



CAEL Series for Entrepreneurship and Leadership Development in Africa

**A report by the Centre for African Entrepreneurship and Leadership, University of
Wolverhampton**

Volume 1 Number 7, 2016

“Local government management and leadership in the 21st century”

Executive Summary

In the light of widespread poverty and evidence of extreme inequalities in sub-Saharan African countries, local governments are seen as an important tier of government that can play a critical role in achieving inclusive and sustainable development in poor countries. However, the local government systems in Africa have failed to meet expectation in terms of effective and efficient service delivery, and much of this failure is to do with the institutional environment, and problems of inadequate management and leadership.

Local governments are well positioned, in terms of their proximity to the people and ready access to local information, to deliver development objectives to citizens. However, in African countries especially, they are hampered by a lack of fiscal and administrative autonomy, and low capacity in terms of resource management and service delivery. Furthermore, citizens’ perceptions of local governments in Africa are associated with weak institutions, low performance and poor service delivery. With better citizen commitment in terms of taxation and sustained civic engagement, the indices of performance and service delivery can be improved at the local government levels.

This workshop, which held in January 2014, featured topics on democracy, local government autonomy, policy planning, implementation and auditing, as well as sessions on microfinance and organised labour, and corporate social responsibility. The Wolverhampton City council shared their expertise with delegates on the structure of local government governance in the UK, the decision making process, strategies and approaches to revenue generation, and the mechanisms for checks and balances. Among others, the Wolverhampton Council also highlighted the various codes of conduct guiding performance of elected local representatives, and the quality of services provided for the people. Finally, the council shared ideas on the use of project management tools and applications like SharePoint for storing and sharing documents and information about projects.

Based on the training, recommendations were made on innovative approaches to governance at the local communities and to support the development of a Code of Conduct for local government administration in Nigeria



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Introduction

This training was delivered in January 2014, in collaboration with the Wolverhampton City Council (WCC), to a 33-member elected National Union of Local Government Employees, Nigeria (NULGE). This comprised representatives from more than 30 states in Nigeria, as well as the national president of NULGE. The main objective of the workshop was to better prepare NULGE elected officials to confront the challenges associated with autonomous leadership and to develop their individual and group's capacity for effective local governance and administration. Among others, this intensive training focused on democratic governance at local government level and the institutionalisation of democratic structures, drawing from the model of UK local authorities. The workshop sought to demonstrate how current best practices in UK local administration can be adapted to African context.

This Knowledge Transfer Programme is part of ongoing intervention spearheaded by the Centre for African Entrepreneurship and Leadership, University of Wolverhampton (CAEL) in the areas of capacity building for leadership development in Africa. Within the past five years, the centre has run training programmes focusing on leadership development and entrepreneurship education. More than 150 executives of higher institutions in Africa, including vice chancellors, provosts, and directors of centres, have participated in the training programmes. They represent more than 40 institutions of higher education, mostly from Nigeria.

The government next door: local government administration in the 21st century

The local government throughout the world plays a very important role in provision of public services at the grass root. Of all the main tiers of government, the local government hold a unique place as the one that is closest to people, well positioned to understand, and respond to, basic needs of citizens (United Cities and Local Governments, 2010). This explains why, in a country like the UK, the local councils are responsible for management of a significant proportion of total government expenditure. They provide essential services in education, health care, and municipal waste disposal, to mention a few (Sanford, 2016).

In the 21st century, the local government system has had to grapple with a number of challenges associated with efficient management, finance, service delivery and citizen engagement. In pursuit of efficiency and cost saving, local governments have experimented with public-private partnerships, with mixed success. In recent years, countries like the US, UK and Australia have scaled back on market-based approaches to public provision, due to lack of cost saving, challenges with service quality under privatisation, and the need to ensure equitable access (Warner, 2010). In order to surmount the challenges, it is important for local government to invest in capacity building initiatives to improve government revenue sources and rebuild citizens' view of society.



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In Africa, local government finance is an especially major challenge, as the share of national revenue accruing to local government remains low, and reforms have been very slow and inadequate. United Cities and Local Governments (2010) and Fjeldstad & Brun (2014) highlighted the main challenges facing local government finance in Africa, as follows:

- i. *Territorial organisation:* Many countries have partial decentralisation that does not cover the whole national territory. Also, different levels of decentralisations often overlap, and there are parallel mechanisms that circumvent local governments.
- ii. *Limited spending autonomy and lack of clarity on expenditure responsibilities:* Sharing of expenditures and responsibilities between local and central governments are often unclear. This confusion is often aggravated by international donors, whose interventions are usually focused on central governments. In some cases, the dominance of central and regional governments is such that local governments are fully dependent on the higher levels of government.
- iii. *Low level of resources:* Majority of local governments government revenues come from inter-government transfers, especially in resource rich countries. Local government typically generate comparatively less from local taxes (notably property taxes and rental income), and the entire local government revenue represents less than 10% of public revenue.
- iv. *Problems with tax collection:* Local governments generally have limited taxation powers. In some countries, it is the exclusive preserve of central governments.
- v. *Inadequate transfer system:* Transfer responsibilities are not clearly spelt out, and there is also no clear transfer formula in many countries. Moreover, transfers are often unpredictable and irregular, with some local governments not receiving their full transfers.
- vi. *Lack of access to borrowing:* Local governments have very limited opportunities for borrowing, due to strict regulations imposed by central governments, and lack of appropriate budgetary tools at the local government levels, among others.

In general, the popular perception in many African countries is that local governments are weak institutions and the local councils are unresponsive and non-performing (Bratton, 2012). This problem is exacerbated by the absence of a clear fiscal contract between citizens and local councils, which would have encouraged citizens to be more actively engaged in the process of holding leaders accountable. Fiscal decentralisation does not seem to have delivered expected results in sub-Saharan Africa, but this appears to be due to the general problem with governance in general and not necessarily with local governments in particular (Conyers, 2007). With necessary reforms and sustained citizen engagement, local governments can yet deliver its promise of effective and efficient service delivery.



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Training review

The delegates were taken through the process of local government finance in the UK, exemplified by the Wolverhampton City Council. There was particular focus on the Wolverhampton model of revenue generation, and participants examined a revenue template comprising of council tax, business rates, fees and charges, specific grants, general grants, housing rents, and borrowing. In addition, the delegates were taken through the process of budget setting and monitoring, and how the accounts are managed and regulated.

Furthermore, the participants were taken through the Wolverhampton model for project management and quality service delivery. For example, in the 12 months leading to the workshop, the Wolverhampton city council had developed a new improved, comprehensive project management methodology and toolkit and a new project assessment tool. They also require all projects to be registered with their Corporate Project Office (CPO), provided project management training for staff, and promoted the use of SharePoint application for storing documents and information about projects.

The delegates also explored in some detail key components of auditing at the local government level: ethics; transparency; whistleblowing; The Bribery Act; Counter Fraud; and Internal Audit. These various components are underpinned by relevant laws and regulations, to ensure compliance. There were also discussions around consultations and community engagement, equalities, and information governance.

Several delegates contacted about two years after the training highlighted how the workshop has helped their local councils to effect necessary changes for better execution of projects and improved service delivery. Mr Khaleel Ibrahim, the national president of the NULGE, highlighted the impact of the workshop on their oversight and performance monitoring capacity: “our supervision capacity has tremendously improved, thereby the incomes are enhanced”. He added that, overall, the training had had an “impact in the way we conduct business by adhering to enabling laws and procedural guidelines.” Another delegate, Kabiru Gamawa, highlighted how the training had helped his local council to make necessary changes in order to cope with the “shortage of resource allocation”.

Recommendations

Based on the training, the following recommendations were made to the participants:

1. Development of templates, drawing from the Wolverhampton model, for local governance and administration in Nigeria.
2. Formulation of a code of conduct for NULGE, with support and guidance provided by the University of Wolverhampton Business School and Wolverhampton City Council.



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3. Development of new initiatives and structures to encourage enterprise and business- for example through improvement of critical infrastructures and investment in developing skilled local workforce.
4. Adoption of new strategies to empower people and communities through early intervention and prevention, support of financial inclusion and encouragement of voluntary and community sectors.
5. Adoption of innovative approaches to promoting cities and local councils through improved security and better housing, among others.
6. Establishment of a unit or department in each local council with the mandate to manage information governance issues, including freedom of information requests.
7. Setting up of regular channels and regular platforms for citizens' feedback, for example through town hall meetings, internet feedback, radio, TV, etc to facilitate citizen-informed policies and interventions.
8. Establishment and capacity building of units and staff responsible for collection of corporate tax from local businesses.
9. Reform and improvement of existing structures (including internal and external audit) to ensure transparency and accountability, especially with respect to management of local government revenue.
10. Support for establishment or improved performance of cooperative credit unions, as part of a strategy to stimulate economic development and income growth.

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