

# REALISING THE POTENTIAL OF THE COMMUNITY OUTCOMES PROCESS

---

A report prepared to assist local authorities and other agencies use the community outcomes process to achieve sustainable improvements in community well-being

---

Prepared by  
McKinlay Douglas Limited  
for  
*Local Government New Zealand*

December 2004

## Preface

What is good local government? This is a question that those of us who work in the sector, whether elected or appointed officials ponder over frequently. Is a good council one that keeps costs to a minimum? Is a good council one that ensures its services meet an acceptable level of quality and effective provision? Is a good council a council that avoids risks or just the opposite?

Whatever our answer to these questions most people agree that good councils will always have a sense of where they are going, the needs and aspirations of their communities and an understanding of the capacity of their organisations to lead and implement change.

The Local Government Act 2002 has provided a legislative framework that requires councils to undertake a form of community strategic planning in a manner that involves communities directly as well as organisations, government departments and other agencies able to influence outcomes at the local and regional level. This mandate has put councils in the position of facilitator in a process that sets direction, allows communities to articulate their future outcomes visions and enables agencies to work together in order to achieve those outcomes.

What does it all mean and how will this enhance community well being? To answer this question *Local Government New Zealand* with the support of a number of councils and government departments commissioned this paper to assist councils and their communities get the most out of the “community outcomes process”.

*Realising the Potential of the Community Outcomes Process* is an important report. We hope that it will encourage all local authorities and other interested parties to look closely at their community outcomes process with a view to considering how to get the best for their communities from the time and resources they will be committing to the process.

This report outlines framework to assist councils in their thinking around the design and implementation of the community outcomes process. It signals *Local Government New Zealand's* commitment to assisting local authorities meet the challenge of achieving good governance in the 21<sup>st</sup> century.

Basil Morrison  
President  
*Local Government New Zealand*

# Contents

	<i>Page</i>
1. Introduction	1
Overview Of Report's Findings.....	5
The Layout Of The Report.....	6
2. What We Did	8
3. Context	10
4. Legislation	12
5. The Government's Role	18
DIA.....	18
Tertiary Education.....	20
Social Development.....	21
Community Development.....	22
Regional Economic Development.....	24
Ageing Policy.....	26
Some Cautionary Comments.....	27
6. Local Authority Practice	28
7. Regional And Local	32
International Experience.....	32
England.....	32
The European Union: Subsidiarity.....	33
Addressing the Three Questions.....	35
What Approach Should be Used to Determine What Outcomes are Described at a Regional Level and What Outcomes are Described as a City/District Level?.....	35
What approach should be used to determine what outcomes are primarily contributed to by regional councils, city/district councils, central government and the community sector respectively?.....	39
What approach should be taken by regional councils and city/district councils respectively concerning engaging with central government on community outcome identification and monitoring processes?.....	41
Good Practice Suggestions.....	42
8. From Consultation to Strategic Planning	44
The Community As A Planning Entity.....	47
Preconditions.....	49
Stakeholders.....	52
Business.....	52
The Voluntary/Community Sector.....	55
Central Government.....	56
Tangata Whenua.....	57
"Public" Trusts.....	58
Incentives for Engagement.....	59
Tertiary Education.....	59
Economic Development.....	60
Health.....	61
Ageing.....	61
Other Possibilities.....	62
Generally.....	62
Who should lead?.....	62
9. Conclusion	65

APPENDIX 1: Context	67
Changing International Practice .....	67
Changing Views of the Region/Locality .....	67
Governance Changes .....	70
The Government's Apparent Intention .....	77
Outcomes In A Public Management Context .....	81
Quality Of Information .....	82
Extract From Uk Legislation .....	83
APPENDIX 2: Examples from Overseas Experience .....	86
England and Wales .....	86
Glossary .....	92
Pooling Resources: Key Findings .....	93
Australia .....	95
Waverley .....	96
Blue Mountains .....	101
Penrith City Council .....	104
APPENDIX 3: Extracts from Regional Partnerships Programme Review .....	108
References	11091317043 \h 115
References	110

---

# 1. Introduction

---

This report has its origins in a proposal prepared by McKinlay Douglas Limited (MDL) for Local Government New Zealand in April 2004.

That proposal drew on a number of sources including experience with the first round of long term council community plans (LTCCPs), the growing statutory and non-statutory emphasis, internationally, on the role of local authorities in planning for the future of their communities, extensive international research on the changing relationship between central government and other tiers of government (depending on the jurisdiction; state, provincial, regional, local) and the New Zealand government's own emphasis on the need for greater co-operation/collaboration<sup>1</sup> between its own departments and agencies and regional and local New Zealand.

The proposal focused on the potential of the community outcomes process to enable what it described as community based strategic planning and envisaged outputs that would include:

- A proposed template for the use of the community outcomes process as the basis for community strategic planning.
- Suggested processes/strategies for identifying and engaging the "other organisations and groups" whose involvement was contemplated by the legislation.

Strategic planning, as a discipline, has a somewhat chequered history. Too often, it has been practised as though it were a means of identifying the "one right way" of managing in a certain and stable environment, rather than as a way of thinking that allows an organisation (or an individual) to optimise outcomes in an uncertain environment.

Strategic planning, though, to be effective needs to be more than a combination of vision, aspiration, and the ability to respond innovatively to (or anticipate) changing circumstances. To be effective, it also needs clear statements of objectives that will represent achieving the vision, of the strategies to realise those objectives and the actions which will implement the strategies. It requires also adequate monitoring and reporting. To put it another way, strategic planning includes recording and communicating and therefore involves process.

This is particularly the case when the whole community is involved as, of necessity, there can be no assumption of a common shared vision, set of preferences, or objectives as there might be in a single organisation with its own organisational culture and history.

What then do we mean by community based strategic planning? The best available description, in a local government context, is from the guidelines issued by the Secretary of State for Local Government

---

<sup>1</sup> One person who reviewed this report in draft commented on the reference to co-operation/collaboration that a number of readers were likely to see this as more in the nature of an ideological invocation than a practical approach with the potential to produce real benefits exceeding the costs that would be undoubtedly involved. Evidence suggests that taking a regional/local approach to co-operation/collaboration can and does produce benefits that exceed the costs. Appendix 2 quotes the key findings from a recent evaluation of benefits from co-operation/collaboration through local strategic partnerships for the health sector in England and Wales. The findings are clearly positive. There is no a priori reason to believe that experience in New Zealand would be significantly different.

to English and Welsh local authorities on the preparation of community strategies as required by their Local Government Act 2000.

Those guidelines set out the aims and objectives of a community strategy as:

“A community strategy should aim to enhance the quality of life of local communities and contribute to the achievement of sustainable development in the UK through action to improve the economic, social and environmental well-being of the area and its inhabitants.

“If this aim is to be realised, a community strategy will have to meet four objectives. It must:

- Allow local communities (based upon geography and/or interest) to articulate their aspirations, needs and priorities;
- Co-ordinate the actions of the council, and of the public, private, voluntary and community organisations that operate locally;
- Focus and shape existing and future activity of those organisations so that they effectively meet community needs and aspirations; and
- Contribute to the achievement of sustainable development both locally and more widely, with local goals and priorities relating, where appropriate, to regional, national and even global aims.

“A community strategy must have four key components:

- A long-term vision for the area focusing on the outcomes that are to be achieved;
- An action plan identifying shorter-term priorities and activities that will contribute to the achievement of long-term outcomes;
- A shared commitment to implement the action plan and proposals for doing so;
- Arrangements for monitoring the implementation of the action plan, for periodically reviewing the community strategy, and for reporting progress to local communities.<sup>2</sup>”

In this report, the expression “community based strategic planning” will be understood as generally following the UK description but with one principal qualification. The UK guidelines are written as though a community may have a single vision, there will be a single action plan focused on all of the objectives inherent in the strategy, and action will proceed on all fronts. Experience shows that, in practice, the achievement of a single vision is possible only at a meta-level; as soon as it starts being reduced to the more practical level, visions will differ. The issue for any community is to minimise the incompatibility of different visions and arrive at a shared general direction that can accommodate those. Similarly, practical experience suggests that, rather than trying to act on all fronts at once, people will want to focus on one or a few areas, typically those that appear likely to do one or both of two things - deliver immediate benefits, and achieve a quantum shift in the level of wellbeing.

The project has been undertaken in a quite rapidly changing environment. First, central government itself has been firming up on the role of the outcomes process as a tool for promoting central government/local government collaboration (and for that matter collaboration amongst central government agencies that themselves deliver services at a local or regional level).

Next, many councils have themselves been focused on how best to work with the community outcomes process and to use it strategically.

---

<sup>2</sup> Department of the Environment, Transport and the Regions (2000) p3-4

All this has taken place in an environment in which there is a growing awareness that the outcomes process is much more than just another planning tool, or means of compliance, designed to increase local government's accountability to its communities, or the quality of financial and asset management. Increasingly, people working with the community outcomes process are recognising that, almost uniquely amongst the many changes that have taken place in local government legislation since 1989, it represents a genuine opportunity for a qualitative shift in the way New Zealand's communities are governed.

As one example, we have found through the project a realisation that the kind of collaboration the community outcomes process can enable should result in a marked improvement in the prospects for economic growth. The logic is not hard to find. At the heart of the community outcomes process is better collaboration/co-operation in the use of the community's resources, and those resources deployed within the community by outside stakeholders (for example government agencies). It is not necessary to look very far to see the extent to which under-utilisation of resources, frictions within local systems, and quite often simple ignorance of the potential that different stakeholders have to work together can be seen to have held back economic and, for that matter, social development.

This has given the project a very particular flavour. Although, of necessity, it is partly concerned with the intricacies of legislation and means of compliance, its major focus is on the very real opportunities that exist and how best to realise them.

What has become clear, as the project has evolved, is that the way local authorities are responding to the outcomes process varies quite widely. This is partly a function of the legislation itself, and partly a function of different approaches within individual councils.

First, the way the legislation is worded enables formal compliance with the LTCCP process without taking any steps to use it strategically or changing the way in which the council works with other stakeholders in its community. Next, the ability to take advantage of the legislation as enabling community based strategic planning is also very much a function of local capability and capacity - and this does vary.

This background has influenced the way this report is focused. It does not argue that every local authority should be required to treat the outcomes process as enabling community based strategic planning. Instead, it argues that the legislation provides an opportunity that can be taken up on the initiative of councils (either regional or local) or on the initiative of significant stakeholders, including ones from the private and voluntary/community sectors or Iwi.

Against this background, the focus of the report is on good practice for councils and stakeholders that wish to use the legislation as an opportunity for community based strategic planning.

The lead client for the project was Local Government New Zealand. Co-funding partners included Environment Bay of Plenty, Kapiti Coast, New Plymouth, Rodney and Wanganui District Councils, the Department of Internal Affairs, the Ministry of Culture and Heritage, the Ministry for the Environment, the Ministry of Economic Development, the Ministry of Social Development and Te Puni Kokiri.

The project was supervised by an overview committee chaired by Peter Tennent, the mayor of New Plymouth District Council, and including representatives of the Rodney District Council, the Office of the Auditor General, the Department of Prime Minister and Cabinet, the Department of Internal Affairs, The New Zealand Chambers of Commerce and Industry and Te Puni Kokiri.

The overview committee, both as a body, and as individuals, played an important role in the development of the report acting as a sounding board, a source of ideas and an important part of the project's quality assurance processes.

As well as considering the terms of the legislation and current practice, the project has placed a considerable emphasis on putting the new legislation in context covering:

- Developments in local government legislation since 1989, including the growing emphasis on robust long term planning.
- Changes in New Zealand government policy and practice.
- International experience - this has included quite extensive scoping of international research and practice, drawing on the closest statutory parallel to the New Zealand community outcomes process, community planning and the associated requirement for local strategic partnerships in England and Wales. It has also drawn extensively on Australian experience, including consultations in Australia with the UTS Centre for Local Government and three Sydney based local authorities recognised for their innovative approach to community planning, the Cities of Penrith, Blue Mountains and Waverley.
- The methodology has also included a quite highly interactive approach, with extensive exchanges between the project team, local authorities (both the co-funders and selected non-funders) and with a range of government agencies and national organisations representative of both the voluntary/community sector and the business sector.
- The potential for the outcomes process as a means for reflecting the aspirations of Iwi.

The opportunity to consider practice in different jurisdictions has helped sharpen the focus on both the nature and the importance of community based strategic planning. The three principal jurisdictions considered, England and Wales, Australia (especially New South Wales) and New Zealand each have quite different statutory frameworks but each, in terms of practice, seems to be gravitating towards a broadly similar approach and a growing recognition of the pivotal role of community based strategic planning not just as a means of identifying the community's preferences but, crucially, the appropriate means for enabling the delivery of what the community seeks (within resource constraints and the particular circumstances of each community).

In England and Wales, the development of a community plan is a statutory obligation. The means for doing so are quite tightly prescribed through directions from the Secretary of State for local government which require the establishment of local strategic partnerships, incorporating a wide range of stakeholders, as the means through which the community plan is to be developed.

In Australia, there is no statutory requirement for the development of a strategic plan but there are a number of specific planning requirements. New South Wales councils have statutory obligations to prepare an environmental plan and a separate social/community plan. Despite the lack of any statutory obligation, a number of councils have adopted a form of community based strategic planning as the principal focus for the way the council conducts its own business, relates to its communities, and represents the interests of its communities to other stakeholders, both government and non government.

In New Zealand, as we shall see, views differ on whether the community outcomes process is intended to be strategic planning. Feedback in the course of this project has ranged from a comment from one central government official, now strongly supportive of the project, who, when it was first being considered thought it was totally unnecessary because it was so clear that the legislation required strategic planning, to a local authority chief executive who is adamant that "I cannot support your view that there are sufficient indications in the legislation to make it clear that the intention is to establish a

strategic planning process. I believe that the circumstances and environment in which the legislation was promulgated would indicate a different direction”.

Regardless of the starting point, what now seems to be happening is that at least some councils are now recognising that if any sense is to be made of community outcomes, then a strategic planning process is essential - without it, there is no means of determining what should be done, by whom or how to achieve the desired outcomes.

Another factor is also at work. There is a growing recognition that strategic planning is virtually a pre-requisite for those councils (communities) that want to improve access to or use of resources controlled by others (government or non government), or who want a better sense of direction for their community.

## OVERVIEW OF REPORT'S FINDINGS

The principal findings in this report are:

- The increased emphasis on the region/locality as the focal point for planning the future of communities reflects a general trend worldwide.
- The government's intention in enacting the community outcomes provisions in LGA 2002 was to enable a strategic planning approach with an emphasis on greater collaboration/co-operation - between central government and local government, between the public, private and voluntary/community sectors, and with lwi.
- Understandings of this vary considerably not just in the wider community but within local government itself.
- Despite both clear international trends, and the intention behind the legislation, using the community outcomes process to enable community based strategic planning remains a matter of voluntary choice by local authorities, and key stakeholders, and not something that can be compelled through compliance requirements.
- The potential gains from the effective use of the community outcomes process are very significant and will come at two levels:
  - Better co-operation/collaboration between existing stakeholders in terms of current programmes, mandates and activity.
  - The potential for strategic break throughs as the outcomes process provides opportunity for new dialogue and insights coming, as much as anything, from different combinations of information, experience and capability than are currently available.
- Although local authorities have discretion as to the process they adopt, for those that wish to take advantage of the potential of the community outcomes process, there are some common objectives that should be shared:
  - The process will work best when it secures the understanding and commitment of key stakeholders.
  - This cannot simply be assumed; long held misunderstandings between sectors such as local government and business will need to be overcome (We encountered promising signs that this can be achieved).
  - To do this, local authorities should treat the adoption of their community outcomes process as the tool they use to secure the engagement of key stakeholders - and this will almost certainly require a measure of working one-on-one rather than solely through a single stakeholders' meeting or mailout.
- Local authorities (and central government) need to recognise and deal with a number of practical issues, among them the limited capability/capacity of many stakeholders including business, the voluntary/community sector and lwi, the different mandates and jurisdiction of

public sector entities, the very real cultural and organisational difficulties of genuinely standing back and treating the outcomes as community outcomes rather than those of local government and the need for consistency and commitment.

- There is a leadership opportunity for stakeholder groups themselves. Although limited resources may make this difficult, there is a strong case for peak organisations in the business and voluntary/community sectors investing the time and resource needed to understand the process and the potential it offers, working with the local government sector (primarily through Local Government New Zealand) and government, where appropriate, to consider how best to enable effective engagement at a local/regional level (which may include the need for some public sector resourcing) and to reach a shared understanding of the purpose and potential of the outcomes process.
- One particular opportunity, in terms of providing a business voice in the outcomes process, is for economic development agencies to have as part of their mandate, being expected to provide a business perspective (a practice which is already established within some regions).
- There are emerging signs of business organisations showing a strong interest in becoming involved, especially in areas where the interests of business and of the wider community are in line one with another.
- The prospects of the outcomes process realising its full potential will be enhanced if stakeholders can see the potential for real gains, and preferably sooner rather than later. Central government has a very real opportunity to contribute to this by encouraging its agencies to use the outcomes process in areas where there are particular needs or opportunities within the mandate they hold. There is obvious potential in policy areas such as tertiary education, positive ageing policy, economic development, social development and housing to name but a few.
- The answer to the question of who should lead the outcomes process may not always be local government - the Act is silent on this. In almost all cases councils will act as leaders but, in deciding whether to do so they should be particularly sensitive to the community's expectations of how the process will operate, what its scope will be and with as good as possible an understanding of where relative capabilities, resources and knowledge rest within the community.
- Finally, if the community outcomes process is to realise its potential, all participants will need to focus on ensuring that, whatever process they use, it:
  - Enables strategic thinking rather than inhibits it through an over-emphasis on process.
  - Emphasises that the process belongs to the community, and not to any one stakeholder or group of stakeholders.
  - Accepts that, whilst improving "business as usual" is an important part of the outcomes process, the real gains will come as it enables strategic breakthroughs - quantum shifts in performance in promoting one or more of economic, social, environmental and cultural wellbeing.

## THE LAYOUT OF THE REPORT

The rest of this report covers the following matters:

- What we did - an overview of the research, consultation and analysis we undertook in preparing the report.
- Context - emerging international practice in local authority led strategic planning, the intention behind the legislation (what was government seeking to achieve), outcomes in a public management context, and ongoing concerns regarding the quality of the information used by councils as the basis for long term planning.

- The legislation - an analysis of the community outcomes and related provisions of LGA 2002 from a strategic planning perspective.
- The government role - how is central government as an entity, and government agencies as instrumentalities, responding to and seeking to work with the legislation.
- Local authority practice - what can be learnt from the first round of long term council community plans (LTCCPs) and the steps local authorities undertook to identify community outcomes in the lead up to preparing those LTCCPs.
- Regional and local - a reflection on the fact that LGA 2002 requires both regional councils and territorial local authorities to identify community outcomes.
- From consultation to strategic planning. This is the substantive part of the report, considering both the potential for community based strategic planning and providing some recommendations for enabling that process.

---

## 2. What We Did

---

Our approach to this project recognised that both the significance and the role of the community outcomes process could only be assessed by placing it in context including:

- Changing understandings, internationally, of the role of local government and local governance.
- The series of reforms that had taken place within New Zealand local government since 1989.
- Central government's own objectives.

Accordingly, we took a broad approach to placing the community outcomes process in context. This included:

- Using the Internet to identify current trends and research on the changing role of local government and local governance.
- Reviewing developments in local government jurisdictions with similarities to New Zealand, primarily England and Wales, and Australia. For England and Wales, we relied on Internet searching. For Australia, we supplemented this with discussions with key local government figures and a visit to Sydney for discussions with the UTS Centre for Local Government (whose director has played a central role in the development of local government based strategic planning since the original Integrated Local Area Planning (ILAP) initiative of the early 1990s discussed below) and with three different councils recognised for the innovative nature of their work on community based strategic planning.
- Reviewing the background to the current legislation including ministerial statements, discussions with officials and others who had been involved with the drafting of LGA 2002, analysis of currently evolving government policy on engagement with local government and a series of meetings and other exchanges with officials from individual government departments and entities themselves considering how best to work with local government in the context of the new provisions.

In addition to this, we reviewed emerging practice. This included considering the experience of individual councils in developing their first LTCCPs - what they did under the transitional provisions of the legislation to identify community outcomes. Sources included a report prepared for Local Government New Zealand, a sample of LTCCPs and entries in the SOLGM/New Zealand Post management awards, as well as meetings with the councils involved in co-funding the project and quite extensive discussions and other exchanges with them.

Crucially, we also analysed the relevant provisions of LGA 2002 seeking to consider what the legislation required of local authorities. This included consideration of advice on the community outcomes process contained in the KNOWHOW Guide to Decision-Making Under the Local Government Act 2002.

The work on the project was significantly assisted by input from the overview committee, both as a body and as individuals and by an intensive and ongoing series of exchanges with Local Government New Zealand and selected central government officials.

The project also benefited from discussions and meetings with a number of national level stakeholders including the Federation of Voluntary Welfare Organisations, the New Zealand Council of Social Services and a number of organisations representing the business community.

Finally, the work on the project was also assisted by discussions with people involved in the management of a number of Iwi based organisations. This provided a particularly useful perspective on the potential for the community outcomes process as a means for engagement between local government and Tangata Whenua.

---

## 3. Context

---

LGA 2002 was enacted in a context which included significant changes in international understanding of the role of local government and its relationship with other stakeholders (both government and non-government), of the New Zealand government's own approach, including the new emphasis on managing for outcomes, and of concerns regarding the quality of information on which long term planning had been based.

Appendix 1: Context covers these matters in detail. Here we simply highlight the main points:

- Internationally, the region/locality is increasingly seen as the point at which decisions about how best to develop and enable service delivery should be made. In the complex nature of modern societies, and the interventions that central governments seek, it is local networks, information, circumstances and capabilities that play the major role so that this is the level at which central government needs to engage. Both international practice - for example in England and Wales and in Australia - and research by bodies such as the Organisation for Economic Co-operation and Development (OECD) bear this out.
- In a globalising world, it is the region - specifically the city/region - which is increasingly the focal point for international economic relationships, rather than the nation state itself.
- Increasingly, New Zealand's government in the design of its policy initiatives recognises the importance of these shifts. Examples include the regional partnerships programme for economic development, the increasing emphasis within the Ministry of Social Development on regional social development and the regional emphasis in tertiary education strategy.
- Along with these changes, there has been a shift within central government to a focus on managing for outcomes, rather than on purchasing outputs from departments. One aspect of this is an increasing emphasis on collaboration between government departments and agencies in delivering the outcomes the government seeks - something that often means collaboration at a regional/local level.
- One element in the debate on local government reform over the past decade has been the need for better quality information for long term planning. In 1996 when government substantially rewrote the financial accountability requirements for local government, there was an extensive debate on whether local authorities should be required to produce strategic plans for their communities. The argument for doing so was that, as most local authority expenditure goes to support activity undertaken by others, unless the local authority has good information on what is going to happen in its community over the planning period, its own financial forecasts (of both capital and operating expenditure) may not be reliable. At the time, it was decided not to impose such a requirement. There are elements in LGA 2002 which are clearly intended to fill the gap left by that decision (such as the requirement for an audit report in the LTCCP on the quality of the information and assumptions underlying the forecast information provided in the plan).

The best statement we have found of how these various influences (or their equivalents) impact at a local government level is in a briefing note prepared for the Penrith City Council in Western Sydney by its senior management as part of that council's strategic planning process.

"Governance models for local jurisdictions is a contemporary public sector topic. Five years ago there was an accent on "efficient and effective" programme delivery. National competition policy, best value, balanced scorecard et al were the current terms. Inherent in this was a focus on how well organisations carried out their assigned function. More recently there has

been debate on who does what. Subsidiarity (things being done by those close to the point of delivery) cost shifting and unfunded mandates, delegation of functions without resourcing them are high on the local government agenda.

“A broader agenda now discusses governance around the theme of collaboration and engagement which involves the idea of seamless delivery across jurisdictions and interagency collaboration around objectives rather than independent actions around programme jurisdiction. This emerged as a major theme in recent Sydney Futures forums and also in David Bragdon’s discussion of regional governance.

“Discussion continues on the idea that successful places are those that can combine the energies and intellect of their institutions, be they government, academic, social or economic and clearly that has implications for local area leadership and partnership development.<sup>3</sup>”

---

<sup>3</sup> Penrith City Council (2004b) p2

---

## 4. Legislation

---

In this section we consider the terms of LGA 2002 and the extent to which they indicate an intention that the community outcomes/LTCCP process enable community based strategic planning (that is, strategic planning focused on the future direction of the community).

We start with a preliminary point; the term “community” is capable of a number of different meanings. Not infrequently, it can be used as though it was intended to encompass primarily those individuals who are relatively disadvantaged in terms of access to income, goods and services, and other essentials for leading a decent life.

No such connotation is intended by the use of the word community within the Local Government Act. Although there is no explicit definition, the only sensible meaning that can be attributed to the term “community” is all those persons, activities and interests encompassed within the boundary of the district or region for which the local authority is responsible.

The crucial provision in the legislation is obviously section 91 which sets out the requirements for identifying community outcomes in the following terms:

**“Section 91: Process for identifying community outcomes**

- (1) A local authority must, not less than once every 6 years, carry out a process to identify community outcomes for the intermediate and long-term future of its district or region.
- (2) The purposes of the identification of community outcomes are:
  - (a) To provide opportunities for communities to discuss their desired outcomes in terms of the present and future social, economic, environmental, and cultural wellbeing of the community; and
  - (b) To allow communities to discuss the relative importance and priorities of identified outcomes to the present and future social, economic, environmental, and cultural wellbeing of the community; and
  - (c) To provide scope to measure progress towards the achievement of community outcomes; and
  - (d) To promote the better co-ordination and application of community resources; and
  - (e) To inform and guide the setting of priorities in relation to the activities of the local authority and other organisations.
- (3) A local authority may decide for itself the process that it is to use to facilitate the identification of community outcomes under subsection (1), but the local authority:
  - (a) Must, before finally deciding on that process, take steps:
    - (i) To identify, so far as practicable, other organisations and groups capable of influencing either the identification or the promotion of community outcomes; and
    - (ii) To secure, if practicable, the agreement of those organisations and groups to the process and to the relationship of the process to any existing and related plans; and

- (b) Must ensure that the process encourages the public to contribute to the identification of community outcomes.<sup>4</sup>

In understanding the intent of the section, it is important to recognise that it has been drafted to give local authorities considerable discretion in terms of the process they adopt. Accordingly, the section does not prescribe either the process itself, or the relationship between outcomes and the steps necessary to realise (or even identify) the community's outcomes.

This is consistent with the practice of successive New Zealand governments of not providing prescriptive guidance for local government on how to comply with the requirements of the legislation under which it operates.

In the case of LGA 2002, this gap has been partly filled by the KNOWHOW project which does provide some useful commentary on the outcomes process, together with suggestions of how the process might be applied.

This includes something missing from the legislation itself; a suggested definition of an outcome. An outcome "is the end result that is desired from engaging in an activity"<sup>5</sup>.

Of itself, this description is consistent with conventional strategic planning, the focus of which is on the interplay between desired outcomes, the objectives, strategies and actions required to realise those, and the resources, capabilities, constraints and opportunities that need to be taken into account in determining how best (and indeed if it is possible) to achieve the desired outcomes. The KNOWHOW Guide does not, however, put as much emphasis on the relationship between outcomes, and the strategies and actions required to achieve them (including issues of resource allocation and priority) as would normally be expected in describing a strategic planning process. In contrast, this report takes the perspective that the outcomes and the steps involved in achieving them are so closely interconnected that their interconnection needs to be a primary consideration the local authority has in mind when determining its process for identifying community outcomes, if it wishes to make the most of the opportunity that the process presents.

There are strong elements of this understanding in the wording of section 91 itself, especially in sub-section 2 which states the purposes of the identification of community outcomes.

The sub-section makes it clear that the purpose of the outcomes process is not simply to identify community preferences in the abstract. Instead, the subsection makes it clear that the purpose of the process includes:

- Community discussion of the relative importance and priority of different outcomes.
- Promoting better co-ordination and application of community resources.
- Informing and guiding the setting of priorities in relation to the activities of the local authority **and other organisations** (emphasis added).

There is a clear emphasis on a "whole of community" approach involving all of those capable of having an impact on the community's future direction.

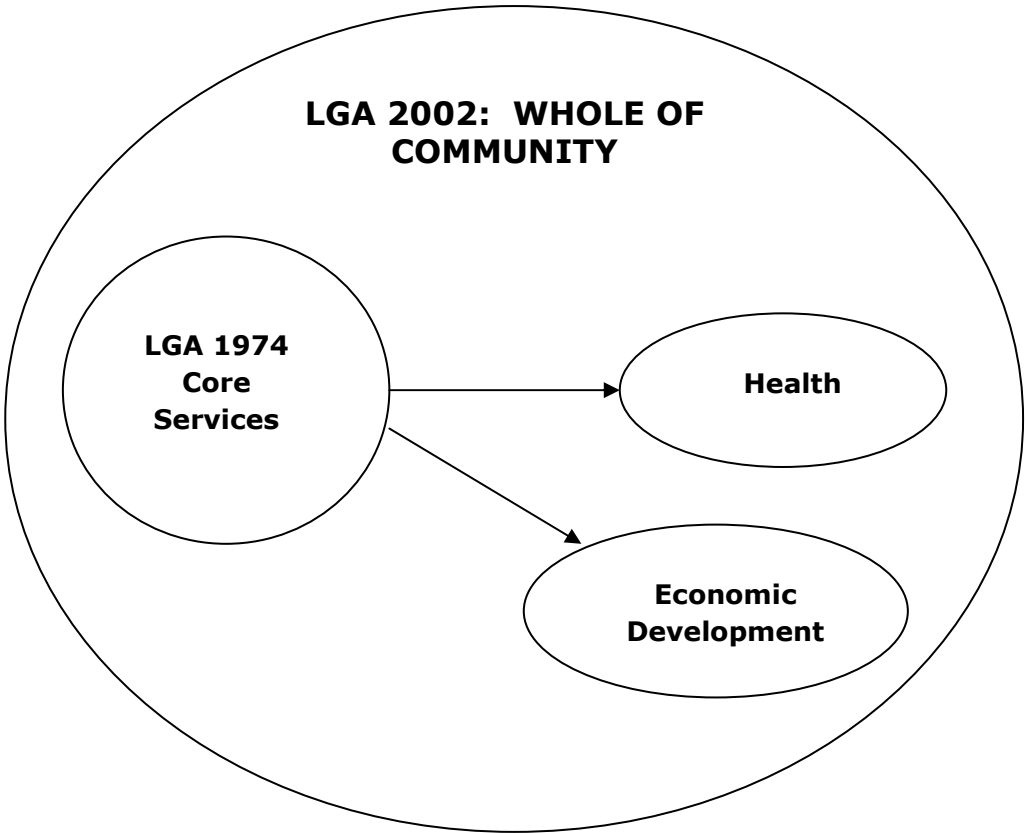
This is a fundamental shift from conventional local authority planning and consultation.

---

<sup>4</sup> Local Government Act (2002) s91

<sup>5</sup> Local Government New Zealand (2003a) p33

The shift can be represented diagrammatically as follows:



Under LGA 1974, the core business of local authorities was primarily concerned with the provision of infrastructure, arts culture and recreation facilities and services and regulation (such as land use planning, health and building controls). There were some forays outside this range. As examples, many councils have been involved in research and advocacy on health related issues and most take an active interest in economic development. However, under LGA 1974 it was generally seen as being outside the scope of local government to be a significant player, either as a provider of services, or as a significant researcher/advocate on behalf of its communities in either major areas of social service provision and delivery or in business investment and development.

The crucial issue in interpretation of the community outcomes provisions of LGA 2002 is the extent to which local authorities themselves, and those with whom they work, regard the process as simply an extension of conventional local authority practice (recognising that, in recent years, many local authorities have prepared what have been described as strategic plans) or whether it should be seen as enabling a fundamentally different approach.

The KNOWHOW guide, in its advice on applying the community outcomes process, does recognise that the community outcomes process requires a different approach. It includes statements such as:

- Outcomes are a community judgement and therefore belong to the community not to the local authority. The local authority *does not* have to adopt them in the sense that it would adopt a LTCCP (though the outcomes must be recorded in this document) or an annual plan. The local authority may not necessarily agree with the outcomes.

- The Act is very clear that the role of the local authority is as a facilitator in the identification of community outcomes, and that the process is centred on communities discussing their desired outcomes and their relative importance and priority.
- The business sector should be involved in the community outcomes process. The private sector is a significant user and supplier of local services as well as a key provider of local employment and payer of rates. Business activity contributes both directly and indirectly to the quality of life of local communities.
- Community and voluntary groups also have an important role to play in improving the quality of life for local communities. They are often best placed to reach and involve those sections of the community that the mainstream public sector may find hard to reach, and to access funding that is not available to public bodies.<sup>6</sup>

There is an important qualitative difference between recognising that community outcomes belong to the community, not the local authority, and that there is a need to engage widely and identifying them, and positioning the community outcomes process as genuinely community owned rather than local authority owned.

It is in this area that the KNOWHOW guide can be seen as underselling the potential of the legislation (a comment that does benefit from the wisdom of hindsight).

If it is to be genuinely community based strategic planning, then the outcomes process needs to be developed in a way that not only makes this very clear to other stakeholders (ranging from central government to business, to the voluntary/community sector and Iwi/Maori) but sets out to secure both their understanding and their commitment.

Here the crucial element in the legislation is section 91(3) with its requirements that, if practicable, the local authority should both identify “other organisations and groups” and secure their agreement to the process.

The KNOWHOW guide states “agreeing on the process itself should be reasonably straightforward. The initial approach should include some preliminary ideas for the process and a timeframe. These should be carefully framed as preliminary suggestions for the purposes of stimulating discussion at an initial meeting of interested parties.”<sup>7</sup>

The appropriateness of the KNOWHOW advice depends on what is seen as the objective of getting agreement on the process the local authority has developed. If the objective is simply one of legitimisation, gaining broad based agreement that the process proposed by the local authority is acceptable to “other organisations and groups”, then the KNOWHOW advice may be appropriate - although it should be noted that the typical experience of putting a proposal before a broad based meeting of parties who are not normally accustomed to meeting together will almost certainly be agreement to the proposal unless there are major defects. This follows from the fact that a single meeting approval process carries with it only limited possibility of developing alternatives.

If the objective is to get commitment to the community outcomes process as part of community based strategic planning, then the KNOWHOW recommendation will almost certainly fall short of what would be needed. Instead what is required is an approach to seeking approval for the process by the “other organisations and groups” which seeks both to get their understanding of the purpose of the process

---

<sup>6</sup> Local Government New Zealand (2003a)

<sup>7</sup> Local Government New Zealand (2003a) p40

and their commitment to engage fully with it. This would probably need to include discussions of matters such as capability and capacity, resourcing, and overall management of the process, as well as the arguments for the organisation concerned committing its (probably scarce) resources to taking part, to ensure that it was seen as community owned but local authority facilitated. Although more costly and time consuming, it is this alternative which carries with it the potential of building one or more strategic partnerships capable of bringing real commitment from other stakeholders.

International practice would suggest following the second approach - it would reflect what is happening with local strategic partnerships in England and Wales, and emerging practice in strategic planning within Australian local government, as councils there recognise that the real gains for their communities will come only as they do have genuine across the board commitment.

The reality, in a New Zealand situation, is that either approach will comply with the legislation given both its very general terms, and the discretion that local authorities have to determine their process.

What does seem clear is that it is hard to escape the conclusion that the section itself does require a strategic planning approach - in other words, the issue is not whether the section enables strategic planning, but how strategic that strategic planning is in practice.

This view is supported by recognising that matters such as promoting the better co-ordination and application of community resources, and informing and guiding the setting of priorities in relation to the activities of the local authority and other organisations can only be done in the context of agreed objectives and a good understanding of resources, constraints and the like.

Support for the view that the legislation is intended to enable strategic planning can be found in other provisions as well. Schedule 10 which sets out the information to be included in LTCCPs explicitly requires that the council “describe how the community outcomes relate *to other key strategic planning documents or processes*”<sup>8</sup>.

The requirement that the LTCCP contain a report from the local authority’s auditor on the quality of information and assumptions and the extent to which the forecast information and performance measures provide an appropriate framework for the meaningful assessment of the actual levels of service provision also envisages that there will be more than just a set of outcomes - there will clearly be a hierarchy of objectives, strategies and outcomes if councils are to meet the standard implicit in the audit report requirement.

This follows particularly from the reference to the information providing “an appropriate framework for the meaningful assessment of the actual levels of service provision”. This appears to be saying that the information must be of sufficient quality for the local authority to be able to say in its LTCCP that it intends, over the period of the plan, to provide defined levels of service provision because the information it has about expected activities within the district (or region) will require those levels. In other words, the local authority is going to need information which tells it in meaningful terms what it can expect the mix and volume of activity within the district or region to be.

In this part of the report we conclude that the legislation is clearly intended to enable strategic planning but that:

- The nature of the strategic planning process itself is left unclear.

---

<sup>8</sup> Local Government Act (2002) s10

- Formal compliance could be achieved through a process which, in strategic planning terms, would fall far short of what is required to develop a community based strategic plan capable of genuinely making a difference.

We return to this issue in a later section of this report, *From Consultation to Strategic Planning*.

# 5. The Government's Role

In this section we look at the role of the government in engaging with the community outcomes process. We stress that this needs to be seen very much as “work in progress”. Both the way in which government will engage with the process in a “whole of government” fashion, and how individual government departments and agencies will engage is still evolving.

The principal decisions, so far, on how government will engage on a “whole of government” basis were set out in a paper that went to the Cabinet Government Policy Committee in May of this year.

The Cabinet paper makes it clear that it “does not require a specific level or type of community outcomes process engagement by departments.”<sup>9</sup>

What it does do is identify a specific role for the Department of Internal Affairs (DIA) as a combination of central clearing house and liaison between central government departments and agencies on the one hand and local government on the other. The paper outlines this as follows:

Table 1 Improving the CG/LG interface regarding COPs

Department	Activities
<b>DIA will</b>	<ul style="list-style-type: none"> <li>(a) continue to provide information to departments about the LGA;</li> <li>(b) work with Local Government New Zealand (LGNZ) to establish a directory for local authorities/communities about central government information and contacts;</li> <li>(c) provide a central contact point for local government to indicate problems or opportunities regarding central government engagement in COPs;</li> <li>(d) provide suggestions to departments regarding their COPs engagement difficulties;</li> <li>(e) receive and collate information from departments on their involvement in COPs;</li> <li>(f) establish mechanisms for departments to share good practice and overcome difficulties regarding COPs; and</li> <li>(g) convene an annual central/local government workshop to discuss COPs and share lessons.</li> </ul>
<b>Other departments will</b>	<ul style="list-style-type: none"> <li>(a) ensure relevant departmental staff are informed about the LGA;</li> <li>(b) provide information to DIA for the directory of central government information and contacts; and</li> <li>(c) provide information to DIA on their involvement in COPs and good practice examples<sup>10</sup>.</li> </ul>

The paper itself carries a clear implication that, at least at a “whole of government” level, central government will want to strengthen its engagement on a regional basis. The paper notes:

“The Auckland and Wellington regions are currently designing regional processes that involve all the councils in these regions in a collaborative effort. The Auckland region has made an approach seeking ‘whole of government’ participation in its process, and Wellington region has

<sup>9</sup> Office of the Minister of Local Government (2004) p4

<sup>10</sup> Ibid p18

indicated it will be making a similar approach. In response to these developments, DPMC has convened a group of deputy secretaries from DIA, MED, MSD, MfE, MCH, SSC, MOT and Treasury, some of which met informally with Auckland local authority chief executives. Discussions have begun on how departments might work together to better co-ordinate their various initiatives, particularly in Auckland and in the other 'metro regions'.<sup>11</sup>

MDL understands that one reason for this is a perception that a comparative weakness in central government engagement has been at the head office to region level.

At the same time, as examples cited later in this section show is already happening, there is also recognition that individual departments will wish to adjust their activities, as appropriate, in response to community outcomes identified by individual local authorities. This will include both single agency and multi-agency engagement. The paper's statement of principle is:

"When community outcomes have been identified and local authorities begin formulating their LTCCPs, central government agencies with local interests are likely to consider how they might alter their activities, possibly in co-operation with other departments, to promote community outcomes that correspond with government goals and departmental priorities. Community outcomes may also influence government goals and priorities over time. COPs will provide valuable input for departments and ministers, whether their functions are primarily around policy advice or include service delivery, programmes and funding. Most departments already consult communities and stakeholder groups extensively. COPs could in the long-run help reduce "consultation fatigue".<sup>12</sup>

There is a clear recognition that engagement will come at a cost - not just financial, but in terms of capacity, capability and the potential for a great deal of overlapping and potentially redundant activity. Work within central government is continuing on how best to ensure that these issues are adequately dealt with.

In parallel with the preparation of that paper, DIA was also restructuring its local government function, both increasing its capability, and preparing itself to undertake the clearing house/liaison role. As part of this, DIA has appointed three people, one each in Auckland, Wellington and Christchurch, with the primary responsibility of liaising between local government and central government departments and agencies over the outcomes process.

The paper itself is expressed in terms of general principles. This is entirely appropriate as the paper's concern is focused on setting up support mechanisms for engagement between central government on the one hand and local government on the other, and on providing guidance for individual departments and agencies. In practice, as both the paper itself, and other activity of central government recognises, the issue for central government is that its involvement in any actual community outcomes process will not in fact be about generalities, but specifics. Its interest in working with the community outcomes process is to determine how better to focus its own activities, both strategically and in terms of service delivery. Several examples (see next page) will illustrate both the potential and the complexity and will also make it clear that there can be no one preferred means of engagement - at what level and with whom to engage will be very much a function of the activity concerned.

---

<sup>11</sup> Ibid p7

<sup>12</sup> Office of the Minister of Local Government (2004) p6

Another factor is the relationship between government's outcomes and community outcomes. The Local Government Act makes it clear that community outcomes are exactly that - the preferences of the community concerned and not those of local government. It would seem logical that, by extension, the same should apply as between the community on the one hand and central government on the other - that although central government either on a "whole of government" basis or agency by agency may be involved with the community outcomes process, the outcomes are not those of central government but those of the community.

There is, though, a complicating factor. In contrast to local government, central government has traditionally had a strong interest in outcomes as such. It has clear views about the outcomes that should result from its activities in areas such as housing, employment, economic development, education, health and so on.

These, though, are normally expressed in terms of outcomes for New Zealanders as a whole, or particular categories of New Zealanders rather than as outcomes for communities. Indeed, one of the difficulties confronting any central government structure is the expectation that like cases will be treated in a like manner and that, generally, governments will make their decisions based on rules and precedents, rather than as discretionary decisions on a case by case basis.

Addressing this can be seen as one of the very real strengths of engagement with the community outcomes process from a central government perspective. If, as government has signalled, engagement takes place through a partnership approach, then it has the potential to allow the development of solutions that are tailor made to meet the needs of particular regions or localities without conflicting with the overarching obligation on central government to operate on a basis of precedent and treating like cases in a like manner.

Against that background, we now look at some of the emerging responses from individual departments or agencies, or opportunities that they could well take up, as they engage with the outcomes process. The areas chosen are tertiary education, social development, community development, regional economic development and ageing.

## **TERTIARY EDUCATION**

Restructuring of tertiary education has been a major undertaking for the current government. One objective has been to shift from the basically market driven approach of its predecessor, where competition determined what services were delivered where and by whom, to a more collaborative approach. Government's tertiary education strategy is focused on funding (purchasing) programmes and services that will contribute to meeting both national and regional needs.

Currently, the Tertiary Education Commission's primary source of input for determining which programmes and services it should purchase are the charters and profiles prepared by tertiary education providers. While most providers clearly put significant investment into determining what programmes and services they should offer, and how those will contribute to meeting need within the areas they serve, there is good reason to believe that, on their own, the charters and profiles of tertiary education providers present only a partial picture. As examples:

- The information available to tertiary education providers on current and future labour market requirements appears, at best, to be patchy - certainly if comment from potential employers is any indication.
- There is a tendency for tertiary education providers to focus on the needs of current rather than future employers and industries.

- Often, little account is taken of the role that tertiary activity, as opposed to individual programmes and services, can play in the economic, social, cultural and environmental development of a region or area. The cumulative impact of tertiary activity, and of the presence of people engaged in tertiary activity, can contribute to major change in a region or district.
- Tertiary education providers may place less weight than the regions/localities in which they operate on factors such as the importance of significant tertiary activity as a determinant in firm location - and yet this may be critical from both a regional/local perspective, and from that of government through its other interests such as regional economic and social development.

The community outcomes process, and the associated potential for community based strategic planning, provides an opportunity for the Tertiary Education Commission to tap a complementary source of information from that it has through the charters and profiles process. Working directly with community stakeholders, there is potential to add a new and important dimension to future planning for tertiary provision with significant potential spin-offs in economic, social and cultural development.

## **SOCIAL DEVELOPMENT**

This is an area in which central government is already extremely active, through the Ministry of Social Development. In a recent speech to the Manawatu community outcomes meeting, the Minister described his Ministry's role as:

"The Ministry's purpose is to lead social development to achieve better futures for all New Zealanders. Working with others to improve social outcomes is an intrinsic part of that purpose.

"Building strong communities is a key part of the Ministry's work towards social development. Working collaboratively with other agencies, with communities, and with local government is its established mode of operation.

"The Ministry has the infrastructure, the networks, the skills and knowledge, and the information base that will all help councils in their community planning. It can be involved in designing consultation, developing outcomes and joint projects, and giving feedback on Long Term Council Community Plans.

"With a presence in over 170 towns and cities throughout New Zealand, the Ministry has a strong connection to New Zealand's communities. Work and Income Regional Plans contain a wealth of information about regional demographics, issues, and social development strategies.

"Work and Income case managers know their clients, and know how to connect with them. They can help councils to consult with traditionally marginalised communities, and collect information in appropriate ways.

"Through its employment, community renewal, and capacity building programmes, the Ministry has extensive networks with Iwi, Maori, community organisations, business, employers, non-government organisations, and other social sector agencies.

"These networks and relationships are part of the Ministry fulfilling its mandate to lead whole-of-government social development at a national and regional level. They provide the ideal base for further collaboration, and make the Ministry the obvious point of contact for councils engaging with communities and central government agencies.

“Along with its strong regional presence, the Ministry has strong regional capability. Work and Income Regional Commissioners now have the mandate to lead social development in the regions, and the specific responsibility of co-ordinating central agencies’ input into community plans.

“Social Development Managers support the Regional Commissioners in that role, and are responsible for ensuring that the views of traditionally disadvantaged groups are included.

“Regional Social Policy Advisors provide regional input into national policy, and help ensure that policy and services meet local needs. Regional Social Policy Advisors have a key role in community planning, promoting a good fit between regional social development strategies and the community outcomes process.

“The Ministry’s regional strength and flexibility enables its involvement with councils on community planning to be led from the regions, rather than the centre.<sup>13</sup>”

This is a very strong statement both of capability and of intention. The Ministry takes a broad view of social development recognising that it is not something that can proceed on its own, but rather needs to move in concert with other initiatives such as regional economic development.

It has already played a significant role on a pilot basis in assisting selected local authorities develop their community outcomes.

What appears clear is that the Ministry wishes to focus its capability in areas which are relatively disadvantaged. Examples include Northland, the Eastern Bay of Plenty and the East Cape, Rotorua (which has a persistently high unemployment rate within a Bay of Plenty region which otherwise has one of the lowest unemployment rates in the country), the central North Island and the West Coast of the South Island.

The dilemma for the Ministry is that its own capability has, in a number of respects, outrun that of other government agencies and of many local authorities and other community stakeholders. Its approach is one of working on a partnership basis with local government and other key stakeholders. To be effective, that requires equivalent commitment (both capability and capacity) on the part of potential partners to avoid the risk that the Ministry’s social development approach becomes one of ongoing government intervention rather than one of government support/partnership. This issue will be taken up in a later section of this report.

## **COMMUNITY DEVELOPMENT**

Community development is the responsibility of the Department of Internal Affairs.

The Department’s website describes the activities supported by its community development advisors in the following terms:

“The Department of Internal Affairs Community Development Group has trained Community Development Advisors working from 17 regional offices. We provide information to community groups, to enable them to more effectively meet the needs of individuals, groups and communities. Our Community Advisory Services are available to:

---

<sup>13</sup> Maharey, Hon Steve (2004)

- Maori, Whanau, Hapu and Iwi
- Local community groups
- Community/ resource centres
- Sector groups, eg youth, kaumatua, women
- Councils of social services and other networks.

“Community Advisory Services are provided by government, at no charge to community groups, and include:

- Assistance with planning, including project planning
- Provision of funding information
- Advice on setting up legal structures
- Meeting training needs
- Project monitoring and evaluation
- Group facilitation.<sup>14</sup>”

The Department is also testing a framework for interagency engagement with entire communities to assist them to plan and lead their own sustainable development. This contributes to one of Department’s major outcomes of building strong, sustainable communities/Hapu/Iwi. The Department is undertaking a multi-year action-research initiative involving four communities - Waitakere (Twin Streams), Papakura, Raetihi and Kaikohe. The purpose is to support communities in identifying their vision for the future and developing their own community plan. Emphasis is placed on taking a holistic or sustainable development approach to the community’s future. “Community brokers” play an important role in fostering central government collaboration, in conjunction with local authorities, to help communities achieve their objectives.

The Papakura, Raetihi and Kaikohe projects all include involvement of residents in community outcomes and community planning under the LGA 2002 in conjunction with the their councils . The projects are intended not only to identify best practice in building sustainable communities, but to shed light on what works in helping identify community outcomes and organising effective stakeholder collaboration in response to those outcomes.

The Department’s initiative is of interest not simply because it contributes learnings regarding the community outcomes process but because it highlights another factor that will inevitably arise as the outcomes process shifts from a focus on high level outcomes statements to the practical issue “what do we do, when where and how”. This is that, when the focus shifts to a practical level, the action plans to deliver desired outcomes (and for that matter the outcomes themselves) will often be at a sub-district level, rather than at the “whole of council” level, recognising the different aspirations and characteristics of the different geographic parts of most communities.

Raetihi provides one obvious example. As a community, it is very different in character, and has very different drivers, from either Ohakune or Taumararui, the other two principal settlements within Ruapehu.

The extremes are even more obvious in areas such as the Far North District Council whose communities range from the very wealthy tourist and retirement driven settlements such as Kerikeri and Paihia, to areas of disadvantage such as Kaikohe, Moerewa, Hokianga/Rawene, or Kawakawa.

---

<sup>14</sup> Department of Internal Affairs

The Department of Internal Affairs initiative highlights the fact that a meaningful community outcomes process, and the action plans that follow from it, will in many cases need to focus at the sub-district level. This will vary, of course, depending on the nature of the activity involved. For services such as housing or health, it is likely that the government agencies concerned will want to undertake their planning at a whole of district or (for DHBs) whole of region level with differences being recognised through developing policies so that they are applied evenly across the region or district but in the sense that condition X requires response Y rather than as a “one size fits all” approach.

A challenge, both for the Department of Internal Affairs and for the Ministry of Social Development, will be that those communities which will have the highest priority for social and/or community development initiatives will typically also be those communities which have the least formal capability/capacity.

## REGIONAL ECONOMIC DEVELOPMENT

The government’s principal regional economic development policy is presented, explicitly, in partnership terms. It is the regional partnerships programme administered originally by Industry New Zealand and now by New Zealand Trade and Enterprise.

The programme is centred around the development of regional economic development strategies, with programme elements including:

- Funding for development of the strategy itself.
- Funding for capability development.
- Funding for what are referred to as major regional initiatives - accessible only once an economic development strategy has been adopted.

The approach originally taken by Industry New Zealand was to invite proposals from prospective “regions”. The objective was to bring together areas that had distinctive commonalities such that working together to develop an economic development strategy seemed appropriate. There was no implication that regions should necessarily match either regional or district local authority boundaries - although a number do. Some 137 proposals were originally received and, from these, 26 “regions” covering the whole of New Zealand identified.

Although the term “partnership” was used, in practice regions were required to follow quite detailed criteria laid down by Industry New Zealand and, subsequently, by New Zealand Trade and Enterprise, for the preparation of economic development strategies. With the wisdom of hindsight, at least some participants now take the view that the adoption of a common approach, and the very broad based consultation requirements included, may not always have been appropriate. Furthermore, because this was substantially a new area of work, capability may also have been an issue. The partnerships lacked experience in strategy development and New Zealand lacked a cadre of experienced economic development professionals. MDL has heard comment, from more than one region, that the output from the economic development strategy was much more in the nature of a wish list than a strategy and not appropriate as a guide for action which needed to focus on a few critical objectives.

Those comments need to be seen in context. The regional partnerships programme was put in place following years of relative neglect, at a central government level, of economic development. It is best seen as a “first cut” at building a relationship between central government, its lead agency for economic development, and the regions.

This is well recognised in a review of the regional partnerships programme undertaken for the Ministry of Economic Development in 2003 which recognises the success of the initiative in starting the process of developing partnerships. The review is of particular interest for this project for two reasons:

- What it has to say regarding the relationship between the regional partnerships programme and the community outcomes/LTCCP process.
- Lessons from experiences of building partnerships involving local government, business and other community stakeholders.

In terms of alignment with the community outcomes/LTCCP process, the review has this to say:

“There is also a need to assess existing strategies vis-à-vis their relationship to social development strategies and the yet to be developed local government LTCCPs which are likely to play an important role. International research suggests that strategies that are too narrowly focused on economic factors without wider consideration of social issues and/or linkages with other key strategies are likely to fail, particularly in disadvantaged regions, where economic strategy development cannot be divorced from social conditions. Both regional and sectoral strategy development processes have highlighted the need to include social factors when considering business growth.

“A key task for MED is to assess the risks around this and to work with NZTE and other parties to provide best practice for a way forward in the form of a number of pilot planning exercises that attempt to integrate local government requirements for long term planning with existing economic development strategies. The SSC's work on the *Review of the Centre*, in particular outcomes from one of the report's implementation measures, "mandated regional networks", will inform this work.

“Such pilot planning partnerships may also address another key concern emanating from the review: the size and number of regional partnerships. International evidence suggests that it is important not to change partnerships early in the process, just as trust and collaboration have begun to emerge. However, there is concern about the sustainability of 26 regional partnerships in New Zealand, given the lack of critical mass and capability in some of these partnerships. Rather than imposing programme changes that would force further consolidation, it may be best to work through these issues as part of pilot planning partnerships that look across boundaries. A more intensive NZTE brokering/facilitation role may be required here in some regions.<sup>15</sup>”

The Ministry of Economic Development has undertaken a number of initiatives in response to the review. These include considering how best to align with the community outcomes/LTCCP process, recognising this as an appropriate mechanism for, amongst other things, meeting the need to integrate economic and social factors as highlighted by the review.

MDL expects that MED will also consider the merit of revisiting the regional structure which the regional partnerships programme has created. Arguments for doing so include, as recognised in the review, the relative weakness of some regions and the need for a consistent basis for collecting data, both data needed for strategy development, and data needed for monitoring strategy implementation. MDL would argue that integrating the regional partnerships programme with the community outcomes/LTCCP process should be seen as a high priority. Economic development, and its integration with other activity (tertiary education; health; housing are obvious examples) seems

---

<sup>15</sup> Ministry of Economic Development (2003b) p17-18

essential to lift both economic performance and the quality of life in New Zealand's communities. Maintaining a separate structure was of obvious value in kick starting government's re-involvement in economic development but the case for better integration now seems much stronger than the case for continuing separation. This comment is subject to the qualification that changing regional structures part way through the process would need to be handled very carefully, recognising the importance of preserving the trust and collaborative relationships that will already have been built up and that could be put at risk through a change in regional boundaries.

The report's discussion on the development of partnerships has some very interesting observations on what is involved in building partnerships which need to link together a number of different stakeholders, especially local government and the business community. It notes a number of difficulties that need to be addressed, including the relative lack of understanding each has of the other. There are also some very useful comments on matters such as capability/capacity, and the impact of the approaches different sectors have to the appropriate timeframe for planning and action.

Relevant extracts from the review are set out in appendix 3.

## AGEING POLICY

In 2002 the Treasury published, as a working paper, *The Economics of Population Ageing*. In its concluding remarks the paper observed:

"Population ageing has the potential to become the single biggest economic and policy issue of the next 50 years. As such future policy needs to be developed within a framework that recognises the potential ramifications of population ageing.<sup>16</sup>"

The lead role in developing the government's ageing policy is held by the Office of Senior Citizens, a unit within the Ministry of Social Development. The Office's main function is the implementation of the New Zealand Positive Ageing Strategy including the development and publication of annual Positive Ageing Strategy Action Plans.

The Positive Ageing Strategy itself identifies ten goals for the strategy. These are stated as:

1. Secure and adequate income for older people.
2. Equitable, timely, affordable and accessible health services for older people.
3. Affordable and appropriate housing options for older people.
4. Affordable and accessible transport options for older people.
5. Older people feel safe and secure and can "age in place".
6. A range of culturally appropriate services allows choices for older people.
7. Older people living in rural communities are not disadvantaged when accessing services.
8. People of all ages have positive attitudes to ageing and older people.
9. Elimination of ageism and the promotion of flexible work options.
10. Increasing opportunities for personal growth and community participation.<sup>17</sup>

Although these goals are national, in the sense that they have been adopted for New Zealand's older citizens wherever they live, it is very clear from the terms in which they are expressed that

---

<sup>16</sup> Stephenson & Scobie (2002) p22

<sup>17</sup> Ministry of Social Policy (2001)

implementation will need to take place within the communities in which New Zealand's older people live and reflect circumstances within those communities.

The Office is engaged in dialogue with a number of local authorities, seeking to encourage them to adopt positive ageing strategies. As well as dialogue with individual local authorities themselves, there is a strong case for working with the community outcomes/LTCCP process not just as a means of advancing the goals of the Positive Ageing Strategy, as stated, but also to explore how communities can best respond to both the challenges and the opportunities created by an ageing population. One reason for doing so is the potential gain that will come from involving a wider range of parties at the community level, and not just the local authority itself. Obvious examples for issues that could be addressed include labour force participation, lifelong learning, independent living and the often vexed issue of managing the potential tensions between a group whose income opportunities are often limited, and the ongoing demands for investment in growing communities.

## **SOME CAUTIONARY COMMENTS**

As the beginning of this section emphasised, the nature of government involvement in the community outcomes/LTCCP process should be seen as very much "work in progress". It will clearly evolve differently depending on whether the engagement is at a "whole of government" level - where the role of DIA as an intermediary will be very important - and where individual departments are wishing to engage through the outcomes process. This distinction will not be absolute as, in many instances, individual agencies will need to work collaboratively with others in order to achieve their own outcomes. An increasingly recognised example is the interdependence of economic and social development.

Another factor that government needs to keep in mind is the risk of public sector dominance of outcomes processes. Here the problem is that the public sector, because of its taxpayer or ratepayer rather than member subscription base, is much better placed than many other stakeholders to allocate additional resources to new activities. A good example is the investment that the Ministry of Social Development has made in building its capacity and capability in regional social development.

If the community outcomes process is to be a genuine partnership amongst key stakeholders, then it will be essential to resolve the issue of the relative capacity and capability of key stakeholders. This is an issue that we will return to in a later section of this report. For the moment we simply note that one of the most significant risks that needs to be managed is that the outcomes process could be dominated by public sector organisations simply because they are better placed to find the resources to fund their engagement.

---

## 6. Local Authority Practice

---

In this section we examine local authority practice, so far, in the use of community outcomes.

As a starting point we note that the first round of LTCCPs (those prepared in 2003 or 2004) were adopted under the transitional provisions of LGA 2002 which include, in respect of community outcomes, the following:

“A local authority ... may, in adopting a long term council community plan for a period beginning on 1 July 2003 or 1 July 2004, use such information concerning community outcomes of the district or region as the local authority holds or can obtain in the time available and is not required, before adopting the plan, to first identify, under section 91, those outcomes.<sup>18</sup>”

Notwithstanding the option given by the transitional provisions, some local authorities did undertake a full outcomes process. Others relied on the transitional provisions and simply used whatever information they already had to hand.

This will flow through into the preparation of the second round of LTCCPs, those to come into effect from 1 July 2006. Local authorities that have already undertaken a full community outcomes process will be able to use those outcomes for their next LTCCP (but may still decide to undertake a further outcomes process). Those which have relied on the transitional provisions will be required to undertake a full community outcomes process in the lead-up to the next LTCCP.

This flows from the wording of section 93 of LGA 2002, and of schedule 10, both of which make it clear that the LTCCP must be based on community outcomes developed through the process set out in section 91.

The most comprehensive overview of local authority practice is found in a report prepared for Local Government New Zealand in May of this year, *Engaging With Communities Over Outcomes*.

The overview looks at nine different examples including among them:

- Single council examples where the council has sought to undertake a full community outcomes process.
- Single council examples where the council has, primarily, drawn on existing material, perhaps supplementing this with a measure of consultation.
- Regionally based examples where councils within a region have combined together<sup>19</sup>.

Some common themes emerge which have also been reflected in discussions which MDL has had with councils in the course of this project (both co-funders and others). The first is that the process has been very substantially managed by the council or councils involved. Generally, there has been a conscientious effort to incorporate an understanding that the outcomes are the community's outcomes, and not those of the council(s). What is not clear is how successful this has been in practice.

The fact that, generally, it has been council officers who have been responsible for developing the process, undertaking the consultation, recording what was discussed at public meetings, writing up

---

<sup>18</sup> Local Government Act (2002) s279

<sup>19</sup> Burke, Kym (2004)

and analysing public input, and developing outcome statements has the potential to introduce a bias in at least four ways:

- Council officers may consciously or unconsciously allow their own preferences and understandings to influence their interpretation of public views.
- Inevitably, council officers will form something of a filter, necessarily interpreting what they hear in terms of their own knowledge, understandings, use and interpretation of language and the like.
- Willingness to engage with what are perceived as council led processes may vary, perhaps systemically, amongst different sectors. There is evidence for this in the review of the regional partnerships programme (see appendix 3). Similar concerns came through discussions that MDL held with business groupings with the CEO of one well-known business organisation commencing his response to a request for input on the project with “I’ll be frank. Councils’ consultation is rubbish!”
- The relative imbalance of resource between the council and other stakeholders may mean that information produced for scoping and background purposes, options reviewed, and the ways priorities are established could unintentionally be driven from a council perspective rather than reflecting a community view.

These comments do need to be kept in context. We are considering a relatively new process, but one which is embedded in a well-established culture of consultation. Shifting to a facilitative/enabling approach is a difficult challenge, requires strong leadership, and will almost certainly be gradual rather than sudden (as with most organisational change).

A next feature of local authority practice to date is that the focus has been, not surprisingly, on identifying community outcomes as the primary task, rather than regarding the outcomes as the end result of a planning process.

This point was strongly made by one co-funding council that was critical of the practice of starting with outcomes and then working through to action plans. What we were told from this source was:

“From my perspective, strategic planning has a number of advantages vis-à-vis outcome identification that should be clearly set out in the report. These include:

- (a) There is little point in having outcomes/visions without an understanding of and commitment to how organisations and groups will work to make them a reality;
- (b) Strategic planning involves the identification of strategic issues that face us in getting from where we are now to where we want to be, whereas formulating outcome/vision statements alone does not identify the problems we face;
- (c) Strategic planning involves a structured approach of analysing a community’s internal environment (strengths and weaknesses) and analysing a community’s external environment (opportunities and threats), and this structure provides an opportunity to ensure that key aspects of our surroundings are not missed as a part of the outcomes process;
- (d) In his book *Strategic Planning for Public and Non-Profit Organisations*, John Bryson suggests that the process of describing the outcome/vision (where we want to be) may be best left until later in the strategic planning process, and this suggests that outcomes/visions may not be the best place to start to chart our community’s futures, but may in fact be the end-point of a strategic planning process.”

The typical process has been very much along the lines of:

- Develop the council’s preferred process for identifying community outcomes.

- Clear this with “other organisations and groups”, not on a one on one basis, but through a means such as a public forum, or a mail-out.
- Developing some background information to inform public debate (this varies from council to council - some have put quite an emphasis on this, others have relied on a combination of dialogue through the outcomes process itself and previous consultation and other activity).
- Undertaking a process of identifying community outcomes.
- Writing up and adopting outcome statements.
- Starting to consider action plans for implementation.

Through this general process, there have been significant differences. Thus:

- Some councils have been very successful in securing the understanding of staff and elected members that the outcomes belong to the community, not the council and that, to the extent councillors participate, it is to demonstrate council commitment to the process but make it clear that their role is purely facilitative, not directive. In other councils, councillors have played a significant role in leading the outcomes process, almost to an extent that the outcomes themselves are the councillors’ interpretation of what the community wants, rather than the community’s statement.
- Some councils have relied on using staff to run their processes, including public meetings, surveys and other techniques. Some have taken the view that, to make it clear they are seeking objective information, they should use a process independent from the council. In the leading example of this approach, the Taranaki Councils employed external consultants to develop and administer surveys, and run focus groups, intended to identify the outcomes and write up the results. The consultants were selected through a competitive process which placed a strong emphasis on using a methodology that would both produce a high level of community engagement and make it clear that the process was independent of the councils.

Councils generally, and certainly those which have been co-funders of this project, are now addressing the question of what to do with the community outcomes their processes have identified (this applies whether they went through a full community outcomes process, as some did, or whether they took advantage of the transitional provisions). They see themselves as facing two drivers:

- Community expectations that, having identified a series of outcomes, the council will now seek to realise them.
- Statutory obligations - to record in their LTCCPs what the council will do itself, and what it will expect of others, in realising the community’s outcomes (from the LTCCPs we have reviewed, it seems that there is still much to do in this respect - hardly surprising given both the newness of the requirement, and the timeframe involved). Although councils can, in effect, pick and choose the extent to which the LTCCP picks up on community outcomes, they have a separate statutory obligation to monitor and, not less than each three years, report on progress made by the community in achieving the community outcomes - and this obligation applies to all outcomes regardless of how they have been dealt with in the LTCCP.

It seems clear that this is presenting councils, and other stakeholders, with a significant challenge. If action plans - the common term - are to be more than “motherhood and apple pie”, then they are going to need to be well grounded in a good understanding of the resources, constraints and opportunities within the community, on the potential of different interests within the community to contribute to realising the objectives of the action plan, and they will need broad based commitment. A critical factor is that, for most of the outcome sets within any community, the role of actually undertaking the design and delivery of the activities needed to produce the outcomes concerned will be the responsibility of others. The local authority can and should play a pivotal part as the community’s representative (including within these activities such as research, advocacy and coalition building). Generally, though, it will lack both the capability and the resource to be the prime actor. This is self evident from considering the nature of the actions required. As an example, it is common for outcome

sets to include ones dealing with prosperous economy, a self and healthy community, and a skilled population.

In areas such as economic development, health, community safety and education (whether compulsory or post-compulsory) councils either have a very limited role or are junior (albeit sometimes significant) partners as in the Crime Prevention Strategy.

In these areas, the tasks in any action plan will be substantially “all by others”. More than this, if they are to make a significant difference, they will need to be based on critical insights that will come from a combination of expertise, awareness of possibilities, and a considerable measure of lateral thinking. In this respect it is worth remembering that initiatives to improve economic, social, cultural and environmental outcomes have a long history world wide but at best a patchy record of success.

This suggests that the development of action plans is going to be more than just a linear function, extrapolating in some straightforward way from community outcome statements. Instead, it is going to require high level skills in what is normally described as strategic planning.

This issue will be taken up again in a later section of this report.

---

## 7. Regional and Local

---

This part of the report considers the issue of regional and local outcomes (and note that similar issues arise when considering regional/local and national outcomes). It analyses the relationship between regional and district/city community outcomes, including the respective roles of regional councils and territorial authorities in the community outcomes identification process and seeks to answer the following questions:

1. What approach should be used to determine what outcomes are described at a regional level and what outcomes are described at a city/district level?
2. What approach should be used to determine what outcomes are primarily contributed to by regional councils, city/district councils, central government and the community sector respectively?
3. What approach should be taken by regional councils and city/district councils respectively concerning engaging with central government on community outcome identification and monitoring processes.

The section concludes with some good practice suggestions.

### INTERNATIONAL EXPERIENCE

In considering the relationship between regional and district/city community outcomes, it is useful to look at experience elsewhere, where similar questions have arisen. The two that we look at are the experience with the development of local strategic partnerships in England, and the European Union's evolving practice with subsidiarity.

#### ENGLAND

One particular issue which has faced most local strategic partnerships has not yet been resolved. This is the issue of coverage. In a local government sector characterised by two-tier government (counties and districts), with the nine English regions emerging as significant players in economic development in particular but with other responsibilities as well, and with the dominance of central government, the question of who should be responsible for wellbeing/outcomes in what areas (both policy and geography) remains unsettled.

The English Local Government Association, in guidance that it issued early in the community strategic planning process, suggested for separating out county and district roles that "the county may be the appropriate level in which to engage other key public service deliverers, for example, the health service, police, learning and skills councils, the connections service and government departments and agencies. But it may be too remote to effectively engage with local communities ... on the other hand a small district may be too small to secure the involvement of other service providers."<sup>20</sup>

The authors of a case study based evaluation of English experience (see Appendix 2) have this to say in respect of scale:

---

<sup>20</sup> Office of the Deputy Prime Minister (2004c) p29

“The evidence points to confusion both about which activities should be undertaken at which scale and about the relationship between bodies where issues either span levels or fall between them. LSP has to look both outwards to the region and inwards to its neighbourhoods - do stakeholders with different perspectives hold different views about the most important scale of analysis/intervention? There is thus a need for further thinking - centrally and locally - about the interdependence of regional strategies, sub-regional plans (e.g. regeneration zones), Community Strategies and Neighbourhood Plans, and about the implications of these for partnership structures and working.<sup>21</sup>”

## THE EUROPEAN UNION: SUBSIDIARITY

The European Union provides the leading example of a political grouping which has consciously adopted rules designed to allocate responsibility to the most appropriate level for action. The doctrine concerned is known as the principle of subsidiarity and is contained in article five of the European Community Treaty, introduced by the Treaty of Maastricht. Three conditions are laid down for the application of the principle of subsidiarity. The principle is applied:

- “Within the context of the powers and objectives conferred upon the Community by the Treaty but does not concern the Community’s *exclusive powers*.
- Insofar as the objectives of the proposed action cannot be sufficiently achieved by the Member States. This therefore involves establishing the potential and sufficiency of action by the Member States.
- If Community action is preferable by reason of the scale or effects of the proposed action. Community action must therefore bring an added value in terms of effectiveness.

“In order to assist the EU institutions when examining the last two of the three conditions just quoted, the Protocol annexed to the Treaty of Amsterdam lays down the following guidelines: European community action is justified where trans-national issues are involved, where action by a Member State alone or lack of Community action would conflict with the requirements of the Treaty; or where action at Community level would produce clear benefits by reason of its scale or effects.

“The protocol does not lay down rigid criteria, but also emphasises that: the principle of subsidiarity provides a guide as to how those powers are to be exercised at the community level. Subsidiarity is a dynamic concept and should be applied in the light of the objectives set out in the Treaty.<sup>22</sup>”

An annual review is carried out of the application of the principle of subsidiarity by the EU and its constituent institutions. The review for the 2002 calendar year shows as examples of the application:

- Action against the increase in illegal immigration justified on the basis that common rules were required for application throughout the EU and the rules applied by individual member states were variable.
- Safety of transport. In this issue the concern was with procedures with regard to third country airlines. The rationale was that not all member states subjected such airlines to the same checks thus both creating a risk to the safety of passengers and potentially distorting competition.

---

<sup>21</sup> Ibid p51-52

<sup>22</sup> Commission of the European Communities (2002) p4-5

- Sustainable development and development co-operation. In this case the issue was the establishment of a common framework for the prevention and remedying of environmental damage with a principal concern being that in the absence of a common legislative framework, economic operators could exploit the differences between the Member States to escape liability<sup>23</sup>.

A common theme running through these examples is that the impact of the issues concerned went beyond the boundary of individual Member States and affected the interests of all members. There was a perceived need to put common measures into place to avoid distortions and minimise the risk that an individual Member State, imposing strong regulation, could find its interests defeated by the weaker regulation of another Member State.

As described, the principle operates at a national/supra-national level whereas this report's concern is primarily with the district/regional level.

The application of the subsidiarity principle, in a New Zealand context, was considered in a New Zealand Treasury working paper published in March 2002.

That paper started with a somewhat simpler definition of subsidiarity, taken from the Concise Oxford Dictionary as "the principle that a central authority should have a subsidiary function, performing only those tasks which cannot be performed at a more local level". As the paper's author notes, the definition can be recast as being the process of determining "at what level of governance decision-making should be carried out"<sup>24</sup> <sup>25</sup>.

The paper includes a very useful table suggesting criteria for considering subsidiarity. It is copied below<sup>26</sup>:

**Table 1 - Some Criteria for Considering Subsidiarity**

Goal for Decisions	Assumptions	Local Control	Regional Control	Central Control
Balanced	Allocation of powers is optimal if decisions are made by those who feel the effects and bear the costs.	No externalities exist.	Externalities can be internalised within region.	Significant externalities exist.
Informed	Whether the necessary information is objective or subjective (or specific/ idiosyncratic and non-specific/general) affects who is best placed and most capable to make decisions.	Info is held locally or is unimportant.  Preferences varying and important.	Regional scale data is important.	Info is held centrally and is important or complex.  Preferences homogenous or unimportant.
		Low decision-	Medium decision-	High decision-

<sup>23</sup> Ibid p6-8

<sup>24</sup> Guerin, Kevin (2002) p1

<sup>25</sup> An important issue for applying the principle of subsidiarity in a New Zealand context, but outside the scope of this paper, is whether subsidiarity is an administrative principal applied by a central government in determining where to place authority, or whether it should be essentially a constitutional allocation of responsibility, recognising that authority should be held at the lowest practicable level – as is the case in a number of jurisdictions where subsidiarity has been embedded within a constitution.

<sup>26</sup> Guerin, Kevin (2002) p5

Cost Effective	Economies of scale in decision-making may exist, particularly if preferences are homogenous.	making costs.	making costs.	making costs.
----------------	--	---------------	---------------	---------------

The table can be used to develop a series of criteria appropriate for determining whether outcome responsibility rests at a district, regional or national level. Thus:

- What is the area of impact of the activity concerned? The concept used in the table is that of “externalities”. If significant impacts of the activity concerned go beyond a district or regional level, then the outcome should be addressed at a regional or national level - in other words, at the level which encompasses the externalities.
- If preferences are highly variable, by district or region, then the outcome should be addressed at the level at which preferences are closest to being homogenous.

### ADDRESSING THE THREE QUESTIONS

In developing answers to the three questions we have drawn both on overseas experience and research, on New Zealand work such as the Treasury working paper cited above and on emerging New Zealand experience such as that of the Taranaki councils discussed in the previous and following sections

#### ***WHAT APPROACH SHOULD BE USED TO DETERMINE WHAT OUTCOMES ARE DESCRIBED AT A REGIONAL LEVEL AND WHAT OUTCOMES ARE DESCRIBED AS A CITY/DISTRICT LEVEL?***

The material reviewed in the preparation of this report suggests that there is no black and white answer to this question. Rather, there are a series of principles that can usefully be applied.

As well, there are factors inherent in the community outcomes process itself that will assist determine whether outcomes should be addressed at the regional or the district/city level.

One important factor will be the level at which it is feasible to develop genuine partnerships in identifying and monitoring community outcomes (including developing the plans etc required for their implementation).

This is an issue which central government has been considering in developing policy for engagement, by central government departments, with the community outcomes process. The paper that went to Cabinet Government Policy Committee includes the comment “Regional-level collaboration is an appropriate focus because various regionally based programmes have been implemented to address intractable problems. Cabinet has made a commitment to strengthen central government’s role in regional development, many regional clusters of local authorities are already working together to progress local and regional development, and several central government agencies are building up their regional capabilities.<sup>27</sup>”

This reflects a concern that has been widely discussed, in central government, since the introduction of LGA 2002; how feasible is it for central government agencies, many of whom themselves have only limited regional/local representation, to engage with 86 local authorities? Clearly working at the regional level represents a practical response within central government’s limited resources and regional/local representation.

---

<sup>27</sup> Office of the Minister of Local Government (2004) p4

From a relatively slow start<sup>28</sup>, central government now appears to be much more focused, than local government itself, on how the co-ordination/collaboration elements of the community outcomes/LTCCP process should operate. As examples:

- The Ministry of Social Development has established a regional social development function within each of its regions with the specific intention of working through the community outcomes/LTCCP process as a principal means of co-ordinating social development initiatives.
- The review of the regional partnerships programme undertaken for the Ministry of Economic Development in 2003 stresses the importance of the community outcomes/LTCCP process and recommends a closer engagement with it for economic development, a matter on which MED is now focused.
- The Department of Internal Affairs (regarded as government's lead agency for the purposes of central government/local government collaboration) has created three positions, one each in Auckland, Wellington and Christchurch, to play a lead role in facilitating central government/local government collaboration.
- Current, but still confidential deliberations at cabinet level are reviewing machinery of government measures to facilitate central government/local government collaboration with a particular emphasis on ensuring that central government agencies themselves work collaboratively in their dealings with individual regions.

It should be noted, though, that central government's initiatives are a separate issue from the question of whether outcomes, for the purpose of section 91 and LTCCPs, should be seen as regional or local.

What the central government approach suggests, building on experience with regions such as Hawkes Bay, Taranaki, Canterbury, Southland and Waikato, is that there are very good logistical arguments in favour of councils working together in managing the outcomes process with the expectation that the resultant outcomes, themselves, may well be a mix of regional level and district/city outcomes.

At this point it is worth picking up on one of the criteria in the Treasury working paper; the nature of preferences. Treasury argued that if preferences are varying and important then this signals local control. Conversely if preferences are homogenous or unimportant, then regional or even central control is signalled.

MDL expects this to be one of the most important criteria in determining the difference between regional and local outcomes. It is one that may also suggest the use of a hierarchy of outcomes.

Health provides one possible example. Within the Bay of Plenty region, the Bay of Plenty District Health Board covers the districts of five territorial local authorities, Tauranga, Western Bay of Plenty, Whakatane, Kawerau and Opotiki and the Lakes District Health Board the districts of the remaining two territorials, Taupo and Rotorua. Each is concerned with optimising health outcomes (wellbeing) across the whole of its district but priorities can be expected to vary.

Across the district of a DHB as a whole, its outcomes can be expected to reflect the various strategies the government has established for delivery of health outcomes weighted, to some extent, by the population mix for which it is responsible. However, at the level of the territorial local authorities, it is logical to expect a somewhat different approach. Within the district of the Bay of Plenty DHB, it is probable that Whakatane, Opotiki and Kawerau would give a much higher weighting to health

---

<sup>28</sup> For example, the pathfinder project led by Treasury and the SSC some 2-3 years ago, as part of rethinking the focus of the public sector, made only passing reference to the role of local government.

outcomes for Maori than would Tauranga and Western Bay simply because of their different population mixes. Similarly, Tauranga and to a lesser extent Western Bay will be likely to give a greater weighting to health outcomes for older people.

This might see regional health outcomes described in terms of access, equitable funding, governance/consultation and other principles that would be applicable across the region generally. Associated actions for local government might then include research (such as the comprehensive analysis Environment Bay of Plenty commissions following each census), advocacy for funding etc. At a district level, outcomes might focus more directly on the needs resulting from the demographic and socio-economic makeup of district communities. In other words, in a number of major outcome areas (other obvious ones include housing, education - both compulsory and tertiary - housing and employment) there is likely to be a mix between generalised outcomes where preferences may be relatively homogenous, and the Regional Council is able to take a lead role in identifying and seeking the achievement of community outcomes, especially in issues of research and advocacy, and district (or sub-district) outcomes where preferences are idiosyncratic and/or reflect the particular economic social and other circumstances of the community<sup>29</sup>.

This point is worth emphasising. In practice, especially given the way the legislation is drafted, it seems likely that LTCCPs at both the district/city and the regional level will have a significant amount of overlap. This follows from the fact that what is being described are the outcomes desired by the community within the district or region. If (say) affordable housing is seen as a significant outcome within each district within a region, then it is likely to be recorded as such in the outcomes statement for the region as well. The differences are likely to arise in terms of how the LTCCPs deal with the outcomes.

Those at a district level might focus on how the council's regulatory and planning responsibilities support or inhibit affordable housing (for example the impact of development contributions). They may also include initiatives, possibly within the context of the current Housing New Zealand Corporation partnership programmes, designed to increase the supply of affordable housing. They may also include a significant weighting on advocacy to central government, recognising the need for taxpayer support.

At the regional level, whilst recognising the outcome, the LTCCP may indicate that most of the action will be "all by others" although its own regional planning and environmental responsibilities may also feature.

The key criteria developed in the Treasury working paper included:

- Externalities. In the outcomes context, this can be re-expressed as "area of impact". Within what boundary are the greater proportion of the costs and benefits of the initiative - the outcomes - likely to be experienced? The primary role for considering who should have outcome responsibility should rest at the level that encompasses the greater proportion of the costs and benefits (the 80/20 rule).
- Information. Where is the key information held/generated? Alternatively, is information relatively unimportant?

---

<sup>29</sup> Note that this paragraph is discussing the local authority role in the outcomes concerned. At both the regional and district levels outcome statements and LTCCPs will also set out the responsibility of other participants – in health DHBs, PHOs, hauora etc.

- Preferences. The more that preferences in the outcome area concerned vary by locality, the stronger the case for outcome responsibility being held at a low level.
- Cost. Are there significant economies of scale (note: this may not of itself be a key determining factor. As with the shared services initiatives being undertaken by many local authorities, decisions about the outcomes from an activity, and the logistical arrangements for delivering that activity, may have different geographic coverage).

As well as those considerations, other factors will be important. They include:

- What are the areas of responsibility of the key partners for the outcome concerned? This is one factor which central government takes into account in determining the level at which to engage. It may also be important, for example, in developing outcomes that involve significant voluntary/community sector or business organisations. The areas of responsibility may be statutory in the sense of specific roles that a regional council or territorial local authority is required to undertake. It may be that a principal actor is a government agency operating through a regional arm so that direct engagement is best undertaken at a regional level. Here it may be important to draw a distinction between the way that the outcomes process is managed, and the coverage of the outcomes - regional engagement with Housing New Zealand may be the most effective means of bringing them into the outcomes process, but the outcomes themselves may be expressed as a mix of regional (minimum standards) and district or sub-district (reflecting particular district or sub-district circumstances).
- Capability. The expertise required to develop the community outcomes process, especially with a strategic planning emphasis, is probably scarce (this was certainly a factor in the English equivalent). This argues that it may be necessary, at least initially, for much of the resource to be concentrated at a regional level rather than be distributed through district/city councils. This does not necessarily imply being held by the regional council. There are a number of examples of regional outcomes processes allocating a lead role to one or more councils depending on matters such as the nature of the issue and who has the needed capability/capacity.

Throughout the discussion in this section, we have put quite a strong emphasis on implementation issues. This is being done not because we see outcomes and implementation as interchangeable - they are not - but because the development of realistic outcomes requires an understanding of implementation.

In practice, MDL expects that this process will be somewhat iterative. A “first cut” at describing an outcome may result in one which is described at a regional level as shared by the regional community. However, when it comes to considering what should be done to achieve the outcome, necessarily the councils involved, and other stakeholders, will be concentrating on the real life situation in which action will take place. As it is highly likely local conditions, resources, capabilities and opportunities vary, planning for implementation may result in the outcome itself being revisited - refined to be more specific to the conditions in the community concerned, and how are preferences and resources distributed?

This suggests that the real issue, as between a regional council on the one hand, and district/city councils on the other, is not so much the level at which the outcome is described, as what will be involved in achieving it.

***WHAT APPROACH SHOULD BE USED TO DETERMINE WHAT OUTCOMES ARE PRIMARILY CONTRIBUTED TO BY REGIONAL COUNCILS, CITY/DISTRICT COUNCILS, CENTRAL GOVERNMENT AND THE COMMUNITY SECTOR RESPECTIVELY?***

Three preliminary points may be worth making:

- The term community sector should be understood to include all the diverse interests and groups within the geographic boundary of the district or region served by the council concerned so that it encompasses not just the voluntary/community sector but business, sport and recreation, Iwi and others.
- The process of determining contributions to outcomes is necessarily related to the implementation of strategies and actions that will move the community towards the identified outcomes, and is therefore likely to form a key component of outcome implementation as well as being something that will be considered in outcome identification.
- Under LGA 2002, promoting the “four wellbeings” is a statutory responsibility of both regional and local councils. In addressing the outcomes process, it may be helpful to draw a distinction between the conventional (pre LGA 2002) activities of different parts of local government, and the common statutory obligation that all councils now have with respect to outcomes, that is, to recognise that the core business of local government, at both the regional and the district/city level, is the promotion of the “four well-beings”.

With those points made, there is clearly a “horses for courses” issue involved. This is because contributions from a range of groups and organisations are likely to be needed to achieve each of the community’s outcomes, and each of these groups and organisations will potentially contribute in different ways, based on their differing mandates and strengths.

It seems clear, however, that local government will need to take a key role in coordinating the implementation of strategies and actions to achieve community outcomes. Without this coordination, which has a strong public good element, it is likely that the collaborative work required to achieve an outcome may not occur due to differing organisational perspectives and priorities. Linkages between projects and programmes of multiple groups and organisations are likely to become key aspects of achieving improvements in community well-being.

For local government, the process of assessing whether a council should pursue a new strategy or action that will contribute to a community outcome, is captured by section 77 of LGA 2002 which spells out requirements in relation to decisions. They include that, in the course of the decision making process, a local authority must:

- (a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
- (b) Assess those options by considering:
  - (i) The benefits and costs of each option in terms of the present and future social, economic, environmental, and cultural well-being of the district or region; and
  - (ii) The extent to which community outcomes would be promoted or achieved in an integrated and efficient manner by each option; and
  - (iii) The impact of each option on the local authority’s capacity to meet present and future needs in relation to any statutory responsibility of the local authority; and
  - (iv) Any other matters that, in the opinion of the local authority, are relevant.

The respective roles of council, government, business, Iwi and community organisations in contributing to outcomes should also be affected by the way in which the outcomes process itself is operated. As

already noted, there has been a tendency in the first round of LTCCPs to treat the community outcomes process as a form of enhanced public consultation. If, as this report argues, the crucial part of section 91 is developing the process in agreement with “other organisations and groups”, MDL would expect to see much more of a focus on the “vital few” outcome areas where it is expected both that making a difference will add real value to community wellbeing. In practice, MDL expects that decisions on who should have what roles would be made as part of the process of identifying community outcomes, interpreting that process to include developing the objectives, strategies and activities required to deliver on those outcomes. In other words, although there are general principles, such as those set out in section 77, or the criteria set out at page 39 above, there are no hard and fast rules that will produce the one right answer. Instead, there should be a consistent and principle based approach to determining what is appropriate with each outcome set.

An example from the Bay of Plenty may help make the case. It can be argued that one of the most significant outcome areas, for the region as a whole, is tertiary education (that is post-compulsory education ranging from initiatives such as the modern apprenticeship scheme through to post-graduate study and research).

The fact that major tertiary institutions tend to have at least a sub-regional if not a regional or supra-regional catchment, and that issues of under-provision are generic across the region, points to aspects at least of this as being a regional outcomes area. The key stakeholders include the community in different guises - as potential students, as parents, as employers, as people interested in life-long learning opportunities and so on.

This highlights another aspect of the outcomes process, and one that needs to be recognised up-front. Outcomes are not invariant. Defining them is, in many respects, as much a value judgement as it is a result of an analytic process. Tertiary education provides a good example. Central government has what it regards as some quite clearly defined outcomes for the tertiary education sector and stated means for delivering those outcomes. Not all of the outcomes are ones that would necessarily have full support at a regional or local level and some outcomes that might be given a high priority regionally or locally may not be seen as relevant by central government. One example is the role that significant tertiary activity can play in determining the quality of an urban environment and its attractiveness as a location.

A further factor that experience in the tertiary sector highlights is the importance of implementation. Thus, central government’s outcomes appear to be underpinned by:

- A strong preference for the delivery of tertiary education services through publicly owned institutions.
- A strong discouragement of competitive supply.
- Opposition to the establishment of new tertiary institutions.
- Preferred processes for engagement with prospective users - employers etc.

Within the Western Bay of Plenty community (and probably through the region as a whole) there are concerns that the government’s preferred outcomes, and means for achieving them, are:

- Significantly restricting the development of educational opportunity - for example the restrictions on what has been Tauranga’s dynamic private, including not for profit, sector.
- Limiting access to alternative providers with research, teaching and learning skills needed within the community - horticulture, and the potential for a focus on ageing are good examples.
- Entrenching a situation in which the delivery of tertiary services within the Bay of Plenty is significantly below the region’s needs (with delivery in the Western Bay through state owned

institutions running at something like 40% of what it would be if it were at the New Zealand level on a per capita basis).

- Contributing to a significant and ongoing skills shortage issue because of the absence of effective means of engagement between potential employers and tertiary providers.

This example is intended to highlight the probability that treating the outcomes process as genuinely strategic planning at a community level will highlight differences around desired outcomes and who should have what responsibility. Ideally this will be seen as inherent in any worthwhile strategic planning process, and an opportunity for different participants to learn more of the needs and aspirations of others, rather than as a reason for failing to engage.

Finally tertiary education is clearly an example of something that, at least in a pre-LGA 2002 environment, was well outside the purview of the regional council. However, given its significance for each of the four wellbeings, and its regional dimension, arguably the region has a significant role to play - not as a deliverer but as an advocate and as a facilitator of a process to bring the regional community together with current and potential funders and providers. The same will apply in a number of other outcome areas.

***WHAT APPROACH SHOULD BE TAKEN BY REGIONAL COUNCILS AND CITY/DISTRICT COUNCILS RESPECTIVELY CONCERNING ENGAGING WITH CENTRAL GOVERNMENT ON COMMUNITY OUTCOME IDENTIFICATION AND MONITORING PROCESSES?***

Developing policy within central government makes it clear that central government wishes to strengthen its engagement at the regional level. This is not the same thing as engagement with regional councils.

It is clear from material being prepared for Cabinet that the practice, in a number of regions, of the regional council and the district councils coming together to identify community outcomes is seen as a valuable one.

From a central government perspective, it appears that the community outcomes process is seen as being, amongst other things, a very useful way of raising community understanding of what can be expected from central government, including limitations on its ability to intervene and that the community outcomes process should represent a very useful two-way communication mechanism. To quote from the Cabinet paper already cited:

“If departments do not engage in COPs there is a risk that communities will not have adequate information to appropriately identify their future wellbeing outcomes, and they might build up unrealistic expectations about what government can and should do to help achieve these outcomes. COPs provide opportunities for central government to collaborate and benefit from the process. All central government agencies will have the opportunity to communicate Government’s goals and priorities from their relevant sector, provide information they may have about communities and their agency’s activities, and raise awareness of particular issues. Those that participate directly in COPs can listen to community concerns, help clarify local issues, explain what agencies are doing in the community, and manage expectations about what central government can and cannot do.<sup>30</sup>”

---

<sup>30</sup> Office of the Minister of Local Government (2004) p3

It is also clear that at least some regions within New Zealand have been proactive in seeking to ensure that the community outcomes process is used to engage central government actively in addressing the needs of those regions as with the Auckland and Wellington initiatives cited in the Cabinet paper (see page 19 above):

## GOOD PRACTICE SUGGESTIONS

Experience so far suggests that there are some good practice matters that should be taken into account.

The first is the need to balance the different resources, capabilities, circumstances and perceptions of councils involved in a regional outcomes process. In most of New Zealand's regions, there are significant imbalances in capacity and capability between the regional council on the one hand and a number of territorials on the other, and between larger and smaller territorials. Obvious examples include:

- The scale difference between Environment Bay of Plenty on the one hand and Opotiki and Kawerau on the other.
- The scale difference between Christchurch City and a number of surrounding district councils.

If regional outcomes processes are to be effective, then it is incumbent on regional councils generally, and larger city/district councils, to be very aware of the circumstances of smaller districts - any suggestion that a regional outcomes process could be a "stalking horse" for the agenda of large councils will not assist the process.

A second good practice issue, and again one which is really no more than common sense, is the need to be very aware that, within a number of regions, the circumstances of district councils differ very substantially so that, even though there may be a measure of commonality in high level regional outcomes, action plans will necessarily be quite distinct. As one example, Wanganui District Council told us that they were more focused on district level than regional outcomes because of the nature of the Manawatu - Wanganui region. As the council put it to us, we do not have a great deal in common with Tararua District Council on the East Coast of the North Island.

One way of dealing with these sensitivities, and reaching some agreement on how community outcomes processes should function, is to treat this as one of the matters to be covered in the triennial agreements which all of the local authorities within each region must enter into before 1 March following each triennial election. The agreement is to cover "protocols for communication and co-ordination among them during the period until the next triennial general election of members".

It is tempting to suggest that Local Government New Zealand, or the Society of Local Government Managers, should seek to develop a template which all regions could use as a basis for incorporating their approach to the regional outcomes process within their triennial agreements. On balance, it is a temptation which should be resisted as there appear to be sufficient differences in the makeup and circumstances of each region, and the approaches which individual regions have been taking, to suggest that a template would not be helpful as opposed to recognising the principle of using the triennial agreement to framework the regional outcomes process. In order to facilitate effective engagement with central government the triennial agreement should include provisions for:

- Adopting a joint approach to identifying the community's outcomes, at least in terms of dealing with central government.

- Actively seeking involvement from central government in the development of outcomes at a regional and district level.

It is also clear, and becoming more so as central government moves to developing its machinery of government responses, that there is a very real need to ensure a similar level of preparation with other key stakeholder interests. If central government comes to the table well prepared and with its agencies working in unison, there is a very real potential that the outcomes process could be distorted if other sectors engaging in the process are not similarly well prepared - local government itself, the business sector, the voluntary/community sector, and Tangata Whenua. As English experience with local strategic partnerships shows, this places a real emphasis on the need to consider how best to resource the outcomes process, and to do so in a way that does not place undue burdens on sectors that have relatively limited resources. It would be desirable for the triennial agreement to address this issue so that stakeholders within the region do not get conflicting messages.

---

## 8. From Consultation to Strategic Planning

---

In this section of the report we consider what needs to happen in order to realise the potential of the community outcomes process to enable community based strategic planning.

Our starting point is that effective strategic planning, of whatever kind, is necessarily the result of an informed understanding and a commitment to make it happen. No amount of legislative requirement, ministerial directives, or other forms of compulsion will be effective, in the absence of genuine understanding and commitment.

Conversely, there is also very good evidence that, even in the public sector, effective strategic planning can take place regardless of whether there is a statutory obligation or not.

Accordingly, this section of the report is written for councils, government departments and agencies, and other key stakeholders who themselves want to be part of a community based strategic planning process. Experience suggests that this will typically be the case when they see that there are potentially significant benefits, in terms of their own objectives, from doing so. This appears a perfectly sensible proposition; what is very clear both from New Zealand experience so far, and from experience in other jurisdictions such as England and Wales, and Australia, is that community based strategic planning involves a very considerable investment of time and other resources. In turn, this suggests that in order to secure the commitment of those who need to be involved (including elected members and staff for whom commitment is as much as anything else a significant change in the way they work) the expected returns must be commensurate. The obvious implication is that one pre-condition for community based strategic planning is the expectation that its impact will be significant. To put it another way, there must be an expectation that the results will be more than just “business as usual”.

Against that background, and before considering the elements of good practice for community based strategic planning in New Zealand, we consider some of the barriers to implementing strategic planning within local government.

The first is the nature of strategic planning itself. Writers on strategic planning conventionally describe it as a process involving a series of steps, starting from setting an organisation’s mission, reviewing the organisation’s environment, identifying strengths and weaknesses, selecting strategic issues, formulating strategies, implementation, review and reassessment.

A good example of this is the model developed by John Bryson, Professor of Planning and Public Affairs at the University of Minnesota’s Hubert H Humphrey Institute of Public Affairs. He puts forward a ten step strategic planning process. The following extract both outlines the process and provides some qualifying comment about the time and resource required to put it into practice:

1. Initiate and agree upon a strategic planning process.
2. Identify organisational mandates.
3. Clarify organisational mission and values.
4. Assess the organisation’s external and internal environments to identify strengths, weaknesses, opportunities and threats.
5. Identify the strategic issues facing the organisation.
6. Formulate strategies to manage these issues.
7. Review and adopt the strategic plan or plans.
8. Establish an effective organisational vision.
9. Develop an effective implementation process.

## 10. Reassess strategies and the strategic planning process.

“These ten steps should lead to actions, results, and evaluation. It must be emphasised that action, results, and evaluative judgements should emerge at each step in the process. In other words, implementation and evaluation should not wait until the “end” of the process but should be an integral and ongoing part of it.

“The process is applicable to public and non-profit organisations, boundary-crossing services, interorganisational networks, and communities. The only general requirements are a “dominant coalition” (Thompson, 1967) that is willing to sponsor and follow the process and a process champion who is willing to push it. Many organisational strategic planning teams that are familiar with - and believe in - the process will be able to complete most of the steps in a two-or three-day retreat, with an additional one-day meeting scheduled three to four weeks later to review the resulting strategic plan. Responsibility for preparing the plan can be delegated to a planner assigned to work with the team, or the organisation’s chief executive may choose to draft the plan personally. Additional time might be needed for further reviews and for sign-offs by key decision makers. Additional time might also be necessary to secure information or advice for specific parts of the plan, especially its recommended strategies. When applied to a network or community, however, the effort is likely to be considerably more time consuming due to the necessity of involving substantial numbers of leaders, organisations, or citizens.<sup>31</sup>”

A different view of strategic planning is presented by Henry Mintzberg<sup>32</sup> in a seminal Harvard Business Review article published in 1994, *The Fall and Rise of Strategic planning*. Mintzberg launches a devastating critique of process based strategic planning and the role of planners.

He draws a sharp distinction between strategic planning and strategic thinking as can be seen from the following extracts from the article:

“True to the scientific management pioneered by Frederick Taylor, this one best way involved separating thinking from doing and creating a new function staffed by specialists: strategic planners. Planning systems were expected to produce the best strategies as well as step-by-step instructions for carrying out those strategies so that the doers, the managers of businesses, could not get them wrong. As we now know, planning has not exactly worked out that way.

“While certainly not dead, strategic planning has long since fallen from its pedestal. But even now, few people fully understand the reason: *strategic planning* is not *strategic thinking*. Indeed, strategic planning often spoils strategic thinking, causing managers to confuse real vision with the manipulation of numbers. And this confusion lies at the heart of the issue: the most successful strategies are visions, not plans.

“Strategic planning, as it has been practised, has really been *strategic programming*, the articulation and elaboration of strategies, or visions, that already exist.

“Strategic thinking, in contrast, is about synthesis. It involves intuition and creativity. The outcome of strategic thinking is an integrated perspective of the enterprise, a not-too-precisely articulated vision of direction, such as the vision of Jim Clark, the founder of Silicon Graphics, that three-dimensional visual computing is the way to make computers easier to use.

---

<sup>31</sup> Bryson, John (1995) p23

<sup>32</sup> At the time of writing, Professor of management at McGill University in Montreal Quebec and visiting Professor at INSEAD in Fontainebleau France. Mintzberg is recognised as one of the world’s leading thinkers on strategic planning.

“Such strategies often cannot be developed on schedule and immaculately conceived. They must be free to appear at any time and at any place in the organisation, typically through messy processes of informal learning that must necessarily be carried out by people at various levels who are deeply involved with the specific issues at hand.

“Formal planning, by its very analytical nature, has been and always will be dependent on the preservation and rearrangement of established categories - the existing levels of strategy (corporate, business, functional), the established types of products (defined as “strategic business units”), overlaid on the current units of structure (divisions, departments, etc). But real strategic change requires not merely rearranging the established categories, but inventing new ones.

“Strategy making needs to function beyond the boxes, to encourage the informal learning that produces new perspectives and new combinations. As the saying goes, life is larger than our categories. Planning’s failure to transcend the categories explains why it has discouraged serious organisational change. This failure is why formal planning has promoted strategies that are extrapolated from the past or copied from others. Strategic planning has not only never amounted to strategic thinking but has, in fact, often impeded it. Once managers understand this, they can avoid other costly misadventures caused by applying formal technique, without judgement and intuition, to problem solving.<sup>33</sup>”

Mintzberg is not arguing for the abolition of strategic planners or the planning function. Rather what he is arguing is that:

“Planners should make their contribution *around* the strategy-making process rather than *inside* it. They should supply the formal analyses or hard data that strategic thinking requires, as long as they do it to broaden the consideration of issues rather than to discover the one right answer. They should act as catalysts who support strategy making by aiding and encouraging managers to think strategically. And, finally, they can be programmers of a strategy, helping to specify the series of concrete steps needed to carry out the vision.<sup>34</sup>”

The Mintzberg critique will probably strike a chord with a number of readers; too often strategic planning has been seen as an exercise that produces a voluminous document that then gathers dust on the shelf, or simply proves to be relatively unhelpful because it proposes a static approach in a dynamic environment in the sense that it assumes certain future states that do not in fact eventuate.

The over-emphasis on planning as opposed to strategic thinking can certainly be an issue in a local government context. In the consultations we undertook in Sydney, we were advised to try and avoid the use of the word planning.

Two of the people with whom we met (separately) had both played significant roles in the development and implementation of Integrated Local Area Planning, (ILAP), a strategic planning initiative promoted by the Australian Local Government Association in the mid 1990s (see appendix 1). One commented that a real problem in selling ILAP had been the use of the word “planning”. What it did was trigger a reaction in local government, as a first response, that anything that has the word planning in it should be given to the planners - and in Australia that had tended to mean a focus on data collection rather than on doing things. In that person’s experience, over-analysis, data collection etc can be inimical to building partnerships (the “when is something going to happen” issue). It also creates another risk. If the process starts with significant data collection and analysis, the risk is that what you get is the views of the analysts/data collectors, as their version of the “truth” is advanced as the truth for the project.

---

<sup>33</sup> Mintzberg, Henry (1994)

<sup>34</sup> Ibid

The second informant made a different point. He was concerned that the use of the word “planning” distracted people from the fact that what was really at issue was strategic management - the need to inform an engaged management within the organisation.

A third informant commented on the importance of avoiding capture by built form planners - the people responsible for developing the district plan, land use rules etc. She said that her council saw planning within its community planning framework as being not so much about built form planning or anything of that kind as about clarity on where you are going and how you are going to get there - part of it is demystifying a process and making it open.

This can be seen as a dilemma for local government, both in formal compliance terms, and in terms of organisational culture. Councils as organisations are both rule bound and rule makers, certainly as compared with either the business or the voluntary/community sectors. LGA 2002 and other local government legislation is quite prescriptive in terms of how councils undertake their activities, report on them, and are held accountable by their communities. In comparison with other organisations, local authorities generally have a strong culture of working by the rules and expecting others to do so - reflecting the nature of their role as a public bureaucracy.

This suggests that one necessary part of the commitment to effective use of the community outcomes process is ensuring that whatever process a council adopts, it is specifically designed to encourage strategic thinking rather than simply strategic planning in the pejorative sense. To quote Mintzberg again:

“Formal procedures will never be able to forecast discontinuities, inform detached managers, or create novel strategies. Far from providing strategies, planning could not proceed without their prior existence. All this time, therefore, strategic planning has been misnamed. It should have been called strategic programming, distinguished from other useful things that planners can do, and promoted as a process to formalise, when necessary, the consequences of strategies that have already been developed. In short, we should drop the label “strategic planning” altogether.<sup>35</sup>”

LGA 2002 enables this for the community outcomes process - it is the one non-prescriptive part of the planning, reporting and accountability requirements within the Act.

The greatest difficulty for local government may be the culture shift, from leading and directing to facilitating. One highly regarded English local government think tank from which we sought input based on their experience with local strategic partnerships in England and Wales commented:

- Expecting councils to change to simply facilitating a process is asking a lot.
- There are still difficulties in England especially for elected members who are used to making decisions on their own based on their notions of representative democracy.

## THE COMMUNITY AS A PLANNING ENTITY

A further factor, unique to community based strategic planning, is the nature of the “entity” for which planning is being undertaken. Normally strategic planning - strategic thinking - takes place within an organisation which has known boundaries and where strategic thinking is very much focused on the relationship between the organisation and the others with whom it interacts - customers, suppliers, patients or whatever. There is also, usually, a sense of common identity within the organisation. People know that they are associated with it as employees, owners, and in other usually well understood categories.

---

<sup>35</sup> Mintzberg, Henry (1994)

There is no such commonality within the “community”. As is well recognised, especially when the term is used to refer to a geographic entity, it encompasses a wide range of diverse interests who may or may not see themselves as having anything in common one with another other than the fact of location.

This does mean that care is needed in extrapolating from the understanding and practice of strategic planning within organisations to strategic planning for a community. In particular, it will mean that there does need to be a stronger emphasis on process, on providing leadership - in the sense of direction in identifying strategic issues - and in providing information to which people can respond.

At the same time, there are also commonalities. Mintzberg’s critique of process based strategic planning, and emphasis on strategic thinking, is at least as important in community based strategic planning as it is in strategic planning within an organisation.

If anything, given the disparate nature of community, and the rule and process based nature of local government, it is even more important to manage the risk that strategic thinking could get displaced by process.

One final point needs to be stressed, yet again. This is the importance of councils - and key stakeholders - consciously recognising that the role of the local authority is to facilitate the community outcomes process so as to maximise the opportunity for strategic thinking to emerge from where-ever it is held within the community, and not to confuse facilitation with the imposition of its own views or preferences (whether those of officers or those of elected members).

The reality is that responses will differ. Some councils, deliberately or otherwise, will treat the outcomes process as one of stating what they believe the community’s preferences are. Others may understand that their role is intended to be facilitation but find it hard to make the shift from their established practice. Not all will understand that the real potential of the outcomes process lies in treating it as an opportunity for strategic planning (strategic thinking) and be prepared to make both the adjustments and the investment required for this to be effective.

The probability of different responses, including responses that do not recognise, or prove able to cope with, the potential of the community outcomes process should not be seen in negative terms. Rather, it is the normal pattern in any significant organisational change across a sector which includes a number of different organisations (there is a very loose parallel with the way in which the New Zealand business sector responded to the deregulation of the 1980s; some genuinely understood the potential and took full advantage of it, others attempted to do so in varying degrees and yet others virtually retreated into their shell and were left behind).

Experience is that this kind of change always has leaders and laggards. It can normally best be enabled by identifying and encouraging potential leaders in the expectation that others, witnessing the gains they make, themselves understand the benefits that can be gained from change.

The rest of this section is written on that premise - that the best way of realising the potential of the community outcomes process is to reinforce the work of those councils which are closest to treating the process strategically, and of those stakeholders who can contribute to encouraging councils to do so.

We now consider:

- The preconditions for establishing an effective process.
- Gaining the engagement of different stakeholders.
- Incentives.

- Who should lead.

## PRECONDITIONS

The first and most significant precondition is developing a shared understanding between the council and potential participants of what the process is about. It is for this reason that MDL regards the requirement in section 91(3) that councils seek the agreement of “other organisations and groups” to their proposed process as absolutely crucial. It should be seen not as a “tick the box” test of approval but as the point at which the council itself makes it clear to other potential participants that this is about enabling strategic thinking on the future of the community, gives its own commitment to the process (including its role as facilitator) and secures the commitment of other stakeholders.

This may not be straightforward. A number of potential stakeholders are either dubious about the role of local government or relatively uninformed (see the extracts in appendix 3 from the review of the regional partnerships programme). Councils may find that simply stating their intention is not in itself sufficient - that they will need to go out of their way to emphasise that this is not just another exercise in council consultation.

One important factor for councils to consider is who should lead the process. MDL’s view is that, if the full potential of the community outcomes process is to be realised, then it is the elected members, rather than officers, who must take the lead in explaining the process to other potential participants and securing their commitment. This will demonstrate that the process is not just another exercise in compliance, but genuinely about setting the future direction of the community.

As part of this, councils will need to be clear on what they are asking stakeholders to commit to, in the practical sense of the nature of the involvement and what they will be expected to do. To date, councils have concentrated on identifying community outcomes, rather than on the who, what and how of the measures that might result in their achievement.

In contrast, in England and Wales, councils in order to develop their community strategies have established local strategic partnerships - basically because the guidance from the Secretary of State required them to do so.

A similar approach is starting to emerge in New Zealand as councils start asking the question “we have identified the community’s outcomes, what now?”

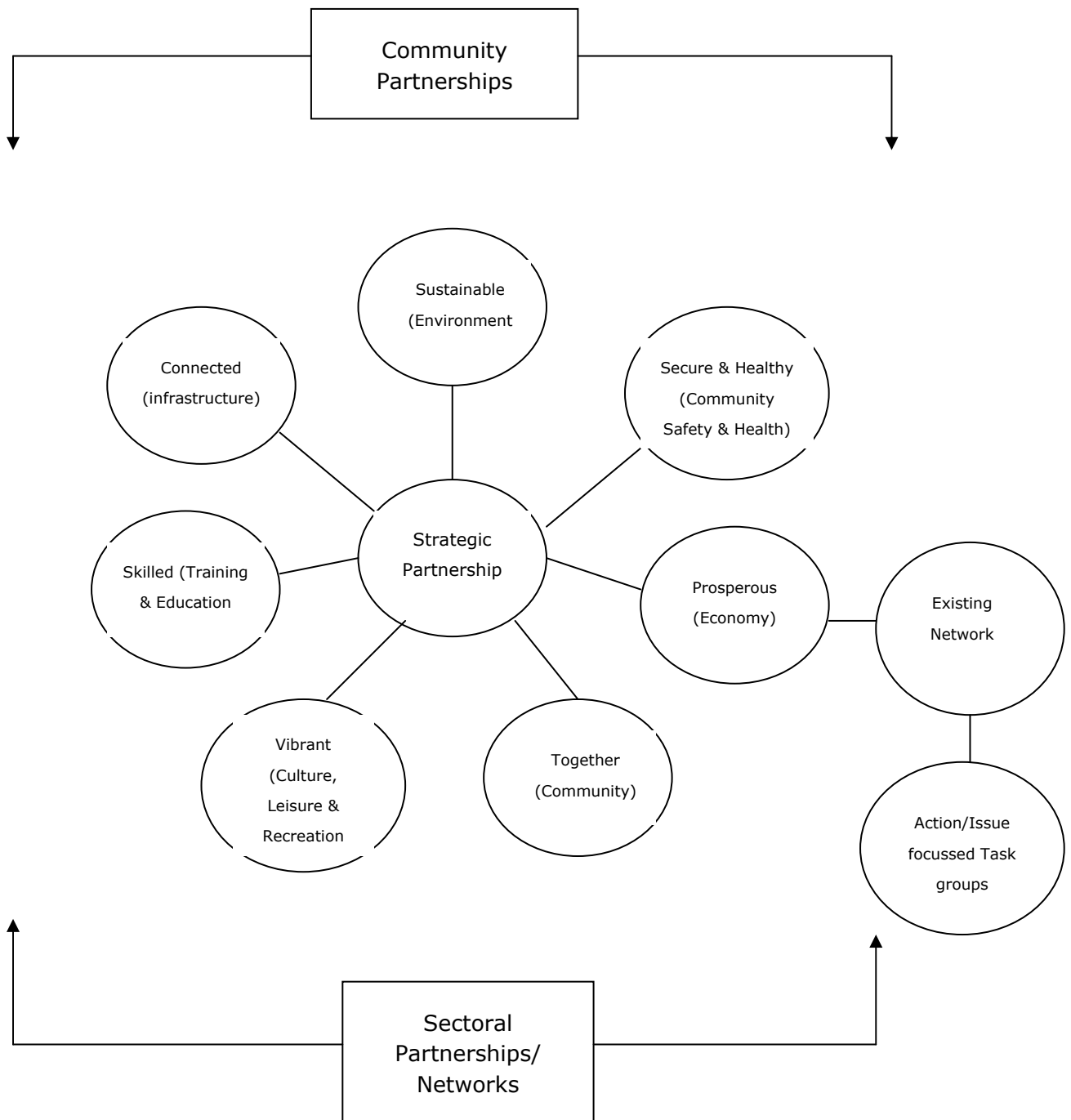
In a model that appears to have much to commend it, the four Taranaki councils are proposing the establishment of a single strategic partnership with seven sectoral networks. The structure is represented diagrammatically on the following page<sup>36</sup>.

This diagram aims to depict how the Strategic Partnership could relate to a series of outcome partnerships, existing sectoral networks and groups and/or a range of action/issue focused groups.

On the face of it, the approach seems the rational way to proceed. A single strategic partnership brings together all key stakeholders - and thus facilitates collaboration. The seven sectoral networks allow a measure of specialisation, drawing together people around each outcome set who are presumed to have the expertise, networks, knowledge and institutional backing needed to identify and drive strategies for that outcome set.

---

<sup>36</sup> New Plymouth District Council et al (2004)



Experience with local strategic partnerships in England and Wales (as reported in the evaluation study cited at page 34 above) identifies a number of matters that must be addressed if strategic partnerships are to work effectively. They include:

- Clarity regarding the role of the local authority and other participants.
- Commitment - that generally the same people represent an organisation at successive meetings of the partnership, and have whatever authority is needed to make commitments that may be required at partnership meetings.
- Capability/capacity - both within the local authority in terms of strategic capability and in other stakeholders, especially non-public sector stakeholders. Typically, these stakeholders will have very limited resources and no readily available means of increasing them. This leads to the risk,

already referred to in this report, that the outcomes process could become dominated by organisations that have access to taxpayer or ratepayer funding, whilst stakeholders who depend on membership funding (typical of both the business and the voluntary/community sectors) or otherwise have limited resources (many lwi organisations) find they cannot afford to participate. This is an issue that must be addressed and cannot simply be brushed to one side on the argument that if the organisations think it is important enough, they will find a way of participating. What is being considered here is essentially a public good activity and it may need to be funded accordingly.

- Open lines of communication and a commitment to collaboration and timely response. English experience suggests that this may be a particular challenge for central government agencies. Ensuring that this happens - or looking for solutions if it does not - appears now to be the role of the Department of Internal Affairs.

We come now to what is something of a chicken and egg dilemma; the question of what kind of strategic partnerships and what interests should comprise them. At page 30 above we quoted a response from one contributor to the project who argued, in essence, that seeking to identify community outcomes, before considering strategic direction (including opportunities, constraints and the like) was to get the process back to front. We have some sympathy for that view but know also that the process of asking the community what its preferences are can be seen as the equivalent of the kind of scoping that would take place in a normal strategic planning exercise. Seen in this way, community outcomes become part of the information set which aids the process of considering what objectives/strategy/actions should have priority, and in determining what mix of interests should be required within the strategic partnership and any sectoral networks.

This leads on to one of the most important pre-conditions; ensuring that any strategic partnerships are structured to maximise potential both for strategic thinking and the action plans that must follow from that.

This highlights another dilemma. If, following Mintzberg, you believe that formalisation can be the enemy of strategic thinking, then a crucial question is how should a strategic partnership be designed so that it enables strategic thinking rather than inhibits it.

A degree of formalisation can clearly bring strategic benefits, especially if it can enhance collaboration and co-operation amongst key stakeholders who have previously worked past each other. Put at its simplest, without a shared understanding of process, nothing is going to happen. There do need to be agreed means for people working together, documenting the background information they hold, recording the proposals they wish to put forward and agreeing their working arrangements. The point is to ensure that the process is the servant of the objective - enabling strategic thinking - rather than a constraint which inhibits it. With the right motivation, and terms of reference, formal working groups can be an effective part of the means for achieving this.

The question is, can they be effective to enable the strategic insight which will lift the game to a higher level. Two points should be emphasised here:

- A community's expressed preferences, and the strategies needed to improve outcomes for the community, may not necessarily fit one with another.
- The most significant strategies may be those which are likeliest to clash with quite strong vested interests.

Each of these points can be illustrated by an example. Currently, there appears to be a strong preference within the community for increasing the penalties for criminal offending. The preference appears to be based on a community view - encouraged by politicians from most political parties - that increased penalties will reduce offending and increase community safety. Most research evidence

suggests that this view is plainly wrong - that the strategy of increased penalties is likelier over the long term to increase criminal offending and make the community less safe.

This provides a classic example of a situation in which community preferences - community outcomes - could be at odds with the various strategies needed to achieve them.

The second example concerns the presence, within most communities, of significant institutions of local governance that may see the community outcomes process as a threat to what they regard as their independence. The obvious examples are the former Trust Bank Community Trusts, and Energy Trusts. Gaming Trusts fall into the same category. All are, to varying degrees, resistant to any suggestion that their decisions on how they deal with their income and capital should be taken within a broader context of overall community priorities, outcomes, and use of community resources although there are encouraging signs of a number of trusts exploring the establishment of collaborative arrangements both with each other and with local government.

## **STAKEHOLDERS**

Effective community based strategic planning will require a strong commitment from stakeholders including business, the voluntary/community sector, government agencies, Tangata Whenua and specialist groupings such as the major "public" trusts.

One element of securing this is the commitment which individual councils themselves make to secure the engagement of key stakeholders; this is one reason for the emphasis on the importance of the process of seeking agreement of "other organisations and groups" to the council's process for identifying outcomes.

Another element is the level of understanding, capability and capacity on the part of key stakeholders themselves. We now address this issue, drawing both on extensive discussions and input from stakeholder groups themselves, prior knowledge (especially in respect of "public" trusts) and experience from elsewhere.

We consider each of the five stakeholders groups mentioned in turn.

### ***BUSINESS***

Any approach to strategic planning at a community level recognises the pivotal role of business, but also the difficulty of achieving engagement. Reasons include:

- A relative lack of understanding by business, of local government, and by local government of business coupled with a suspicion, on the part of business, of local government led processes. Evidence for this includes the findings of the Regional Partnerships Programme review (see appendix 3) experience from other jurisdictions (eg local strategic partnerships in England and Wales) and feedback, especially from business, in the course of this project.
- A relative lack both of capability and capacity on the part of business. Discussions with various lead business organisations in preparing this report has identified this as a significant issue in a New Zealand context - most peak organisations have very limited policy/analytical capability and typically this is already over-committed.
- The relative absence of established channels for dialogue between business and local government.

MDL approached the issue of business engagement on the basis that it required both a 'top down' and 'bottom up' approach. Top down in the sense of peak business organisations playing a role in developing a business view on response to/involvement with the outcomes process and providing guidance for their membership. Bottom up in the sense that actual engagement will be at a regional or district level and thus, primarily, involve local businesses/business networks.

In England, two peak business organisations, Business in the Community and the British Chambers of Commerce, have been strongly supportive of business involvement with local strategic partnerships. A joint pamphlet *Local Strategic Partnerships and Neighbourhood Renewal: Why Business Should get Involved*, put forward arguments such as:

- We need to help LSPs succeed. We can work with public agencies to build prosperity and ensure a lower cost base for business; lower insurance premiums, less staff turnover, a bigger pool of potential recruits with the right skills, and improved accessibility.
- LSPs matter to business because - LSPs will drive improvements in local services and infrastructure - LSPs will guide the priorities of public bodies - business needs quality public services to underpin competitiveness<sup>37</sup>.

As might be expected, experience has shown that making it work, particularly at a local level, can be challenging. An evaluation report prepared in January 2004 of the business broker pilot programme for Business in the Community, the Office of the Deputy Prime Minister and two others included consideration of the effectiveness of business involvement in LSPs. Two factors appear to have been significant:

- The fact that the early meetings of LSPs were more focused on process and less on immediate outcomes, confirming for many business representatives their somewhat cynical view of the relevance of local government processes.
- Often, people were appointed to LSPs as representatives of the local Chamber of Commerce rather than of the genuine “private” sector (that is Chamber staff members). This was contrasted with the practice of some other sectors, such as the voluntary/community sector, of electing representatives and thus sending people with a genuine mandate<sup>38</sup>.

The business broker evaluation confirms that more recently, as LSPs have started to focus on matters of specific interest to business, attitudes are changing with business people starting to see more relevance.

The lesson for the community outcomes process in New Zealand is that local government generally, and individual councils, need to ensure that involvement in the outcomes process by key stakeholder groups, such as business, is seen as relevant from their perspective.

Amongst other things this means:

- Taking their needs, interests and ways of operating into account when designing the process, rather than simply creating a process that fits with normal local government practice.
- Recognising the importance of achieving some early wins so that stakeholders representatives can see the benefits.

In New Zealand one business organisation, the Chambers of Commerce, has taken the policy decision to become actively engaged in the outcomes process and provided guidelines to its local chambers on how to get involved. However, both from a ‘top down’ and ‘bottom up’ perspective, the Chambers’ capacity is extremely limited. They simply lack the people resource needed at a regional or local level and, as member funded organisations, have limited or no potential to draw on member funding for what is inherently public good activity.

Other business organisations have shown varying levels of interest but in some instances have been inhibited, substantially, by a view of the nature and role of local government that suggests there will be

---

<sup>37</sup> Business in the Community and the British Chambers of Commerce (2002) p2

<sup>38</sup> Johnstone, Derrick et al (2004)

little or any positive engagement. In other cases there are emerging signs of a willingness to engage where the interests of business and the wider community appear more closely aligned. Influencing many business attitudes is combination of:

- An ideologically based view that the best government is small government so that anything which appears to extend the role of local government should be resisted.
- A history of experience from engagement with local government, especially through the special consultative procedure around annual plans, which has left a number of business organisations doubtful about the value of engagement - the already cited response of "I will be frank. Councils' consultation is rubbish!" makes the point.

Despite the obvious difficulties, it is crucial that means be found for enabling business sector engagement. In the current situation of business sector attitudes towards local government, the best options appear to be:

- Engagement with individual businesses/business groups at a local/regional level.
- Encouraging Economic Development Agencies (EDAs) to act as a voice for business in the outcomes process.
- Highlighting outcomes areas where there does appear to be a commonality of interests. This should include an open door approach on the part of local government to engagement with business in those areas.

A review of experience of those councils that have sought to encourage active involvement (for example the Taranaki councils; Kapiti Coast District Council) suggests that local business organisations and businesses will, within their limited resources, respond positively where there are good relationships with the council and/or the council makes a strong commitment to seeking their involvement. They will, though, be limited by lack of resource and, in particular, the capability/capacity to deal with strategic thinking for the community - individual businesses and business organisations tend much more to be focused on the short term interests of their own businesses or their own members.

The second option may be more promising. Virtually all of New Zealand's local authority areas are now served by EDAs (sometimes as standalone entities, sometimes as in-house business units and variously serving either a single district or the districts of a group of councils).

Typically, EDAs do have some capability/capacity in policy and strategy. They are also much more focused on the nature of the business environment, and the potential for development of the local economy. Encouraging them to play a role in the community outcomes process as the voice of business would require some specific measures. These would include:

- Establishing a specific understanding between funding councils on the one hand and individual EDAs on the other that this was an appropriate role even if it might involve putting forward views that the council itself could find it hard to accept (from MDL's work on economic development, it is clear that for many, perhaps a majority of EDAs, there are quite important "no go" areas because of council sensitivities).
- The question of resourcing would need to be addressed. Although EDAs receive most of their funding from the public sector, it is commonly through contracts which, increasingly, specify how the funding is to be applied. The potential of EDAs to play a role in the outcomes process will therefore be a direct function of the terms of their funding arrangements.
- Some upskilling on local government practice and processes - although EDAs are accustomed to working with local government, generally they tend not to be experts in local government policy and practice as their focus is more outwards towards the local economy than inwards towards the council's own processes.

There are good working relationships between local government as a sector and EDAs, especially through the relationship between LGNZ and EDANZ (the peak organisation for EDAs).

MDL recommends that these two organisations explore the potential for EDAs to act as a voice for business in the outcomes process with a view to developing guidelines/recommendations for individual councils and EDAs.

The third option also offers promise. Two examples will make the point.

The first is the emerging interest in urban design which has been given a significant boost by a recent decision of Justice Keane in the Environment Court (reported in the New Zealand Herald for the 8<sup>th</sup> December 2004 under the title *Architecture Ruling Forces Stamford Plaza Pause*).

To quote the article:

“Justice Keane rejected the council’s arguments that it could not set design rules, saying the purpose of the Resource Management Act was to enable people and communities to provide for their social, economic and cultural wellbeing.

“Therefore aesthetics were “an indispensable concern in every planning regime and for every consent authority”<sup>39</sup>”

The decision received a positive response from the property council. It is not hard to understand why. Good urban design has economic as well as environmental consequences; typically, attractive buildings in a well designed environment will achieve a higher rental yield. Investors, especially long term investors with substantial assets in the property sector, share an interest with the broader community in urban design outcomes.

This suggests that one means for developing business engagement with the community outcomes process is for councils, especially those in metropolitan areas, to seek the development of strategic partnerships around an urban design outcome set working with (and possibly led by) the business community (in this respect including not just property investors but all of those involved in the design, development and construction of elements of the urban environment) as well as groups representing the public interest in good urban design.

A second possibility is the area of skills and training. This is widely recognised by the business community (amongst others) as one of the major bottlenecks that needs to be overcome if New Zealand is to have any prospect, over the medium to long term, of maintaining the kind of growth rates it has experienced in recent years. Again there is an opportunity for the development of strategic partnerships around skills and training (perhaps tertiary education generally) with strong involvement from the business sector. It would make sense for local government (both at the level of individual councils and as a sector) to be encouraging business to partner with it and other community interests in addressing this outcome area.

### ***THE VOLUNTARY/COMMUNITY SECTOR***

The same issue of ‘top down’ versus ‘bottom up’ arises for the voluntary and community sector but from a very different background of ideology and experience.

Discussions were held both with the New Zealand Federation of Voluntary Welfare Organisations (NZFVWO) and the New Zealand Council of Social Services (NZCOSS). This year’s NZCOSS conference had a major focus on the community outcomes process which included a presentation from MDL.

---

<sup>39</sup> Orsman, Bernard (2004)

From both these networks there is a strong interest in being actively engaged with the community outcomes process recognising that, in practice, engagement will be at a regional and/or district level.

Both organisations are interested in exploring how best to enable their members to play an effective part. This is likely to include:

- Addressing the issue of capacity for organisations that, typically, are already over-committed.
- Up-skilling people so that they have the necessary understanding of the processes involved to play an effective part.

NZFWO has suggested the establishment of a focus group as the means of further exploring with their members how best to become engaged and how to build the necessary understandings between them and local government on the role they can play.

NZCOSS also sees engagement with the outcomes process as an important part of its future focus. The means will be addressed as part of NZCOSS's own strategic planning work being undertaken in early December.

With both organisations, MDL sees merit in building a close working relationship between LGNZ on the one hand and the national executives of the two organisations on the other for purposes including sharing experiences, building networks, identifying issues that may need to be addressed, and developing good practice.

The second matter that is worth considering is one which applies also with EDAs. This is the question of how to up-skill the people who will actually be engaged within the community outcomes process, who will typically be executives of regionally or locally based organisations. From work MDL has done in the course of this project, it is clear that, to get best value from their involvement, there is a need to provide some basic training in the community outcomes process and other local government accountability mechanisms so that they have a clear understanding of how best to get engaged.

### ***CENTRAL GOVERNMENT***

Central government, at a "whole of government" level, has already taken significant steps to prepare for engagement with the community outcomes process. Certain individual agencies, of which MSD is probably the best example, have also individually put a great deal of effort into resourcing, and raising their understanding of, what is required to engage effectively both at a regional and at a district level (it is understood that MSD is currently preparing a good practice guide for its regional officers to assist with this).

What is clear from the discussions that MDL has had with a number of different government departments and agencies is that both knowledge of the process, and an understanding of how it could advance the interests of the departments and agencies concerned is highly variable. In part this reflects the relative lack of engagement of most agencies. In part, it may be a symptom of what one central government official has referred to as a "Wellington-centric policy focus". It will also reflect the different roles and responsibilities of departments that primarily have a policy responsibility as compared with those that primarily have a delivery responsibility - with the latter typically having a much greater level of experience with working "on the ground" regionally and locally.

Within the decisions taken by government, the lead responsibility for improving the understanding of individual departments and agencies rests with the Department of Internal Affairs in conjunction with LGNZ.

There would be obvious merit in DIA and LGNZ preparing and implementing what would amount to a positive education programme, targeting individual departments and agencies. It should be done not

so much from a perspective of “here is a great new process, you should get to know about it” as from a focus on the needs and objectives of the individual departments and agencies, perhaps working through with them specific case study examples of how they could utilise the process to assist their objectives.

### **TANGATA WHENUA**

The issue of engagement between Maori and local government is a somewhat sensitive one. There is clearly some ground to cover in building mutual understanding and, certainly within local government and quite probably amongst Tangata Whenua, developing a heightened understanding of the impact of their own practices and the way they are described.

In July 2004 Local Government New Zealand with the support of the Department of Internal Affairs and of Te Puni Kokiri published *Local Authority Engagement With Maori: Survey of Current Council Practices*. The introduction to the report includes the statement:

“The report does not seek to assess or evaluate these practices [of engagement]. For this reason, councils were surveyed and asked for quantitative information about their current practices, Maori groups were not surveyed. The base line information in the report is useful for establishing the nature and extent of current practices.<sup>40</sup>”

MDL encountered some quite strong reactions to the document from Tangata Whenua groups, stating that they did not recognise themselves within the document and suggesting that it was a very council-centric description of what was actually happening. We qualify this by noting that the sample of responses was not large enough to be seen as representative but it does highlight the fact that the Maori view of engagement can be quite different from that of local government.

The Local Government Act 2002, in its various specific requirements for engagement with or facilitating participation on the part of Maori, does not use the term Tangata Whenua. Accordingly, it does not discriminate between those who represent the local Hapu and Iwi interests, those who exercise control over particular lands and those who simply live in the area.

We were told more than once - and in different districts - that Tangata Whenua believed that they held the exclusive right to be consulted by local government on matters that affecting Mana Whenua and that this included consultation with Manuhiri - one council with whom we spoke had a memorandum of understanding with the three Iwi in its district which made it quite explicit that if there was a case of consulting with a Maori group who were not Tangata Whenua, this would be done through the Iwi consultation mechanism (this may go further than many councils would regard as appropriate, or be asked to do) .

Maori who were in the district as a result of individual decisions to move and settle we were told should be treated no differently than any other non-Maori residents, that is dealt with in terms of their needs, and those of their members, rather than in terms that implied something equivalent to the position of Tangata Whenua. This would not in any undermine the ability to recognise (say) the special interests and needs represented by an urban Maori authority.

Given the wording of the statute, this creates something of a dilemma as, on the face of it, councils do not have the power to discriminate when applying those provisions of LGA 2002 which deal with Maori.

The community outcomes process appears to offer a way in which Tangata Whenua can engage with local government without running into the problem that the Act refers to Maori and not Tangata Whenua.

---

<sup>40</sup> Local Government New Zealand et al (2004) p9

We have discussed this possibility with a number of Iwi based groups. There is very clear interest on their part in explaining the potential of the community outcome process. It is seen to be a process that could offer real potential for developing strategies in areas such as:

- Supporting Tangata Whenua in the development of under-utilised land.
- Development of Maori housing.
- Developing strategies in other areas of significance to Maori including health, employment and education (areas in which there would be obvious benefits for Tangata Whenua of the region/district and spill overs for wider Maori groups). This may require the development of mechanisms that could incorporate both Tangata whenua and other Maori viewpoints.

None of the Iwi based organisations with whom we discussed this matter had the time or resource to work through the implications in depth because of other and time bound constraints on their time and resources (the Foreshore and Seabed Bill; Fisheries allocation; Treaty settlement issues). All appeared very interested in further work being done to explore the potential.

A possible way forward is for Te Puni Kokiri and LGNZ to consider resourcing for one or more pilot projects and identify districts/regions in which they could be established. Criteria for identification should include:

- The willingness of councils and Iwi backed organisations to work together in exploring the potential of the outcomes process.
- The level of capacity and understanding, and known substantive issues.
- The relative population size.

#### ***“PUBLIC” TRUSTS***

This part of the report is more in the nature an “aide memoire” than of a specific recommendation.

In most regions/districts throughout New Zealand, “public” trusts (primarily the Community Trusts which resulted from the Trust Bank restructuring, Energy Trusts and Gaming Trusts) play a significant role in local governance in the sense that their decisions on how they manage distributions, and the capital under their control, can have a significant impact on the wellbeing and future direction of the community.

A few examples will make the point:

- In most districts Gaming Trusts are an important source of discretionary funding, especially for sporting clubs.
- In the Eastern Bay of Plenty, the Eastern Bay Energy Trust has the capability to distribute approximately \$4 million per annum as discretionary grants (within the terms of its trust deed), a sum that far exceeds the discretionary funding capability of the three district councils combined.
- In Taranaki the distribution capability of the TSB Trust is growing significantly as TSB Bank, which is 100% owned by the Trust, distributes an increasing proportion of its profits. More significantly, the Trust through the TSB Bank owns an extremely valuable but arguably under-utilised community banking business and franchise. It is interesting to note that, despite the otherwise thorough nature of the Taranaki regional outcomes process, initially neither the Trust nor the Bank were included amongst the “other organisations and groups” considered to have the potential to influence the identification or promotion of community outcomes.
- Within the Far North District Council, the ability to provide sewerage services to meet minimum public health standards presents a major challenge for the council (partly because of the nature of its rating base, partly because of the inherent difficulties in providing sewerage for a widely dispersed community where sub-soils do not favour septic tank and similar means of disposal). The local Energy Trust, and its associated Lines Company, have both the financial capability and almost certainly the technical capability to manage a broader range of infrastructure.

Whether they should do so is clearly a matter of community wellbeing in the sense contemplated by LGA 2002.

- In Southland, the Community Trust of Southland has played a major strategic role in recent years identifying and supporting projects that have had a profound impact on the community, the best known of which is the zero fees policy for the Southland Institute of Technology which has seen an increase in equivalent full time student numbers from around 1,200 to in excess of 3,000.

There are considerable sensitivities regarding any relationship with local government. Last year when gaming legislation was being rewritten, the Gaming Trusts actively opposed any role on the part of local government in increasing their accountability to the communities in which they operate. Suggestions that the mandate for community trusts should be based within the community rather than, as is the moment, dependent on appointment by the Minister of Finance, have similarly seen strong opposition, usually expressed in terms of a concern that this could amount to an attempt by local authorities to capture trust funds for their own purposes. As the purpose of the community outcomes process is to shift significant matters of community direction away from the “purposes” of local vested interests, whether councils themselves, trusts or other stakeholders (including central government) to a more broad based process, engaging trusts within the community outcomes process seems particularly appropriate.

Similar questions arise with energy trusts, with a number of these being concerned at the “risk” that wealth which was originally created through the electricity sector might get diverted to unrelated activities such as water, sewerage or roading.

No recommendation is made on the role of trusts in the outcomes process other than that councils should be very conscious of the current and potential role of these trusts and seek to engage them fully within the community outcomes process (an approach that would have the support of the current government; at this year’s community trusts conference, the Minister of Finance specifically encouraged community trusts to get engaged with the process).

### **INCENTIVES FOR ENGAGEMENT**

In this final section of the report we return to the question of incentives for engagement. We have argued that if councils and other key stakeholders are to realise the full potential of the community outcomes process, it will be because they believe the benefits of doing so will exceed the (potentially considerable) costs in terms of time and financial resources.

The best way of doing this is to create opportunities that, if realised, will provide a good return for involvement.

In the course of preparing this report, we have had a number of discussions with different stakeholders around the theme of incentives. They have been cast not in terms of subsidy or grant, but in terms of creating the opportunity of dealing with issues that are a major challenge within a particular district or region - in other words, identifying something that people really want to deal with and using the outcomes process as the means.

A few examples should make the case.

### **TERTIARY EDUCATION**

Access to appropriate tertiary education is a crucial element in the economic and social development of any region or district (something that is widely recognised both internationally, and in the New Zealand government’s own objectives for tertiary education). Currently, the Tertiary Education Commission (TEC) has the primary role in purchasing programmes and services to meet the government’s objectives. The significance of regional economic and social outcomes is made clear in the Statement of Tertiary Education Priorities for 2003/2004 (the latest on the TEC website) which has

this to say in the section dealing with overall priorities for the tertiary education system speaking of the relationship amongst different agencies in achieving the government's objectives:

“Education agencies need to co-ordinate these activities with the work of the many other central and local government agencies that have a stake in the new tertiary education system, including the social and economic development agencies. The TEC in particular will aim to work effectively with other transformational agencies such as the Foundation of Research, Science and Technology, New Zealand Trade and Enterprise, and local and regional economic development agencies.<sup>41</sup>”

Currently, the TEC's main source of information on the programmes and services that tertiary education organisations will provide is the charters and profiles those organisations themselves develop. These are developed from the perspective of the provider itself and will not necessarily identify and accurately reflect needs and opportunities within the region or district.

There is an opportunity for TEC to work through the community outcomes process, initially in regions and/or districts selected in order to pilot the approach, to develop community based tertiary education strategies. Places where this could be particularly welcome include:

- The Bay of Plenty where, across the Bay as a whole, the delivery of University and Polytechnic level training through state owned institutions is at about 40% of the level that would apply if delivery were at New Zealand average rates on a population basis. There is a range of associated issues including the relationship between tertiary activity and urban development in Tauranga, access to needed skills training, especially for school leavers in the Eastern Bay of Plenty and addressing Rotorua's above average unemployment rate.
- The initial period of the fees freeze for the Southland Institute of Technology is drawing to an end. The regional community has a strong stake in the continuing success of the Institute, building on the collaboration which has already taken place. The community outcomes process should provide an ideal means of entrenching that success for the future.
- In Gisborne, the Tairāwhiti Polytechnic is a crucial local resource and intimately bound up with the district's economic and social development. Using the community outcomes process as the means for developing a community based education strategy focused on the Polytechnic and its role could play an important part in the continuing social and economic development of what is New Zealand's most isolated significant population centre.

## **ECONOMIC DEVELOPMENT**

The review of the regional partnerships programme undertaken in 2003 recommended a closer integration with the community outcomes/LTCCP process. There is also scope for further devolution, from central government to the region/locality, of decision making authority on grants within the RPP programme - obviously within clear constraints and accountability.

There are areas within New Zealand that would clearly benefit from using mechanisms designed to better integrate economic development activity within the community, especially through a process that can bring together economic and social development (something seen by the Ministry of Social Development as an important objective).

The policy response to the recommendations in the regional partnership review on the outcomes/LTCCP process has been somewhat slower than the response to other recommendations such as those dealing with the future of MRIs and the development of regional statistics. In part this has been because government itself has been working through its own policy stance on engagement with the LTCCP process, something that has now been finalised.

---

<sup>41</sup> Tertiary Education Commission (2004) p57

It is now timely for a stronger focus on using the community outcomes/LTCCP process as a means of advancing the government's regional development objectives. There are at least two possibilities for this:

- For the use of the community outcomes/LTCCP process to be adopted as a standard practice in the on-going implementation of the regional partnerships programme.
- For particular regions to be selected as pilot areas for exploring the role of the community outcome/LTCCP process.

In practice, a combination of the two approaches may be appropriate with pilot areas being selected where particularly intensive work appeared justified, either because of a relative lack of capability locally (it is acknowledged that some regional economic development regions are stronger than others) or where there were seen to be region specific opportunities that would benefit from this approach.

## **HEALTH**

The Ministry of Health is placing a very strong emphasis on the primary healthcare strategy and, through PHOs, in developing innovative means of anticipating and responding to healthcare needs.

District Health Boards have a statutory obligation to prepare annual and strategic plans. These are required to cover the whole of the activities of the DHB across primary, secondary and tertiary care.

There may be merit in encouraging the use of the outcomes process for the development of community based healthcare strategies with a particular focus on primary care. If this were done on a pilot project basis, then pilots should be selected based on the scale and capability of individual PHOs rather than requiring all to become engaged whether or not they have the interest and whether or not they have the capability.

## **AGEING**

As noted earlier in this report, the goals of the government's positive ageing strategy are all ones that require action at a community level. Despite the significance of ageing policy in both social and economic terms, it is currently given very little emphasis in terms of action at a community level as compared with (say) social development. Indeed, it is interesting to compare the resources that the Ministry of Social Development has put in place throughout its regions to deal with social development as compared with how it has resourced the development of the positive ageing strategy - essentially a small policy unit within its head office which, although it is seeking to encourage individual local authorities to become engaged, is limited by a lack of resource. At the moment, it would probably not be practical to suggest that the Office ought to be encouraging people and organisations with an interest in positive ageing strategies to work through the community outcomes process - MDL's judgement is that this would simply be beyond the capacity of the Office. This is a matter that government, the Minister of Social Development and/or the senior management of MSD may wish to consider.

It is also interesting to observe that both the district council which has the highest percentage of residents aged 65 and over (Kapiti Coast District Council with 22.5% at the last census) and New Zealand's most popular retirement destination (Tauranga) produced outcome statements that had very little to say about older people at all. In Kapiti's case this was apparently a function of older people themselves pointing to the needs of youth - the district has a burgeoning younger population as well. In Tauranga, it appears to have been because the council itself placed an emphasis in developing its outcomes process on the needs of youth - understandable as the City loses a substantial number of people in the age range - 15-24, primarily because of the lack of educational opportunity.

If the government is serious in promoting its positive ageing strategy, then the community outcomes process provides an excellent opportunity for doing so. Two or three districts/regions should be

selected on the basis of their interest in working with their older people and the significance of ageing within their districts as compared with ageing in New Zealand's population generally.

Potential sites include Kapiti Coast District Council because of the proportion of older persons in its population, New Plymouth District Council which has recently developed an innovative approach to the study of ageing in conjunction with the Western Institute of Technology at Taranaki, Tauranga because of its significance as a retirement destination and one or two South Island retirement centres which, although not growing in the way that North Island centres are, have high percentages of older people.

A pilot approach should provide an opportunity for addressing the mix of issues resulting from an ageing population including labour force participation (both continued upskilling, and drawing on skills of older people), life long learning, support for independent living, and the tension between homeowners with limited incomes, and the broader community, in areas where investment in community assets is a significant issue.

### **OTHER POSSIBILITIES**

There are clearly a range of other areas where government plays an important role and/or has a strong interest in what happens within communities, where the community outcomes process could make a very useful contribution. For instance, the Ministry for Culture and Heritage has been developing resources and workshops to assist local authorities to place a strong emphasis on cultural wellbeing in the work that they do. Webpages on "cultural well-being" have been established on the Ministry website ([www.mch.govt.nz](http://www.mch.govt.nz)), and national workshops on tools and resource materials relating to cultural well-being (such as how to measure it) will be held in 2005. As well as highlighting lessons from those areas that already have arts and culture as a significant part of the local community (eg. Wanganui, Nelson, and Dunedin), the Ministry for Culture and Heritage is contributing through discussion papers etc as to the breadth and value of cultural well-being in the community outcomes process, which includes economic and environmental impacts as well as the more usual arts contexts.

Housing presents another area, with Housing New Zealand Corporation's current emphasis on building partnerships with local government and the third sector.

### **GENERALLY**

The theme of this part of the report is that the scope to encourage commitment to the outcomes process as community based strategic planning is very considerable, provided that central government is prepared to take full advantage of the process as a means of building coalitions around promising opportunities.

### **WHO SHOULD LEAD?**

Local government practice, so far, in dealing with the community outcomes process appears based on the assumption that it is always the council that should have responsibility for leading the outcomes process (or, where the outcomes process is being handled regionally, a group comprising all of the councils in the region).

There is in fact nothing in LGA 2002 that requires councils to lead the outcomes process. All that section 91 requires is that councils establish a process and seek the agreement of "other organisations and groups" to that process. It would be entirely consistent with the legislation that the adopted process place leadership with a non-council entity or grouping, or one in which the council was simply a participant.

In practice, what has obviously happened is that councils have taken the leadership role for at least two reasons:

- The community outcomes process is embedded in the Local Government Act itself, and it is councils who have a statutory responsibility for ensuring that the process is undertaken - and

also the statutory responsibility for dealing with the outcomes, both in their LTCCPs and through the obligation to monitor and report on progress.

- Typically, councils have, or are perceived to have, the resources and experience required.

Despite this, it is possible to envisage at least two situations in which leadership may be shared with, passed on to, or taken by one or more non-council groupings.

The first situation is when a council, or a group of councils, recognises that one implication of the fact that implementing the strategies and actions required to achieve many of the community's outcomes will naturally fall to other entities, simply because it is they who have the expertise and resources in the area concerned, is that those other entities may also be better placed to play a leadership role in aspects of the process itself. In this situation there is already evidence that councils see the development of strategic partnerships (by whatever name) incorporating parties with the necessary resource and expertise as the logical mechanism (the emerging practice in Taranaki provides an example - see pages 52 and 53 above). This includes accepting that, even if the council continues to provide the secretariat, the leadership role may rest with another entity.

The second situation, for which there is already some evidence, is the possibility that a community may conclude that the process being adopted by its council is not doing what the community requires, either generally or in particular areas. In this type of situation it would not be surprising if coalitions emerged from within the community itself seeking to take the lead on how the outcomes process should be managed. If this happened, the council for the district or region involved will face quite an interesting dilemma. It cannot assert that it knows better than its community what the community's outcomes should be - this is made very clear by the legislation. Logically, it follows from this that if the community states to the council that the council's process, or the scope of its approach, does not reflect what the community wants, then the council is on weak ground in arguing that it knows better - again the over-riding factor is that the outcomes belong to the community so that where there are differences of view the community can legitimately claim it is better placed than the council to make judgements about the nature and scope of the process.

At the time of writing this report, there were no clear cases of a community<sup>42</sup> seeking to assert to its council that its preferred approach should be adopted.

Accordingly, it is difficult to be specific about the situations in which this approach to determining who should lead the process will arise. Conceptually, there are probably three separate situations:

- A council gets off-side with its community by adopting a process, or a scope of coverage, which is unacceptable to the community.
- A council is genuinely lacking in resources (this may well apply to some of New Zealand's smaller councils) so that elements within the community are much better placed to take the lead and manage the process than the council itself is.
- There are specific outcome areas where the knowledge, and the incentive to secure good outcomes, is held by particular interests within the community to such an extent that they are seen as, or see themselves as, the natural leaders.

Here what we are seeking to emphasise is the question of who should seek to lead the community outcomes process, or significant elements of it, should not be taken for granted. Rather, different influences including community attitudes, relative resources, and the incentives to secure good outcomes, should all play a role in determining who exercises leadership. Against this background, it makes very good sense for councils themselves to proceed on the assumption that the right to lead the community outcomes process is not theirs by statute but one that, if they wish to exercise it (as

---

<sup>42</sup> For the purposes of this argument the word "community" should be taken to mean a clearly representative cross section of the different interests and groups within the community.

virtually all councils clearly do), must be based on a combination of sensitivity to the community's interests in respect of scale and priorities, and as good as possible an understanding of where relative capabilities, resources and knowledge rest within the community.

---

## 9. Conclusion

---

The purpose of this report has been to highlight the potential of the community outcomes process as a means for making a significant difference in community wellbeing.

It has demonstrated that the process of community strategic planning is not unique to New Zealand - rather, New Zealand is simply one of a number of countries which are now focused on improving economic, cultural, social and environmental wellbeing through working more effectively at a regional/local level.

The international experience shows that effective community based strategic planning requires long term commitment. It is a matter of building capability, capacity, understanding and networks amongst stakeholders who may not previously have had much to do with each other. It requires overcoming what may often be long held prejudices. The experience also shows that the returns can be significant - not just the gains from better collaboration/co-operation, but the opportunity for genuine strategic breakthroughs.

The report also demonstrates that New Zealand is still at a very early stage of developing the potential of community based strategic planning. There are still widely differing views on whether the Local Government Act was actually intended to enable this outcome, notwithstanding that this was clearly government's intention.

On the optimistic side, there are very clear signs that the leaders in utilising the community outcomes process are making very significant progress and that the gains for their communities are going to be considerable.

Perhaps the major challenge that needs to be addressed is the relative lack of capability/capacity amongst the key stakeholders whose participation will be essential. This includes the business and voluntary/community sectors, and Iwi Maori. Peak organisations both in business and in the voluntary/community sector are generally under-resourced, face quite heavy burdens, and have memberships that are reluctant to increase their funding, especially in order to undertake what is inherently public good activity where the payback will come in years rather than months.

None of these are intractable problems. All are being dealt with to some degree although both more slowly and less comprehensively than is desirable.

Central government both as the initiator of the legislation and one of the principal beneficiaries (as better co-operation/collaboration contributes to increased effectiveness in its policy making and service delivery) has a clear incentive to ensure that the process is both well understood and effective. The measures it is taking, primarily through the Department of Internal Affairs, to improve co-ordination should make a valuable contribution. This needs to be combined with ensuring that individual government departments and agencies have a full understanding of the process and a commitment to working with it to do what they can to contribute to better outcomes at a regional/local level (a number of opportunities have been outlined in the section of this report dealing with incentives).

The business sector also carries a heavy responsibility and, commensurate with that, will be a significant beneficiary. Peak organisations need to ensure that they, and their members regionally and

locally, have the knowledge and understanding to play an effective part in the outcomes process. An immediate task for them is considering how best this can be resourced, both in terms of cost and in terms of skill. As already noted, it would not be unreasonable to see the resourcing of at least part of this treated as a public good issue.

Peak organisations in the voluntary sector have already signalled a strong willingness to become engaged. Their need, which they recognise, is to work with the local government sector to develop understandings on how they can best contribute, both nationally and at a regional/local level to making the process effective.

Finally, there is also a very real opportunity for Iwi Maori but one that may need to be developed with the assistance of Te Puni Kokiri and Local Government New Zealand, recognising the stress that most Iwi based organisations already face in dealing with a wide range of major and complex matters.

The community outcomes process is very much “work in progress” which is still at the early stage of development. It has the potential to become the most significant shift in recent decades in the way that New Zealand’s communities are governed.

---

# APPENDIX 1: Context

---

This appendix puts LGA 2002 in context including changing international practice, the government's apparent intention, outcomes in a public management context, and concerns about the quality of information for local government long term planning.

## CHANGING INTERNATIONAL PRACTICE

### CHANGING VIEWS OF THE REGION/LOCALITY

The past decade has seen a re-appraisal of the role of the region/locality in achieving the objectives of public policy, whether it is concerned with economic development or with the delivery of major social services.

Commentators, researchers, policy advisors and politicians have all recognised that conventional centrally determined top down policies will lack one vital dimension; the capacity to adapt to local conditions and integrate with local networks, knowledge and understandings.

One of the leading proponents of the case for a greater and different role for the region/locality has been the Organisation for Economic Co-operation and Development. Its 2001 publication *Cities and Regions in the New Learning Economy* is representative of the new emphasis.

The following two paragraphs encapsulate both the argument, and the new challenges which the argument confronts; most importantly both the difficulty of generalising from the experience of individual regions, and the need to maintain a measure of equity in the support provided to different regions:

“More fundamentally, the sort of analysis which has been elaborated earlier with respect to regional systems of innovation and “learning regions” provides an intellectual basis for the development of particular forms of sub-national intervention. Specifically, emphasis has been placed upon regional capabilities for innovation precisely because of the potential resources provided by territorially embedded knowledge and the shared norms and values which permit effective organisational (and individual) learning (Maskell and Malmberg, 1999). Hence, the geographical areas in which learning is most effectively organised are not national states, but rather regions. It should be noted, however, that this analysis creates a paradox for policy makers. On the one hand, it suggests that localised learning policies are required. On the other, it shows that such localised learning policies cannot readily be transposed from one region to another, because not only are regions located within different national systems, but also such learning policies derive their efficacy precisely from the specificities of their regional context. Equally, of course, an appropriate balance needs to be drawn between meeting needs defined in terms specific to the region and fulfilling wider obligations to achieve equity between individual citizens living in different regions. In short, then, effective *policy learning* in this context requires the judicious application of general policy principles to the particular social and economic circumstances that characterise individual regions.

”It has also been suggested that the most effective strategies for realising the potential of localised learning policies are those based upon collaboration and consensus between

organisations, including the state and its agencies (for example, Morgan *et al.*, 1999). The development of strategies based upon *partnerships* between the public and private sectors reflect this in concrete terms. More ambitiously, public-private *networks* of organisations, characterised by a greater intensity and higher quality of interaction (where good stocks of social capital may play a significant part), may provide a more effective framework within which to develop effective strategies. It has also been argued that such systems of “networked governance” require democratic legitimisation through some form of electoral representation at the regional or more local level, thereby ensuring that the social exclusion of particular groups is minimised (Amin and Thrift, 1995).<sup>43</sup>”

More recently, the OECD has been undertaking significant work on issues such as devolution, deconcentration and the development of local partnerships between different levels of government and between the public and private (including community/voluntary) sectors.

Included in the work is an argument for what Mario Pezzini, head of the OECD’s Territorial Reviews and Governance Division, refers to as “an ongoing change of perspective in territorial policies, more focused on the competitiveness of places, than on ensuring a traditional support to sectors or income redistribution”.

In a 2003 paper *Main Trends and Policy Challenges in OECD Regions: Metropolitan Regions in a Global Context*, Mr Pezzini argues the case for designing and implementing a governance reform in these terms:

“Across OECD there is a wide variety of institutional arrangements depending on the size, the geography, the institutional architecture of countries. Still a common feature that emerges from the first reviews is that local and regional governments have been brought more strongly into the picture. In several countries a number of responsibilities have been transferred to the regional and local level. Together with the empowerment of local communities, devolution is often multiplying the number of actors and contributing to recognise the complexity of regional and local systems. In many European countries there are up to five levels of government and one should add to them the private sector, unions, trade associations, NGOs and the various partnerships. Increasing the level of institutional fragmentation also increases the need for governing structures to establish new forms of co-operation. At the same time, local institutions become more aware that the production of public goods and services can benefit from economies of scale and scope and that many of the externalities produced have an impact beyond the local context.

“Local and regional policy-makers are increasingly invested with new mandates (policy design for economic development, regional planning, design and provision of producers’ services) and have to cope with a wide range of issues. In particular, a capacity spending more inspired by subsidiarity principles, the reduction of the fiscal gap and a better matching of responsibilities, powers and resources, as well as an appropriate place based fiscal equalisation mechanism. However, decentralisation does not so much transfer responsibility away from the national government as alter its responsibilities and require *Governance reforms*. Most of the knowledge needed to devise and to deliver local or locally relevant public goods is dispersed among many different local and national agents. This asymmetrical distribution of information and knowledge requires a high degree of co-ordination among administrations and improved co-operation between public and private bodies in policy design and implementation. Thus, the capacity to

---

<sup>43</sup> OECD (2001a) p25

involve all relevant actors affects the impact of policies. In other terms, good governance is not only a matter of *efficient* use of resources. It contributes to *effective* policies too, including *in particular* territorial development policies. Questions about *what* policies should be adopted cannot be answered without addressing at the same time questions about *who* should design and implement these policies and *how*.

“Traditional policy-making is less and less capable to cope with the complexity of regional and local systems. Instead of pulling together all relevant actors so to share as much as possible the knowledge they have, the traditional methods assumes that everything is transparent, that policy-makers can decide in isolation, and that public officials in central administrations can implement decisions through hierarchical communication and rigid command. In this context, if something does not work, it is explained by general arguments against the public sector or about the heavy burden of bureaucracy, rather than by the need to design a new policy approach. The multi-level governance resulting from the process of decentralisation requires relations among actors less based on the old command/control approach, which for several reasons has revealed itself ineffective for regional development, and more oriented by vertical and/or horizontal co-operation. This could bring to produce new tools such as contracts, incentives (as in the so-called *new public management approach*) as well as enhanced vertical and horizontal partnership across level of governments. That in turn gives emphasis to increasing use of programme monitoring and evaluation procedures, both as a control and a learning mechanism. But it also implies efforts to improve central co-ordination of a wide range of policies through institutional arrangements for inter-departmental and inter-ministerial co-ordination, including ‘policy proofing’ to ensure that all such policies contribute to the over-arching goals, and that actual or potential conflicts are minimised.<sup>44</sup>”

In Canada, the Canada-West Foundation, a largely private sector funded think tank specialising in issues of regional economic development for Western Canada, has undertaken considerable work on the changing role of the city and the city-region as the consequence of globalisation. A 2001 paper *Glocalism: The Growing Importance of Local Space in the Global Environment*, makes the case that with the impact of globalisation, citizens will place increased importance on local communities both as the place with which they identify, and as the locus for determining the services they seek. The following paragraphs set out the essence of the argument:

“Globalisation has a seemingly paradoxical impact on local space, and particularly on the local space occupied by major urban centres. At the same time that it orients individuals more and more to a transcendent global community and economy, globalisation also enhances the importance of local communities. The simultaneous emphasis on the global and local space is not coincidental for the growing importance of locality is in many ways a response to globalisation.

“Linkages among cities despite great geographic distance is an important aspect of globalisation, and the fact that cities are maintaining and promoting these linkages serves as one indication of the penetration of globalisation in Canada. As individuals participate in international economic flows, instantaneous global communication and increased global networks, they shrink the gap between the global and local spaces such that we now live in an era of ‘localised globalism.’

---

<sup>44</sup> Pezzini, Mario (2003) p7-8

“The complexity and uncertainty of engaging in a globalized environment increases the importance of a local place where individuals can find consistency and where they can have some direct involvement in shaping the economic, political and social events in their community. Thus, as the processes of globalisation deepen, intensify and strengthen, individuals will become more attached to the security and certainty of the local versus the uncertain and rapidly changing globalized world. However, this does not mean that local and global orientations are alternatives. Rather, they are two faces of the same glocalism coin, joint products of globalisation.<sup>45</sup>”

In essence, two separate things are happening. There is a growing recognition that the complexity associated with addressing significant economic, social, cultural and environmental needs argues against “one size fits all” policies or strategies developed at the centre and applied regionally or locally. Instead, although the centre can set general principles (and typically controls the resources required, especially through the tax system), the delivery and development of effective public policy interventions requires a partnership approach which can work with local and regional networks and tap into local knowledge. Typically this requires partnerships involving both the centre and the local, and both public and private.

The second factor is that, as economies and societies become increasingly integrated through globalisation, people are more and more looking to the community within which they live (the region or locality) as the place with which they identify, and the level at which decisions on matters that determine the direction of the community should be taken.

## **GOVERNANCE CHANGES**

These trends are being reflected in changes in the nature of governance itself as governments, at both a central and a local level, review the appropriateness of traditional approaches to meeting the needs of their citizens.

A number of countries have instituted formal or informal changes in governance to reflect the growing emphasis on the region/locality. Here we consider the two jurisdictions normally regarded as most similar to New Zealand in their arrangements for local government; England and Wales, and Australia.

In recent years, the United Kingdom has placed an increasing emphasis on both devolution and decentralisation (sometimes termed deconcentration - the practice of distributing authority for central government decisions from the centre itself to regional or local representatives of the centre).

Several years ago, the UK government started this process by the creation of the Scottish and Welsh assemblies - the former with very substantial powers for legislation in respect of Scotland; the latter with rather more limited powers in respect of Wales.

Following those two significant changes, the government has been moving towards a more regionally based governance structure for England itself beginning with the creation of nine Regional Development Agencies (RDAs) in 1998. These have a responsibility for creating and implementing regional development strategies and are supported by regional assemblies comprising, for the majority, representatives of local governments within the RDA's area.

---

<sup>45</sup> Harmsworth, Kate (2001) p1, 4-5

More recently, the government has been experimenting with the concept of Elected Regional Assemblies. Currently this may be in some difficulty following the rejection, in a November 2004 referendum, of a proposal for an East of England regional assembly (of nearly 900,000 people voting, approximately 700,000 were opposed).

Of more importance for our purpose are recent reforms in English (and Welsh) local government law and practice. The Local Government Act 2000 includes statutory power for local authorities “to do anything which they consider is likely to achieve any one or more of the following objects-

- (a) the promotion or improvement of the economic wellbeing of their area, and
- (b) the promotion or improvement of the social wellbeing of their area, and
- (c) the promotion or improvement of the environmental wellbeing of their area.<sup>46</sup>”

The power is subject to constraints including<sup>47</sup> powers for central government to intervene to proscribe certain activities. The Act also includes a requirement that “every local authority must prepare a strategy (referred to in this section as a community strategy) for promoting or improving the economic, social and environmental wellbeing of their area and contributing to the achievement of sustainable development in the United Kingdom. In preparing or modifying their community strategy, a local authority must consult and seek the participation of such persons as they consider appropriate and must have regard to any guidance for the time being issued by the Secretary of State” (the relevant statutory provisions are set out at the end of this appendix).

The Secretary of State issued *Preparing Community Strategies: Government Guidance to Local Authorities* in 2000. That document set out the following statement of the objectives of the community strategy and the components it must include:

“If this aim is to be realised, a community strategy will have to meet four objectives. It must:

- allow local communities (based upon geography and/or interest) to articulate their aspirations, needs and priorities;
- co-ordinate the actions of the council, and of the public, private, voluntary and community organisations that operate locally;
- focus and shape existing and future activity of those organisations so that they effectively meet community needs and aspirations; and
- contribute to the achievement of sustainable development both locally and more widely, with local goals and priorities relating, where appropriate, to regional, national and even global aims.

“A community strategy must have four key components:

- a long-term vision for the area focusing on the outcomes that are to be achieved;
- an action plan identifying shorter-term priorities and activities that will contribute to the achievement of long-term outcomes; a shared commitment to implement the action plan and proposals for doing so;
- arrangements for monitoring the implementation of the action plan, for periodically reviewing the community strategy, and for reporting progress to local communities.<sup>48</sup>”

---

<sup>46</sup> Local Government Act (2000) (UK) Part 1(2) and Part 1(4)

<sup>47</sup> Reflecting standard practice in the United Kingdom.

<sup>48</sup> Department of the Environment, Transport and the Regions (2000) p3-4

The guidance document places the development of local strategic partnerships in context, and provides guidance on coverage:

“The urban white paper places great emphasis on the importance of local strategic partnerships developing community strategies in order to achieve the government’s vision of an “urban renaissance”; effective partnerships including local government, all service providers, local businesses, the voluntary sector and the full range of community groups are key to the government’s strategy to deliver better towns and cities. Community strategies present an opportunity to build on success as well as to tackle failing urban areas; local people in all towns and cities need to act positively to take control their future in a changing world.<sup>49</sup>”

Consistent with that, the guidance document contemplates involvement of a wide range of organisations:

- “... an effective community strategy would need to involve the key public sector organisations that operate at the local level and control the majority of the resources going into the local area”<sup>50</sup>.
- “Business must be fully involved in the community planning process. The private sector is a significant user and supplier of local services as well as a key provider of local employment. Business activity contributes both directly and indirectly to the quality of life of local communities”<sup>51</sup>.
- “The voluntary and community sectors also have an important role to play in improving the quality of life for local communities... Specific efforts should be made to involve representatives from under-represented groups such as ethnic minorities, women, faith communities, older people, young people and children, and disabled people”<sup>52</sup>.
- “The involvement of local people is central to the effective development and implementation of community strategies, and key to change in the longer term”<sup>53</sup>.

The guidance document does recognise that not everything can be done at once. Thus it states:

- “A community strategy cannot realistically attempt to cover every issue that may be relevant to a local community”<sup>54</sup>; and
- “In order to meet long-term outcomes, community strategy partners will have to establish shorter-term priorities for action. Inevitably, different local communities will have different priorities. The community planning process should provide a forum in which differences of view can be properly articulated. As the democratically elected bodies in the local strategic partnership, councils will play a strong role in mediating between different interests, resolving conflict where possible and helping the partnership to make decisions about priorities”<sup>55</sup>.

---

<sup>49</sup> Ibid p9

<sup>50</sup> Ibid p10

<sup>51</sup> Department of the Environment, Transport and the Regions (2000) p12

<sup>52</sup> Ibid p12

<sup>53</sup> Ibid p13

<sup>54</sup> Ibid p19

<sup>55</sup> Ibid p20

In practice, the guidance from the UK government for the establishment of local strategic partnerships, and the preparation of community plans, is somewhat inflexible; although it makes some gesture towards establishing priorities, there appears to have been quite a widespread expectation of broad based plans.

In this respect, the process is somewhat different from the New Zealand legislation with its greater recognition of the importance of giving communities discretion in terms of the process they adopt and explicitly recognising, in statute, the importance of establishing priorities.

In May 2004 the Office of the Deputy Prime Minister (the responsible department for local government) issued *LSP Evaluation and Action Research Programme: Case-studies Interim Report: A Base Line of Practice*.

This document was the first evaluation of experience with establishing local strategic partnerships and developing community plans. In essence, it paints a picture of a much more complicated environment than had been anticipated. The complexities are relevant for outcomes planning at a community level within New Zealand. Problems included:

- Ambivalence and uncertainty about the role of the local authority - both on the part of many councils and of other partners within the strategic partnership.
- Lack of effective co-ordination/collaboration amongst central government agencies exacerbated by different regional/local boundaries and "silo" funding.
- With a number of local authorities, the lack of the resources and expertise required for effective community strategic planning.
- Lack of resources, and sometimes lack of commitment, on the part of other partners - especially from business and the voluntary/community sector.
- Difficulties occasioned by what was often seen as the overly prescriptive nature of central government guidelines.
- Frequently a failure on the part of organisations designating someone to attend meetings of the local strategic partnership to give them a mandate that would enable them to be a decision maker rather than simply a reporter.
- Failure to recognise the importance of ensuring consistency in representation - that the same person/people attends meetings on a regular basis, an essential part of building up trust and institutional knowledge<sup>56</sup>.

In many respects, these difficulties can be seen as inevitable when implementing a new and quite significant organisational initiative. In a parallel with the New Zealand government's interest in working more closely with localities and regions, there is a recognition that a shift to working through a community strategic plan requires central government agencies (both departmental and non-departmental public bodies - the UK equivalent of Crown entities) to find new ways of working and to be prepared to devolve significant decision making authority to their representatives within local strategic partnerships.

What has been happening in England and Wales is consistent with the long standing tradition of central government direction (some would say micro-management) of local government, with virtually all significant local government activity being subject to detailed direction from the centre.

---

<sup>56</sup> Office of the Deputy Prime Minister (2004d)

A contrasting example can be found in Australian local government, particularly in New South Wales (the main state considered in the preparation of this report).

The Australian experience contrasts with that in England and Wales as there is no equivalent statutory obligation for Australian local authorities to undertake community based strategic planning (although there are, as we shall see, some requirements for planning that extends beyond the core services of the local authority).

Instead, since the early 1990s, there has been evolving within parts of Australian local government a commitment to community based strategic planning as part of what the local authority should be doing in the interests of its community.

The first substantive development was an initiative led by the Australian Local Government Association which resulted, in 1993, in the publication of *A Guide to Integrated Local Area Planning* (ILAP). The guide describes ILAP in the following terms:

“ILAP is a path to better local area government. It offers a systematic approach to improving the overall wellbeing of communities, based on proper consideration of all relevant aspects of development, environmental quality and service provision.

“ILAP is concerned not only with achieving more broadly-based planning, but also more effective ongoing management of activities. It thus seeks to balance ‘top down’ policy-driven approaches often adopted by state and commonwealth governments, with a greater emphasis on single ‘bottom up’ implementation-driven processes.<sup>57</sup>”

The original vision for ILAP was as a genuinely integrated “whole of community” approach to planning which could serve as a preferred means of bringing together commonwealth, state and local governments and other key stakeholders such as the business and voluntary/community sectors.

The guide itself can be seen as an enlightened understanding of what would be needed to make such an approach work, including the adoption of a set of principles which were seen as essential if the full benefits of integrated approach were to be achieved. The stated principles were:

- Local areas and communities differ, and more emphasis should be placed on devising appropriate responses to distinctive local circumstances and needs.
- We should take a holistic view of local areas, linking related physical, environmental, economic, social and cultural issues, rather than treating them separately.
- We need a shared understanding of key issues amongst all those concerned with the well-being of local communities, and, as far as possible, a shared vision of desired futures.
- Related activities of different departments, organisations and spheres of government should be co-ordinated in order to address key issues and achieve desired futures.
- More efficient and effective use of available resources is essential, and unnecessary gaps or duplication between government programmes should be eliminated.
- Community involvement in planning and management processes should be increased.
- Local government has a mandate to play a leading role in implementing these principles<sup>58</sup>.

---

<sup>57</sup> Australian Local Government Association (1993) p5

<sup>58</sup> Ibid p5

Recognising the diverse situations which integration might need to address, the guide stressed that integration may be required between:

- Departments or programmes within a single council.
- Councils within a region.
- Agencies or programmes within state or commonwealth governments.
- Spheres of government.
- Government and the community or private sectors.
- Organisations within the community or private sectors<sup>59</sup>.

Despite (or perhaps because of) the visionary approach of ILAP, it was not widely adopted. A principal reason was the consequence of commonwealth government funding to assist with ILAP's implementation. Normally major projects undertaken by the Australian Local Government Association were overseen by a standing committee made up of elected members and local government officials drawn from the various states. With the provision of reasonably significant commonwealth government funding (\$A50,000 per project for a programme of 50 projects) oversight of implementation shifted to a committee comprising two representatives each from the local government sector, the commonwealth government, and the states.

Commonwealth government funding was not renewed following completion of the initial 50 projects - a change of government and departmental restructuring were factors contributing to this. Because of the way ILAP had become perceived, this was sufficient to bring the initiative to an end - not in the sense of a formal announcement that it was terminated, but in the loss of any formal mechanism for its continuing support.

It seems likely, from hindsight, that those within the local government sector who were most involved in its development, would now argue that instead of allowing it to become reconfigured as a commonwealth government funded project, it should have remained as a local government initiated management philosophy - thus being seen not so much as a set of discrete projects, as part of the "way we do things around here".

Although ILAP has formally disappeared, it remains influential in local government thinking. Each of the three New South Wales local authorities interviewed for the purposes of this project acknowledged a debt to ILAP.

What we found in each of the three local authorities with whom we met, was a strong commitment to community based strategic planning, not as a statutory obligation, but as something that simply made good sense.

New South Wales local authorities (and those in other states) do have statutory obligations to undertake various types of planning activity in the sense of planning the operations of the local authority and planning aspects of what happens in the broader community. Of themselves, these do not amount to an obligation to undertake community based strategic planning.

The key statutory elements are the local government charter, and the obligation to prepare a management plan which must include a community social plan.

Section 8 of the New South Wales Local Government Act 1993 sets out the council's charter:

---

<sup>59</sup> Australian Local Government Association (1993) p5

- “To provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively.
- To exercise community leadership.
- To exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism.
- To promote and to provide and plan for the needs of children.
- To properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development.
- To have regard to the long term and cumulative effects of its decisions.
- To bear in mind that it is the custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible.
- To facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government.
- To raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants.
- To keep the local community and the state government (and through it, the wider community) informed about its activities.
- To ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected.
- To be a responsible employer.<sup>60</sup>”

The legislation also requires councils to prepare management plans with respect to the council's activities through at least the next three years and the council's revenue policy for the next year. Broadly, the requirements are not unlike an amalgamation of the annual plan and long term financial strategy requirements of the Local Government Act 1974 as introduced by the so called “No.3 Act” of 1996.

There is one significant difference. Under the Local Government (General) Regulation 1999 a draft management plan must contain a statement of any proposed council activity relating to access and equity activities to meet the needs of residents in the council's area. In practice, this must be done in accordance with directions from the Department of Local Government and this part of the draft management plan has become known as the social or community plan.

The factors which led the three councils with whom we met to move beyond the formal draft management plan requirement, to community based strategic planning, differ, reflecting the individual nature of each council, its economic, social, cultural and environmental drivers, its scale, and the personal experience of the people involved. Each has created what appears to be a very effective process of community engagement/legitimation and each has clearly found that the process has considerable value notwithstanding the very considerable resource involved.

A major strength which has enabled the very positive results these three councils have achieved appears to be the fact that there is no statutory prescription of what is required. Instead, councils have been able to adopt their own approach, to meet the needs of their own communities - although each is

---

<sup>60</sup> Local Government Act (1993) (NSW) s8

consciously working within a strategic planning framework (and each had been influenced by the experience of ILAP).

There is a broad parallel with the New Zealand situation. As we shall see when considering the community outcomes legislation, formal compliance with the terms of the legislation need not involve strategic planning in any meaningful sense of that term. Whether to go beyond formal compliance, to genuine community based strategic planning, is a decision for each council to take based on its judgement of the benefits of doing so. It is this parallel with New South Wales experience that looks to be so valuable in considering how New Zealand councils could respond.

Appendix 2 includes material intended to provide further insight into both the English and the Australian experience.

For the English experience, the appendix incorporates case studies from the evaluations cited above, together with a statement of findings from another recent evaluation *Pooling Resources Across Sectors: A Report for Local Strategic Partnerships*, a report prepared for the Health Development Agency looking at the effectiveness of local strategic partnerships in integrating the delivery activity of different health related agencies.

The Australian material is brief case studies of the three councils visited in the course of this project; the cities of Blue Mountains, Penrith and Waverley.

## THE GOVERNMENT'S APPARENT INTENTION

The term "apparent" is used advisedly; primarily because there still do seem to be quite widely varying understandings of what government did intend. We have already cited two versions of this - a senior government official whose initial reaction to the proposal for this project was that it was so clear the Act intended to mandate strategic planning that the project had little purpose and on the other hand, a local authority chief executive arguing that the circumstances and environment in which the legislation was promulgated would indicate a different direction.

In contrast both to England and to the Australian states, New Zealand's government does not provide directions to local government on how it should comply with the legislation that regulates it. Instead, successive New Zealand governments appear to have adopted a practice of leaving it to local government itself to interpret government's intention and apply it as they see it appropriate.

In seeking evidence of what the government's intention was (and is) we have drawn on sources such as the consultation document *Reviewing the Local Government Act 1974* which was issued as part of the rewrite of the Act, Cabinet papers and ministerial statements, and interviews with and material provided by officials who were involved in the development of the legislation and subsequent decisions on how government would work with it.

The consultation document itself underpins the intention to give local authorities discretion on how they work with the legislation with its statement contrasting the prescriptive provisions of the previous Act with what was proposed for the new Act as "the new legislation gives councils scope to choose the activities they undertake and how they should undertake them (subject to public consultation processes).<sup>61</sup>"

---

<sup>61</sup> Department of Internal Affairs (2001) p6

From the record it appears that giving councils greater scope was not intended primarily as a means of giving elected members (or officers) greater power over the communities they serve. Rather it was intended as part of a process of giving communities themselves greater power in determining how they are governed.

The consultation document itself included statements such as:

“One of the underlying objects of the review of the LGA is to encourage increased participation of citizens and communities in local government. In order to do this there will be some expectations for consultation provisions to be specified in the Act, to protect the right of people to be involved in decision making. Councils will also have the opportunity to develop their own consultation mechanisms that **best suit the needs of their communities** (emphasis added).

“Citizens and communities want to tell councils what their aspirations are and seek information from their councils about how these aspirations can be met. It is proposed that long term council plans will include the identification of desired community outcomes, the role of the council in achieving those outcomes through its services, activities and policies, and through partnerships with other bodies and organisations.<sup>62</sup>”

Part of the background to this emphasis on greater public participation was government’s own awareness of public dissatisfaction with the special consultative procedure which had been introduced in 1989. Under the previous Act, councils were to use this procedure in taking certain significant decisions. Examples include adoption of the annual plan and the long-term financial strategy, and the sale of local authority trading enterprises.

The clear intention had been to give the public the ability to influence council decisions before they were taken. The reality proved extremely disappointing, not necessarily because local councils were resistant to public input, but because the special consultative procedure itself was deeply flawed. In essence, it required that consultation take place only once the council had developed a specific proposal which it was proposing to adopt. The annual plan provided the classic illustration of this. Typically consultation would take place in April or May with the plan itself due to come into effect at the beginning of July. With the best will in the world, this meant that of necessity much of what was in the plan would be adopted regardless.

Difficulties with the special consultative procedure were compounded by the decision in what is usually referred as the Wellington International Airport case. This case involved litigation over the obligation of an airport authority to consult users before increasing airport charges but it has been regarded as the definitive statement of the law on consultation. It has generally been embraced by entities required to go to public consultation.

What has been overlooked is that the decision of the High Court was concerned with the legal issue of what were the necessary elements to protect a decision against challenge on the grounds that the entity concerned had not properly consulted. The Court was not addressing, and was probably not qualified to address, the separate public policy question of whether the consultation process was legitimate in the sense that those affected by the decision would generally accept that the process followed by the entity in arriving at its decision was fair and reasonable - a very different issue from whether it met the legal test laid down in the Wellington International Airport case.

---

<sup>62</sup> Ibid p8

The message the government was receiving was that people wanted to be consulted not on the council's answer to the council's own question but on what the question should be.

Although the discussion document itself did not refer to this background, its emphasis on encouraging increased participation and protecting the right of people to be involved in decision making was clearly responding to this type of concern.

The intention of increasing public influence over council decision making was expressed much more strongly in the first reading speech by the then Minister of Local Government, the Hon Sandra Lee. She stated the intention in the following terms:

*"Mr Speaker this Bill is, above all, about "empowerment".*

*Not as some might imagine, the empowerment of councils to exert greater influence and authority over their electors, but rather, empowering New Zealanders within their local communities to exercise ever greater control over their lives and over the environments in which they live.<sup>63</sup>"*

It is hard to think of a more explicit statement of the purpose of the Act as being to increase the power that communities themselves have over decision making affecting them - in other words to increase citizen involvement in local authority decision making, something that clearly required a change in the way in which individual local authority decisions are taken, and local authority plans affecting their communities are developed.

The Act was to be not just about greater participation, and community influence over local authority decision making. The discussion paper suggests that it was also to be about better co-ordination of activity within the district of a local authority. The discussion document made this clear in the following words:

"The government sees a more enabling law as an necessity if local government is to be more responsive to the needs of its communities, delivering on sustainable social, economic, cultural and environmental local development. For this development to take place, central government needs partnership with local government which interfaces closely with community organisations, a wide range of non-governmental organisations, and with Maori.<sup>64</sup>"

The government's intentions, as outlined in the discussion document and in the first reading speech, were recently reaffirmed by the Minister of Social Development, the Hon Steve Maharey. In his speech to the Manawatu local government community outcomes forum, he set out the government's intentions as:

"In developing the Local Government Act, the government intended to give communities - including disadvantaged groups in those communities - a stronger voice in their own development.

"We intended to strengthen the whole-of-government collaborative activity that is already happening in many local authority areas.

---

<sup>63</sup> Lee, Hon Sandra (2001)

<sup>64</sup> Department of Internal Affairs (2001) p10

“We intended to promote a sustainable development approach - an approach that meets the needs of communities today, without compromising outcomes of future generations.

“And we intended to promote the value of regional demographic and social information as a vital tool for planning.<sup>65</sup>”

Central government has not only been speaking about its intentions, but also developing policy on how to work with the community outcomes process. An important step in that was a paper to the Cabinet Government Policy Committee in May 2004 on *Central Government Engagement in Community Outcomes Processes*. The paper identified the expected benefits from engagement as including:

- Progressing outcomes - government’s aims and departmental outcomes will be advanced by being better informed about what communities want, and thinking about how they might work with communities, local authorities, and other departments around community outcomes;
- Improved policy - better policy development and strategy alignment is likely to result from engagement and gains a better understanding of local conditions and concerns;
- Efficiencies - a more co-ordinated approach is likely to streamline the provision of information, improve interagency communication and help avoid duplication, thereby resulting in more efficient use of public resources; and
- Reduced Costs - compliance costs of separate engagement with 86 local authorities and communities could be reduced as the result of the clustering of COPs and central government engagement<sup>66</sup>.

As that paper itself recognises, from central government’s perspective this engagement in the community outcomes process needs to be seen in the context of wider reforms in public management including initiatives such as the Review of the Centre, the Regional Partnerships Programme, the Growth and Innovation Framework, the Sustainable Development Programme of Action, the New Zealand Transport Strategy, the new urban affairs role within the Ministry for the Environment, and the new emphasis on Managing for Outcomes.

All of this reflects a resiling from the narrow output based focus of public management during the 1990s which is now seen as having inhibited the ability of government to act in a “whole of government” way and to develop long term coherent strategies around its areas of interest. A recent presentation by an official involved with the sustainable development programme of action identified weaknesses in the national-regional-local relationship by the end of the 1990s as including:

- Short-term and output focus.
- Silo thinking and operating.
- Status quo bias/inertia.
- Lack of strategic direction.
- Wellington-centric policy focus.
- Weak relationship with local government and other sectors<sup>67</sup>.

Collectively, the evidence suggests a distinct shift on the part of central government to a more strategic emphasis on the development and delivery of policy, including within this building a partnership

---

<sup>65</sup> Maharey, Hon Steve (2004)

<sup>66</sup> Office of the Minister of Local Government (2004) p3-4

<sup>67</sup> Dalziel, Alison (2003)

relationship with local government and other key community stakeholders (the voluntary/community sector; business; Iwi/Maori). It provides strong underpinning for the argument that the intention of the community outcomes process is to enable community based strategic planning, if only because from central government's perspective this is a necessary prerequisite to the development of effective partnerships around the government's own major outcome areas.

## OUTCOMES IN A PUBLIC MANAGEMENT CONTEXT

In New Zealand, interest in outcomes, as the results of public sector activity, began with the Public Finance Act 1989. It is relevant for this report primarily as the source of what is now widely accepted as the appropriate definition, within the public sector, of outcomes. Under that Act the term "outcomes" is defined as "means the impacts on, or the consequences for, the community of the outputs or activities of the government".

The history, since the Public Finance Act 1989, of attempts to operationalise the concept of outcomes has been a somewhat chequered one. Under the Public Sector Reforms of the late 80s and early 90s, the theoretical construct was that ministers were responsible for purchasing outputs from departments in order to achieve the outcomes that ministers sought. In practice, ministers proved unwilling to be held accountable for outcomes, partly because of the political risks associated with stating, in advance, the outcomes for which they were purchasing outputs (carrying with it the risk that, if those outcomes were not achieved, the minister would have failed) and partly because of a genuine concern with causality. Typically governments operate in areas in which outcomes are complex and multi-causal, resulting in real difficulties in determining precisely what activities or interventions were responsible for what outcomes.

Ministers' concerns with being held accountable for outcomes were paralleled by a public sector, especially Treasury, concern that, whoever was responsible for outcomes, it should not be officials. Again, the underlying reason was a concern that public sector outcomes were complex and multi-causal, thus raising real difficulties of attribution.

More recently the public sector has come to accept that, although outcomes are inherently complex, there are sensible ways of addressing the question of the output/outcome linkage.

In order to ensure a closer linkage between outputs (the departmental activity) and outcomes, the Steering Group Managing for Outcomes issued *Managing for Outcomes: Guidance for Departments* in September 2003.

This began by posing the question what is managing for outcomes? and answered it in the following terms:

"Governments exist to make a tangible difference to the lives of their country's citizens and residents. Consequently New Zealand, like many other countries, is placing greater emphasis on management systems that demonstrate how the activities of government agencies contribute to the results, or outcomes, that the government is seeking for the community. This lays the foundation for considering and implementing changes to interventions that better contribute to government outcomes.<sup>68</sup>"

---

<sup>68</sup> Steering Group for the Managing for Outcomes Rollout 2004/05 (2003) p2

The effect and intent of LGA 2002 needs to be considered in that broader context of public sector concern to achieve better linkages between public sector activity and the impacts within the community of that activity. The outcomes emphasis in LGA 2002 is consistent with the changed emphasis within central government, emphasising that the importance of government interventions, whether at the central or the local level, is not the activity itself but the impacts that result from that activity.

There is, though, an important difference between the emphasis in LGA 2002 and that in central government's Managing for Outcomes Approach. In central government the requirement is that departmental activities have an outcomes focus. Under LGA 2002, the primary emphasis is not on the activities of the local authority as such but on the community's desired outcomes, regardless of who is undertaking the activity or activities that will contribute to those outcomes.

## **QUALITY OF INFORMATION**

A persistent concern over the past decade has been the quality of the information underpinning long term financial planning within local government. This is significant as the financial viability of many local authorities is crucially dependent on the extent of their future commitments for investment in new infrastructure and the maintenance and upgrade of existing infrastructure.

The level of commitment is influenced by a number of variables including service level standards and, crucially, the likely demand. Since that can only be reliably estimated if the local authority has a good understanding of the nature and mix of activity (commercial, residential, recreational...) that is likely within its district or region over the planning period, it has been argued that local authorities need to have the kind of information that can only come from well grounded strategic planning for the community as a whole.

Until the early 1990s, New Zealand local government reported on a cash rather than an accruals basis. One consequence of this was the virtual absence of any information on asset quality, maintenance and replacement requirements, and future demand.

The view that it was difficult to express an opinion on the viability of a number of councils because of the lack of information on future infrastructure commitments, was one of the drivers behind the introduction of the new financial management regime brought in by the Local Government Amendment Act (No.3) 1996. A feature of this was the requirement for local authorities to prepare a long term financial strategy which was required to forecast, for at least ten years, the activities in which the local authority would be engaged, the rationale for those activities, and their expected operating and capital costs and sources of funds.

Almost by definition, it was expected this would require local authorities to prepare asset management plans detailing the assets held, their condition, the service levels required, and the relationship between those and the capability of assets, expected new investment and operating and capital costs. (In practice, the auditor-general required local authorities to have asset management plans as part of their compliance requirements).

At the time, it was decided on balance not to impose a statutory requirement for strategic planning. The reason was that other requirements, such as that of specifying the forecasts and assumptions on which the long term financial strategy (LTFS) was based, could only be fully met if the local authority had a good understanding of what developments were likely to take place in its district over the period of the LTFS. In turn, it was recognised this could only happen if there was a reasonably robust strategic plan in place regarding the future development of the district.

By and large that did not happen. A number of local authorities developed what were described at the time as strategic plans but few, if any, had any direct relationship between the aspirations (outcomes) they described, and the practical objectives, strategies and actions involved in achieving them.

The result was a gap which meant that a number of long term plans still do not have the information base needed so that users can be fully confident of the viability of individual local authorities.

This concern has influenced the drafting of LGA 2002, most significantly with the requirement for the inclusion in LTCCPs, from those to be prepared in 2006, of a report from the local authority's auditor on the extent to which the local authority has complied with the requirements of LGA 2002 in respect of the LTCCP, the quality of the information and assumptions underlying the forecast information provided in the LTCCP and the extent to which the forecast information and performance measures provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

On their wording, these requirements set a strict standard that will require local authorities to demonstrate that they have robust knowledge of expected levels of activity within the district or regions they govern over at least the next ten years.

## **EXTRACT FROM UK LEGISLATION**

2. (1) Every local authority are to have power to do anything which they consider is likely to achieve any one or more of the following objects:
  - (a) The promotion or improvement of the economic well-being of their area,
  - (b) The promotion or improvement of the social well-being of their area, and
  - (c) The promotion or improvement of the environmental well-being of their area.
- (2) The power under subsection (1) may be exercised in relation to or for the benefit of:
  - (a) The whole or any part of a local authority's area, or
  - (b) All or any persons resident or present in a local authority's area.
- (3) In determining whether or how to exercise the power under subsection (1), a local authority must have regard to their strategy under section 4.
- (4) The power under subsection (1) includes power for a local authority to:
  - (a) Incur expenditure,
  - (b) Give financial assistance to any person,
  - (c) Enter into arrangements or agreements with any person,
  - (d) Co-operate with, or facilitate or co-ordinate the activities of, any person,
  - (e) Exercise on behalf of any person any functions of that person, and
  - (f) Provide staff, goods, services or accommodation to any person.
5. The power under subsection (1) includes power for a local authority to do anything in relation to, or for the benefit of, any person or area situated outside their area if they consider that it is likely to achieve any one or more of the objects in that subsection.
6. Nothing in subsection (4) or (5) affects the generality of the power under subsection (1).

### **Limits on power to promote well-being.**

3. (1) The power under section 2(1) does not enable a local authority to do anything which they are unable to do by virtue of any prohibition, restriction or limitation on their powers which is contained in any enactment (whenever passed or made).
- (2) The power under section 2(1) does not enable a local authority to raise money (whether by precepts, borrowing or otherwise).

- (3) The Secretary of State may by order make provision preventing local authorities from doing, by virtue of section 2(1), anything which is specified, or is of a description specified, in the order.
- (4) Before making an order under subsection (3), the Secretary of State must consult such representatives of local government and such other persons (if any) as he considers appropriate.
- (5) Before exercising the power under section 2(1), a local authority must have regard to any guidance for the time being issued by the Secretary of State about the exercise of that power.
- (5) Before issuing any guidance under subsection (5), the Secretary of State must consult such representatives of local government and such other persons (if any) as he considers appropriate.
- (6) In its application to Wales, this section has effect as if for any reference to the Secretary of State there were substituted a reference to the National Assembly for Wales.
- (7) In this section "enactment" includes an enactment comprised in subordinate legislation (within the meaning of the Interpretation Act 1978).

**Strategies for promoting well-being.**

- 4. (1) Every local authority must prepare a strategy (referred to in this section as a community strategy) for promoting or improving the economic, social and environmental well-being of their area and contributing to the achievement of sustainable development in the United Kingdom.
- (2) A local authority may from time to time modify their community strategy.
- (3) In preparing or modifying their community strategy, a local authority-
  - (a) Must consult and seek the participation of such persons as they consider appropriate, and
  - (b) Must have regard to any guidance for the time being issued by the Secretary of State.
- (4) Before issuing any guidance under this section, the Secretary of State must consult such representatives of local government and such other persons (if any) as he considers appropriate.
- (5) In its application to Wales, this section has effect as if for any reference to the Secretary of State there were substituted a reference to the National Assembly for Wales.

**Power to amend or repeal enactments.**

- 5. (1) If the Secretary of State thinks that an enactment (whenever passed or made) prevents or obstructs local authorities from exercising their power under section 2(1) he may by order amend, repeal, revoke or disapply that enactment.
- (2) The power under subsection (1) may be exercised in relation to-
  - (a) All local authorities,
  - (b) Particular local authorities, or
  - (c) Particular descriptions of local authority.
- (3) The power under subsection (1) to amend or disapply an enactment includes a power to amend or disapply an enactment for a particular period.
- (4) In exercising the power under subsection (1), the Secretary of State-
  - (a) Must not make any provision which has effect in relation to Wales unless he has consulted the National Assembly for Wales, and
  - (b) Must not make any provision in relation to legislation made by the National Assembly for Wales without the consent of the Assembly.

- (5) The National Assembly for Wales may submit proposals to the Secretary of State that the power under subsection (1) should be exercised in relation to Wales in accordance with those proposals.
- (6) In this section "enactment" includes an enactment comprised in subordinate legislation (within the meaning of the Interpretation Act 1978)<sup>69</sup>.

---

<sup>69</sup> Local Government Act 2000 (UK)

---

## APPENDIX 2: Examples from Overseas Experience

---

This appendix sets out examples from experience in England and Wales, and Australia, respectively.

The English material is in the form of extracts from two recent evaluations:

- **LSP Evaluation and Action Research Programme: Case-Studies Interim Report: A Base Line of Practice** completed in May 2004.
- **Pooling Resources Across Sectors: A Report for Local Strategic Partnerships** completed for the Health Development Agency in 2004.

From the case study report, the appendix is simply that section of the report which provides an overview of the case study LSPs (together with a glossary to explain abbreviations in the case studies). From the Pooling Resources report, the appendix sets out its statement of findings.

For the Australian material, the appendix provides an introduction to the Australian context and then case studies based on meetings with the three councils involved and a review of material which they provided on their strategic planning processes.

### ENGLAND AND WALES

#### The Case Study Experience<sup>70</sup>

In **Nottingham**, the context is the 'tale of two cities'; the contrast between growing prosperity for some areas and groups over the last decade, but with and continuing evidence of deprivation and its associated problems for wide areas of the city. The Government's introduction of floor targets has been very influential in shaping the priorities and targets of public sector agencies.

The Community Strategy was given lower priority than the Local Neighbourhood Renewal Strategy, and producing the latter and deciding the use of NRF were the two activities prioritised. However, there are substantial differences in the key issues and activities identified by different individuals. The primary issues confronting strategy were described in interview as:

- Delivering on floor targets, focussing on most deprived neighbourhoods.
- Moving towards area/neighbourhood management. Following an OCPN LSP leaders identified the need to move in the medium term to neighbourhood level 'local' strategic partnerships, a mini version of the LSP and related to NRS action plans. Although controversial with service delivery organisations, including those within the local authority, this approach implies a considerable devolution of power over service issues to the neighbourhood/area level.
- Trying to get realisation of the wider value of neighbourhood renewal, especially the involvement of partners in delivery. Thus there may be community and voluntary sector capacity for third sector procurement, but this is again also controversial with mainstream service providers.
- Securing quick wins not simply on consultation and engagement but through joining up partners and sectors and through work on joined up service delivery such as city council led work on an ODPM Joint Service Centre initiative

---

<sup>70</sup> This report reflects strategy development as it was up to the time of our fieldwork, which in practice was completed in early 2003. Several of the case-study LSPs have made major steps in Community Strategy development since that time.

- Generating agreement to a primary focus, which in the Nottingham Community Strategy was emerging as children and young people.

The **Southwark** LSP has been concerned to emphasise inclusiveness and there has been a reluctance to agree any form of working not including everyone. This has led to some frustration over a perceived inability to take decisions. The Community Strategy emerged largely from the council, a number of LSP members thought the LNRS was more worthwhile than the Community Strategy, and the LSP does not feel strong ownership of Community Strategy. This is in contrast to the Neighbourhood Renewal Strategy, which, together with management of the Neighbourhood Renewal Fund dominated the early life of the partnership. The need to respond to government tasks and deadlines meant the partnership did not feel fully in control. Spending NRF took precedence over establishing the LSP's wider, more strategic role.

The **East Durham** LSP emerged out of the East Durham Task Force which had broad membership and a wide ranging agenda. The LSP was also able to incorporate a number of other pre-existing partnerships. Strategy formulation, including the Community Strategy and the LNRS, was one of six tasks the LSP set for itself in addition to looking at joint working relationships, community engagement, performance management, promotion and publicity and representation and advocacy.

In its first year, it focused upon preparing the LNRS and deciding NRF spend. Easington District Council staff took the lead in this, supported by six Implementation Groups (IGs) addressing Health, Economy, Community Safety, Learning and Skills, Housing and Communities, Environment. Community appraisals in each ward, conducted by consultants, helped towards a better understanding of community wants and needs. The findings informed the LNRS which was produced by the same consultants and published in July 2002. The process of drawing up the LNRS served a number of other useful purposes. It enabled the LSP to take stock of current joint working and identify future action points by highlighting:

- the variation in the degree of joint working and information sharing between, cross representation on, the different IGs;
- the variation in the degree of joint working and information sharing between, cross representation on, the different IGs;
- the need for service providers to map baseline spend and refine target outcome measures;
- the need for individual service providers to inform and engage users much more in their plans and actions and for the LSP to prepare a communication strategy to raise community awareness of its purpose and goals;
- the scope for co-location of different service providers and instances where services were being delivered on a different geographical basis;
- the training requirements of service providers, residents and local groups for carrying out integrated programmes of neighbourhood renewal and service improvement.

After the LNRS, the LSP concentrated on bringing local and regional priorities and actions within an overarching framework in the Community Strategy and, to a limited extent, there was a concurrent effort to increase the input of community groups into strategy preparation. The six IGs took responsibility for drafting different sections of the CS and developing accompanying action plans. Easington District Council orchestrated the process and the LSP gave final approval.

Although at first NRF was allocated to off-the-peg projects in order to meet the tight timetable for spend, later, its availability appeared to offer an incentive for agencies to improve joint working and introduce new forms of service provision.

Although newly formed, the **Tameside** LSP is an extension of earlier partnership working which had been firmly supported by the Council. In 1999, a Community Forum was formed when the need for a mechanism to co-ordinate the different thematic partnerships was recognised. With the Council very much in the lead, this Forum was formally responsible for producing the first Community Plan in 2000, pre-dating national legislation on Community Strategies. A review of progress in relation to the Plan became 'The Community Strategy - Two Years On'.

The main focus of activity in the LSP's first year was the preparation of the Community Strategy. The Board oversaw and was involved in extensive associated consultation exercises. Partner organisations - Manchester Chamber of Commerce and Tameside 3rd Sector Coalition - took the lead in consulting local businesses and voluntary/community sectors respectively. The Board held an awayday which included presentations on the findings of the consultation process undertaken by MORI and on progress against quality of life indicators. After a draft of the Community Strategy was sent out for consultation, the final version was approved in June 2003. The latest version saw a deliberate shift away from a focus on services to 'valued outcomes'. Whereas the original Community Plan identified 8 priority areas closely aligned with service areas, the 2003-2006 Community Strategy has six community-identified priorities:

- Supportive Communities
- A Prosperous Community;
- A Healthy Community;
- A Safe Environment;
- A Learning Community;
- An Attractive Borough.

There is also to be an emphasis on children, young people and older people. The omission of any significant focus on rural issues appears to result in part from them not featuring strongly in the community consultation and in part because of the attention being given to NRF eligible areas.

Whilst the new approach is the product of the LSP, conversely the Community Strategy is producing some significant changes not only through its focus and content, but also in relation to the organisational structure of the LSP which has been tailored to fit and deliver the new desired outcomes. The approach has also reinforced the need for working together and strengthened communication links Tameside LNRS, which was produced prior to the revised Community Strategy, takes the five policy themes from NSNR and translates them into local strategic objectives.

Work on the LNRS was led by the Council with the LSP ratifying the strategy. Subsequently the LSP set up a small Neighbourhood Renewal Sub-Group to focus on, and as a mechanism for the better integration of, neighbourhood renewal which is now a standing item for the Board. The group comprises representatives from three regeneration areas, the community and voluntary sector and senior MBC officers. This development reflects a wider agreement to establish 'champions' for key areas of responsibility.

**The Leeds Initiative**, which began in 1990 as an economic development partnership, had evolved over the 1990s to cover many aspects of city life. It is unusual in having a well-resourced dedicated team and its own premises. At the end of the 1990s, The Leeds Initiative drew up the first city-wide strategic Plan, the Vision for Leeds, a ten year sustainable development strategy. This exercise proved to be a major step towards becoming an LSP. It identified six strategic agendas. Strategy groups were set up for each theme although responsibility for implementation still rested with the agencies concerned.

The Leeds Initiative was clear that the development of the Community Strategy, Vision II should build upon, not reinvent, Vision I even though it recognised the need for some change. Consultants were

used to conduct an independent review of Vision I. The process for developing Vision II took its recommendations into account including introducing more innovative ways of engaging communities. A draft strategy was produced following conferences, discussions, research and interviews with people representing all section of the Leeds community and events and projects with young people, older people, BME communities, voluntary and community groups, the business community and neighbourhood-based activities. The draft then went out for consultation with an opportunity for people to respond with a freepost reply slip, by telephone or e-mail. Vision II puts more stress on 'place' with less reference to neighbourhoods, in order to encompass the variety of areas within Leeds including its outlying towns.

The most recent strategy group, Neighbourhoods and Communities Partnership, was formed in 2000 in direct response to the need to develop a LNRS. The first strategy produced in 2001 established 5 strategic approaches to narrow the gap between the most disadvantaged areas of the city and the rest. It did not go much beyond broad strategic principles with targets reflecting the government's floor targets. Prioritising neighbourhoods continued later. The LNRS was seen as an important tool. It is reflected in the Council's corporate plan and there is a read across to floor targets and the LPSA which provides some leverage. The strategic direction had yet to be translated into action. Leeds has tried to use NRF solely to bend resources. At the time of fieldwork only just over half the resources had been spent within the targeted areas. The rest was deployed thematically.

In **Herefordshire** partnership working has developed and been sustained through genuine local commitment and motivation. However, the policy space is increasingly occupied by initiatives impacting on different layers of the partnership in different ways - guidelines on strategy and performance management as well as resources for the implementation of partnership objectives. Issues of the appropriate level of strategic working emerge in Herefordshire. The Partnership was established at about the same time as the Herefordshire County Council came into being as a unitary authority in 1998. This latter development served to raise the county profile and reinforce its identity which in turn helped towards establishing a common vision. The partnership has regional representation on its 'Ambition groups' as well as on the Board, thus increasing the level of mutual understanding between local and regional players about their respective priorities. National, regional and sub-regional strategies have driven different aspects of the overall Herefordshire Strategy; for example:

- DCMS guidelines for cultural strategies driving the Cultural Strategy;
- Linkages with West Midlands Economic Strategy in relation to: developing a diverse and dynamic business base; promoting a learning and skilful sub-region; creating conditions for growth and community regeneration - including developing these objectives within a rural economic context.
- The Marches Rural Regeneration Zone covers parts of Herefordshire, Shropshire and Worcestershire and this provides a mechanism for HP to influence the regional agenda through the RRZ Board which has representatives from the three constituent LSPs.

In Herefordshire, national influences are seen most within individual policy spheres although there were some perceived tensions between nationally set agency targets and local priorities. Herefordshire does not have to produce a LNRS, but tackling 'social exclusion' is one of its concerns. In this context, this means addressing the problems of social isolation and deprivation specifically associated with rurality.

**Hampshire** is a large 'hybrid' county with a County Council, two unitary authorities and eleven districts and a mix of political leadership. The county/unitary and county/district relationships are both important contextual factors. The County Council's status as an 'excellent' CPA authority means that it is not required to make plans other than the Best Value Plan and the Community Strategy. Although some

work on the Hampshire Community Strategy has been underway for three years, the emergence of a Community Strategy is lagging by a year or more the Strategies in district authorities. This delay springs from the feeling that political sensitivity demanded that the county strategy should follow rather than lead the district ones.

The preparatory steps included 11 workshops organised by the County Council for bilateral discussions with the districts about the basis for community planning, the development of an overarching LSP and county representation on district LSPs. The County Council Leader presented the County Council's priorities as developed from a MORI survey and developed into a draft vision. Following these workshops, two larger forums that addressed issues of membership, structure, support, tasks, and priorities evolved into the HSP at the end of 2002.

The major activities for HSP have been preparing the Hampshire Community Strategy (with a planned launch date of April 2004) and collaborating in District Community Strategy preparation. In relation to the first, Hampshire has developed a pragmatic, 'just do it' approach matched by attempts to engage with partners' corporate policies and programmes. In relation to the second, the lead is being taken by the County Council rather than HSP in order to avoid diluting the energy put into the Hampshire Community Strategy. The County Council has both established sophisticated machinery to collaborate with the corporate community planning/district planning processes and established a Community Strategy Grants Budget to support collaborative work.

Although not an NRF area, **Gloucester** is relatively urban and relatively disadvantaged compared with other parts of the county. This means that its priorities do not necessarily correspond with county wide ones. The LSP is seen as providing an opportunity to focus upon regeneration in a new way. The city was already pursuing neighbourhood projects and planning. An inherent issue is the lack of co-terminosity of service providers with few having an exclusive focus on Gloucester City.

The Community Strategy has dominated the LSP agenda for the last year. Being inclusive in developing the strategy has been a main priority, though estimates of how successful it has been vary. Consultation took place through the neighbourhood projects and CVS network, via media coverage and through a public survey conducted in the city centre. A sub-group of the LSP worked through consultation responses to inform the draft strategy.

The next stage is Action Planning when partners are to identify how they will meet the targets. LSP members have to take the strategy into their organisations and raise awareness of it as well as making the linkages between it and their work programme. This council has been reorganised politically and organisationally to reflect the key themes of the strategy; for example, members' portfolios complement the strategy themes.

The next priority for the LSP is neighbourhood renewal. Work began on this at a pre-Easter 2003 conference and the manager of the Neighbourhood Management pathfinder was asked to lead its development. It will build on the variety of neighbourhood projects and partnerships that exist in Gloucester and link with the Gloucestershire network of neighbourhood projects. Other statutory organisations are sympathetic to this approach and it complements the area based structures they have developed. However, not all organisations are convinced, and fear the approach may result in the marginalisation of some community groups.

**West Suffolk** is unusual in covering two and a half local authority districts. The delineation originated in a West Suffolk Better Governance Group set up in 1999 with the specific purpose of preparing for the introduction of community planning. This Group evolved into the LSP, formally established in May

2002. It comprises the areas of Forest Heath, St Edmundsbury and part of Babergh which decided to split its district.

The County Council is also involved, and some interviewees identified both Political and political (big and small p) considerations in the choice of area, first in relation to the balance of political power at local and county level, and secondly in the possibilities of the area as a potentially unitary area if regional reorganisation were to arrive.

Preparing the Community Strategy has been the main activity, though by March it remained in incomplete draft form. The priorities for the strategy reflect the LSP's theme groups who were given the responsibility of drafting theme chapters. It is here that progress has been uneven. Some groups were evidently unsure of their task, their ways of working varied widely and membership of groups was very variable. The theme groups in turn reflect the issues arising out of a MORI county-wide survey conducted in 2002 as part of a wider 'Suffolk Speaks' consultation. Crime and community safety emerged as the top community priority. The low crime rate in the county suggests that fear of crime is the real issue.

In some themes, professionals are concerned about tackling social exclusion through the Community Strategy. This would entail targeting a small number of households/streets with multiple problems but this approach does not come through strongly in the Community Strategy.

The themes in the Community Strategy have been shared with the LSP Forum which is open to all, but because 'Suffolk Speaks' was such a comprehensive and recent exercise, no further community consultation has been undertaken. Some players thought the emerging strategy was either too broad and aspirational or too much a regurgitation and amalgam of existing strategies. For others, this was a necessary first stage and the process had proved a useful focal point for the LSP. Although pressure to complete the document brought the danger of retreating to service/agency perspectives also reflecting their preoccupation with their own service specific targets, local authorities in particular put a lot of effort into aligning their own corporate strategies with the Community Strategy.

### **Key Issues in Strategy Development**

#### **Strategy development during the formative phase of the LSP**

It is evident in areas where LSPs were newly established bodies, or required considerable adaptation from existing ones, that coping with setting up structures and processes competed for time and attention with strategy formulation. Producing a Community Strategy remained a rather tentative exercise. This may also account for some of them being seen by partners as too broad brush and aspirational. Leeds and Tameside, whose LSPs grew out of existing partnerships, both already had community plans before there was any formal requirement to produce them. These became the starting point for revised strategies.

#### **Role of the local authority**

Most LSPs have a fairly slender resource base for taking strategy development forward. They are therefore reliant upon partner contributions of time and expertise. Most often- especially where the LSP has no independent team - the local authority takes a major role. This was probably particularly the case in relation to the LNRs when the work was led or orchestrated by the Council and the LSP gave the final approval. The local authority's attitude and capacity is therefore very significant (see also Section 5.1.4.1).

#### ***Strategic integration***

It is clear that horizontal and vertical strategy integration is important for both Community Strategies and LNRSs. Both sorts of strategy were prepared within complex policy contexts and needed to take account of other strategies both at different levels of decision making - national, regional, sub-regional and neighbourhood - and across all policy areas and partner organisations. Achieving this integration brings challenges:

- It can raise the issue of how far the end product represents real strategic development and how far instead it is largely confined to chronicling what is already happening.
- There is a need to root the strategy in different policy areas whilst avoiding silo thinking. The process of aggregating / sifting / combining partners' or agencies' priorities is difficult and time consuming. The difficulties are greater when partners' areas of coverage are not co-terminous.
- There is a need to have appropriate partnership structures. In Western Suffolk, for example, there was a concern that the theme group structure was reinforcing compartmentalisation. It is clear in the way that some strategies have shifted towards themes such as 'a healthy community' that they are seeking to lift the thinking out of single agency boxes and encourage 'joining up'. This shift in turn has to be reflected in their wider partnership structures and participation mechanisms so that, for example, in Tameside some rationalisation has taken place in the composition of the partnerships below the LSP.
- Community consultation will usually strengthen an outcome focused approach. Using community perspectives as themes rather than service perspectives points to the need to marry bottom up and top down approaches. There can be tensions when, for example, community priorities are not borne out by statistical analysis. In Western Suffolk, survey findings showed reducing crime as the main priority even though Suffolk has the second lowest crime rate in the country.
- Strategic planning needs an information base but whilst this is a necessary tool, developing it can also become a recipe for delay and over-complexity.

In moving from strategic planning to delivery, LSPs are reliant upon others to deliver. This underlines the importance of ensuring that partner organisations' own plans reflect the Community Strategy/LNRS priorities and that they can deliver the required targets. Sometimes, this is a matter of developing SLAs or protocols. But delivery also links with mainstreaming issues. As yet, relatively little progress is evident although, for example, in Leeds moves are being made to align the operational boundaries of key agencies<sup>71</sup>.

**GLOSSARY**

<b>Initials</b>	<b>What They Mean</b>
BME	Black and minority ethnic
CPA	Comprehensive performance assessment
CS	Community strategy
CVS	Community and voluntary sector
DCMS	Department of Culture Media and Sport
HSM	Hampshire strategic partnership
IG	Implementation group
LNRS	Local neighbourhood renewal strategy
LPSA	Local public service agreement
LSP	Local strategic partnership
NRF	Neighbourhood renewal fund
NRU	Neighbourhood renewal unit

---

<sup>71</sup> Office of the Deputy Prime Minister (2004d) p34-40

## **POOLING RESOURCES: KEY FINDINGS**

Most government departments have been signalling the increasing importance of partnership working and encouraging the flexible use of resources across LSPs. There are now significant legislative flexibilities in place for the NHS, local authorities, the criminal justice system and the voluntary sector to combine resources and budgets to address a range of national/local priorities. There are also an increasing number of targeted grants that can be used across LSPs or across several public sector bodies to support the development of more integrated services.

Of particular importance are the flexibilities found in the Local Government Act 2000 (especially the wellbeing power), and flexibilities introduced to promote best value: the Health Act 1999 (lead/joint commissioning, pooled budgets and integrated services) and those in the Crime and Disorder Act 1998 (pooled budgets and integrated services). Local authorities have very broad pooling powers as a result of the wellbeing power, applicable across all services and functions. For other sectors the flexibilities available are significant, but more closely related to their core function (such as improving health or community safety). For example, the Health Act flexibilities have led to the strategic pooling of resources to develop new forms of integrated health, education and social care services and organisations in excess of £2 billion.

There is also encouragement to align or coordinate resources more effectively in relation to a number of priority areas, including housing improvements, employment services, uptake of benefits and advice services, improvements in rural services, arts and cultural programmes within mainstream public services, services for children and young people, and improving educational attainment.

The most flexible targeted funds now available include the cross-sectoral area-based grants such as NRF, and the cross-sectoral performance-related funds linked to local public services agreements. There is also a range of other grants that can be commissioned or distributed among local partnerships - from rural and urban transport services, to supporting housing needs among vulnerable groups, to establishing new integrated services to improve the health of poor neighbourhoods.

Local strategic partnerships in this study are at the start of a process of greater integration of initiatives and services across sectors to help achieve their local priorities. They are making the most use of the flexibilities available to pool resources across health and social care services and to align funds for crime and disorder reduction. The wellbeing power and the flexibilities associated with best value appear under-used. The wider use of the Health Act flexibilities in areas such as housing, transport and education also appear under-used. The use of the existing flexibilities in relation to children's services is at an early stage, but as children's trusts develop the broader use of the flexibilities to combine health, education, social care and other services will be much more widely used. There are a number of examples of combined/ pooled funds to support employment, advice and educational opportunities for key groups in priority neighbourhoods - but these appear to have been initiated through local interest and strong partnership working rather than as a direct result of the availability of particular government flexibilities.

Local strategic partnerships are also more likely to experiment with the combined use of targeted grants across sectors such as Sure Start, NRF, Children's Fund and the various community development and community safety funds, rather than combining mainstream budgets. NRF and performance related funds for local PSAs, in particular, are being used to experiment with new integrated pilot projects and services separate from the mainstream. Overall, the incentive for LSPs to

pool resources is often the improved coordination this will bring to local services, rather than the promotion of flexible legislation/guidance from government.

Local strategic partnerships have found the main benefits of pooling or combining resources across sectors to include a better use of local resources and staff across sectors; improved communication between agencies; a more coherent strategic direction for the LSP; and a clearer focus on service delivery. Some can demonstrate improved impacts and outcomes for key groups and communities as a result.

Resources are being pooled at a number of levels of the LSP: the executive partnership and key theme partnerships; through new organisations such as children's trusts; through service commissioning (particularly across health and social care); at the point of service delivery where new teams are created; and at neighbourhood level in specific pilots and initiatives.

At the executive level of the LSP, resources are starting to be pooled for a number of different purposes. These include the use of joint resources to coordinate planning, generate additional income, gather intelligence, monitor and support LSP performance, engage communities, manage the use of targeted funds and set up pilots for new services and initiatives.

Different types of resources are being pooled between partners. Officers' time and skills are most likely to be shared as a first step. There are also examples of the shared use of information, facilities, buildings and staff posts as well as financial resources. Joint funding is most common where specific government grants are available for use across sectors, such as NRF or in the case of health and social care, where there are a number of flexibilities set out in the Health Act that can be used.

A continuum or spectrum of different approaches to pooling resources can also be identified. They range from the informal coordination or alignment of existing services to better target priority neighbourhoods, through to the more formal arrangement to pool mainstream service budgets. Between either end of this continuum there are various approaches, including joint location, management, commissioning, funding and integration of posts, teams and services - and ultimately the creation of new organisations or forms of public services.

Local strategic partnerships and government departments have identified a number of challenges to be overcome if genuine coordination and pooling of resources is to develop. It is often difficult for local agencies to see how the range of flexibilities and funds can be used collectively across the LSP to help achieve local priorities. Information is often contained within individual sectors or departments, and there is little guidance available for partnerships from national level.

There are also some limitations on what is possible. A number of existing flexibilities (such as the Health Act flexibilities) can be used only by particular public sector agencies, and many targeted funds (such as area-based initiatives) have strict conditions of use that prevent them being formally pooled. There are some concerns among LSPs and individual partner agencies about the risks of using resources in a more flexible way across the LSP, and uncertainty about the appropriate accountability arrangements that need to be in place.

Practical difficulties need to be overcome. Some organisations have financial problems and are reluctant to commit resources into medium- or long-term pooled arrangements. Others simply are not in a position to release resources to develop new forms of integrated services. For those partners experimenting with pooled resources there are often challenges in establishing parity in staff pay and in transferring pensions when staff from different sectors are brought together in new teams or units. VAT arrangements for services and other cross-charging issues also need to be resolved. Although

some action has been taken to address these problems nationally, in some areas local risk aversion persists despite the removal of barriers.

Traditional problems, such as a lack of coterminous boundaries and different planning cycles between agencies, can add to the difficulties of establishing any form of financial framework for the LSP. Trust and security in partnership arrangements is also critical. Performance management and audit arrangements for individual partners can also add to the bureaucracy of pooling resources, especially when different sets of financial and activity data are needed for different audit purposes by each partner. There are often limited opportunities to provide common audit information to LSP-wide audits that are focused on joint approaches to funding local problems.

Despite these challenges, LSPs in the study can demonstrate examples of improved service delivery, and improved impacts and outcomes for priority groups and areas, including:

- Creation of integrated mental health services combining up to £10 million from the NHS and local government, and development of integrated services for people with learning disabilities combining up to £25 million
- Reduction in arson and burglary in targeted neighbourhoods
- Increased uptake of benefits among those in poorest health/on lowest incomes
- Increased educational opportunities for people with poor mental health
- Improved access and coordination of services for older people, children/young people and offenders
- Increased community enterprise and training (including improved employment opportunities for people with disabilities)
- Reduced risks and efficiency savings through integrated health and social care services
- Improved community perceptions of home safety initiatives in priority neighbourhoods.

Most partnerships also set out more ambitious plans to combine resources as partners gain the confidence and skills to use the flexibilities available, and as barriers at national or local level are identified and removed<sup>72</sup>.

## AUSTRALIA

For the purpose of the report, Australian experience was accessed in three separate ways:

- Internet searching.
- Discussions with senior officials of the Australian Local Government Association focused particularly on their experience with the Integrated Local Area Planning initiative described in appendix 1.
- Meetings and email exchanges with the director of the UTS Centre for Local Government in Sydney, and with senior executives of three Sydney area councils, Waverley City Council (which covers the Bondi area of Sydney), Penrith City Council - the largest local authority on the Western fringes of Sydney - and the Blue Mountains City Council. All of these councils provided extensive access to their strategic planning documentation.

The main legislation empowering those councils is the New South Wales Local Government Act 1993. This includes a local government charter which sets out the role and functions of the council. It includes “to exercise community leadership”, a provision which is clearly seen as providing a mandate for “whole of community” planning.

---

<sup>72</sup> Hamer, Lucy (2004) p22-24

The main formal statutory requirement for prospective accountability is the requirement that:

During each year, a council must prepare a draft management plan with respect to:

- (a) The council's activities for at least the next three years, and
- (b) The council's revenue policy for the next year<sup>73</sup>.

In New South Wales, councils are elected for a four year term. This results in a practice (not universal) of councils in their first year of office preparing a management plan that covers the second, third and fourth year of their term and the first year of the following term, recognising that a newly elected council will need time to determine what its key priorities are so that activity in the first year of any term will typically be set by the decisions of the previous council.

Currently there is no requirement for councils to undertake strategic planning, either for themselves as an organisation, or for their communities although there are elements in the legislation, and developing state government policy, which encourage taking a strategic approach. As one example, the draft management plan itself is required to include what is now referred to as a social and community plan with a focus on equity of access to services. This plan must be prepared in accordance with guidance from the state local government minister. Currently there is an initiative underway which would require a regionally based approach to environmental planning, and the state government is separately considering the development of a regional strategy for the Sydney metropolitan region.

The balance of this appendix provides a brief overview of the approach which each of the three councils have taken towards community based strategic planning.

## **WAVERLEY**

Waverley is a medium sized council by Australian standards. The area has a population of 65,000 and the council employs a staff of 500 - somewhat larger than the norm for its size as the council did not follow the trend to outsourcing significant services, such as childcare (a major responsibility of Australian local authorities) in the mid 1990s.

For some 10 years or so the council has had in place 11 precinct committees. These have no formal statutory basis but are recognised by the council as an important source of community input. Committees are elected annually at a local public meeting open to all people within the area of the precinct.

For Waverley, the trigger to engage in strategic planning for the community as a whole was the decision by the Westfield Shopping Mall group to establish a major mall at Bondi Junction. The council was very aware from research on other Westfield malls that they tended to have a "black hole" effect on the surrounding area - as typically malls were designed, in effect, to minimise integration with the surrounding area.

It began the development of what is now its community planning framework as a means of working with the local community, and with Westfield, to identify means for better integrating the mall with its surrounding area. The physical result has been the development of multi-access points for the mall and a series of council capital works focused on better integration. The result has been to avoid the "black hole" effect.

The Bondi Junction pilot, planning the response to the Westfield development, included a number of workshops with the Bondi Junction Committee and with councillors, developing both the information and the commitment needed to bring about the changes which the community wanted so that the

---

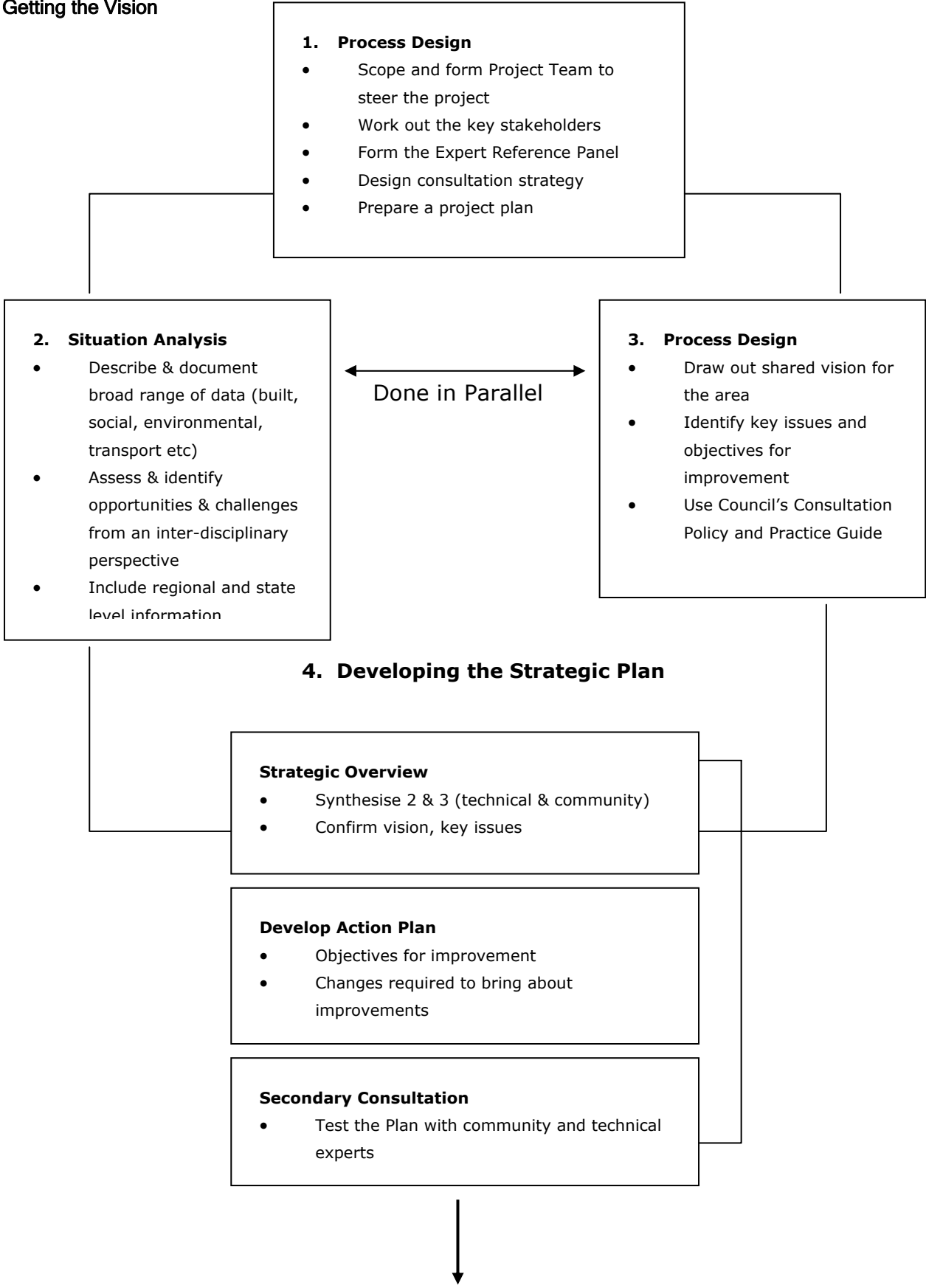
<sup>73</sup> Local Government Act (1993) (NSW) s402

development would be better integrated with the surrounding area - resulting in background information, and evidence of community concern, that the council itself was able to use to influence the state minister's decision on the development application.

Waverley has built on its experience with the Bondi Junction pilot to develop a community planning framework which now applies across the council as a whole and sets the framework for the council's own corporate planning (its multi-year management plan and its annual operational plan).

The following charts set out respectively the process which is followed for "getting the vision" - developing the strategic plan itself - and translating the vision into action.

**Community Planning in Action<sup>74</sup>**  
**Getting the Vision**



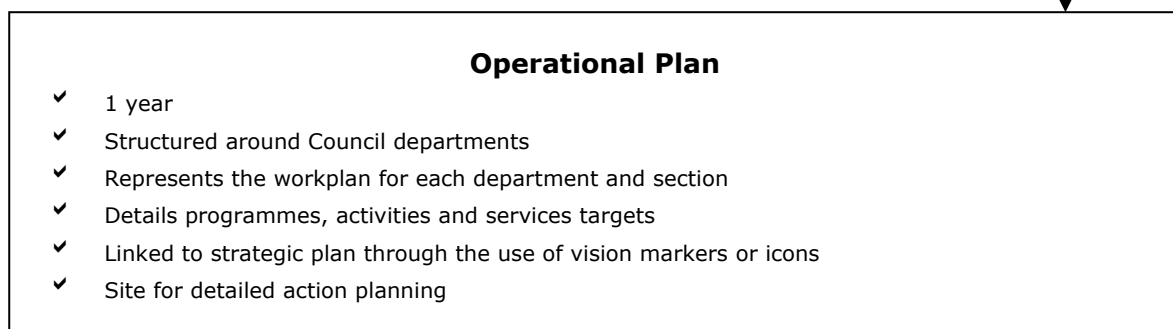
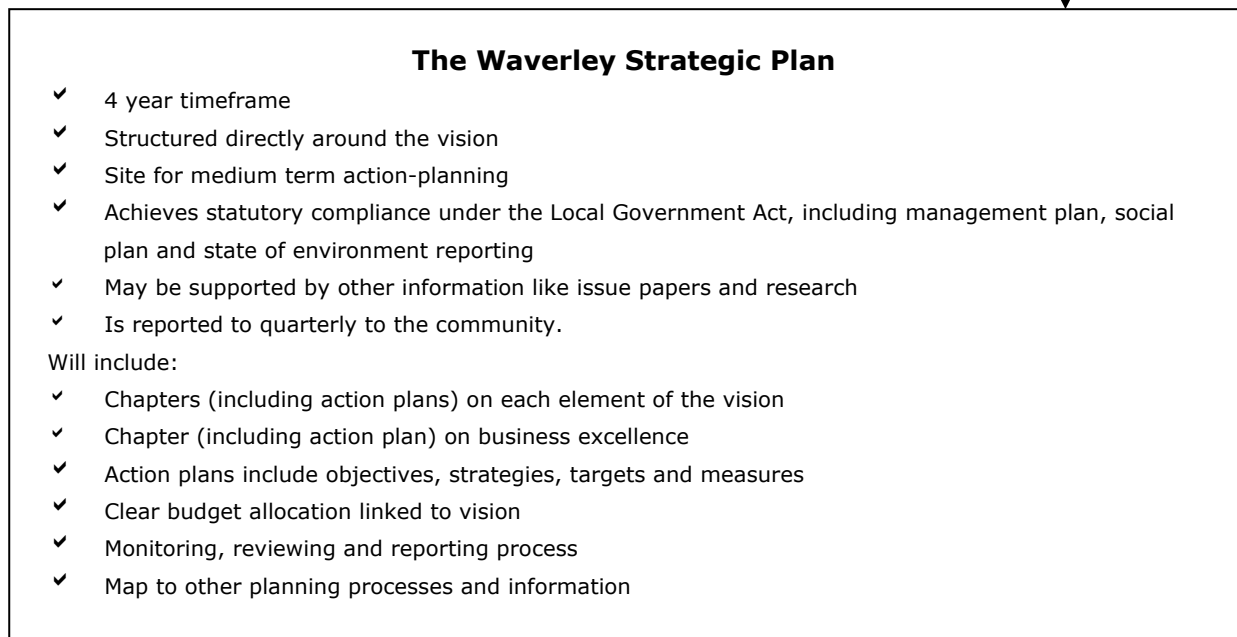
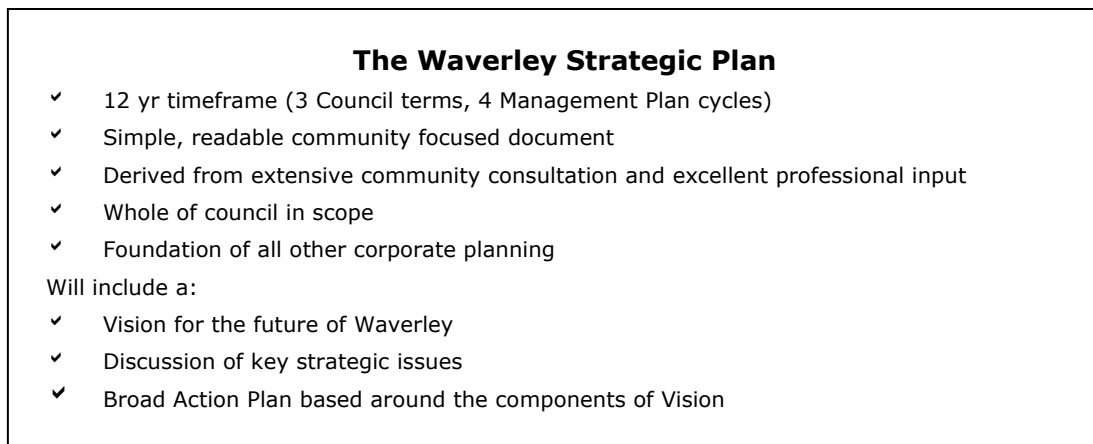
<sup>74</sup> Waverley City Council p20

### **The Waverley Council Strategic Plan:**

- ✓ 12 yr timeframe (3 Council terms and Management Plan cycles)
- ✓ Simple, readable community focused document
- ✓ Derived from extensive community consultation and excellent professional input
- ✓ Whole of council in scope
- ✓ Foundation of all other corporate planning

Will include a:

- ✓ Vision for the future of Waverley
- ✓ Discussion of key strategic issues
- ✓ Broad Action Plan based around the components of Vision



---

<sup>75</sup> Waverley City Council p21

A number of other factors contributed to and benefited from the council's commitment to strategic planning.

First, the state government had been undertaking a review of its requirements for built form planning (in New South Wales it is the state government rather than local councils which grant development consents). The government initiative put the primary emphasis on built form planning with community development flowing on from and frameworked by that. The Waverley Council took the view that this was back to front; you needed first to plan for the community - have a sense of how it wanted to develop - before you could determine built form planning requirements. This view (shared by other councils as well) resulted in a major shift in the state government's stance.

Developing a community planning framework also highlighted for the council that it had a number of disconnects in its own processes. As examples:

- There was lack of connection between the council's own vision statement and its corporate planning activity.
- Council itself operated through a series of "silos" that were not well connected one with another. Different units in council would undertake consultation with the community on matters within their purview without any integration with council's overall processes. This meant, amongst other things, that there would often be no follow through simply because of no "whole of council" commitment or budgetary provision.

One strong benefit from adopting the community planning framework has been better integration within the council itself. The strategic plan is now the driver both for the council's long term management plan and for its operational plan.

A major factor in the success of the Waverley approach has been careful concentration on process to ensure that it is both enabling and integrated. This has included:

- Emphasising that planning is not so much a formal built form approach as about establishing clarity on where you are going and how you are going to get there. It includes demystifying the process. This was a point made, in different ways, by all of the people with whom we met in Australia - both language and the nature of process are crucial.
- Integration is an essential element of working with the community which does not deal in silos. At Waverley, one concern for the council was that the way community understands issues is the way the council needs to deal with them.

Keeping councillors closely involved and engaging council staff closely with the process were both important factors in its success. At a staff level, they have shifted from having executive management responsible for writing the council's management plan to a very broadbased inclusive process. This includes running vision workshops at a manager/supervisor level in parallel with running workshops for councillors.

The process is still evolving but the council has established a strong commitment to ensuring that its own corporate planning process, and the activities it undertakes, are driven from strategic planning developed through the community planning framework.

## **BLUE MOUNTAINS**

Blue Mountains is very different both from Waverley, and from Penrith City (which adjoins it). It describes itself as a city within a world heritage national park. Physically, it is in fact a series of some 20 settlements strung out along 100 kilometres of the Great Western Highway.

The trigger for the Blue Mountains City Council (DMCC) to undertake strategic planning was a commitment in the City's 2000/2001 management plan "to develop a long term strategy in consultation with the community and other levels of government, that will set directions for the City over the next 25 years". The background to this commitment was that the fact the City had adopted a 25 year strategic plan in the 1970s; with the expiry of its term it was appropriate to revisit it.

As with the other two councils studied, the council's approach to strategic planning was quite strongly influenced by the principles of Integrated Local Area Planning with their emphasis on engagement with the whole of the community. It (especially officers) were also very conscious of the City's unique situation within a world heritage national park, and the values that the City's communities held in association with that.

The council adopted 10 key principles to guide both the development of the strategic plan and its use. These were:

- Community ownership.
- Council leadership.
- Broad agreement.
- Different scenarios.
- Partnerships.
- Clear communication.
- Community values will shape.
- Framework for management plan.
- Creative responses.
- Effective but flexible action plan.
- Diversity.
- Walking the talk.

Note: The principles were developed by council staff and endorsed by councillors.

One important factor, through the strategic planning process, was the distributed nature of the City. The fact that it is a series of discrete communities, rather than a single geographic whole, coupled with the fact that councillors are elected on a ward basis, creates a strong attachment to individual localities rather than the City as a whole.

The council used a community visioning model based on the work of the American practitioner Steven Ames but with variations. His approach begins with two questions, "where are we now" and "where do we want to go".

Because the City already had experience with one strategic plan, the council decided to start with combined "where have we come from" and "where are we now" question. This allowed a focus on the kind of decisions that had been taken 25 years ago and their consequences today. A significant element of the 1970s plan was commitment to the motor car. The current outcome is seen as a community split by a major four lane highway.

Rather than the Steven Ames question "where do we want to go" the council used as a question "what kind of Blue Mountains City do we want to leave for the next generation". This was another reflection of the emphasis on the use of language. The point here was to shift the focus from individual's wants - where do we go now - to the needs of the broader community both now and in the future.

The main process used was a series of community workshops designed to secure broad based engagement (both in terms of geographic and interest coverage and over time). Meetings were supported by background material which council officers themselves had prepared which included revisiting the previous strategic plan, and providing the community meetings with quite detailed work

plans including possible scenarios comparing, for example, continuance of the status quo with a sustainability approach.

The visions emerging from different groups were shared with others in order to try and get consistency across different communities and interests.

The resulting vision statement was written up by the council and posted to every resident within the City with feedback invited (the council recognises that this was largely a symbolic gesture - they were not expecting significant feedback but it was important to give everyone an opportunity). This was coupled with a random sample survey with questions designed to test the propositions in the vision statement. The survey essentially confirmed that the vision was a fair reflection of what the community had said. This was important in providing councillors themselves with evidence that the community supported the vision.

Working with councillors was an important part of the process. It was made clear to councillors that the outcomes from the vision process were those of the community - that the council itself was simply a stakeholder along with everyone else. A lot of attention was paid to ensuring that the process was as robust as the council could make it. Elements of this included:

- Providing background information.
- Sharing the findings from different workshops with others in order to build a broad based understanding of the outcomes emerging from the visioning process.
- Resourcing workshops with background material and with independent experts who could provide information on the possible impact of preferred outcomes that workshops were developing - for example "if you decide you don't want medium density housing, have you thought that the impact could be ...".
- Using a random sample survey to test the results.

The outcomes from the strategic plan are being used to guide the council's four year management plan and its annual activity plan - although the council officer who provided background on this noted that, in the first management plan following the development of the strategic plan, the main goals adopted were relatively short term low level ones with longer term high level goals to be addressed in subsequent management plans.

The process has also been pivotal in developing key initiatives based on the City's locational advantages. As two examples:

- The Blue Mountains World Heritage Institute was founded in 2004 as a non-profit organisation to support the conservation of the cultural and natural heritage of the Blue Mountains area. The purpose of the Institute is to facilitate interdisciplinary and policy-orientated research which addresses eco-system management within the world heritage area, as well as issues relating to local development (urban, industrial and agricultural) which is compatible with world heritage values. From the city's perspective the establishment of this significant Institute, which has a number of universities and research institutions as well as government and other authorities as partners, is an important first outcome from the sustainability emphasis within its strategic planning process.
- The local business community has adopted a new branding approach, Blue Mountains advantage, to profile local businesses. It includes an accreditation programme, developed by the Graduate School of Business at TAFE NSW Western Sydney Institute. It focuses on improving business profitability and showing how working with the community and the environment can translate to improvements across the bottom line. Businesses that have completed the accreditation programme are then able to adopt the programme's branding.

The main focus for the council is now moving from vision to implementation. As already noted the strategic plan sets the framework for the council's own management plan. Working both through that and in conjunction with partners in the community is now the focus for the council, based on the strong acceptance within the community and amongst elected members resulting from the thoroughness of the process and the awareness that it has strong community support.

### **PENRITH CITY COUNCIL**

Penrith is a large and rapidly growing local authority area on the western fringes of Sydney. Current population (2001 census) is 172,000. The City has grown by 25,000 new households over the 20 years to 2001 and is expected to grow by a further 25,000 households by 2021.

Its approach to strategic planning is different from that adopted by Waverley and Blue Mountains, both of which are strongly influenced by a participatory democracy approach. The Penrith City Council takes a representative democracy view - that the council is elected to govern but must be mindful of opinions out in the community. The reference in the statutory charter to the role of the council to provide community leadership is an important factor for them.

The trigger for Penrith to become involved in strategic planning was quite different from that for the other two councils although, as with them, it has been quite strongly influenced by the Integrated Local Area Planning experience.

Penrith's engagement with strategic planning began in the early 1990s. The two factors which led the council to start taking a strategic planning approach were the new 1993 Act (especially the council charter) and the result of a state government audit of council performance - which was extremely critical of the council, highlighting a lack of strategic management.

The then town clerk responded by taking the elected members away for a weekend retreat and using that to produce what was described as a strategic plan. This was basically a mix of then current budget headings and things that councillors wanted to achieve. It lacked any mechanisms to relate its content back to staff and the work they did or to link into the council's own management plan.

The result was to increase councillor frustration. Because there were no linkages to the council's own processes, the items they had identified simply did not come up in the council's work programme.

What that experience did was demonstrate for the council that it required a more robust and integrated process and one that did have the necessary linkages.

The council's current strategic planning process does this.

Its underlying principles include:

- A conceptual model of the City and its context - the City as a social place with its own environment and economy - and the connections those generate across boundaries.
- The need for institutional arrangements to enable delivery (the structural arrangements within the council itself and between the council and key stakeholders). This is mediated through a linking document which lists the critical actions required to deliver outcomes as set out in the management plan and derived from the strategic plan.

An important early factor in developing the council's first strategic plan was councillor attitude to community research - there was a real reluctance on the part of councillors to have the council asking the community questions when councillors were not themselves sure of what the answers would be. With experience, the council has shifted to accepting the need for a strong research/information base for strategic planning.

A November 2004 report to the council, backgrounding work required for the draft strategic plan for 2005-2009, has this to say about the research requirements for the planning process:

“To enable an effective address of emerging and future issues for the City, it is essential that a well-founded body of factual evidence on the present nature and circumstances of our area, its community and its broader context is available to Council and the organisation. Significant research conducted by both Council itself and of course leading external bodies was utilised to provide such a base. The quality and objectivity of this research data has been a key area for attention in the strategic plan process.

“It has in past experience been found that the strategic plan has been developed by the Council from two main information bases, namely:

- The research, experience and professional insights of its senior staff (drawn on for the production of a series of background papers), and
- The insight and understanding of the local community that the councillors brought with them to the table.

“Although vital components, it has been recognised that these constituted an incomplete information base from which to take decisions which will affect the direction of the City not only for the next four years but perhaps in some cases many years beyond that. The information base on which the strategic plan is founded has been improved in each planning process by increasing research capabilities and more structured consultation programmes. This has particularly been the case in 2004.

“Enhancing the consultation and research elements of the strategic plan process this year has been assisted by measures including:

- Specially commissioned research projects, such as:
  - those conducted through the PLAN Study, the City-wide aspirational survey, analysis of 2001 Census data, the Customer Research programme, key economic and transport studies etc.
  - the demographic analysis and urban management study conducted for Council by Professor Bill Randolph of the Urban Frontiers Programme.
  - The Local Profile of Penrith compiled for the WSROC Regional Planning Framework.
- Ensuring that external research findings on key topics (e.g. the recent WSROC research on strategic issues at the regional level) are known and readily available to Council and the organisation.
- Establishment of a coordination team to harness the key research resources and expertise of the organisation and ensure that efforts are focussed on supporting the strategic plan requirements.
- Increased pre-consultation with other principal organisations within the City.
- Drawing in those community forums broadly representing particular interests such as social, economic and environmental viewpoints.
- More sharply focussed enquiries examining our services and the way we discharge our core business.
- Seizing opportunities for innovation and increased access to research, especially through partnerships (such as with UWS and WSROC).<sup>76</sup>

---

<sup>76</sup> Penrith City Council (2004a) p88-89

As with Waverley and Blue Mountains, Penrith uses the strategic plan as the basis for the objectives in its management plan (in contrast with Blue Mountains, Penrith's strategic plan is for a much shorter timeframe with longer term aspirational goals included but without a specific deadline attached to them).

There is a strong emphasis on accountability. Goals set in the management plan include (by position) the designation of the officer responsible for implementation.

Of particular interest for New Zealand, is the lengths to which the Penrith Council goes to ensure that the strategic planning document, and the management plan, are owned by elected members rather than by officers.

This includes the way in which the council handles the transition from one council to its successor.

Immediately prior to each four yearly election, an independent consultant interviews each elected member. The focus of the interview is on the elected member's experience as a councillor including the expectations the member had brought to the position and how the council process had operated in relation to those.

Immediately following the election, the same consultant interviews each new councillor on their expectations for the role.

The findings from those two sets of interviews are combined into a generalised issues report (ie a report which does not identify particular councillors) which forms the basis of a briefing for senior management by the consultant and then a subsequent combined briefing for councillors and senior management.

The purpose is to help ensure, as far as possible, that the council's strategic and management documents reflect what councillors require.

Another tool the council uses for this is a process of iteration of major documents with the council to ensure that not just the goals, objectives and activities are those the council seeks but that the language is language that the councillors themselves wish to use.

The process of strategic planning in Penrith is still evolving, both in terms of developing the council's own internal processes, and how it relates to the external community, with a gradually increasing emphasis on partnership and inclusion (remembering that this council starts with the proposition that it is elected to govern).

In the lead up to the current strategic planning process this has included exploring the issue of "if we are speaking about the 'City' and seeing ourselves as the lead organisation what about our relationship to other local organisations?" In response to this the council has been developing a series of one-on-one partnerships with external groups and maintaining regular dialogue (the groups range from business organisations, to the major service deliverers such as the local university). They are also drawing on UK practice with the use of partnerships.

Other initiatives include a number of facilitated workshops - for example with senior people from government agencies and with local institutions - to help get their ideas into the council's process. As well, they have three standing groups - environment, social and economy - each of which is consulted in a development of the annual management plan.

It also uses consultation with the community as a means of strengthening the council's advocacy to state ministers - for example on development matters.

The Penrith experience is one which is clearly still evolving but has amongst its major strengths commitments to:

- Ensuring that the strategic plan/management plan process is genuinely owned by councillors.
- Driving accountability down through the organisation so that individual managers and staff know who is responsible for what (this can include a matrix approach to accountability recognising that a line structure for functional activity may hold responsibility for outcomes across a range of different areas).

---

## APPENDIX 3: Extracts from Regional Partnerships Programme Review

---

15. There is a perception in regions that insufficient funding is allocated to the capability building component of the RPP, and that regions do not have enough resources to develop their capability to the level required to maximise regional economic development. Capability building is perceived as more of a priority than a MRI by some regions, with some comments that the RPP may be focused on the wrong aspect (i.e. the MRI as one development project attracting the most central government funding support, when capability building may be much more important to implementing the strategy in the long run).
27. The *structure of the partnership*, in the context of the researched regions, is often characterised by differing ability of groups to participate. Iwi / Māori and disadvantaged regions face particular challenges here, often based on a lack of resources to actively participate in the partnership itself and in partnership projects. Businesses, conversely, were often discouraged by local government dominance of membership and processes, or by Iwi consultation requirements. Differing member needs (e.g. Iwi consultation and participatory processes versus business needs to see early results and move the process along at a faster pace) appear to be one of the key tensions inherent in partnership development and maintenance. There is clearly a tension between long-term strategic planning and participatory processes and the need for short-term results to motivate participants in the programme. This is reflected in attitudes towards the MRI.
65. At the partnership and strategy implementation stage, high level objectives are generally reached without too much difficulty, but reaching agreement about a partnership's specific objectives and reconciliation of different partners' aims causes greater difficulty. An important first step in this is to agree on a small number of key issues that no individual partner can solve on their own and instigating a few "visible" projects, providing justification for the partnership's existence. This finding is also highlighted in other research.
69. In terms of partnership participants, the report indicates that, in New Zealand, leadership in partnerships appears to come largely from local government. Public sector representatives on a partnership appear to hold considerably more power than other partners, and while this can trigger the involvement of other partners, it can also lead to "top-down" processes that impede "grass-roots" partnership development. The report re-emphasises the need for leaders who have credibility in both the business and political environment, and that leadership may change as the partnership evolves.
103. Short-term thinking was seen as a key obstacle to good governance and leadership. Governance structures focused on local government needs, for example, can run the risk of adhering to the needs of short-term political cycles. Similarly, too much focus on MRIs (sometimes reflecting the needs of business) can divert governance effort to short term thinking (rather than a longer term, more regional strategy implementation focus).
104. Consultants indicated that leadership tension between local government and local entrepreneurs exists, based on a lack of understanding of each others' processes and needs. High levels of involvement of local government are often negatively regarded by business. Local government bureaucracy frustrates business and, if business leaders cannot get traction, they

withdraw. Conversely, local government (and Iwi / Māori) processes are often not understood (or appreciated) by business. This is, of course, both a governance and leadership issue<sup>77</sup>.

---

<sup>77</sup> Ministry of Economic Development (2003a)

---

# References

---

Appalachian Partnership for Welfare Reform (nd) "Crafting Community Outcomes for Comprehensive Economic and Workforce Development: A Resource and Reference Guide" Institute for Local Government Administration and Rural Development, Ohio University, Ohio. Retrieved on July 1, 2004 from the World Wide Web: [http://www.ilgard.ohiou.edu/apwr/training/supporting\\_handouts\\_for\\_pm.htm](http://www.ilgard.ohiou.edu/apwr/training/supporting_handouts_for_pm.htm)

The Audit Commission (2004, June) "People, places and prosperity - delivering government programmes at the local level" London. Retrieved on July 7, 2004 from the World Wide Web: <http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryID=PRESS-CENTRE&ProdID=C25BEB47-CE10-4faa-9484-611B3014E610&fromREPORTSANDDATA=NATIONAL-REPORT>

Australian Local Government Association (2004) "Blueprint for Building Better Communities" Federal election 2004, Deakin. Retrieved on September 7, 2004 from the World Wide Web: [http://www.alga.asn.au/2004FederalElection/papers/Blueprint\\_for\\_better\\_communities.pdf](http://www.alga.asn.au/2004FederalElection/papers/Blueprint_for_better_communities.pdf)

Australian Local Government Association (July, 1993) "A Guide to Integrated Local Area Planning" Deakin. Retrieved on October 8, 2004 from the World Wide Web: [http://www.alga.asn.au/publications/A\\_guide\\_to\\_intergrated\\_local\\_area\\_planning.pdf](http://www.alga.asn.au/publications/A_guide_to_intergrated_local_area_planning.pdf)

Berdahl, Lolleen; Sapergia, Sophie (2001, December) "Urban Nation, Federal State: Rethinking Relationships - A Western Cities Project Discussion Paper" Canada West Foundation, Calgary. Retrieved from the World Wide Web: [http://www.cwf.ca/abcalcwf/doc.nsf/\(Publications\)/067E95B9BC6D31AB87256BD5006CD1B3/\\$file/200115.pdf](http://www.cwf.ca/abcalcwf/doc.nsf/(Publications)/067E95B9BC6D31AB87256BD5006CD1B3/$file/200115.pdf)

Blue Mountains City Council (2004) "Towards a More Sustainable Blue Mountains 2004-2008 Management Plan - Year One 2004/2005" Katoomba

Blue Mountains City Council (2004) "Towards a More Sustainable Blue Mountains - A Map for Action 2000-2025" Katoomba

Bovaird, Tony; Martin, Steve; Sanderson, Ian (2001, December) "The feasibility of evaluating the impacts of the Local Government Modernisation Agenda" Final report to the Department of Transport, Local Government and the Regions prepared by the Local & Regional Government Research Unit, Cardiff University, Cardiff. Retrieved on August 8, 2004 from the World Wide Web: <http://www.clrgr.cf.ac.uk/publications/clrgrpapers/LGMAEvaluationFeasibility.pdf>

Bryson, John (1995) "Strategic Planning for Public and Nonprofit organisations" Jossey-Bass Inc, USA

Burke, Kym (2004, May) "Engaging with Communities over Outcomes - a review of innovative approaches to meeting the LGA 2002 challenge of identifying community outcomes" Local Government New Zealand, Wellington. Retrieved from the World Wide Web: [http://www.lgnz.co.nz/library/files/store\\_005/CommunityOutcomesPaper.pdf](http://www.lgnz.co.nz/library/files/store_005/CommunityOutcomesPaper.pdf)

Business in the Community; The British Chambers of Commerce (2002, May) "Working with Business in Local Strategic Partnerships" Guidance note, London. Retrieved on August 19, 2004 from the World Wide Web: <http://www.bitc.org.uk/resources/publications/lspguidancenote.html>

Business in the Community; The British Chambers of Commerce (2002, March) "Local Strategic Partnerships and Neighbourhood Renewal - Why business should get involved" London. Retrieved on August 21, 2004 from the World Wide Web:

<http://www.bitc.org.uk/resources/publications/businessinvolve.html>

Commission of the European Communities (2002, December) "Report from the Commission "Better Lawmaking 2002" pursuant to Article 9 of the Protocol on the application of the principles of subsidiarity and proportionality" Brussels. Retrieved from the World Wide Web:

<http://register.consilium.eu.int/pdf/en/02/st15/15540en2.pdf>

Considine, Mark (2004, February) "Community Strengthening and the Role of Local Government" for Local Government Victoria, Melbourne. Retrieved from the World Wide Web:

[http://www.doi.vic.gov.au/doi/doiect.nsf/2a6bd98dee287482ca256915001cff0c/3e50c74f3342c467ca256e47001a5e03/\\$FILE/LGV%20Discussion%20Paper-%2026Feb04.pdf](http://www.doi.vic.gov.au/doi/doiect.nsf/2a6bd98dee287482ca256915001cff0c/3e50c74f3342c467ca256e47001a5e03/$FILE/LGV%20Discussion%20Paper-%2026Feb04.pdf)

Cook, Anna-Luis (2004, September) "Managing for Outcomes in the New Zealand Public Management System" New Zealand Treasury Working Paper 04/15, Wellington. Retrieved on October 4, 2004 from the World Wide Web: <http://www.treasury.govt.nz/workingpapers/2004/04-15.asp>

Craig, David (2004, January) "Building on Partnership: Sustainable local collaboration and devolved co-ordination - a review of core issues, with on-the-ground examples from 'The Waitakere Way'" Technical Report, University of Auckland, Auckland. Retrieved from the World Wide Web:

<http://www.arts.auckland.ac.nz/lpg/doc/DCTechnicalReportJan2004.pdf>

Dalziel, Alison (2003, July) "Sustainable Development Programme of Action" Presentation to Local Government New Zealand Conference 2003, Department of the Prime Minister and Cabinet, Wellington. Retrieved from the World Wide Web:

[http://www.lgnz.co.nz/events/conference/2003/LGNZ\\_SS\\_ESD\\_AlisonDalziel\\_DPMC.pdf](http://www.lgnz.co.nz/events/conference/2003/LGNZ_SS_ESD_AlisonDalziel_DPMC.pdf)

Department of Internal Affairs (nd) "Community Advisory Services" Wellington. Retrieved from the World Wide Web: [http://www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Services-Community-Advisory-Services-Index?OpenDocument](http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Services-Community-Advisory-Services-Index?OpenDocument)

Department of Internal Affairs (2004, August) "Central Government Engagement in Community Outcomes Processes" Wellington. Retrieved from the World Wide Web:

[http://www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Legislative-Reviews-Local-Government-Act-Review-Central-Government-Engagement-in-Community-Outcomes-Processes?OpenDocument](http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Legislative-Reviews-Local-Government-Act-Review-Central-Government-Engagement-in-Community-Outcomes-Processes?OpenDocument)

Department of Internal Affairs (2001, June) "Reviewing the Local Government Act 1974" Have your Say Consultation Document, Wellington. Retrieved from the World Wide Web:

[http://www.dia.govt.nz/Pubforms.nsf/URL/webversionCo.pdf/\\$file/webversionCo.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/webversionCo.pdf/$file/webversionCo.pdf)

Department of the Environment, Transport and the Regions (2000, December) "Preparing Community Strategies: Government Guidance to Local Authorities" London. Retrieved on July 12, 2004 from the World Wide Web:

[http://www.odpm.gov.uk/stellent/groups/odpm\\_localgov/documents/page/odpm\\_locgov\\_605670.hcsp](http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/page/odpm_locgov_605670.hcsp)

European Union (nd) "Consolidated version of the Treaty establishing the European Community" Brussels. Retrieved from the World Wide Web: [http://europa.eu.int/eur-lex/en/treaties/dat/C\\_2002325EN.003301.html](http://europa.eu.int/eur-lex/en/treaties/dat/C_2002325EN.003301.html)

European Union (nd) "EU decision-making procedures - the subsidiarity principle and the role of national parliaments" Brussels. Retrieved from the World Wide Web: [http://europa.eu.int/scadplus/european\\_convention/subsidiarity\\_en.htm](http://europa.eu.int/scadplus/european_convention/subsidiarity_en.htm)

European Union (nd) "Glossary - Subsidiarity" Brussels. Retrieved from the World Wide Web: <http://europa.eu.int/scadplus/leg/en/cig/g4000s.htm>

European Union "Draft Treaty Establishing a Constitution for Europe" (2003, July) in *Official Journal of the European Union*, Brussels. Retrieved from the World Wide Web: [http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/c\\_169/c\\_16920030718en00010105.pdf](http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/c_169/c_16920030718en00010105.pdf)

Government of New South Wales (1993) "Local Government Act 1993 No. 30" Sydney. Retrieved from the World Wide Web: <http://www.legislation.nsw.gov.au/fullhtml/inforce/act+30+1993+CD+0+N>

Gray, Alison (2002, October) "Integrated Service Delivery and Regional Co-ordination: A Literature Review" Gray Matter Research Limited, Prepared as part of the Review of the Centre - Regional Co-ordination Workstream for the State Services Commission and the Ministry of Social Development, Wellington. Retrieved on July 12, 2004 from the World Wide Web: <http://www.msd.govt.nz/documents/publications/strategic-social-policy/integrated-service-delivery-regional-coordination-literature-review.pdf>

Guerin, Kevin (2002, March) "Subsidiarity: Implications for New Zealand" New Zealand Treasury Working Paper 02/03, Wellington. Retrieved on July 21, 2004 from the World Wide Web: <http://www.treasury.govt.nz/workingpapers/2002/02-3.asp>

Hamer, Lucy (2004) "Pooling resources across sectors: a report for local strategic partnerships" Health Development Agency, London. Retrieved on October 21, 2004 from the World Wide Web: <http://www.hda-online.org.uk/documents/poolingresources.pdf>

Harmsworth, Kate (2001, December) "Glocalism: The Growing Importance of Local Space in the Global Environment" Canada West Foundation, Calgary. Retrieved on February 1, 2002 from the World Wide Web: <http://www.cwf.ca/abcalcwf/doc.nsf/publications?ReadForm&id=254736F8C548775487256BD5006CEF37>

HMSO (2000) "Local Government Act 2000" London. Retrieved from the World Wide Web: <http://www.hmso.gov.uk/acts/acts2000/00022--b.htm>

Improvement and Development Agency; Local Government Association (2004, July) "Local public service boards: an Innovation Forum 'prospectus'" London. Retrieved on August 21, 2004 from the World Wide Web: <http://www.lga.gov.uk/Publication.asp?lsection=59&id=SXE63-A7825555&ccat=933>

Johnstone, Derrick; Johnstone, Susan; Tyler, Peter; Warnock, Colin (2004, January) "Business Broker Pilot Programme Evaluation: Interim Report" Educe Ltd and CEA, Report to Business in the Community, Office of the Deputy Prime Minister (Neighbourhood Renewal Unit), the Home Office (Active Communities Unit) and the Department of Trade and Industry, Cambridge. Retrieved on August 21, 2004 from the World Wide Web: [www.bitc.org.uk/document.rm?id=864](http://www.bitc.org.uk/document.rm?id=864)

Lee, Hon Sandra (2001, December) "First Reading Speech by Hon Sandra Lee of the Local Government Bill 2001" Wellington. Retrieved from the World Wide Web: <http://www.lgnz.co.nz/news/pr1080525254.html>

Local Government Act (2002) (NZ)

Local Government and Shires Associations of New South Wales (2000 March) "Advancing local government: Partnerships for a new century" Draft discussion paper prepared by the UTS Centre for Local Government, Sydney. Retrieved on July 13, 2004 from the World Wide Web:  
<http://www.lgsa.org.au/docs/Policy/Advice/AdvLG.pdf>

Local Government Association; Office of the Deputy Prime Minister (nd) "Capacity building: developing the potential" London. Retrieved on August 19, 2004 from the World Wide Web:  
[http://www.odpm.gov.uk/stellent/groups/odpm\\_localgov/documents/page/odpm\\_locgov\\_609782.pdf](http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/page/odpm_locgov_609782.pdf)

Local Government Association (2004, April) "Independence, opportunity, trust: an agenda for local communities" A consultation paper, London. Retrieved on August 20, 2004 from the World Wide Web. No longer available on-line.

Local Government Association (2003, November) "Building on Success: a second generation of local public service agreements" London. Retrieved on August 21, 2004 from the World Wide Web:  
<http://www.lga.gov.uk/Publication.asp?lsection=59&id=SX211A-A781CA49&ccat=934>

Local Government Association (2003, January) "Devolution to the Regions - What does it mean for Local Government in England" Executive summary of LGA Research report 37, London. Retrieved on July 15, 2004 from the World Wide Web:  
<http://www.lga.gov.uk/Publication.asp?lsection=59&updateType=277&id=SX1302-A7813CF3&ccat=230>

Local Government Association (2000, June) "Preparing Community Strategies - issues for Local Authorities" London. Retrieved on July 13, 2004 from the World Wide Web:  
<http://www.lga.gov.uk/lga/blg/compact/commuinity1.PDF>

Local Government New Zealand; Department of Internal Affairs; Te Puni Kokiri (2004, July) "Local Authority Engagement with Maori: Survey of Current Council Practices" Wellington. Retrieved on July 22, 2004 from the World Wide Web:  
[http://www.lgnz.co.nz/library/files/store\\_005/Localauthorityengagementwithmaori2004.pdf](http://www.lgnz.co.nz/library/files/store_005/Localauthorityengagementwithmaori2004.pdf)

Local Government New Zealand (2003a) "The KnowHow Guide to Decision Making Under the Local Government Act 2002" Wellington

Local Government New Zealand (2003b) "The Local Government Act 2002: An Overview" Know How Guide, Wellington

McFarlane, Susan (2001, October) "Building Better Cities: Regional Cooperation in Western Canada" Canada West Foundation, Calgary. Retrieved from the World Wide Web:  
[http://www.cwf.ca/abcalcwf/doc.nsf/\(Publications\)/EB35A160587CD76187256BD50063E8CF/\\$file/200113.pdf](http://www.cwf.ca/abcalcwf/doc.nsf/(Publications)/EB35A160587CD76187256BD50063E8CF/$file/200113.pdf)

McKinlay Douglas Ltd (2004, July) "Community outcomes: A report prepared for Environment Bay of Plenty" Tauranga.

McKinlay Douglas Ltd (2004, June) "The Local Government Act 2002: Implications for governance and economic development" A presentation to participants in the Graduate Diploma on Economic Development, Lincoln

Maharey, Hon Steve (2004, October) "Social Development and Community Planning" Speech to the Manawatu Local Government Community Outcomes Forum, Wellington. Retrieved from the World Wide Web: <http://www.beehive.govt.nz/ViewDocument.cfm?DocumentID=21151>

Ministry of Economic Development (2003a, June) "Regional Partnerships Programme Review - Background Report" Wellington. Retrieved from the World Wide Web:  
[http://www.med.govt.nz/irdev/reg\\_dev/rpp/background/background.pdf](http://www.med.govt.nz/irdev/reg_dev/rpp/background/background.pdf)

Ministry of Economic Development (2003b, June) "Regional Partnerships Programme Review - Final Report" Wellington. Retrieved from the World Wide Web:  
[http://www.med.govt.nz/irdev/reg\\_dev/rpp/final/final.pdf](http://www.med.govt.nz/irdev/reg_dev/rpp/final/final.pdf)

Ministry of Social Policy (2001, April) "The New Zealand Positive Ageing Strategy" Wellington. Retrieved on October 4, 2004 from the World Wide Web:  
[http://www.executive.govt.nz/minister/dalziel/ageing/pos\\_age\\_strat.pdf](http://www.executive.govt.nz/minister/dalziel/ageing/pos_age_strat.pdf)

Mintzberg, Henry (1994) "The Fall and Rise of Strategic Planning" in *Harvard Business Review*, January-February 1994, Boston

New Plymouth District Council; Stratford District Council; South Taranaki District Council; Taranaki Regional Council (2004, September) "Regional Partnerships in Taranaki: Moving Forward Together" A Draft Framework for Discussion, New Plymouth

New South Wales Department of Local Government (2003) "Social and Community Planning: A whole of community approach" Council Guide, Nowra. Retrieved from the World Wide Web:  
<http://www.dlg.nsw.gov.au/dlg/dlghome/documents/Information/SCBrochure1.pdf>

New South Wales Department of Local Government (2003) "Social and Community Planning: Working together to benefit our whole community" Community Guide, Nowra. Retrieved from the World Wide Web: <http://www.dlg.nsw.gov.au/dlg/dlghome/documents/Information/SCBrochure2.pdf>

New South Wales Department of Local Government (2002, December) "Social and Community Planning and Reporting Guidelines" Nowra. Retrieved on July 14, 2004 from the World Wide Web: <http://www.dlg.nsw.gov.au/dlg/dlghome/documents/Information/Social%20and%20Community%20Planning%20and%20Reporting%20Guidelines.pdf>

New South Wales Department of Local Government (2002, December) "Social and Community Planning and Reporting Manual" Nowra. Retrieved on July 14, 2004 from the World Wide Web: <http://www.dlg.nsw.gov.au/dlg/dlghome/documents/Information/Social%20and%20Community%20Planning%20and%20Reporting%20Manual.pdf>

Office of the Deputy Prime Minister (2004a, July) "The future of local government: developing a 10 year vision" London. Retrieved on August 18, 2004 from the World Wide Web:  
[http://www.odpm.gov.uk/stellent/groups/odpm\\_localgov/documents/page/odpm\\_locgov\\_029983.hcsp](http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/page/odpm_locgov_029983.hcsp)

Office of the Deputy Prime Minister (2004b, July) "Local Area Agreements: A Prospectus" London. Retrieved on August 18, 2004 from the World Wide Web:  
[http://www.odpm.gov.uk/stellent/groups/odpm\\_localgov/documents/page/odpm\\_locgov\\_029989.hcsp](http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/page/odpm_locgov_029989.hcsp)

Office of the Deputy Prime Minister (2004c, May) "Evaluation of LSPs: A baseline of practice, Full Report" London. Retrieved from the World Wide Web:  
[http://www.odpm.gov.uk/stellent/groups/odpm\\_localgov/documents/pdf/odpm\\_locgov\\_pdf\\_030308.pdf](http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/pdf/odpm_locgov_pdf_030308.pdf)

Office of the Deputy Prime Minister (2004d, May) "LSP Evaluation and Action Research Programme" Case studies interim report: a baseline of practice, London. Retrieved on July 17, 2004 from the World Wide Web:  
[http://www.odpm.gov.uk/stellent/groups/odpm\\_localgov/documents/downloadable/odpm\\_locgov\\_028915.pdf](http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/downloadable/odpm_locgov_028915.pdf)

Office of the Deputy Prime Minister (2004e, February) "Community Involvement in Planning: The Government's Objectives" London. Retrieved on July 13, 2004 from the World Wide Web: [http://www.odpm.gov.uk/stellent/groups/odpm\\_planning/documents/page/odpm\\_plan\\_027497.pdf](http://www.odpm.gov.uk/stellent/groups/odpm_planning/documents/page/odpm_plan_027497.pdf)

Office of the Deputy Prime Minister; Department for Transport (2003, February) "Evaluation of local strategic partnerships - Report of a survey of all English LSPs" London. Retrieved from the World Wide Web: <http://www.local.odpm.gov.uk/research/lsp.pdf>

Office of the Deputy Prime Minister (2002) "Your Region, Your Choice" London. Retrieved on July 13, 2004 from the World Wide Web: [http://www.odpm.gov.uk/stellent/groups/odpm\\_regions/documents/page/odpm\\_regions\\_607900.hcsp](http://www.odpm.gov.uk/stellent/groups/odpm_regions/documents/page/odpm_regions_607900.hcsp)

Office of the Minister of Local Government (2004, May) "Central Government Engagement in Community Outcomes Processes" Cabinet Government Policy Committee Paper, Wellington

Organisation for Economic Co-operation and Development (2001a) "Cities and Regions in the New Learning Economy" Paris. Retrieved on September 26, 2001 from the World Wide Web: <http://oecdpublications.gfi-nb.com/cgi-bin/OECDBookShop.storefront/EN/product/962001021P1>

Organisation for Economic Co-operation and Development (2001b, October) "Civil Society and the OECD" Policy brief, Paris. Retrieved from the World Wide Web: <http://www.oecd.org/dataoecd/36/9/2367378.pdf>

Orsman, Bernard (2004, December) "Architecture Ruling Forces Stamford Plaza Pause" New Zealand Herald, Auckland. Retrieved from the World Wide Web: [http://www.nzherald.co.nz/index.cfm?c\\_id=139&ObjectID=9002282](http://www.nzherald.co.nz/index.cfm?c_id=139&ObjectID=9002282)

Penrith City Council (nd) "Penrith City Strategic Plan 2005-2009 - The Competitive Edge: A discussion prompt" Penrith City Council, Penrith

Penrith City Council (2004a, November) "Council Ordinary Meeting - Council's Operating Environment - 15 November 2004" Penrith

Penrith City Council (2004b, July) "Council Strategic Planning Workshop - a discussion prompt" Penrith

Pezzini, Mario (2003, January) "Main Trends and Policy Challenges in OECD Regions: Metropolitan Regions in a Global Context" OECD, Paris. Retrieved from the World Wide Web: <http://www.oecd.org/dataoecd/59/42/6098449.pdf>

Queensland Government Treasury (2002, November) "Managing for Outcomes: Performance Management Framework" Brisbane. Retrieved on July 1, 2004 from the World Wide Web: <http://www.treasury.qld.gov.au/office/knowledge/docs/manage-for-outcomes/mfo-performance.pdf>

Sherman, Jill (2004, November) "Devolution blow to Prescott" The Times, London. Retrieved from the World Wide Web: <http://www.timesonline.co.uk/article/0,,2-1346451,00.html>

State Services Commission (2003, September) "Guidance on Outcome Focused Management - Learning Paper: Managing for Outcomes - The Local Authority approach and some implications for Central Government" Wellington. Retrieved on July 13, 2004 from the World Wide Web: <http://io.ssc.govt.nz/pathfinder/documents/pathfinder-tla.pdf>

State Services Commission; Ministry of Social Development (2003, July) "Review of the Centre - Integrated Service Delivery: Regional Co-ordination" Final Workstream Report, Wellington. Retrieved on July 12, 2004 from the World Wide Web:

[http://www.ssc.govt.nz/upload/downloadable\\_files/integrated-service-delivery-final-workstream-report.pdf](http://www.ssc.govt.nz/upload/downloadable_files/integrated-service-delivery-final-workstream-report.pdf)

Steering Group for the Managing for Outcomes Rollout 2004/05 (2003, September) "Managing for Outcomes - Guidance for Departments" State Services Commission, Department of the Prime Minister and Cabinet, Te Puni Kokiri, The Treasury, Wellington. Retrieved from the World Wide Web:

[http://www.ssc.govt.nz/upload/downloadable\\_files/MfO\\_Guidance\\_2003.pdf](http://www.ssc.govt.nz/upload/downloadable_files/MfO_Guidance_2003.pdf)

Stephenson, John; Scobie, Grant (2002, March) "The Economics of Population Ageing" NZ Treasury, Wellington. Retrieved on November 25, 2004 from the World Wide Web:

<http://www.treasury.govt.nz/workingpapers/2002/02-5.asp>

Tertiary Education Commission (2004, September) "Statement of Intent 2004/05 - 2006/07" Wellington. Retrieved from the World Wide Web:

[http://www.tec.govt.nz/downloads/a2z\\_publications/statementofintent-2004-07.pdf](http://www.tec.govt.nz/downloads/a2z_publications/statementofintent-2004-07.pdf)

United Way of America (1999, April) "Achieving and measuring community outcomes: challenges, issues, some approaches" Alexandria VA. Retrieved on July 1, 2004 from the World Wide Web:

<http://national.unitedway.org/outcomes/files/cmtout1.pdf>

Waverley City Council (nd) "Community Planning Framework and Practice Guide" Bondi Junction