

PUCM¹ RESEARCH PROJECT ON *PLANNING & GOVERNANCE UNDER THE LOCAL GOVERNMENT ACT*

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Introduction

This report focuses on research on *Planning and Governance under the LGA*. It provides an overview of Phase 4 of the ongoing FRST-funded research programme entitled *Planning Under Co-operative Mandates* (PUCM), led by Neil Ericksen, International Global Change Institute (IGCI), University of Waikato.

Phases 1 to 3 of the programme focussed on planning and governance under the *Resource Management Act 1991* (RMA):

- Phase 1 (1995-1998) developed methods for evaluating RMA *plan quality* and the factors that influence it (Ericksen et al., 2001; Ericksen et al., 2003).
- Phase 2 (1998-2002) developed methods for evaluating the *implementation quality* of RMA plans (Day et al., 2002; Laurian et al., 2003).
- Phase 3 (2003-2006) is currently developing methods for evaluating RMA implementation outcomes with respect to environmental quality. Relating the results from each Phase will also enable an assessment to be made of whether or not plans developed under the co-operative mandate of the RMA make a difference in achieving the nation's environmental goals. This Phase includes a Practice Development Programme designed to help build capacity through training, especially within tertiary institutions and local authorities.

Phase 4 (2003-2009) shifts the focus of research from the RMA to the *Local Government Act 2002* (henceforth the LGA or the Act). It capitalises on the lessons learnt from Phases 1 to 3 and the RMA to the preparation and implementation of the new LTCCPs required by the LGA (Borrie et al., 2004). This Phase is led by Professor Ali Memon, Environment, Society and Design Division, Lincoln University. It has five research objectives. This report focuses on the first objective, related to formulation of community well-being outcomes and LTCCP monitoring and reporting frameworks. Before dealing with this objective in more detail, a short commentary on planning and governance under the devolved and co-operative LGA is provided.

¹ www.waikato.ac.nz/igci/pucm. PUCM stands for Planning Under Co-operative Mandates.

Planning and governance under the LGA 2002

It could be argued that the LGA signifies a turn from ‘government’ to ‘governance’. Governance is how people come together to address common problems, whereas government is control by state agencies. There has been an intense academic debate in recent years about the restructuring of the role of the state in western democracies, whether it is in retreat, being “hollowed out”, or merely reshaping so as to better maintain its power and authority (Keating, 2002). The concept of ‘governance’ has gained increased currency compared to ‘government’. Governance has multiple meanings in the literature, but in general they cluster around a search for effective regulation and accountability (Hirst, 2000)². Governance may be defined as the formal and informal ways in which individual citizens and institutions, in both public and private sectors, collectively manage their common affairs (Hamilton, 1993). Governance is a relational concept emphasising the nature of interactions between the state and social actors, and among the social actors themselves. At a local or regional level, governance involves citizens, businesses, non-governmental organisations and other civil sector stakeholders as well as central and local government working in various ways to set directions, resolve competing priorities, determine public interest beyond the capacity of private action, solve problems and take action within a district or a region (Henton, 2002). Jessop (1997) stresses the inter-organisational dimension of governance where governance is the complex art of coordinating action to achieve particular goals in a turbulent economic and social context where competing interests are at work.

The LGA can be conceptualised as a template for governance to enable a Third Way-style of engagement and partnership between the civil sector³ and central and local government sectors (Thomas and Memon, forthcoming)⁴. Thus, the LGA contains innovative provisions for long-term council community planning that significantly extend and formalise strategic planning practices undertaken to a limited extent by local authorities under the former *Local Government Act 1974*. The rationale for strategic planning provisions in the LGA is to: 1) promote greater engagement between the civil sector and the local and central government sectors (the participatory democracy objective); 2) improve co-ordination and encourage partnerships between central and local government agencies, the voluntary sector and other service providers in responding to community needs (the ‘whole of government’ objective); and 3) promote greater corporate discipline in allocating financial resources within the local government sector (the fiscal objective).

Manifestly, the procedural framework for long-term council community planning in the LGA is based on an informed understanding of strategic planning as a vehicle for good governance in a plural society. Elements of rational and deliberative/communicative planning paradigms are embedded in the LGA. It

² Internationally, the prominence of the question of governance recently is the result of a multitude of reasons including economic malaise, political repression, corruption, fiscal austerity, state’s unresponsiveness to popular demands, the collapse of the communist regime in Europe and New Right inspired donor pressures for political reform.

³ We are using the term civil sector broadly, including the private business sector, non-governmental organisations, community based organisations and Maori organisations.

⁴ The term Third Way is used to describe the policy agenda of centre-left governments in the West in the late 1990s to create a balance between market economics and greater social cohesion by extending the democratic process and fostering social inclusiveness. The current Labour-Alliance government in New Zealand may be considered a Third Way administration.

contains a new purpose that requires local authorities to promote the social, economic environmental and cultural well-being of communities. It places an emphasis on taking a sustainable development approach. Local authorities have been given a power of general competence in responding to community needs. Territorial (city, district and unitary authorities) and regional councils now have parallel similar responsibilities. As a planning instrument, Long-term Council Community Plans (LTCCPs) provide a medium-term policy framework for selection of local authority priorities and allocation of local authority resources in a participatory and financially rational manner. The LGA expects greater collaboration between central and local government and other service providers. Local authorities are expected to provide opportunities for Māori to contribute to their decision-making processes. The LTCCPs will be subject to an independent audit by the Office of the Auditor-General.

Community well-being outcomes are accorded a pivotal role in the LTCCP plan-making and implementation cycle. Thus, there is a requirement for each local authority to facilitate the identification of desired social, economic, environmental and cultural community well-being outcomes for the intermediate or long-term future of its district or region. One of the purposes for doing this is to guide the preparation and implementation of LTCCPs (see Box 1 and Figures 1 and 2).⁵ The community well-being outcomes within each district or region are expected to inform and guide the selection of priorities of local authorities, central government agencies and other service providers. Councils of neighbouring local authorities are expected to work in co-operation with each other, with central government departments and other service providers to respond to community well-being outcomes. There is a requirement for local authorities to report every three years on the progress made by their communities in achieving the community well-being outcomes for the district or region. While it is clear that the purpose of the LGA does not go as far as wanting to replace electoral democracy with participatory democracy, there are demanding provisions in the LGA requiring local authorities to consult prior to decision-making on significant issues, including changes to LTCCPs. These consultative provisions are designed to significantly moderate the power of general competence given under the LGA to local authorities.

The FRST-funded *LGA planning and governance* research project

The LGA has the necessary ingredients for promoting good governance. The LTCCP provisions are a key aspect of the LGA in this respect. One may legitimately anticipate that the LGA will lead to far-reaching progressive changes in modernising local government in New Zealand and in its relationship with the civil society and central government. However, a critical research question relates to the effectiveness of the LGA as an empowering, devolved, co-operative planning mandate focussed on

⁵ Information relating to the preparation, form and content of an LTCCP contained in the LGA is summarised in Box 1 and in Figures 1 and 2. Figure 1 is based on the LGA provisions while Figure 2 is based on the LGA and the LGNZ (2003) *Knowhow Guide*. The KNOWHOW initiative has produced a series of guides, published by Local Government New Zealand, in conjunction with NZ Society of Local Government Managers, and Department of Internal affairs, on matters relating to the Local Government Act 2002. They include: Rating; Governance; Decision Making; Regulation and Enforcement; Assessments of Water and Sanitary Services; The Local Government Act: An Overview; and Development Contributions under the Local Government Act.

promoting community well-being. How clearly will local authorities, central government and the civil sector perceive and exercise their respective roles and responsibilities in the context of the LTCCP plan-making and implementation process?

FRST has funded PUCM Phase 4 for six years to help develop and test within selected district councils methods for evaluating the effectiveness of planning and governance under the LGA. The team that Professor Ali Memon leads includes: Nancy Borrie (University of Waikato), Professor Neil Ericksen (University of Waikato), Associate Professor Tom Fookes (University of Auckland), Jan Crawford (Planning Consultants Ltd), and Richard Jefferies (KCSM Solutions Ltd).

The *LGA Planning and Governance* research project will focus on key phases in the 2006 long-term council community plan (LTCCP) development and implementation cycle, as follows:

Research objective 1: map and evaluate interaction between the civil sector and the local and central government sectors in the development of community well-being outcomes and formulation of LTCCP monitoring and reporting frameworks (2005-2007);

Research objective 2: evaluate the quality of 2006 LTCCPs in terms of the extent to which community well-being outcomes shape local authority long-term priorities (as stated in 2006 LTCCPs) (2006-2008);

Research objective 3: evaluate the extent to which community well-being outcomes shape long-term priorities of central government departments and agencies and other service providers (2006-2008);

Research objective 4: evaluate the uptake of community well-being outcomes during implementation of 2006 LTCCPs by examining development and implementation of strategic partnerships between local and central government agencies and other service providers (e.g., district health boards, iwi and hapu) to respond to community well-being outcomes (2006-2009);

Research objective 5: evaluate progress towards achievement of community well-being outcomes and good governance from long-term council community planning and compare the findings with data collected under LTCCP monitoring and reporting frameworks (2009-2012).

The overall goal of the PUCM research programme is to help enhance strategic policy, planning and decision-making capability and performance of territorial and regional authorities in New Zealand. Study findings and 'good practice' recommendations from the *LGA Planning and Governance* research will be regularly reported to all local authorities and relevant government departments and agencies and other interest groups with the support of the Department of Internal Affairs, which has overall responsibility for implementation of the LGA. Additional funding will be sought for a Practice Development Programme to build capacity through training.

The rest of this report focuses on Phase 4 research, objective 1.

Research objective 1

The first research objective in the FRST funded LTCCP study is to map and evaluate interaction between the civil sector and the local and central government sectors in the formulation of community well-being outcomes (CWOs) and reporting frameworks. Before embarking on this work, the PUCM research on planning and governance under the RMA was reviewed in order to uncover lessons that might well apply to planning and governance under the LGA. The outcomes, which are quite salutary, are provided in Borrie, Memon, Ericksen and Crawford (2004).

Research for objective 1 focuses on the 2006 LTCCPs. All local authorities are required to adopt a fully-fledged LTCCP by July 2006. These plans are expected to be prepared through community and inter-governmental consultative processes in order to define outcomes that contribute to the social, economic, environmental and cultural well-being of communities. Local authorities are expected to play a pivotal role in facilitating this process. They are also required to seek the agreement of relevant organizations and groups to the monitoring and reporting procedures to be used to track progress made by the community in achieving the community well-being outcomes for the district or region.

The mapping and evaluation of CWO (community well-being outcomes) formulation will focus on examining different attributes of engagement processes between the civil sector and the government sector in the course of formulating CWOs. This analysis will be guided by specified criteria derived from a literature review on community consultation, an analysis of the relevant provisions of the LGA (2002), relevant case law, PUCM research findings on the RMA (1991), central government guidance on the LGA and the recently completed PUCM LTCCP baseline scoping survey of local authorities. The analysis will be undertaken in a small, broadly representative sample of eight case study local authorities. Mostly, qualitative research methods will be employed to elicit responses in each district or region from local government elected members and staff, central government officials in regional offices and a range of civil sector groups. In each case, the organizations and/or individuals to be interviewed will include those who participated as well as those who did not participate or were not invited to participate in the CWO process within each district or region. Interviews will also be conducted with head office staff of central government agencies and civil sector organisations. Methods of data collection will include face-to-face structured interviews, telephone interviews, focus groups, documentary sources and newspapers.

Base-line scoping survey

A LTCCP base-line scoping survey (the survey) was conducted of all local authorities in New Zealand from early October to early November 2004, in order to assist in developing a research design for research objective 1. The survey was designed to gain an overview of how the process of preparing LTCCPs was beginning to unfold in regions and districts from the perspective of local authorities and to identify any issues and concerns they had relating to this task. The survey findings are being collated in a report to share with local authorities, central government agencies and other interested parties (Memon and Borrie, forthcoming).

The survey used a structured questionnaire that was developed in collaboration with the Department of Internal Affairs (DIA), Local Government New Zealand (LGNZ), the Department of the Prime Minister and Cabinet (DPMC), the Office of the Auditor General (OAG) and selected Canterbury local authorities. It was pre-tested with four local authorities in Canterbury.

The survey questions focussed on the following key themes in the LTCCP process:

- central government policy guidance on LTCCP preparation;
- local authority capability for preparing the 2006 LTCCP;
- local authority strategy to develop a process to identify community outcomes;
- the role of central government departments and agencies in the community outcomes process;
- the role of non-Māori organizations and groups in the identification of community outcomes; and
- the role of Māori in governance and identifying community outcomes.

It was decided to survey all 86 local authorities in New Zealand: 74 territorial authorities (including four unitary authorities) and 12 regional councils. Twenty of these local authorities were interviewed face-to-face by the authors using the survey and the remainder were sent the survey by post.

Selection of survey respondents was determined, as far as practicable, prior to the survey being distributed. Wherever possible, a senior local authority staff member was contacted personally and asked for the name of the person responsible for the preparation of the LTCCP. In some instances, it was not possible to ascertain this information, e.g., initial contact staff did not know who the appropriate person was. Where it was unclear as to whom the appropriate recipient should be, the survey was sent to the Chief Executive (CE) to be forwarded to the most appropriate person. In some instances, the CE chose to complete the survey. In a few instances, a number of local authority officers completed various sections of the questionnaire.

The distribution of the survey was timed for the period prior to inauguration of newly elected councils, i.e., early October to early November 2004. It had been suggested in informal discussions with some local authority staff that a potential ‘window of opportunity’ might exist between the final meeting of the ‘old’ council and the first meeting of the ‘new’ council⁶. It was anticipated that staff would not be as heavily committed work-wise during that time period on account of not having to respond to requests from the mayor and councillors or prepare reports for council meetings.

Seventy three (84.9%) of the 86 local authorities completed the survey. Four advised that they would not be completing it. Reasons given for not participating included: office relocation, ill health and work commitments. One response was completed and posted, but lost in the post. A further three advised that they would complete and return the survey, but presumably other commitments precluded this happening, as they were not received. Five did not respond to any of the communications, i.e. the original survey letter, emails and/or phone calls. Given the potential work pressures

⁶ Triennial Local Body elections were held by regional and city/district councils throughout New Zealand on 9 October 2004. Eligible ratepayers voted to elect a mayor and councillors to serve a 3 year term of office.

that some local authority staff were understood to be under⁷ and the timing of the inauguration of elected council representatives, the staff in those five local authorities were not pursued further for their responses.

The limitations of this survey should be borne in mind by readers of the forthcoming report. Designed as a baseline scoping survey, it provides a ‘snapshot’ of local authorities at a particular point of time (early October-early November 2004). Many local authorities were in the very early stages of plan preparation. Consequently, the survey was not designed as an evaluation exercise as it would be manifestly premature. It is recognized, and indeed some respondents commented on this fact, that local authorities are continually learning and making progress in an adaptive manner in a number of aspects of LTCCP preparation. Furthermore, the survey was comparatively long (58 questions), which may have acted as a deterrent for some respondents, and the person best placed to answer all the questions may not have completed the survey. At the time the survey was administered, Parliament had enacted a number of statutes that had devolved additional responsibilities to local government without necessarily providing additional resources. Many local authorities were wary of this and it may have influenced the views of some survey respondents. Despite these limitations, the findings are considered useful in providing a base-line overview of how key stakeholders are responding to the LTCCP process from the perspectives of those who participated in this survey.

Research outputs for research Phase 4, objective 1

Borrie, N. Memon, A. Ericksen, N & Crawford, J. 2004. *Planning and Governance under the LGA: Lessons from the RMA Experience*. International Global Change Institute, University of Waikato (www.waikato.ac.nz/igci/pucm/Linked%20documents/LGARReport.pdf).

Memon, A. & Borrie, N., (forthcoming). *Preparing Long-term Council Community Plans. A Scoping Survey of Local Authorities*. International Global Change Institute, University of Waikato.

Thomas, S and Memon, A. (forthcoming). “Reinventing Local Government in New Zealand? Reflections on the Local Government Act 2002”. International Global Change Institute, University of Waikato.

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Borrie, N., Memon, A., Ericksen, N. and J. Crawford (2004). *Planning and Governance under the LGA: Lessons from the RMA Experience*. Hamilton: International Global Change Institute, The University of Waikato.

⁷ Flood events led to Civil Defence declarations in the Manawatu-Wanganui and Bay of Plenty regions in February and July 2004 respectively. These flood events caused significant damage to infrastructure and property in those regions. Some councils located within those regions did not complete the questionnaire survey.

- Day, M., Backhurst, M., and Ericksen, N., with Crawford, J., Berke, P., Chapman, S., Laurian, L., Jefferies, R., Warren, T., Barfoot, C. and J. Dixon (2002). *District Plan Implementation Under the RMA: Confessions of a Resource Consent*. Hamilton: The International Global Change Institute, University of Waikato, Second PUCM Report to Government, 110 pp.
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- Laurian, L. and M. Day, with Berke, P., Ericksen, N., Backhurst, M., Crawford, J. and J. Dixon (2004). Evaluating Plan Implementation: A Conformance-based Methodology. *Journal of the American Planning Association*, Vol. 47:4 Autumn 2004, pp. 471-480.
- Thomas, S and Memon, A. (forthcoming). "Reinventing Local Government in New Zealand? Reflections on the Local government Act 2002". IGCI, University of Waikato.

Box 1: LTCCP provisions in the LGA 2002

Provisions relating to the content of LTCCPs in the Act are as follows:

Section 93(6) in Part 6 — *Planning, decision-making and accountability* — sets out the purposes of the LTCCP, namely to:

- (a) describe the activities of the local authority;
- (b) describe the community outcomes of the local authority's district or region;
- (c) provide integrated decision making and co-ordination of local authority resources;
- (d) provide a long-term focus for the decisions and activities of the local authority;
- (e) provide a basis for accountability of the local authority to the community; and
- (f) provide an opportunity for public participation in decision-making processes on activities undertaken by the local authority.

Schedule 10 Part 1 — *Information to be included in long-term council community plans* — defines the scope and contents of a LTCCP as follows:

- 1(a-d) Describe the community outcomes for the local authority's district or region, how these have been identified, how the local authority will contribute to furthering these outcomes and describe how the community outcomes relate to other key strategic planning documents or processes.
- 1(e) Outline how the local authority will work with other local or regional organisations, Māori, central government, non-government organisations and the private sector.
- 1(f-g) State what measures will be used to assess progress towards the achievement of community outcomes and how the local authority will monitor, and once every 3 years report on, the community's progress towards achieving community outcomes (Schedule 10, Part 1).

Schedule 10, Part 1 requires that for each group of council activities, a LTCCP must:

- 2(1)(a-b) Identify the activities within the group of activities and the rationale for their delivery, including the community outcomes to which the group of activities primarily contributes.
- 2(1)(c) Outline any significant negative effects that any activity within the group of activities may have on the social, economic, environmental, or cultural well-being of the local community.
- 2(1)(d) Identify the assets or groups of assets required by the group of activities and identify how the local authority will assess and manage the asset management implications of changes to: (a) demand for, or consumption of, relevant services; and (b) service provision levels and standards, what additional asset capacity is estimated to be required in respect of changes to these matters, how additional asset capacity is to be undertaken, the costs and the division of costs, how they will be met, how maintenance, renewal and replacement of assets will be undertaken, and how those costs will be met. Council is required to supply this information in detail for the first 3 financial years covered by the plan, and in outline for each of the subsequent financial years covered by the plan.

Schedule 10, Part 1(2)(2) requires that the LTCCP information include:

- (a) A statement of the intended levels of service provision for the group of activities, including performance targets and other measures by which the levels of service provision can be meaningfully assessed;
- (b) The estimated expenses of achieving and maintaining the identified levels of service capacity and integrity of assets;
- (c) A statement of how the expenses are to be met; and
- (d) A statement of the estimated revenue levels, the other sources of funds and the rationale for their selection in terms of s101(3).

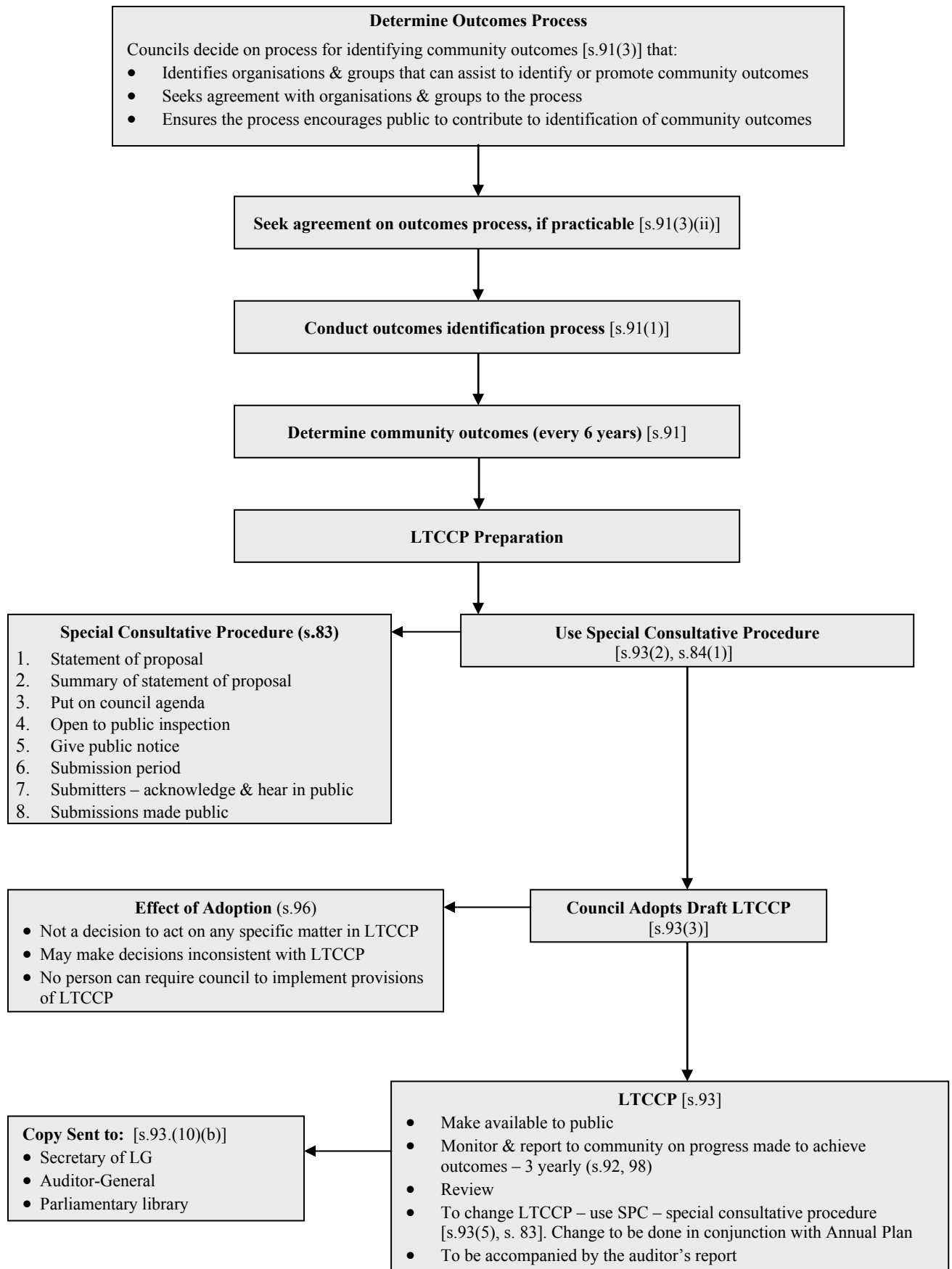


Figure 1: Process for preparing LTCCP (based on the LGA 2002 provisions)

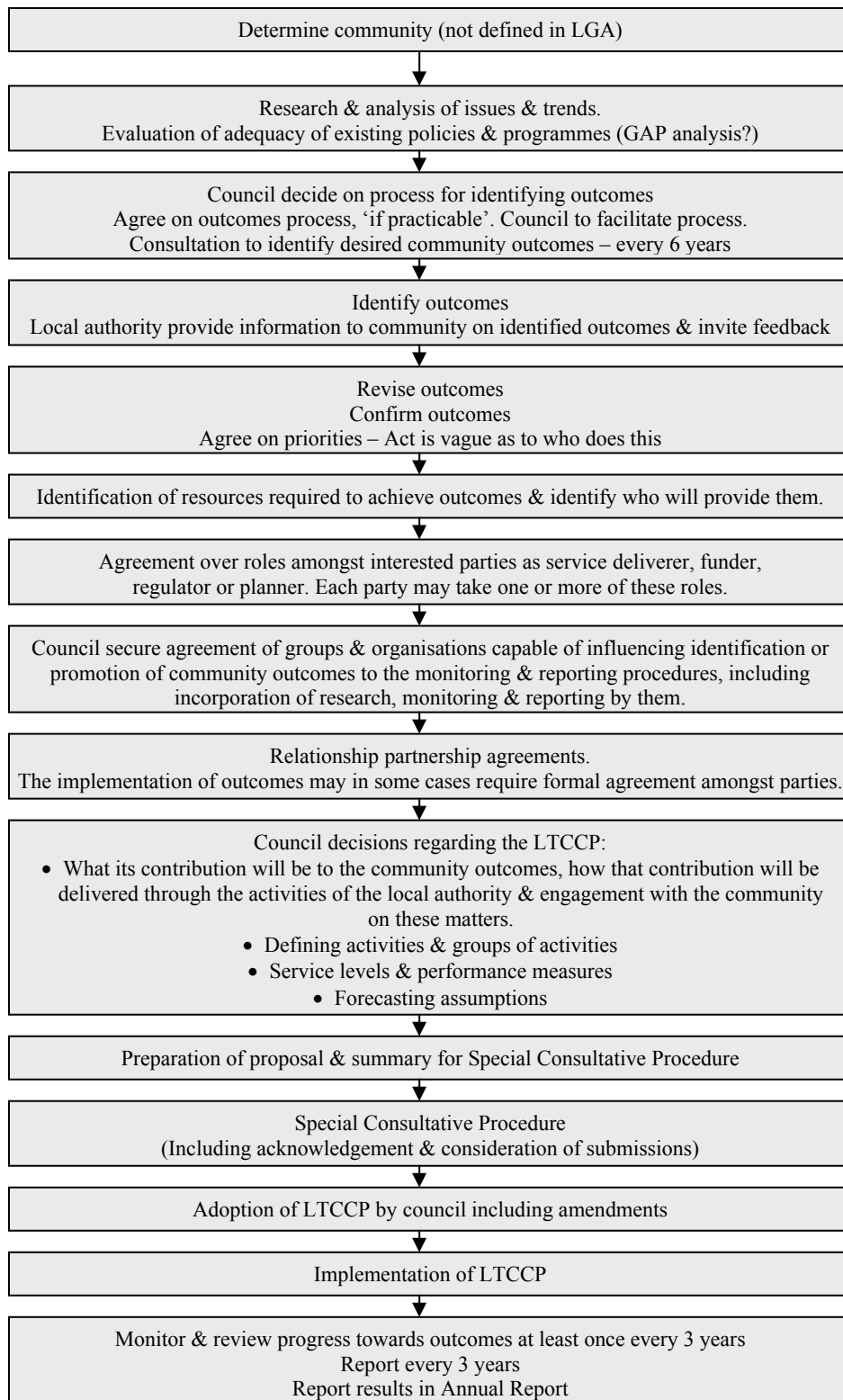


Figure 2: Main steps in LTCCP development. (Based on the LGA 2002 and the LGNZ (2003) Knowhow Guide on Decision-making.)

Note: The *Knowhow Guide* contains a disclaimer: The courts remain the final arbiter of what the legislation actually means. The *Guide* provides representative examples of the ways the powers in the LGA might be used or of ways in which the requirements of the LGA might be met (LGNZ, 2003, p. 15).