London Public Library

REPORT TO THE LIBRARY BOARD
MEETING DATE: JUNE 24, 2010

Session:	Public Session
Subject:	London Public Library Policy Framework - Update
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Presented By:	Margaret Mitchell
Purpose of Report:	For Receipt and Information Only ☑

Recommendation

It is recommended that this report be received.

Issue / Opportunity

The purpose of this report is to:

- Provide background information on London Public Library policy development, 2006-2010;
- Confirm the current policy framework; and
- Identify the status of the policy review and development process.

Background & Review

In 2006, the Library Board approved a board governance model that articulated the roles and responsibilities of the Board, under the authority of the Public Libraries Act, R.S.O. Ch. P.44. Through a series of governance policies, approved in 2006, by the Library Board, the authority, role and responsibility in relationship to the CEO, staff, and operations of the Library were confirmed.   The Board received a discussion paper prepared on *Framework for Library Board Governance* which provided background on the proposed establishment of a Board governance model. (See Appendix 1: *Framework for Library Board Governance: Policy-Focussed Leadership, Discussion Paper*)

In 2006, the Library Board also adopted the Library's Strategic Plan, *Imagine*. The new Library Strategic Plan had a very different focus from the previous plan.   The Plan's

Balanced Score Card formula identified four pillars in a comprehensive strategy map, impacting all services and processes, internal and external, in the Library. The four pillars were identified as:

- Community Perspective;
- Internal Processes;
- Organizational Readiness; and
- Financial Perspective.

Policy, both at the Board and operational levels, needed to be aligned to support the new initiatives within the plan. Governance-based policies were seen as tools that enabled both Board and staff to implement the plan and needed to be formulated to address the related opportunities and challenges.

The new governance policy framework and the new Strategic Plan necessitated a review of current (pre-2006) operations policies of the Library. The process of policy maintenance (pre-2006) at the Library had been inconsistent. While new policies had been developed over the years when required, there were many policies still in place that were outdated or obsolete. The CEO directed Senior Staff to begin a review of these policies with a view to eliminating unnecessary and obsolete policy and ensure that processes were in place to regularly review and update policy at all levels and operations procedures. Supervisors and managers have been engaged in this process since 2006.

Current Policy Framework

Purpose

The purpose of the policy framework is to:

- provide an administrative framework for the management of policies for the LPL; and
- be a foundation in the development of a full on-line records management program for policy document development, retention, replacement and disposition.

Scope

The policy framework includes:

- policy definitions;
- the classification and relationship of policies to one another;
- an inventory of current policies and forecast of policies to be developed in the current period; and
- authority level and review responsibilities.
- timelines for review

Definitions

The following broad policy definitions guide the development of policy:

Governance Policy (GOV-)

Governance policies reflect the unique responsibilities of the Library Board within the organization. These:

- establish the strategic direction of the Library: *eg. Strategic Plan,Planning Cycle, Annual Operating Plan / Budget;*
- determine the delegation of responsibility and defines its relationship with the CEO: eg. P*erformance Evaluation, Authority and Accountability;* and
- establish its own rules of conduct, roles of officers, due diligence, conflict of interest, structure, business practices, legal liabilities, recruitment, etc. By-laws can be included in this area.

Means Policy (MEA-)

Means policies establish how the Library will operate: the means it uses to achieve the results; its values, prudent and ethical behaviours, such as business practices, conflict of interest, intellectual freedom, codes of conduct.

The Board's means policies are foundational in that they advance the vision, mission, values and strategic direction of the Library. These means policies provide high level direction to direct to the services and activities that are represented in the Balanced Scorecard Strategy Map and the LPL Service excellence Model.

Example of means policies include: *Fund Financial Management, Charter of Library Use, Intellectual Freedom, Collections Management, Internet Use.*

Operations Policy

The operations policies are enabling policies in that they provide direction to staff on the provision of services and the various administrative areas of the organization that support the four pillars of the Balanced Scorecard Strategy Map. Operations policies relate directly to the services and operations of the LPL and are usually accompanied by detailed procedures and guidelines. As they related directly to daily operations, the review cycle for these policies is more frequent. eg. *Visiting Library Service Policy, Sharps Disposal, Food & Beverage Consumption.*

Authority Levels for Policy Establishment

Either through direct responsibility or delegation of authority, all policy in the London Public Library is ultimately the responsibility of the Library Board.

Hierarchy of authority levels

- The Board establishes **governance policies** which reflect the unique roles and responsibilities of the Library Board within the organization.

- The Board establishes **means policies** on how the Library will operate.

- The Chief Executive Officer (CEO) establishes **operations policies**

Through its governance policies, the Board delegates to the CEO the authority to be responsible for Library operations and in so doing the establishment of policy.

The authority for policy is with both the Board the CEO and is specifically identified in each policy document.

Review Cycle

Review dates are established for Library policies based on the subject of the policy and the potential impact of a changing service or business environment. The Board is provided with an annual review cycle for Board authority level policies. Recently, the Library Board agreed that a review schedule based on the four year term of the Board would support and enhance its effectiveness.

Managers and staff review operational policies as required by an established cycle.

Status of Policy Review and Development Process

Since the policy framework model was first approved in 2006, the Library Board has reviewed or developed 19 governance and means policies. (See Appendix 2: *Policy Update, 2006 to 2010*)

As part of the process for board means policies, the practice has been developed to bring guiding principles to the Board for approval prior to the introduction of a new policy. The development of policies, such the *Delegation Policy*, *Procurement Policy* and *Strategic Alliances Policy,* has benefitted from this process by ensuring that the Board has an opportunity to consider the formulation of the policy in terms of its alignment with the strategic directions of the Library, before in-depth policy preparation work begins.

Since 2006, the CEO, administrative staff and mangers, with input from supervisors and staff have reviewed and developed over 35 operations policies.

Next Steps

Senior staff will continue the policy and review process over the summer months. At the September 2010 Board meeting, the following reports will be presented:

- A recommendation for the de-accessioning those policies which have been superseded or are outdated.
- A cycle of policy review and development for 2011-2014.

Framework for Library Board Governance:
Policy-Focused Leadership

DISCUSSION PAPER

Purpose

The purpose of this Discussion Paper is to present a proposed board governance model. The London Public Library Board is a Trustee Board created and mandated through provincial legislation. It is a governance Board. As such, its behaviour, by-laws and related policies should reflect this role.   The proposed model clarifies and confirms the authority, role and responsibility of the Board in relationship to staff and provides a framework for the review and development of policy in the London Public Library.

Background: Legislative Context

It is important to recognize the legislative context for the Library Board to ensure that any impact may be accounted for in a governance model. Under the Public Libraries Act, the powers, duties and accountabilities of the Board role are defined in the following areas:

- Govern itself in accordance with the provisions of the Act;
- Make rules about services, including the imposition of fees;
- Appoint the Chief Executive Officer;
- Acquire land, buildings, etc. for new facilities, with the ability to request the issuance of municipal debentures, subject to Council approval;
- Approve and amend budget estimates, for approval by Council;
- Apply expenditures according to estimates although may authorize variations;
- Submit to an annual audit;
- Receive the provincial grant.

Why a Review of the Model Is Important Now

There are a number of factors that support the review, adoption and codification of a governance model for the Library Board:

i) *Organizational Performance:* A well-aligned organization is well-positioned to achieve success. Alignment improves efficiency, effectiveness, communications and accountability at all levels. The need for a thorough policy review at the operational level has been identified as a priority in the strategic plan. As all operational policy should be aligned with broad Board policy, a review must begin at that level. ,A clearly articulated model of Board governance and its relationship to operations will strengthen policy development and application.

ii) *Public Accountability:* The level of accountability for public institutions continues to rise. A review and clarification of responsibilities for board members, the public and staff will assist in meeting this challenge.

iii) *Strategic Plan 2006:* The new Library Strategic Plan has a very different focus from the previous plan. Policy, both at the Board and operational levels, needs to be aligned to support the new initiatives within the plan. Governance-based policies are tools that enable Board and staff to implement the plan and should be formulated to address the related challenges and are the basis of all other policies in the Library.

iv)   *Legislative Changes:*   The Ontario Municipal Act (2003) has brought public libraries under the municipality's responsibility for performance assessment and service development at a very different level than previously with the Public Libraries Act, which focused mainly on financial accountability. Library Boards that have purposeful, clear mandates and function with high degree of accountability in terms of self governance and assessment will be able to withstand any closer scrutiny of the relative independence of the Library Board.

v)   *Board Transition:* Board Membership will likely undergo some changes in early 2007 and beyond. It would be both practical and beneficial to refresh the board governance fundamentals prior to that transition

Moving to a Refreshed Governance Model

Governance

Governance is the exercise of authority, direction and control of an organization in order to ensure its purpose is achieved. It refers to who is in charge of what; who sets the direction and the parameters within which the direction is to be pursued; who makes decisions about what; who sets performance indications, monitors progress and evaluates results; and who is accountable to whom for what. Governance includes the structures, responsibilities and processes the board of an organization uses to direct and manage its general operations. These structures, processes and organizational traditions determine how authority is exercised, how decisions are taken, how stakeholders have their say and how decision-makers are held to account.

To operate successfully in any organization, governance requires a system or process, balancing structure and function. The elements of the structure need to be aligned for effectiveness and efficiency.

The Library Board operates at the highest level in the organization in a governance model. It governs all activities of the Library and exercises this governance responsibility in four very specific ways:

- **The Board formulates policy:** communicating to staff and stakeholders the values and perspectives of the organization and how it should operate

- **The Board practices oversight**: accountability for all aspects of the library system services, operations and business practices

- **The Board makes decisions**: related to responsibilities outlined in the legislation and other foundational areas

- **The Board listens and communicates**: to the community and other stakeholders

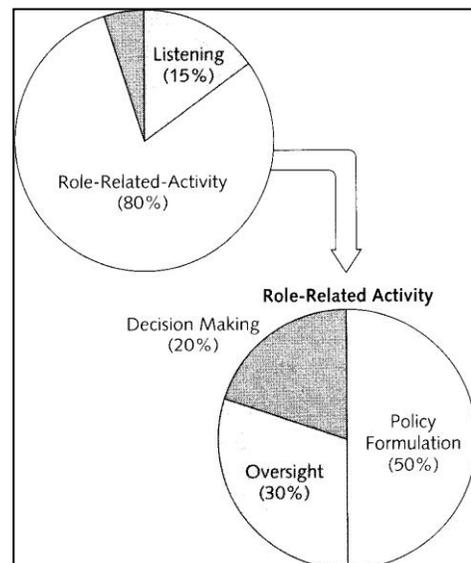The relative importance of these four activities is indicated in the Figure 1.

Figure 1: *Getting to Great* by Dennis D. Pointer et al.

The Board's decision-making and policy development is at a very broad level. It rarely deals with issues directly related to Library operations. By developing broad policies and dealing with only high level decisions, the Board exerts much greater control over the organization as a whole and stipulates a higher level of accountability from the CEO. All other parts of the Library operate within these broad Board decisions and policies.

Policy

Governance is communicated to the organization through policy. It is through this linkage, that the adoption of a governance model has such a profound affect through the organization and why it is so fundamental to a system-wide policy review. This linkage is illustrated in Figure 2.

Policy operates at different levels in an organization. The word, policy, can be used to mean many different things from procedures, guidelines, and policy statements. In it simplest form, at the Board level, it is a broad statement that reflects the values and perspectives of the organization. A Board policy provides context for why the Library is undertaking certain actions.

In all cases, it is the level at which the policy is intended to operate that ultimately defines it as a policy of the Board.

Board policy differs from operations policy not by topics but by levels within topics. Exceptions to this are where the unique board jobs are defined. Policy can be made at the operations level. What is important is that all policies that are in the organization are consonant with the broader policies enunciated by the Board.

Service Excellence

Training & Coaching

Procedures & Guidelines

Operations Policies

Board Policies

Figure 2

Background: Current Board Structure and Evolution

The operations of the London Public Library Board have evolved over time. In the early nineties, the Board was an operations-driven managerial Board. It was during that time that the current policy manual, with its complexities of levels of policy and definitions was formulated to meet very different needs from today.

During the period, 1996-1997, the Library Board undertook a review of its by-laws to update its own operations. Minor amendments have been made since that time. However, the Board's relationship to the organization and a clear mandate, roles and responsibilities in relation to the operations was not documented.

Since 2000, the Library Board has operated much more within a governance model, addressing high level policy, providing oversight and delegating authority for operational matters to the CEO. As this appropriate separation of authority and responsibility successfully evolved, from the operations perspective, the role of the Board in suitable policy development became less clear.

The proposed governance model continues the evolution of the Board's roles and responsibilities and documents its relationship to operations within the context of the new strategic plan and the governing legislation and as a critical element in policy development that supports the operations and services of the Library.

London Public Library Board

Proposed Governance Model Framework

Guiding Principles

The following guiding principles direct the preparation of roles and responsibilities of the Library Board:

The Library Board:
- Bears the ultimate authority and accountability for the organization
- Employs a coherent set of policies to enable governance
- Represents the stakeholders and understands their interests and expectations
- Understands the functions if must perform to meet its obligations: policy formulation, decision-making, oversight
- Fulfills its responsibility for determining the organizations ends
- Delegates the development of organizational strategies to management
- Defines its relationship with the CEO
- Is responsible and accountable for itself – its own effectiveness, efficiency and creativity
- Makes decisions only regarding matters that require its attention and input
- Acts only collectively, never individually
- Recognizes the importance of governance structure and regularly assesses and modifies it to achieve the ends
- Engages in periodic scheduled self-assessment

Governance Roles and Policies

Governance roles and policies reflect the unique responsibilities of the Library Board within the organization. There are four specific kinds of governance roles and policies:

- **Ends Policy**

The Board establishes the strategic direction of the Library: what the Library should be achieving, what the impact of the Library should be in the community, what its reason for being is.
> *Example:* *Strategic Plan*
> *Planning Cycle*
> *Annual Operating Plan / Budget*

- **Means Policy**

The Board establishes how the Library will operate: the means it uses to achieve the results; its values, prudent and ethical behaviours, such as business practices, conflict of interest, intellectual freedom, codes of conduct.
> *Example:* *Code of Conduct*
> *Conflict of Interest*
> *Corporate Compliance*

- **Limitations of Executive Power Policy**

The Board determines the delegation of responsibility and defines its relationship with the CEO: the appointment of the CEO, evaluation of performance, the definition of limits of decision-making, responsibility, levels of financial authority and accountability
> *Examples:* *Performance Evaluation*
> *Authority and Accountability*

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- **Board Operations and Activities**

The Board establishes its own rules of conduct, roles of officers, due diligence, conflict of interest, structure, business practices, legal liabilities, recruitment, self-assessment practices, its annual action plan, the development of agendas, etc. By-laws can be included in this area.

The Board spends considerable time on its oversight responsibilities and develops policies and procedures related to its responsibilities in this area.

Examples: *Board Structure*
By-Laws
Orientation and Development of Members
Agendas, Board Action Plan, Evaluation Tools

Foundational Roles and Policies

Foundational roles and policies reflect the responsibilities that the Library Board shares with Administration and Staff in the delivery of Library services to the community.   These foundational policies advance the Strategic Plan in a number of key areas and should be reviewed continuously in the context:

- **Customer Focus**

The Board establishes policies that enable community representation to the Board, ensures excellence in community and customer relations and provides for an advocacy role on behalf of the Library. The Board ensures community participation in planning and service development. The Board ensures that the interests of external stakeholders, including City Council, are represented in the development and delivery of Library services.

Examples: *Community Representation and Advocacy*
Delegations to the Board
Public Participation Meetings
Complaints Review Process

- **Internal Processes Focus**

The Board establishes policies that direct and/or support the internal operational processes. The Board establishes broad policies in the areas of risk management, legal liability, financial accountability, etc.

Examples: *Risk Management*
Oversight, Critical Transition Phases

- **Growth and Development Focus**

The Board establishes policies that support staff development, direct broad compensation policies, etc.

Examples: *Human Resource Stewardship*

- **Financial Focus**

The Board ensures through policy its overall role in financial stewardship and the accountability of the CEO in these matters. The Board prepares policy related to budget development and approves the operating and capital budgets, ensuring alignment with the overall strategic plan.

Examples: *Financial Stewardship*
Performance Monitoring and Accountability
Operating and Capital Budget Development Guidelines

Implementation of Model

The following implementation schedule includes the governance model and the policy review and development project. The governance model must be fairly complete before the redevelopment of policy can occur in order to provide a context within which to work.

Library Board Governance Model and Policy Development Implementation Schedule		
Process Step	Responsibility	Timeline
Refinement of Model	Admin/ Bd Jt. Cttee	April 18, 2006
Adoption of Governance Model	Board	April 26, 2006
Develop governance policies	Admin	April – June 2006
Begin Policy Review Project		
• Orientation of Staff to model and process	Admin	May 29, 2006
• Prepare inventory of all existing policies	Project staff	May- August 2006
• Develop template for policies, procedures, guidelines	Project staff	June 2006
• Develop list of needed policies	Project staff	Sept 2006
• Identify and prepare Board foundational policies related to specific responsibilities: legal, finance, HR, community	Project staff/senior team	June-Aug 2006
• Develop hierarchy of related operations policies	Staff/project staff/ Senior Team	Nov 24, 2006
• Establish schedule and process for complete policy, procedure re-development	Project Staff/Senior Team	Sept 15, 2006
Complete Board By-law review and revisions	Legal Counsel/Admin	Sept 15, 2006
Board adopts governance policies and by-laws	Board	Sept 27, 2006
Review and re-develop procedures, templates etc. for Board: agenda, annual work plan, performance assessment tool, orientation program, etc.	Board/Admin	Oct 1, 2006
Board adopts its procedures, etc.	Board	Nov 25, 2006
Board adopts foundational policies	Board	Nov 25, 2006
Operations policy re-development	Admin/Staff	Oct 2000-June 2007

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Pointer, Dennis D and James E. Orlikoff. **Getting to Great.** San Francisco: Jossey-Bass Publishers, 2002.

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Municipal Act

London Public Library Board
Governance and Means Polices Developed and Reviewed
2006 - 2010

Governance Policies:

G1 Ends Policy	October 26, 2006
G2 Board CEO Linkage	October 26, 2006
G3 Executive Limitations	October 26, 2006
G4 Governance Processes	October 26, 2006

Means Policies:

Intellectual Freedom	January 17, 2007
Authority for the Summer	February 21, 2007
Diversity Policy	February 21, 2007
Friends of the London Public Library	February 21, 2007
Race Relations	February 21, 2007
Fund Financial Management	February 21, 2007
Business Continuity Plan	April 16, 2008
Internet Service Policy	November 19, 2008
Delegation Policy	November 19, 2008
Accessibility for Users with Disabilities	January 22, 2009
Computer Use Policy	January 22, 2009
Procurement Policy	April 23, 2009
Access to Information and Privacy Policy	February 18, 2010
Strategic Alliances Policy	March 25, 2010
Collections Management Policy	April 22, 2010