

Women Leading Locally



Roles & Responsibilities of being a councillor

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Roles & Responsibilities of being a Councillor in Victoria

Key content

- **Good governance in local government**
- **Roles in local government**
- **Role Clarity**
- **Councillor duties**
- **Financial Obligations and risk management**
- **Meeting**
- **Case Studies**

What links these organisations?



What is good governance?

Why is it important in local government?

Why is good governance important?

- Promotes community confidence
- Encourages elected members and council officers to be confident
- Leads to better decisions
- Helps local government meet its legislative responsibilities
- Supports ethical decision-making

What is local government and how does it operate?

- Council and the Elected Members
- The CEO and Administration
- Unique features of local government

What does local government do?

- Planning and monitoring
- Service delivery
- Lawmaking and enforcement
- Policy development
- Representation
- Advocacy

Roles in Local Government

Roles in local government

The mayor, council, councillors, Chief Executive Officer and administration all play an important role in the successful operation of a local government.

Having a good understanding of these roles, and how each role relates to and interacts with other contributes significantly to good governance. In local government



Mayor

Good leadership + good relationships
= good governance

- Chairing council meetings
- Ceremonial role at events
- Promoting good relationships
- Managing and modelling good conduct



Councillors

Councillors' responsibilities include:

- strategic planning for the whole municipality
- determining the financial strategy and allocating resources via the council budget
- representing ratepayers and residents
- advocating on a broad range of issues
- liaising and coordinating with other levels of government, non-government, community groups and the private sector
- overseeing the management of community assets
- facilitating community participation
- managing the relationship with, and employment of, the chief executive officer.



Chief Executive Officer

The Chief Executive Officer (CEO) has a number of responsibilities which are set out in Section 94 A of the Local Government Act 1989. These include

- establishing and maintaining an appropriate organisational structure for the council
- ensuring that council decisions are implemented promptly
- overseeing the daily management of council operations
- following the council plan
- developing a code of conduct for council staff
- providing timely advice to the council.
- the CEO is also the main person to which council delegates powers.



Council administration

The primary role of council administration is to support the council. This includes by:

- implementing council's goals and strategies
- managing the delivery of municipal services
- providing advice and support
- recognising and supporting the governance role of the council

What are some of the challenges Councillors face when working with the CEO and administration?

Role Clarity

Governance vs management

Councillor and administration breakdown

Communication between councillors and council officers has completely broken down in a large suburban council.

Councillors regularly make inflammatory statements to the local media claiming that they have no power because council officers are really making all decisions.

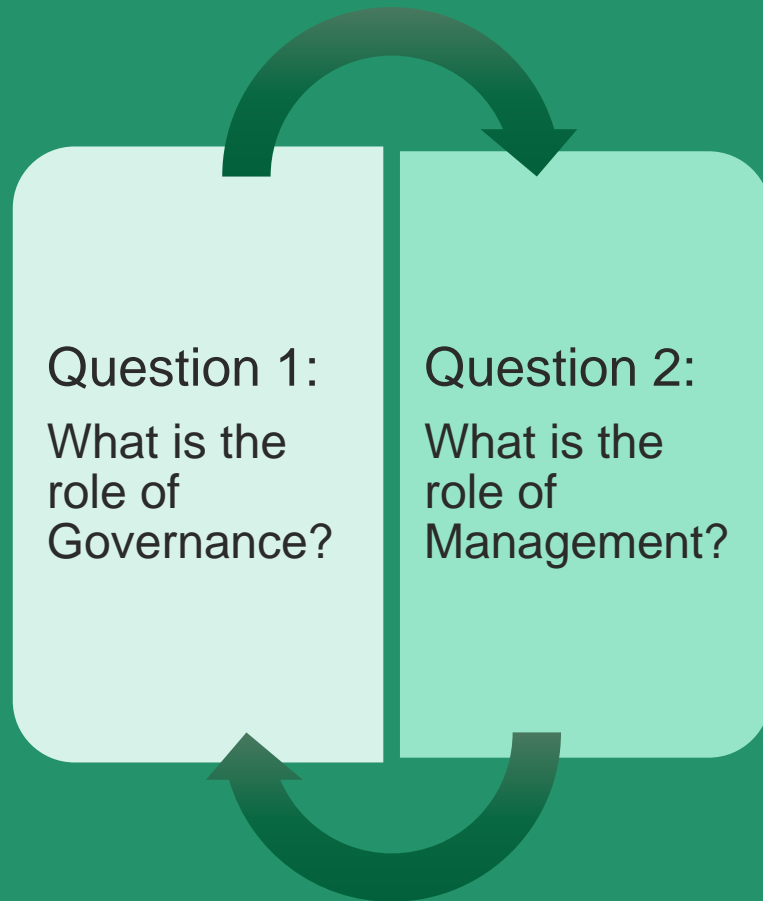
What is the issue?

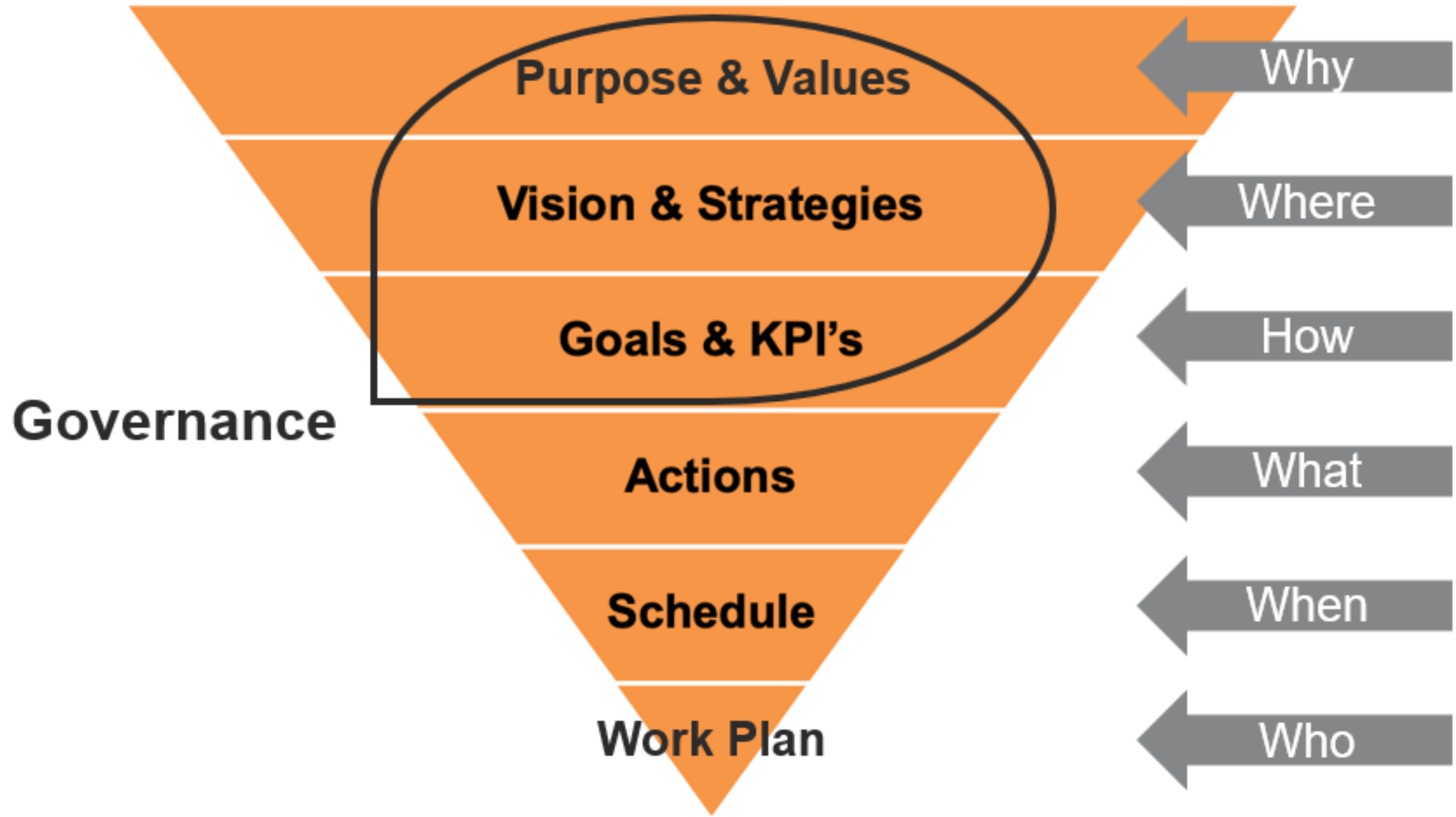
What are the potential governance problems?

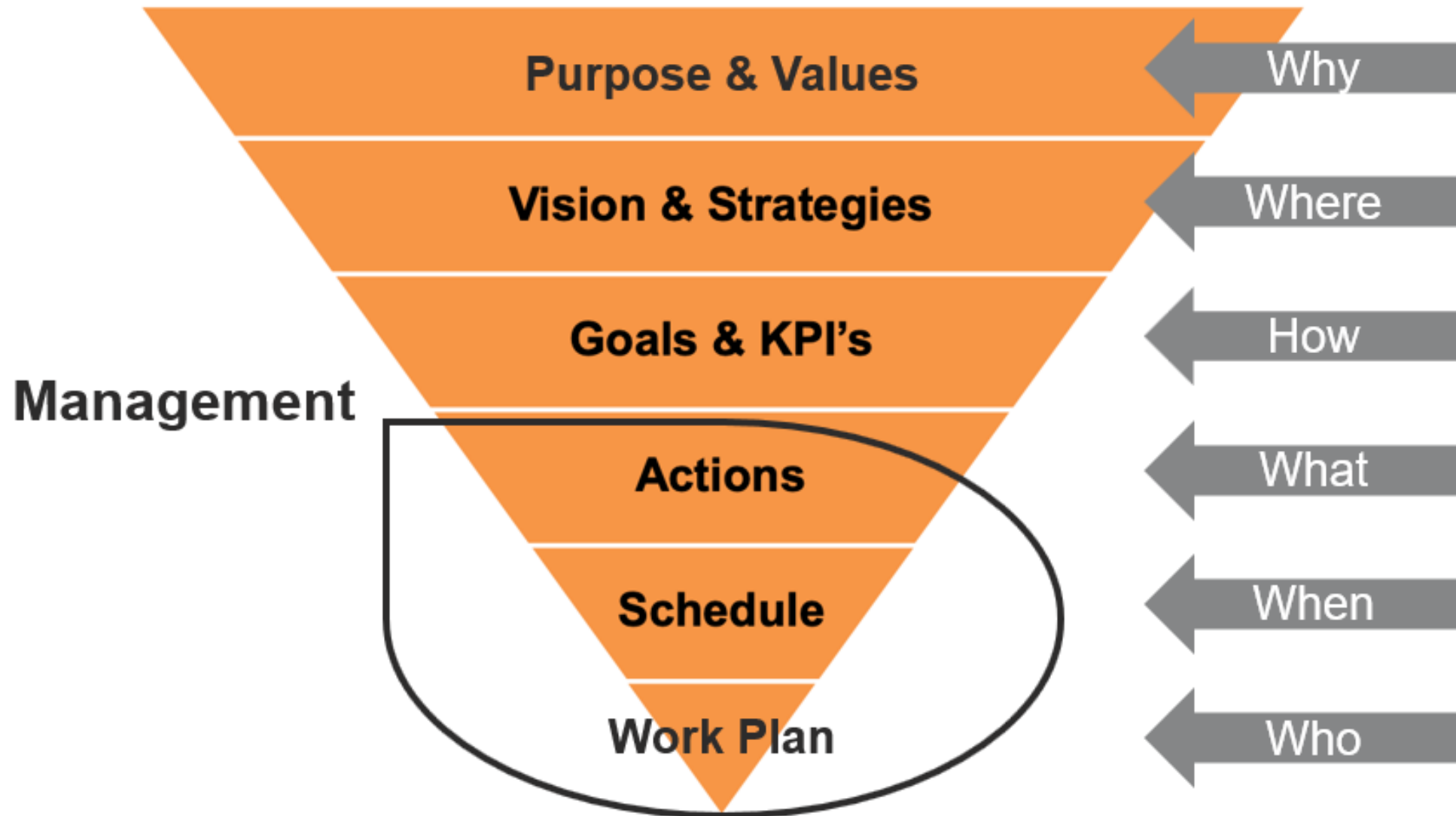
How would you tackle this situation?

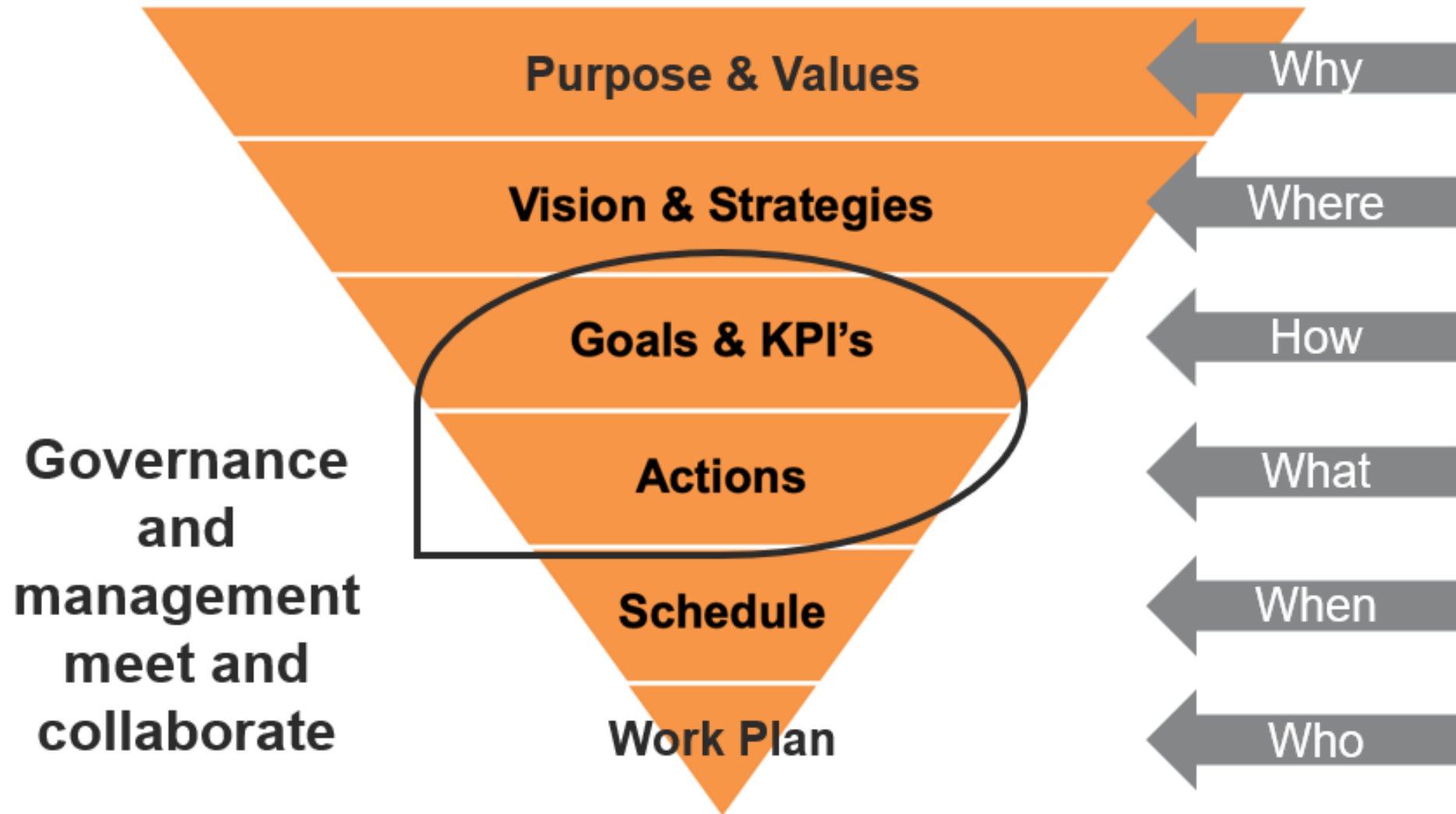
Governance vs management

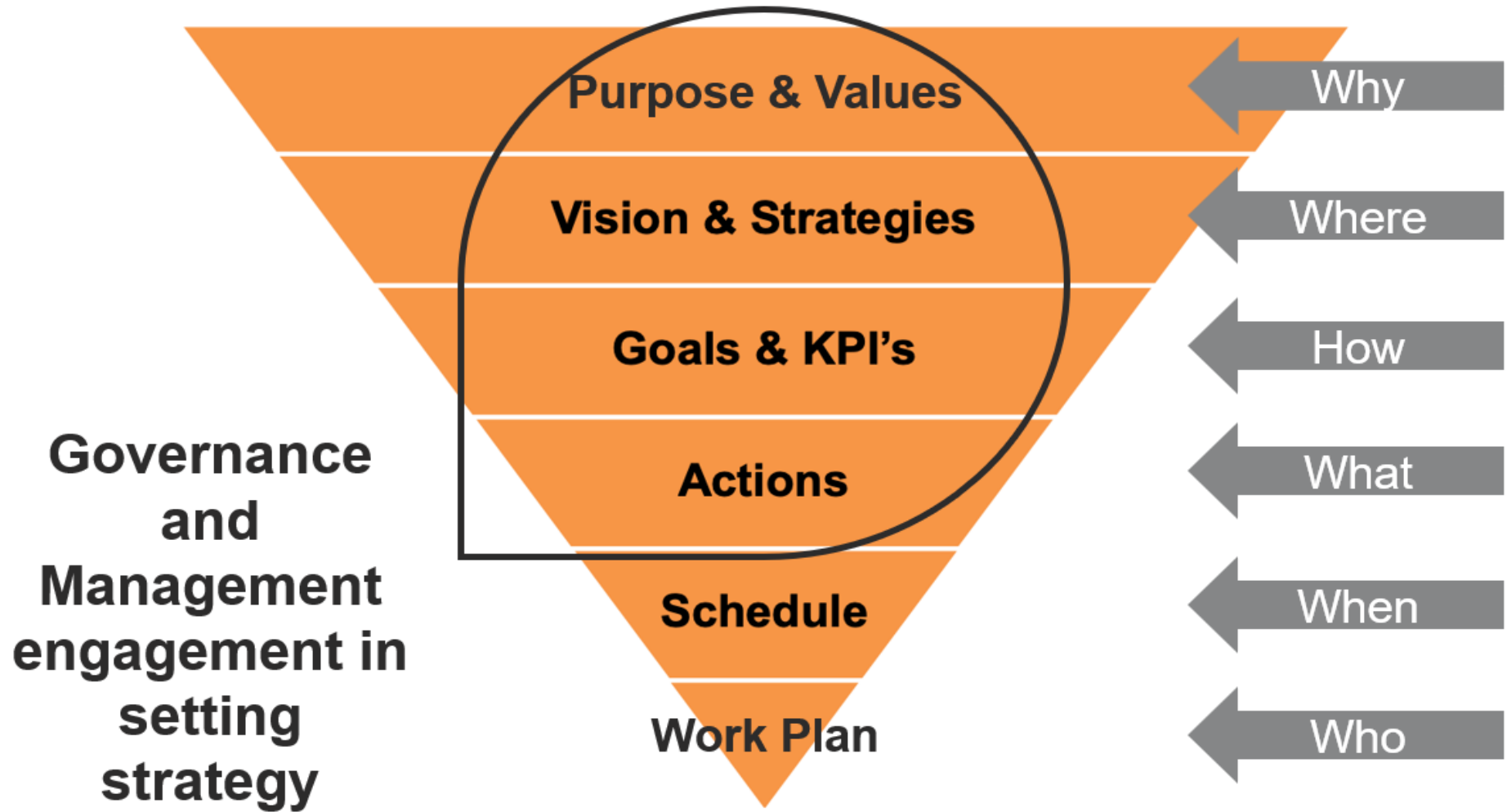
Clarity of roles is essential to govern effectively











Councillor confusion over CEO loyalties

Following recent local government elections in a regional municipality, a new group of councillors have come into office with quite different policy ideas to those of the previous council. These councillors have become frustrated because the policies of the previous council continue unchanged for some time. They begin to express dissatisfaction with the Chief Executive Officer (CEO) and believe that things won't happen until they can appoint their own CEO.

What is the issue?

What are the potential governance problems?

How would you tackle this situation?

Councillor Duties

The legal context

Local Government Act (2020) Vic:

<https://www.legislation.vic.gov.au/as-made/acts/local-government-act-2020>

Regulations under the local government Act, including electoral, planning and regulation, governance and integrity etc.

And some individual local council Acts, can be found here: <https://www.localgovernment.vic.gov.au/council-governance/acts-and-legislation>

Council policies on their individual websites

Fiduciary Duties

- All councillors have a duty of trust and are held responsible under the Act.
- This means that by law they must act honestly and in the best interests of the Council
- This is known as *fiduciary duty*.



Overarching governance principles

A Council must in the performance of its role give effect to the overarching governance principles.

- make decisions **in accordance with the law**
- prioritise the **best outcomes** for the municipal community
- promote the **economic, social and environmental sustainability** of the municipal district
- **engage the community** in **strategic planning** and strategic decision making;
- pursue **innovation** and **continuous improvement**
- seek **collaboration** with other Councils and bodies
- ensure the ongoing **financial viability**
- take into account regional, state and national **plans and policies** in planning
- ensure **transparency of Council** decisions, actions and information

Code of conduct

It is mandatory!

Standardised arbitration process, managed by:

Principal Councillor Conduct Registrar (appointed by the Secretary of the Department)

Each council must have a Council Conduct Officer (appointed by Council CEO) who assists the Council in any internal arbitration process and supports the Principal Councillor Conduct Registrar regarding the matter,

Leaking information to the media

A regional council is considering a major and expensive sports ground redevelopment. Chris, a longstanding councillor, opposes the project but doesn't think he has the numbers to win the vote.

So he leaks confidential briefing material, which focuses on the downsides of the proposal, to generate media interest and provoke community outrage.

What is the issue?

What are the potential governance problems?

How would you tackle this situation?



General rule:

We urge councillors to be cautious. If there is any doubt about a conflict – declare it and leave the meeting

What is a conflict of interest?

Conflict of interest or not?

CONFLICT

A councillor fails to excuse themselves when their partner applies for a job as the CEO

A councillor is a board member of a for profit sporting club which has applied for a council grant.

A councillor's friend applies for a community grant and does not leave the meeting when the grants are considered and approved by council.

NOT

A councillor's husband is the editor of a local newspaper which reports on the council.

A councillor's daughter is a coach (and not an office holder) at a not-for-profit community soccer club and the councillor considered an application for funding by the club.

A councillor works in alcohol research for a university and voted on the council's strategic plan, which includes an objective to reduce harm associated with alcohol. The conflict is considered remote or insignificant.

QUICK BREAK

TIME TO STAND
AND STRETCH,
GRAB A TEA
AND FRESHEN UP.



Financial Obligations and risk management

Lacking financial accountability

An inner urban council has a system of portfolio councillors. Lily is the portfolio councillor for finance. She has assured her fellow councillors that they don't really need to worry about studying the financial accounts this year because she has been through them with the CEO and can guarantee that they are all well and truly in order.

Did you know that Council is accountable
for the financial management of the
local government?

Financial roles and responsibilities

Councillors have a responsibility to:

- set the direction of the organisation, through the **strategic plan**
- May agree with the ways and means, through the **business plan**
- May sign off on the specifics, through the **annual budget**

Throughout the year they must also:

- ask for explanations of any significant **variance from the budget**
- ask for explanations of any significant **variance from projected outcomes**
- require **remedial measures** to be taken where the budget's going astray.

Finance: some thoughts!

Key items to consider:

- Know what you can and can't delegate
- Understand basic finance and strategy
- Examine your decision process
- Participate
- Review your information flows

Key documents

A statement of financial performance / Profit and Loss

A statement of financial position / Balance Sheet

A comparison of budget versus actual – Budget (forecast) compared to actual numbers

Key budget process questions

1. Where did we end up last year?
 2. Are our income sources rising or falling?
 3. Are our expenses under control?
 4. Do we have sufficient reserves?
 5. Is our cash flow adequate?
1. Does our financial activity mirror the budget?
 2. Are our financial and strategic plans consistent?
 3. Is our staff productive?
 4. Are we filing all compliance documents on time
 5. Are appropriate cost classifications identified?

Financial Risk Management

- Review risk management documents
- What do / should you budget for?
- What's missing and should be considered?
- Have you thought about
 - Market risks (esp. with change to online?)
 - credit risks?
 - liquidity risks?
 - operational risk?



Voting and decision-making

Why do we have meetings?

Share your ideas in the chat box

Dealing with disaffected Councillors

John is a councillor in an outer urban municipality. He's recently been on the losing side of a series of votes including the council plan, the budget and some key projects.

Now he's feeling marginalised and has started to publicly criticise the council and its processes. The majority of his fellow councillors respond in-kind which has led to poor behaviour, both inside and outside the chamber.

General approach to decision-making

The basics of good meetings:

- Councillors understand their roles & responsibilities
- Generally understood approach and agreement about appropriate and productive behaviour
- There is an agenda (a clear plan)
- All councillors contribute
- Decisions are made and accepted by all
- Action items are agreed upon

Shared culture and approach

As a Council, you must:

- Set the tone
- Set an example to all
- Enforce the standards



The decision making process

Stage 1: Setting the agenda

Stage 2: Gathering information

Stage 3: Forming an opinion

Stage 4: Making the decision

Stage 5: Implementing the decision

Council Report

Sent out at least a week in advance by the CEO or council governance officer.
Structure may include:

- Author
- Purpose
- Policy Implications
- Background
- Issues
- Financial and resource implications
- Internal/external consultation
- Options
- Conclusion
- Recommendations

During meetings

- Ensure quorum (absolute majority)
- Declare conflicts of interest
- Move through agenda
- Propose motions
- Make decisions – ensure council solidarity
- Record decisions in the minutes



Motions

- Circulated in advance
- May be seconded by another councillor
- Can be moved at the meeting
- Can be amended
- ***Must be in writing***
- Should be clear about what's to be done, who's to do it, and when it's to be done by

Meeting Procedures & Standing Orders

There are two ways to design Standing Orders

One is to include only those rules that ensure that votes are fair and dissent can be heard.

The other is to attempt to make provision for every eventuality that may arise.

Some rules about meetings are contained in the Act

Council Governance Case Studies

Three Council Case Studies

1. Hobsons Bay
2. Yarra Ranges
3. Moira Shire

Instructions

Elect the following roles in your breakout

- Mayor to guide the discussion
- Timekeeper to keep you on track
- Spokesperson to take notes and report back

Analyse **one** case study in your breakout room and discuss:

- What is the issue/s and the governance problem/s?
- How will Council improve this situation moving forward?
- How to best report this decision back to the larger group

Debrief

1. Hobsons Bay
2. Yarra Ranges
3. Moira Shire

What was the issue and what were the governance problems?

What decisions did you make about improving the situation

References

Institute of Community Directors Australia: Policy Bank:
<https://communitydirectors.com.au/tools-resources/policy-bank>

Institute of Community Directors Australia: Tools & Resources:
<https://communitydirectors.com.au/tools-resources/home>

Local Government Act 2020 (Vic)
<https://www.localgovernment.vic.gov.au/council-governance/local-government-act-2020>

Local Government Regulations: <https://www.localgovernment.vic.gov.au/council-governance/acts-and-legislation>

Municipal Association of Victoria (MAV): <https://www.mav.asn.au/>

Victorian Local Governance Association (VLGA): <https://www.vlga.org.au/>

Local Government Victoria (LGV): <https://www.localgovernment.vic.gov.au/>

Local Government Professionals (LGPro): <https://www.lgpro.com/>