited scope review of the Service Level Agreement (SLA) applicable to LEOs is underway, which resulted in the LEO sub-group rethinking its original intention to commence in 2015 an evaluation of adherence to the LEO SLAs entered into by the local authorities.

Publications

NOAC published the following three reports on its website on 16 December 2016:

- *Performance Indicators in Local Authorities 2014;*
- *Local Authority Corporate Plans 2015-2019;*
- *Results of a Local Authority Tenants' Satisfaction Survey.*

The 3 reports can be found at the following link: <http://noac.ie/noac-reports/>. Below is a summary of the reports:

Performance Indicators in Local Authorities 2014

The report on Performance Indicators in Local Authorities 2014 replaced the annual Service Indicators reports that had been published since 2004 and outlines the activity in 2014 of the 31 local authorities in respect of 35 performance indicators prescribed by NOAC who provided a guidance note to local authorities explaining what data is being asked for under each indicator. Some of the indicators are new, some were previously included in the

Service Indicators reports and some are slightly modified versions of previous service indicators.

The indicators cover a wide range of the functions carried out by local authorities in the areas of housing (6), roads (2), planning (4), water (2), waste/environment (5), fire service (3), library/recreation (2), youth/community (4), corporate (4), finance (2) and economic development (1). The detailed results are contained in Tables 1 to 26 on pages 22 to 79 of the report and comprise data supplied by each local authority and data obtained from a number of other sources such as Irish Water, the EPA, the PRTB, the National Waste Collection Permit Office and others. The data was collected from local authorities by the LGMA, who also provided an associated commentary at pages 81-107 of the report.

NOAC (at pages 6-21) sets out details of its quality assurance review of 7 of the indicators; highlights key messages emerging from the data; and gives conclusions and recommendations arising from this work. A snapshot of just a few of the data items contained in this report shows:

- 3,820 additional social housing dwellings were provided in 2014 either directly by local authorities or through the Rental Accommodation, Housing Assistance Payment or Leasing Initiative schemes
- 4,919 local authority dwellings were vacant at 31 December 2014 representing 3.8% of the stock
- Average re-letting time (from the date the dwelling was vacated to the date of the new tenant's first rent debit) was 24.5 weeks but ranged from over a year in 5 authorities to less than 15 weeks in the case of 7 authorities
- Median average re-letting cost was €8,375 but ranged from €35k in Cork City to €1,266 in Cavan.
- Average routine maintenance costs per unit ranged from €4,075 in Westmeath to €256 in Carlow and the average was greater than €1,000 in the case of only 7 local authorities

- 18,553 private rented dwellings representing nearly 6.5% of registered tenancies were inspected in 2014 with inspection rates ranging from 34% in Cavan to 0.4% in Louth
- Unaccounted for water was 46.7% of the total volume of water supplied in the first half of 2015 – the equivalent value in 2013 was 39.5% and, as this is the first time this indicator has been calculated using metered residential data, it suggests that the previous methodology using commercial meter data only may have understated the extent of unaccounted for water
- The total no. of households with access to a brown bin service at the end of 2014 was 522,141. Fingal had the highest access at 77.87% and Donegal the lowest at 0.1% and in 14 local authority areas less than 20% penetration of the service had been achieved
- In relation to litter monitoring, both the litter free (at 10.93%) and grossly polluted (at 0.25%) categories showed an overall decline in 2014 over the previous year
- The per capita cost of the planning service varied from €12.66 in Cork county to €53.19 per head in Roscommon, with a mean of €28.04 but some of the variation may be attributable to the treatment of cyclical development plan preparation costs
- There was an overall reduction in the buildings inspected as a percentage of new buildings whose commencement was notified to the authorities in 2014 due to 20 local authorities inspecting a lower % of new buildings in 2014 than in 2013
- The cost of the fire service ranged from €70 in Leitrim to €28.25 in Kildare per person served by part-time fire brigades
- The per capita cost of the library service was €60.16 in Cork city and €17.30 in Mayo with a mean of €29.60 and library visits increased slightly on the previous year's
- Local authority staff numbers decreased by a further 2.67% in 2014 bringing the total reduction since 2008 to 23.4%
- The overall mean average of certified sick leave was 8.27% less than in 2013 – when unpaid sick leave is discounted, as per the 2014 indicator, the reduction is 20.33%

- 17 out of 31 authorities had a cumulative deficit revenue balance at the end of 2014 and 15 of those have been running a deficit balance for at least 5 years – the most significant deficits were Sligo at €26.6m and Donegal at €15m – the highest surplus revenue balances were Dublin City’s €28m and Fingal’s €16m
- 3,478.5 jobs were created in 2014 with the support of the local authority run LEOs, which replaced the County and City Enterprise Boards

Local Authority Corporate Plans 2015 – 2019

A function of NOAC is to monitor the adequacy of the Corporate Plans prepared by local authorities and to evaluate their implementation. Section 134(2) of the 2001 Local Government Act requires local authorities to prepare a corporate plan within six months of the annual meeting in a local election year. Guidance on the preparation of Corporate Plans issued from the D/ECLG to local authorities in November 2014 and most authorities awaited the guidelines to complete their Plans. Corporate Plans were submitted by local authorities to NOAC for the purpose of its review of their adequacy over the period from 13 January 2015 to 22 July 2015.

NOAC reviewed the adequacy of the Corporate Plans under the following main criteria:

- The provisions for consultation, adoption and promulgation,
- The analysis carried out by the local authority of its *Operating Environment*,
- The adoption of *Strategic Objectives and Supporting Strategies* linked to the mission statement, expressed in terms of intended effects or outcomes and whether achievable,
- The local authority’s *Analysis of Internal Capacity and Re-allocation of Resources* that related input costs to outputs, having regard to the human and financial resources required,
- *Implementation and Monitoring* arrangements specifying how the Plan objectives will be achieved and monitored.

In addition, NOAC examined the extent to which the Plans took account of the 2015-2019 Guidelines and provided for the inclusion of an appropriate reference to Service Level Agreements entered into by the local authority, any commitments under the Local

Economic and Community Plan, where made, and measures aimed at addressing social inclusion and promoting sustainable development.

The published report indicates that NOAC is, in general, satisfied as to the adequacy of all the Corporate Plans for the purposes of meeting the relevant statutory requirements, complying with the Departmental guidelines and responding to the major changes in local government that were implemented in 2014 (including reorientation towards economic development functions). The Corporate Plans of Carlow, Cavan, Cork city, Dún Laoghaire-Rathdown, Leitrim, South Dublin and Westmeath Councils are highlighted in the report as exemplars of better practice in the preparation of such Plans. However, NOAC was concerned at the absence of any reference in the Plans of 5 local authorities to an appropriate consultation process in their preparation as effective delivery requires the commitment of local authority staff, elected members and relevant external stakeholders. NOAC will commence evaluation of the implementation of Corporate Plans towards the end of 2016.

Results of a Local Authority Tenants' Satisfaction Survey

As part of the local authority housing maintenance and management study being undertaken by NOAC and reflecting its statutory mandate relating to customer service, NOAC commissioned Behaviour & Attitudes to conduct market research on local authority tenants' experience of and satisfaction with their Council's performance of those functions. Contact details for the tenants who participated in the survey were provided by local authorities who sought volunteers from among the callers requesting repair/maintenance work to their respective housing divisions. 120 volunteers were sought from each of the 13 local authorities with the largest numbers of tenants. The remaining 18 local authorities were each asked to provide 30 volunteers. In the end, 1,778 tenant names and phone numbers were provided by 29 local authorities, out of which 756 interviews were achieved by Behaviour & Attitudes researchers, which at 43% is considered a high conversion rate. NOAC is very grateful to the 758 tenants who participated in the survey.

The survey was conducted in October/November 2015 and the results will feed into the forthcoming NOAC housing maintenance and management report. In the interim, NOAC made available results of the survey.

Key findings include:

- 48% of tenants surveyed believe that the Council's service has improved over the past 5 years
- 81% are satisfied with the structural condition of their home
- Overall 2 in 3 tenants living in a local authority estate would praise their Council's housing and maintenance services
- 38% of tenants are not aware which non-emergency repairs are the Council's responsibility and 26% are not aware which repairs are their own responsibility
- 46% have contacted their local authority regarding emergency repair work, with leaks being the most common reason (42%), followed by electrical/dangerous wiring (26%)
- Leaks were the most common reason for needing emergency repair work (42%) followed by electrical/dangerous wiring (26%)
- 2 in 5 tenants believe that the Council always responds to non-emergency repair requests within the target or a reasonably quick timescale
- The vast majority of tenants stated that they are not asked for feedback on how their repair/maintenance requests were handled and less than one third reported that repairs are sometimes or always inspected
- 64% of the tenants' homes had benefitted from energy efficiency improvement works and 28% were the subject of a Home Condition Survey
- Just one quarter of tenants living in a Council managed estate recall receiving a copy of the estate management policy and 75% of those believe that the Council complies with that policy
- Attendance at estate meetings is low with only 60% of the 12% who confirmed that such meetings are regularly held rarely, sometimes or always attending
- Of those tenants living in Council managed estates, 60% rate anti-social behaviour as low and 85% consider their estate to be a pleasant place to live.

Resources

NOAC is supported by a secretariat with 2 full-time staff members who are provided by the D/ECLG. NOAC is funded from the Local Government Fund and its allocation in 2015 was €200,000. Its 2016 allocation will again be €200,000.

Expenditure

NOAC spent €116,865.39 during 2015. This expenditure was incurred as follows;

Member Fees	€81,434.54
Market Research	€27,662.70
Travel & Subsistence	€7,679.68
Meeting Expenses	€88.47

Appendix 1:

Attendance at Meetings

Member	03/02/15	03/03/15	17/04/15	26/05/15	30/06/15	31/07/15	15/09/15	20/10/15	24/11/15
Pat McLoughlin	Y	Y	Y	Y	Y	Y	Y	Y	N
Kevin Baneham	N	Y	Y	Y	Y	Y	Y	Y	N
John Buckley	Y	N	Y	Y	Y	N	Y	Y	N
Tara Buckley	Y	Y	Y	N	N	Y	Y	Y	Y
Constance Hanniffy	Y	Y	Y	Y	Y	Y	Y	Y	Y
Paul Lemass	Y	Y	Y	Y	Y	Y	Y	Y	Y
Padraig McNally	N	Y	Y	Y	Y	N	Y	Y	Y
Martina Moloney	Y	Y	Y	Y	Y	Y	Y	Y	Y
Micheál Nolan	N	Y	N	Y	Y	N	Y	N	Y
Colleen Savage	N	Y	Y	Y	Y	Y	Y	N	Y
Henry Upton	Y	Y	Y	Y	N	N	Y	N	N

Appendix 2:

NOAC's Strategy

Statutory Mandate

The Local Government Reform Act 2014 gave legislative effect to proposals set out in the *Action Programme for Effective Local Government* for a range of reforms designed to strengthen local government, including its structures, functions, funding, operational arrangements and governance.

The reforms included the establishment of a National Oversight and Audit Commission. Accordingly, NOAC was established by the Minister for the Environment, Community and Local Government under Part 12A of the Local Government Act 2001 (as amended) on 1 July 2014 to oversee the local government sector at a local, national and regional level.

The functions assigned to it by Part 12A are to:

- a) *Scrutinise the performance of any local government body against relevant indicators as selected by NOAC or as prescribed in regulations by the Minister,*
- b) *Scrutinise financial performance, including value for money, of any local government body in respect of its financial resources,*
- c) *Support best practice (development and enhancement) in the performance by local government bodies of their functions,*
- d) *Monitor and evaluate adherence to service level agreements entered into by any local government body,*
- e) *Oversee implementation by local government bodies of national policy for the local government sector,*
- f) *Monitor and evaluate public service reform implementation by any local government body or generally,*
- g) *Monitor adequacy of corporate plans prepared by regional assemblies or local authorities and evaluate implementation of the plans by any local government body or generally,*
- h) *Take steps under its other functions for the purpose of producing any report requested by a Minister under section 126D of the Act,*

- i) *Produce reports under its own initiative, in addition to the section 126D requested reports and the section 126K annual report requirement,*
- j) *Carry out any additional functions that are conferred by Ministerial Order.*

As part of its strategic planning, NOAC established its vision, mission and values as:

NOAC's Vision

NOAC will contribute positively to the optimisation of the level of service provision in the local government sector through its independent scrutiny of performance and its identification of best practice in the sector.

NOAC's Mission Statement

NOAC will independently oversee the local government sector by reviewing the financial and operational performance of bodies within its remit, overseeing implementation of national local government policy and identifying opportunities for best practice.

NOAC's Values

NOAC is committed to operating to the highest standard of integrity and fairness in discharging its duties. It will adhere to the following core values:

- NOAC and its members will be independent, objective and fair in performing their functions
- NOAC's findings and recommendations will be based on the best available evidence and information
- NOAC will work with local government bodies and utilise available existing resources in carrying out its work
- NOAC will engage with relevant stakeholders in undertaking its work
- NOAC will report its conclusions in an open and transparent fashion

The full Statement of Strategic Intent 2015 – 2016 is set out on NOAC's website at

<http://noac.ie/wp-content/uploads/2015/01/NOAC-Statement-of-Strategic-Intent.doc>.

Approach and Objectives of NOAC

In implementing its mandate NOAC aims to:

- Forge a working relationship with its stakeholders, including the D/ECLG, the Chief Executives and elected members of the local authorities and citizens
- Conduct evidence based scrutiny that delivers quality, objective, balanced and relevant reports, which will afford the local government sector the opportunity to improve its performance, enhance the existing culture of continuous improvement and embed best practice within the system as a whole
- Add value to the local government sector and provide recommendations to build on the efficiencies and savings delivered by the sector to date, with a focus on customer service and cost effectiveness
- Establish a collaborative approach with the relevant bodies and agencies at the heart of NOAC's work
- Identify and focus upon those aspects of local authority functions and activities that are important to the citizen/customer
- Facilitate engagement around improved performance, and
- Monitor the adequacy of local authority corporate plans and assess how well these are being implemented.

Its key output will be reports published by NOAC and presented to relevant Joint Committees of the Houses of the Oireachtas and implementation of NOAC's recommendations by the relevant local government bodies as reported to NOAC and to the elected members.

Operating Procedures

NOAC is clear that its function in relation to national policy for the local government sector is to oversee implementation of agreed policy and will not in its reports question the merits of policy or policy objectives.

NOAC will independently scrutinise performance by means of thematic reports and, where warranted, oral hearing, on matters falling within its statutory remit. Its focus will be on the wide range of service delivery systems operated and maintained by local authorities and regional assemblies.

NOAC will not deal with cases that in its view fall within the review jurisdiction of a statutory procedure or body or with matters that are the subject of litigation in the Courts.

While NOAC welcomes suggestions from stakeholders and takes them into account in scoping its work, it will not, in general, scrutinise a lone specific aspect of an individual local government body's performance of a particular function, or investigate the handling of individual cases, save where NOAC determines that a wider investigation may be warranted.

It is envisaged that activities undertaken by NOAC in the period up to end 2016 will relate primarily to matters that have a national or regional relevance.

Operating Environment and Capacity to Deliver

Although NOAC is a statutory body, it does not retain any staffing complement of its own. The secretariat provided to NOAC from the D/ECLG consists of 2 full-time staff whose functions are to provide support for meetings, communicate with members, discharge formal requirements, etc. and, under the guidance of the Chair, coordinate any research being undertaken on behalf of NOAC and information sought by NOAC. It also has a limited budget for engaging outside expertise. Funding of €200,000 is being made available for the operation of NOAC in 2016.

NOAC will be relying significantly on the LGMA, which is the main resource within the local government sector, and on the regional assembly structures as they develop, to undertake (as is statutorily provided for in Part 12A of the Local Government Act 2001) research, investigation, analysis and assessment tasks. It will also be relying on the expertise of relevant sections within Government Departments and other agencies that are operating within the local government sector.

While NOAC will have no involvement in directing the statutorily independent LGAS audit function, the outcome of work by its Value for Money Unit will assist NOAC in its scrutiny of performance.

A critical success factor for NOAC will be the extent to which the available resources have the capacity and expertise to provide the reliable data and critical analysis that are essential to NOAC's role.