

Chapter 8

Institutional Development Plan

8.1 Introduction

The success in the implementation of the various sectoral plans constituting the Angeles City Comprehensive Development Plan is dependent on an appropriate formal organizational structure, a dynamic set of systems and procedures, and a productive and relevant human resource base. In a Highly-Urbanized City playing a global role, the expectation to deliver is high and the adverse impact from pitfalls is great.

While not perfect, the Local Government Code of 1991 unloaded greater administrative powers to LGUs foremost of which is fiscal administration. After almost two decades of implementation, clamors for more evidence from the relevance of the Code still reverberate throughout the archipelago. In this chapter, the challenges and potentials to an effective City Government are laid down. Whether, they will form part of the Executive-Legislative Agenda is not only for the City Government officials alone to decide. This is the social responsibility of the constituencies whose involvement in community-oriented activities is not only allowed, but encouraged in the Code. Thus, a critical component of this section is an effective advocacy for people's participation in plan implementation.

8.2 Challenges

8.2.1 Limits set by Republic Act 7160

RA 7160 provides the fundamental basis for the establishment of local government structures, commissioning of local officers, and institutionalization of the local planning process through the dynamics of intergovernmental relationship and LGU relationship with People's Organizations or Non-Governmental Organizations (POs/NGOs). The Code stipulates that the legislative council adopt a Comprehensive Land Use Plan (CLUP) and enact an integrated Zoning Ordinance (ZO). However, it has no provision for the designation of a Zoning Administrator. The latter would have made the task of ZO administration and enforcement a lot more manageable to the LGU.

8.2.2 Limitations of Regional Development Council (RDC)

Despite its multi-sectoral composition and the fact that it must cover a definite territory, the RDC actually functions on the basis of a strictly sectoral planning orientation. In view of the centralized form of government and the fiscal autonomy accorded to LGUs, the head of the Council assumes only insignificant function as far as program and project identification and resource allocation both for National Government Agencies (NGAs) and LGUs. The perceived lack of administrative powers over resources has resulted to weak link between the RDC and the Local Development Councils (LDCs), the Regional Development Plan (RDP) and Local Development Plans.

Despite the above realities, the LGC is very clear in providing that the approved development plans, specifically of provinces, highly urbanized and independent component cities shall be submitted to the appropriate RDC, which shall integrate them into the Regional Development Plan. The latter plan shall in turn be submitted to NEDA. It also allows that the next higher level LDC to integrate the local development plan of the lower level LDC into its development plan.

8.2.3 Short term of elective officials

This is not unique to Angeles City since all other LGUs in the country are covered by the three year term of elective local officials. For land use regulation, this is very short for purposes of effectively putting in place a regulated land use pattern complying with an approved ZO.

8.2.4 Inconsistent rate of income increase

The yearly income of the City from 2005 to 2007 is increasing in absolute terms, but the rate of increase does not establish a trend. Performance during the 2004-2005 periods saw the City registering 14.97 percent increase in income. Between 2005 and 2006 it went even higher, almost 31 percent but dropped to a low 10.78 percent during the next period.

Table 8-1: Annual Income of Angeles City, 2004-2007

Year	Income (P)	% Change
2004	443,586,554.91	-
2005	509,989,873.00	14.97
2006	668,050,741.48	30.99
2007	740,085,224.92	10.78

Source of basic data: Angeles City LGPMS, 2004-2007

8.2.5 Self-reliance Index

The percentage of income generated from local sources over the total income generated indicates that the City still needs to improve its revenue generation to become self reliant. For the past three years, income from local sources averaged only about 42 percent of the total income of the City. The IRA accounts for 48 percent.

Table 8-2: Percentage Share of Income Source, 2005-2007

Source	2005		2006		2007		% Average Share
	Income (P m)	% Share	Income (P m)	% Share	Income (P m)	% Share	
Actual IRA	268.05	52.56	320.04	47.91	322.64	43.59	48.02
Local	214.57	42.07	257.47	38.54	340.04	45.95	42.19
Others	27.37	5.37	90.54	13.55	77.43	10.46	9.79
Total	509.99	100.00	668.05	100.00	740.09	100.00	100.00

Source of basic data: Angeles City LGPMS, 2005-2007

8.2.6 Outdated RPT schedule

The real property tax (RPT) schedule of Angeles City is found to be outdated having passed way back 1996. The LGC of 1991 provides that the provincial, city or municipal assessors shall undertake a general revision of real property assessment every three years.

8.2.7 Expenditures tend to concentrate on PS and MOOE rather than on CO

From 2005 to 2007, Personal services and Maintenance and Other Operating Expenditures got the biggest share of the total City expenditure. On the average, PS got 37.72 percent while MOOE got 44.19 percent of the total City expenditure for the three year period. This implies that less is allocated for Capital Outlay which includes items such as infrastructure and equipment. The latter are essential for keeping and

inducing economic activities which are the drivers of any economy's sustained growth.

Table 8-3: Relative Share of Expenditure Items of Angeles City, 2005-2007

Item/ General Account	2005		2006		2007		% Average Share
	Exp. (P m)	% Share	Exp. (P m)	% Share	Exp. (P m)	% Share	
PS	247.06	37.09	238.04	37.14	278.73	38.93	37.72
MOOE	227.86	34.21	304.57	47.52	364.01	50.85	44.19
CO	191.17	28.70	98.35	15.34	73.16	10.22	18.09
Total	666.09	100.00	640.96	100.00	715.90	100.00	100.00

Source of basic data: Angeles City LGPMS, 2005-2007

8.2.8 Increasing expenditure per capita

Increasing expenditure *per capita* implies that more benefits are provided per person or resident. In Angeles City, expenditure *per capita* is irregular based on computed values over the past three years. The ₱2,236.30 registered in 2005 went down to ₱2,100.55 in 2006 and then went up to ₱2,276.37 in 2007.

8.2.9 High percentage of personnel/staff with casual and temporary status

Of the total 1,252 personnel working in the City government only 892 or 71 percent are of permanent status. The rest are either casual (26%), contractual or co-terminus (3%). Those with permanent status are mostly heads of offices and are at least holders of bachelor's degree.

8.2.10 "Palakasan" or "padrino" system

The "palakasan" or "padrino" system still finds its way in the local government system reflected in part for example in the recruitment of personnel that are non-residents of Angeles City. The issue as well as the steps to eliminate it had been identified in previous planning exercises, yet

the same still prevails as reported by concerned groups. Said concern is proposed to be given adequate attention as it may have implications on the exercise of staff duties and functions and on the efficient delivery of government service.

8.2.11 Unsatisfactory working environment

Some offices have inadequate work space or are below the standard for working area. Others are lacking in amenities or equipment e.g., air-conditioning units, computers, communication gadgets, etc. As this has implication on the quality of work of government workers, said concern must be also be given priority attention.

8.2.12 Lack of focal person on certain programs

Certain programs are without focal persons thus posing difficulty in the coordination of activities, program monitoring and reporting. A review of personnel allocation will address this concern.

8.2.13 No clear mechanism for identifying rightful beneficiaries of program services

A large percentage of the patients going to or being brought everyday to the Ospital Ning Angeles (ONA) and availing of the free health services do not belong to the indigent sector and are not residents of Angeles City. Being a health service institution, the hospital administration cannot simply turn away its back to these sick people and tell them to look for other hospitals. Thus, a considerable portion of the hospital's resources are spent caring for residents of other municipalities and the well-to-do.

8.2.14 Below standard policeman and fireman to population ratio

As of December 2007, Angeles City has a total of 372 policemen. With the City's population of 327,782, one policeman has under his/her responsibility 856 individuals, a ratio far-off from the ideal 1 policeman to 500 individuals. On the other hand, there are 56 personnel employed in the fire department of the City placing the fireman-to-population ratio at 1:5,853. This ratio is a long way from the ideal 1 fireman to 2,000 population.

8.3 Potentials

8.3.1 Operationalization of the local budgeting process

The Angeles City government complies with Republic Act 7160 otherwise known as the Local Government Code in terms of the existence of the mandated offices, particularly those involved in local fiscal administration. These include the following: Mayor's Office, Treasurer's Office, Accounting Office, Assessor's Office, Budget Office, Planning and Development Coordinator's Office. There also exists a Local Bids and Awards Committee and Local Finance Committee.

8.3.2 Multi-sectoral participation in planning and implementation

One of the most important methods or mechanisms through which participatory planning can be realized is through the LDC wherein non-government organizations and people's organizations are represented. The City Development Council of Angeles City was reorganized in 1992 in order to formulate and realize the Vision of the City and respond to the need for a

concerted effort to formulate and implement the development plan by involving a vigilant community. At present there are sixteen (16) Sangguniang Panlungsod (SP)-accredited NGOs/POs.

8.3.3 Host of economic zones

The City host economic zones whose locators are mostly engaged in garments, electronics and handicrafts for export. These locators provide employment to the people of Angeles City and therefore it is important that the City government find ways to sustain their stay.

8.3.4 ISO 9001:2000 certified

The City has been recipient of various awards attesting to its growing efficiency. Recently it was conferred the ISO 9001:2000 Certification for its efforts in the streamlining of the City's business permit and licensing procedure.

8.3.5 Increasing revenue per capita

There is an increasing trend in the revenue *per capita* over the past three years. From ₱1,712.20 *per capita* in 2005, it increased to ₱2,189.33 in 2006 and ₱2,353.26 in 2007. Said consistent improvement in the indicator may be attributed not only to the City's expanding economy but also to its improving revenue collection efficiency.

8.4 Goals, Objectives and Targets

8.4.1 To improve the capability of local officials and personnel in addressing operational as well as strategic issues of local governance and management:

- conduct strategic planning and team building seminars
- enforce annual performance evaluation
- go for top quality aspirants to vacant positions
- improve working condition of employees by constructing/upgrading (their) offices in accordance with existing laws or planning standards
- institutionalize mechanisms to ensure transparency and accountability
- conduct moral recovery seminars

8.4.2 To strengthen the City Development Council as well as other local special bodies as avenues of transparency, participation and synergy;

8.4.3 To achieve financial stability:

- be self-reliant and less dependent on IRA
- increase percentage share of income from local sources by 16 to 18 percent and reduce IRA percentage share by 2 to 6 percent
- fully mobilize internal sources of income and continuously expand the ratio of Development Fund in the City's expenditure program

8.4.4 To forge closer and stronger partnership between the executive and legislative offices;

8.4.5 To strengthen linkage with the private sector:

- encourage private sector participation in local governance, particularly in planning and implementation of programs/projects

- provide financial assistance to POs and NGOs in their implementation of economic, socially-oriented or environmental projects

8.4.6 To improve capacity to maintain peace and order:

- deploy additional trained policemen/personnel and force multipliers
- provide adequate logistical support

8.4.7 To have a disaster-prepared LGU and citizenry:

- revitalize/strengthen the City and Barangay Disaster Coordinating Councils
- provide appropriate disaster preparedness/response trainings and seminars to personnel responsible for disaster mitigation
- encourage citizen volunteers
- improve the fire fighting capability and response to other emergency situations; addition of trained firemen/personnel and equipment
- identify and mark out areas vulnerable to physical and social risks

8.5 Strategies and Policies

8.5.1 Article II of the 1987 Constitution provides that the State shall ensure the autonomy of local governments (Section 25), encourage non-governmental, community-based or sectoral organizations that promote the welfare of the nation (Section 23), and maintain honesty and integrity in public service (Section 27).

Sections 2 and 3 of RA 7160 provide the State policies on local autonomy and operative principles on which local government concerns are anchored.

The Administrative Code of 1987 or Executive Order No. 292 likewise states that the State shall ensure the autonomy of local governments. For this purpose, it shall provide for a more responsive and accountable local government structure instituted through a system of decentralization. The allocation of powers and resources to LGUs shall be promoted and inter-local government grouping, consolidation and coordination of resources shall be encouraged. (Book III, Title XII, Chapter 1, Section 1).

The Code of Conduct and Ethical Standards for Public Officials and Employees otherwise known as RA 6713 upholds the time-honored principle that the public office is a public trust.

8.5.2 The Sustainable Development Framework

In the National Agenda for Sustainable Development for the 21st Century, the institutional indicators and strategies are as follows:

- i. the institutional competence and capability to manage sustainable development is improved and financially supported;
- ii. financial support is provided for the improvement of social infrastructure as part of the overall economic infrastructure;
- iii. commitments undertaken by the Philippines under the multilateral/bilateral environmental agreements are operationalized domestically through legislative actions, setting up of institutions and adoption of programs of action integrating these commitments into national action plans;
- iv. the Philippines continues to take the lead in formulating and articulating positions of developing countries related to Sustainable

- Development to narrow the gap between developed/industrialized countries and developing countries;
- v. Sustainable Development efforts are operationalized locally, recognizing the significant role LGUs will have to play in close cooperation with the different sectors of society;
 - vi. mechanisms are provided and supported to enhance access, flow and feedback of information among civil society, government and business, utilizing all available forms of communication and information for transparency;
 - vii. government implements strict comprehensive measures to stop graft and corruption and improve bureaucratic efficiency so that it responds in a timely and effective manner to the critical needs of people and communities;
 - viii. competence and capabilities of LGUs, civil society and communities to manage Sustainable Development are improved and financially supported;
 - ix. development planning and approaches for Sustainable Development are installed at the LGU and community levels, through a sustained capability building and technical assistance program by national government; and,
 - x. administrative agency or machinery is established at the regional, provincial and city levels to operationalize the planning, budgeting, implementation and monitoring of Philippine Agenda 21.

8.5.3 State Policies on Local Governance

- i. *Strict Enforcement of Local Laws.* As the State institutes a system of decentralization, the LGUs are given more powers, authority,

responsibilities and resources to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals. (Section 2, RA 7160).

- ii. *Morally Upright and Competent City Government* The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption. (Article II, Section 27 of the 1987 Constitution)

The operative principles that contribute to the achievement of a morally upright and competent City Government are the following: i) establishment of accountable, efficient and dynamic organizational structure and operating mechanism that will meet the priority needs and service requirements of its communities; ii) system of appointment to or removal from office according to merit and fitness by the appropriate appointing authority; and iii) strengthening of effective mechanisms for ensuring accountability of LGUs to their respective constituents in order to upgrade continually the quality of local leadership. (Section 3, RA 7160)

The Code of Ethics states that it is the policy of the State to promote a high standard of ethics in public service. It further stresses that public officials shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence, and loyalty, and act with patriotism and justice, lead modest lives, and uphold public interest over personal interest. (Section 2 of RA 6713 and Section 32 of Administrative Code of 1987)

Transparency, efficiency and accountability must be instituted in local fiscal administration. Public spending must be in compliance with the Commission on Audit (COA) rules and regulations and existing pertinent laws.

- iii. *Self-Reliant LGU, Less Dependent on Internal Revenue Allotment (IRA)*
Section 129 of RA 7160 provides that each LGU shall exercise its power to create its own sources of revenue and to levy taxes, fees, and charges subject to the provisions of the Code and consistent with the basic policy of local autonomy.

The Angeles City government must be resourceful and creative in coming up with potential revenue sources. Revenue generation must not be limited to local taxation. It may resort to undertaking business ventures or partnership with the private sector to generate income. All these attempts to widen sources of local income must be within the limits of existing laws.

The City Government should be committed to increasing revenues from local sources such as the real property tax, business tax, economic enterprises, fines and fees, among other sources. Fees in securing locational clearance, copies of tax declaration, tax maps, among others may also be increased within the limits of existing laws. Enactment of an incentive ordinance will attract new business and consequently increase the local tax base.

It must be noted that the increase in local taxes must not be excessive, oppressive, or confiscatory. Just basis of local taxation must

be taken into consideration in revising the Local Tax Code in order to incorporate appropriate changes in the local tax base. Special levy on lands benefited by public improvements is another way to increase local government revenue. Section 240 of RA 7160 provides that special levy shall not exceed 60 percent of the actual costs of public projects and reasonable rates to be fixed commensurate to service rendered.

- iv. *Financially Stable City Government.* The Budget Operations Manual for LGUs indicates that LGUs shall endeavor to have a balanced budget in each fiscal year of operation. The LGC already empowers the LGU to source more funds to finance its programs and projects. The Code likewise provides the legal basis for LGUs to act as a corporate entity and seek non-traditional revenue sources in the form of joint-venture, bond flotation, build-operate-transfer schemes, among other forms of public-private partnership or avail of credit facilities in developing projects. There already exists a Build-Operate Transfer Law (RA 7718), Implementing Rules and Regulations, and other legal bases that will guide LGUs in becoming innovative in their local fiscal administration. Angeles City may employ any or a combination of the alternative contractual arrangements to finance its infrastructure projects.
- v. *Effective, Efficient and Responsive City Government* Section 18 of RA 7160 mandates that LGUs shall have the power and authority to establish an organization that shall be responsible for the efficient and

effective implementation of their development plans, program objectives and priorities.

Organizational functions and job description must be clarified in order to minimize overlapping of functions. Adequate training and seminars for personnel should be provided in order to restore moral integrity, technical competence and professionalism among local public servants.

A regular monitoring of the effective performance of mandated functions for all local special bodies needs to be undertaken to ensure the active participation of the different sectors in all areas or levels of planning and implementation of local programs and projects.

- vi. *Strengthened Local Government Capability* Section 3(h) of RA 7160 provides that there shall be a continuing mechanism to enhance local autonomy not only by legislative enabling acts but also by administrative and organizational reforms.

There should be an initiation of capacity building program and professionalization of local officials and personnel by the City government.

- vii. *Disaster-Prepared LGU and Citizenry*

Presidential Decree 1566 was issued on June 11, 1978 to strengthen the Philippine Disaster Control Capability and establish the National Program on Community Disaster Preparedness. Among the policies declared are:

- self-reliance shall be developed by promoting and encouraging the spirit of self-help and mutual assistance among the local officials and their constituents;
- each political and administrative subdivision of the country shall utilize all available resources in the area before asking for assistance from neighboring entities or higher authority;
- the primary responsibility rests on the government agencies in the affected areas in coordination with the people themselves;
- it shall be the responsibility of all government departments, bureaus, agencies and instrumentalities to have documented plans for their emergency functions and activities;
- planning and operation shall also be done at the barangay level on an inter- agency, multi-sectoral basis to optimize the utilization of resources;
- in the absence of a duly constituted regional government, national government offices at the regional level shall be led and operationally controlled by the Regional Commissioner or by the official so designated by the President;
- responsibility for leadership rests on the Provincial Governor, City Mayors, and Municipal Mayors, (and Barangay Chairman), each according to his area of responsibility;
- when an emergency affects an area covering several towns and cities, the city mayors and their personnel and facilities shall be placed under the operational control of the Provincial Governor for the duration of the emergency;

- the national government exists to support the local governments. In time of emergencies and according to their level of assignment, all national government offices in the field shall support the operations of the local government; and,
 - to ensure that operational activities become automatic and second nature to all concerned, exercises and periodic drills shall be conducted at all levels, principally at the barangays.
- viii. *Strengthened LGU-NGO/PO Linkage.* Section 3 of RA 7160 provides that one of the operative principles of decentralization refers to the participation of the private sector in local governance, particularly in the delivery of basic services which shall be encouraged to ensure the viability of local autonomy as an alternative strategy for Sustainable Development.

Section 34 mandates the LGUs to promote the establishment and operation of POs and NGOs to become active partners in the pursuit of local autonomy.

Section 35 further provides that LGUs may enter into joint ventures and other cooperative arrangements with POs and NGOs to engage in the delivery of certain basic services, capability-building and livelihood projects, and to develop local enterprises designed to improve productivity and income, diversify agriculture, spur rural industrialization, promote ecological balance, and enhance economic and social well-being of the people.

The City Government can provide incentives and an environment conducive to encouraging different interest groups. Section 36 of RA 7160 further states the LGUs may provide assistance, financial or otherwise, to POs and NGOs for economic, socially-oriented, environmental, or cultural projects to be implemented within its territorial jurisdiction.

8.5.4 Regional Strategies for Governance and Institutional Development

Below are some of the strategies enumerated in the Central Luzon Updated Development Plan, 2008-2010 relative to governance and institution development:

- i. increase reliance on scientific guides to reduce vulnerability to natural hazards;
- ii. strengthen disaster preparedness at all levels of the government hierarchy;
- iii. enjoin all LGUs to complete, review or update their respective land use plans;
- iv. improve local capabilities in environmental management and planning by further strengthening their capabilities in CLUP preparation to include forest land use and coastal areas management;
- v. integrate disaster risk management in the respective local land use plans of LGUs;
- vi. encourage LGUs to strictly implement their zoning regulations, the national building and fire codes;
- vii. government agencies involve in disaster management and, implementing agencies and affected LGUs to put a coordinated effort in

- risk assessment and disaster management by threshing out mandate overlaps to efficiently deliver a particular service;
- viii. mainstreaming disaster management at the grass root level through information and education campaign in local communities by reliable experts in disaster from government agencies;
 - ix. strengthen crime prevention in the region and through the organizational reforms in the operations and procedures of the PNP, the adoption of a community-oriented police system, professionalism of the police and the military, strengthening of local peace and order councils and strict imposition of various anti-crime measures;
 - x. encourage active role of LGUs and communities to have a concerted effort and holistic approach to fight insurgency;
 - xi. enhance the inter-agency legal action group (IALAG) of AFP in coordination with the PNP and other law-enforcement agencies;
 - xii. enjoin the remaining LGUs with un-updated CLUPs to review or update their plans. By 2010, all the municipalities and cities would have completed or updated their respective plans; and,
 - xiii. continue to capacitate LGUs with technical knowledge and skills in order to strengthen them.

8.6 Programs and Projects

8.6.1 Program on Strengthening City Government Structure – an assessment of the relevance of the City Government organizational structure shall form the basis for strengthening. Under the Local Government Code, the City has the autonomy to craft its own organizational structure given certain limitations imposed by the Code and DBM circulars.

8.6.2 Capability Building and Institutional Development Program –

includes the following activities: i) conduct of both in-house and external training seminars for personnel of the City government to make them more effective in their field and consequently advance an efficient and effective bureaucracy; ii) formulation of the City career and human resource development program; and iii) strengthening of the organizational setup and plantilla of positions. In view of the bad governance cultural inroad and the weak cultural defenses as to what should be good governance, trainings and seminars for City officials and employees shall focus on Morals and Values Recovery and Regeneration.

8.6.3 Operational Assessment Project – review of policies or procedures on the provision of services.

8.6.4 Review of Personnel Complement – includes the following activities: i) inventory of plantilla and non-plantilla positions as the basis for personnel management improvement; ii) evaluate individual personnel performance; and iii) formulate/update personnel management manual.

8.6.5 Revenue Generation and Financing Project – includes the following activities: i) creation of task force to identify, review and update local fees and charges; and ii) forging tie-up with agencies of the national government e.g., BIR on increasing tax consciousness/advocacy and, with local and foreign funding institutions.

8.6.6 Strengthening of the City Development Council – a strategic venue for citizen participation in local policy formulation, planning and implementation.

8.6.7 LGU-NGO/PO Linkage Strengthening Program– includes the following activities: i) coordination with local network of federated NGOs or key stakeholders; and ii) and conduct of continuing dialogue with private business groups through the local chamber of commerce to ensure the City government support for business expansion.

8.6.8 Operation of the ELAC System – conduct of regular meetings of the two branches of government i.e., legislative and executive.

8.6.9 Computerization Program - adoption of Information Technology (IT) systems and productivity enhancement schemes in the conduct of the City operations and administration.

8.6.10 Manpower Development (to improve the capacity to implement peace and order programs) – hiring, training and deployment of additional policemen, firemen and citizen volunteers; ii) participation of the community especially in emergency situation shall also be encouraged through information campaign and volunteer trainings.

8.6.11 Equipment/Logistics Enhancement Program – includes the following projects: i) upgrading of facilities and equipment i.e., construction/establishment of two fire stations; ii) acquisition of vehicles (paramedic truck, fire truck ladder, ambulance - 1 each), fire fighting equipment and communication equipment; iii) operationalization of all fire hydrants especially those along highly congested areas; iv) identification of fire lanes; and v) installation of additional fire hydrants.

8.6.12 Improvement of City Hall Project – includes the following activities: i) upgrading of various offices in accordance with existing laws and planning standards; ii) purchase of office equipment e.g., computers, communication gadgets.

8.6.13 Indexing and Monitoring of Various Legislations Passed - The recording of ordinances and resolutions adopted by the Sangguniang Panglungsod (SP) to ensure continuing relevance, complementation and supplementation of local legislations shall assume paramount importance.