

27 September 2021

Chairman
Public Service Commission

Consultation on the topics for Te Kawa Mataaho Public Service Commission's Long-term Insights Briefing

Introduction

The submission is made collectively by the following local government Chief Executives/senior managers:

- Garry Dyet, Chief Executive, Waipa District Council
- Gavin Ion, Chief Executive, Waikato District Council
- Don McLeod, Chief Executive, Matamata-Piako District Council
- Geoff Williams, Chief Executive, Rotorua Lakes Council
- Rob Williams, Chief Executive, Thames-Coromandel District Council
- Blair Bowcott, General Manager, Growth, Hamilton City Council

It is also supported by Toby Adams both as Mayor of Hauraki District Council and as chair of Local Government New Zealand Zone two.

Local Government New Zealand has had the opportunity to review the submission and have confirmed that it is fully consistent with their own views about local and regional engagement and the critical roles councils can play in identifying local needs – which will be advanced in their submissions to the Future for Local Government panel.

It responds to and welcomes the Public Service Commission's invitation for input on topics for its 2022 Long-term Insights Briefing. This submission addresses the first of the five subject areas outlined in the consultation document, **how can we better support public participation in government in the future?**

We repeat the supporting description as it is primarily this which the submission wishes to address:

There is a growing public expectation that New Zealanders are more directly involved in decisions that impact them and this is recognised as an important determinant of trust. Facilitating 'active citizenship' (or public participation) forms part of the purpose of the Public Service in the Public Service Act, as well as being one of the key elements of the Open Government Partnership (OGP) that New Zealand has signed up to. Recent consultation on New Zealand's OGP Action Plan indicates this area is of particular interest to New Zealanders. Open government is also one of the Public Service principles under the Act, which chief executives are responsible for upholding. However, the detail of how active citizenship and open government could be achieved is something the Public Service is still exploring. We could use the Briefing to support that work and set out options for how government can better involve New Zealanders in the big policy issues facing our country.

We welcome the recognition of the growing expectation by New Zealanders for greater involvement in decisions that impact them.

We also note, and this will be a main theme of this submission, that the expectation identified by the consultation document reflects just one aspect of a major and still evolving change in expectations for involvement, and just one means for responding to that change.

There is a much broader scope and one which, properly understood, reflects a shift which goes well beyond the provision of input on specific policy initiatives. It also encompasses not just virtually every aspect of well-being, but a much wider range of possibilities for enhancing well-being in ways which can directly involve New Zealanders themselves in developing and implementing initiatives which will both significantly improve well-being outcomes, and contribute to a much more effective and efficient utilisation of public sector resources.

It is now common to make the argument (with a strong evidence-base behind it) that what is really driving the trend the Public Service Commission has observed is a belief communities should have “voice, choice and control over decisions which affect their place”. Enabling this is seen as a major contributor to social cohesion (building strong communities and a sense of belonging to the community for the people of the community). It also facilitates drawing on the knowledge, expertise and commitment of people about what works in their communities; enables co-production in the sense that communities themselves may develop and implement solutions for issues which would otherwise need to be resolved by the public sector; enhances trust between communities and public institutions.

This submission invites the Public Service Commission to cast its net widely when considering how it can better support public participation in government in the future. Specifically, we invite the Commission to put aside the common New Zealand approach when looking to the future of starting with and being limited by current practice. Instead, we invite the Commission to start with a clean sheet approach, scope widely looking at practice in other jurisdictions and learn from understanding how and why it is increasingly common to take a partnership approach not just with other parts of government or key stakeholders, but with communities themselves, enabling and drawing on community expressions of how people at a very local level wish to be engaged with government decisions which affect their place.

This submission also argues that public participation is most useful and most effective when it is underpinned by ‘horizontal’ discussions within communities themselves so that the views put forward are both representative, inclusive, and reflective of the lived experiences of the communities which the public sector serves. We argue both that the main point of public participation is to better inform government decision-making and practice as government seeks to play its part in improving community well-being, and that for this purpose participation is best thought of as community engagement.

What the submission will cover

The submission will begin by setting context, providing an overview of changing attitudes and practice towards the relationship between higher tiers of government, local government and communities over the past 20 or so years drawing primarily on experience in England, Scotland, Wales and New Zealand. This will highlight the inherent complexities in what at first blush may seem like a relatively straightforward proposition, that there should be a natural partnership

between higher tiers of government, local government and communities in pursuing community well-being. It will illustrate what can be seen as an inherent ambivalence within the public sector, especially higher tiers of government, regarding the potential of local government to play a pivotal role in advancing community well-being.

Next, the submission will consider one fundamental difference between New Zealand and other jurisdictions; the relationship between the extent to which local government has an involvement in the delivery of major social services, and understandings of both the nature of community and how councils should work with communities.

It will then reference a selection of more significant recent studies of the importance of 'voice, choice and control' and its relationship to well-being.

Finally it will suggest a pathway forward to gaining a greater appreciation both of the changing expectations citizens have for engagement and the contribution which collaboration between central government and local government can make in improving community well-being, especially in areas such as mitigating inequality and improving social cohesion.

Executive Summary

Context

For at least the past 20 years the question of whether and how different tiers of government work with communities has played an important role in how governments in jurisdictions such as England, Scotland, Wales and New Zealand have approached the targeting and delivery of public services. There has been some consistency in Scotland and Wales in placing councils at the heart of coordinating public service delivery in consultation with communities. In contrast, in both England and New Zealand government policy has changed as control of government has changed.

At the beginning of this century England (and Wales which still lacked legislative authority over local government) adopted an approach which placed councils at the centre of developing local strategic partnerships which were to coordinate the activities of public, private and not-for-profit sectors within the district of each council. Separately Scotland adopted a practice of community planning, with councils having a statutory responsibility for coordinating the activities of public sector agencies with a focus on working with communities and a particular emphasis on combating inequality. In New Zealand the local government act 2002 required long-term planning by local government to be based on outcomes identified by communities rather than councils and with an expectation that the long-term plans themselves would be a vehicle for agreeing who (amongst at least councils and government agencies) would have what responsibility for delivering communities' outcomes.

In Scotland the practice of community planning has been strengthened over time with a stronger emphasis in legislation on working with communities. In Wales the delegation of power to legislate for local government has led to the Well-being of Future Generations (Wales) Act 2015 empowering councils to coordinate the work of major public sector agencies within the district against a set of well-being criteria, and a requirement to involve communities recognising that well-being is inherently local.

In England a change of government in 2010 has resulted in a move away from seeing councils as the pivotal entities in coordinating the activity of different agencies within their districts to a series of ad hoc initiatives with decision-making power more and more centralised even where in formal terms devolution is in place.

In New Zealand a change of government in 2008 led to the replacement of the purpose of promoting community well-being, and the associated community outcomes based long-term planning, with a new purpose effectively treating councils as local infrastructure companies. That change was reversed in 2019 with the restoration of the purpose of promoting community well-being but without restoring the outcome based long-term planning process as a way of determining who would have what responsibility for delivering outcomes within the district.

For New Zealand the consequence has been a great deal of uncertainty about the role of local government in working with communities, and about central government's understanding and appreciation of the potential of local government in being an effective partner in enabling community well-being as is increasingly (although still less than satisfactorily) the case in both Wales and Scotland.

There are lessons for New Zealand from this experience which include the importance of long-term commitment, central government ensuring that its own ways of working are supportive of rather than a barrier to collaborative working and placing responsibility for ensuring the process of collaboration is genuine and effective under the oversight of a senior political figure and within a government department that has the capacity, capability and standing required to make a policy of collaborative working a reality and not just a formal expression of intent.

The importance of local government involvement in social services

This section contrasts the role of New Zealand local government in relation to social services with that of local government in other developed country jurisdictions. New Zealand is the only jurisdiction in which local government has no role in the delivery of major social services. This has important implications for the ability of councils to act as effective and unbiased advocates on behalf of their communities to those who are responsible for the design targeting and delivery of major social services. In contrast with other jurisdictions, New Zealand councils have no conflict of interest (something which arises routinely when a council is both the deliverer of the service, and seeking to act as an advocate on behalf of recipients). It positions New Zealand councils well to focus on acting as informed advocates for their communities, enabling more effective participation by communities in shaping how service deliverers meet their needs.

Voice, choice and control and its relationship to well-being

This section provides a brief overview of a selection of the very extensive work in recent years directed to the importance of engaging communities in decisions which affect their place. Increasingly this is argued to be a necessary prerequisite to maintaining social cohesion/social inclusion, and addressing many of the so-called 'wicked problems' including inequality.

The think tank Locality, chaired by a former head of the UK home civil service, argues that "localism should enable local solutions through partnership and collaboration around place, and provide the conditions for social action to thrive." New Local (formerly the New Local Government Network) in its work on the Community Paradigm argues that "at a time when people are

increasingly clamouring for a say over the big decisions that affect their lives, paradigms that enshrine hierarchy or see citizens only as atomised consumers will add to a growing sense of alienation and frustration with public services and the state.” The Carnegie UK Trust, a world leader in the policy and practice of well-being, adopts as one of its four well-being domains Democratic well-being “we all have a voice in decisions that affect us” which carries through to the first of the trust’s well-being tests:

Give people voice and choice:

recognising that wellbeing cannot be ‘done to’ people, it has to be done by and with them.

A pathway forward

This section again endorses the PSC’s recognition of the growing public expectation New Zealanders are more directly involved in decisions that impact them. It also argues, based both on the submitters’ experiences, and the evidence they reviewed, the expectation goes well beyond the opportunity to comment on government policy. It extends to seeking to have ‘voice, choice and control over decisions which affect their place’.

The section also acknowledges the work being done by the Policy Project within the Department of Prime Minister and Cabinet on community engagement, and government’s decisions on strengthening a regional system leadership framework for the public service. It then argues the long-term insights briefing paper provides an opportunity to encompass the best of international experience with working with communities.

The Minister of Local Government’s August 2019 paper to the Cabinet Social Well-being Committee expresses very well the approach and understandings the submitters recommend should inform the long-term insights briefing paper on the theme of how to better support public participation in government in the future. The Minister notes that local government operates at the interface of people and place, and stresses making sure communities themselves are driving the mix and nature of services that contribute to their well-being as critical to resilience and social inclusion. Her paper overall is a strong endorsement of the importance of local government in working with communities on promoting community well-being.

Recognising the emphasis which current government policy is placing on regional coordination, and the role of Regional Commissioners, the submitters propose a tiered engagement process with individual councils working with their communities to determine their needs and priorities and then coming together in some form of regional arrangement to work with Regional Commissioners in determining how best to respond to community needs. From local government’s perspective a primary purpose of this approach would be to ensure that the regional activities of central government encompass an informed understanding of the needs and circumstances of individual communities, thus increasing the likelihood participation will be effective in addressing community needs.

It’s an approach which should in practice be seen as a form of learning by doing. Fortunately there is a wealth of experience available internationally to support a learning by doing approach including on matters such as how to recognise communities, and what constitutes good practice in enabling capacity and capability development at a community level.

The submitters propose that how best to develop and implement this approach should be a matter for discussion between councils and the PSC, perhaps in the context of the next phase of the PSC long-term insights briefing process.

Conclusion

The conclusion repeats the submitters' belief the public interest which the PSC is responding to goes far wider than simply the opportunity to engage with government in the development of policy. It's very much about people wanting more say about what happens in their place.

The conclusion also recognises the challenges which face government and argues this is where the role of local government in supporting and empowering communities, and working with them to articulate their well-being concerns, and their lived experience, offers central government a unique and necessary contribution to achieving its objectives.

Context

For at least the past 20 years the question of whether and how central government (higher tiers of government) should work with local government in enabling a better understanding of the needs and circumstances of individual communities has been coming on and off the agenda in jurisdictions such as England, Scotland, Wales and New Zealand. England and New Zealand have followed a different path from Scotland and Wales. All four though began with a commitment to a stated belief local government has a pivotal role to play in the will working with communities to assist them articulate their needs and requirements in respect of public services. The role of councils at that time was recognised in all four jurisdictions as one of acting as an enabler, and a coordinator.

Practice and understanding, and how that has changed, is now briefly considered for each of the four jurisdictions in order to draw out lessons for how New Zealand's public sector should consider responding to rising expectations on the part of New Zealanders for public participation in decisions which affect them.

(Mainly) England

The Local Government Act 2000, for England and Wales, included a provision giving every council authority to do anything which they consider is likely to achieve any one or more of the promotion or improvement of the economic, social or environmental well-being of the area. The act also introduced a requirement for each local authority to establish a Local Strategic Partnership (LSP) one obligation of which was to prepare a community strategic plan. Ministerial guidance issued in 2001 set high expectations for LSPs, describing them as bodies which bring "together at a local level the different parts of the public sector as well as the private, business, community and voluntary sectors so that different initiatives and services support each other and work together;".

The rationale for this approach was spelt out in the ministerial guidance as:

"Public, private, community and voluntary sector organisations all have a part to play in improving quality of life. The more they can work together, with local people, the more they can achieve and the more likely it is that:

- the benefits of sustainable growth are achieved across the country;

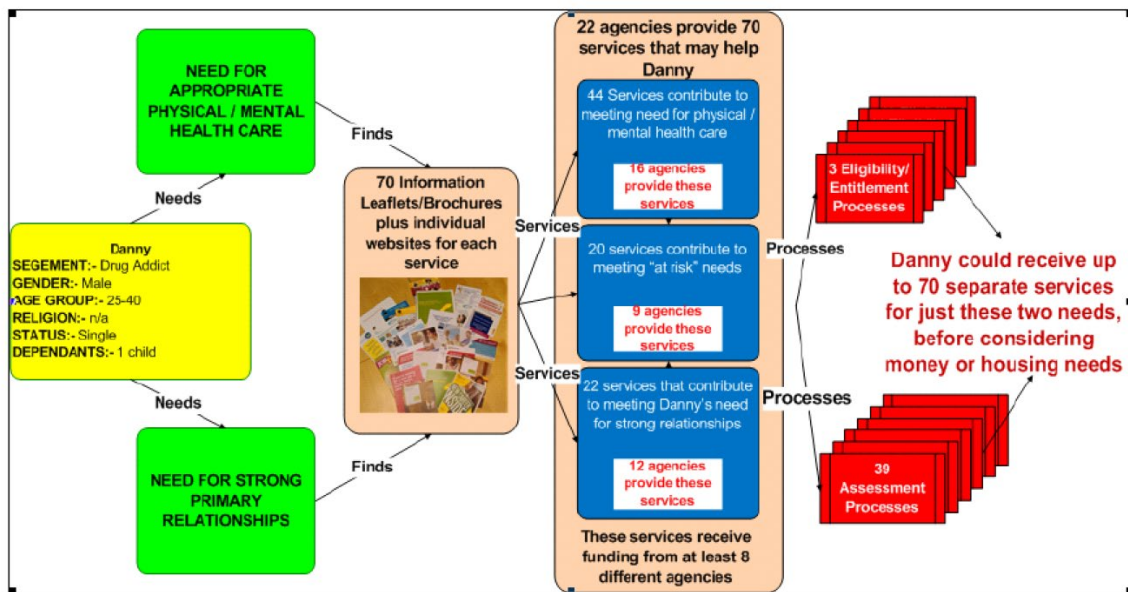
- economic, social and physical regeneration happens – and is sustained – in deprived areas;
- public services work better and all are delivered in way which meets people’s needs;
- local people can influence decision-making and take action to improve their neighbourhoods; and
- business and the community and voluntary sectors can play a full and equal part.”

The Welsh Assembly gained the power to legislate in respect of local government in 2006 and from that time Welsh policy in respect of local government and government/local government/community relationships diverged significantly from policy in England.

In England LSPs failed to live up to initial expectations for reasons including lack of ongoing political commitment, difficulty in coordinating departmental involvements, siloed budgets, inconsistency in departmental boundaries, and reluctance of many agencies to give decision-making power to their LSP representatives. This experience highlights a couple of points. The first is the importance of careful scoping of these types of initiatives to identify potential barriers including their likely impact and how to address those, not just from the perspective of central bureaucracies, but also from the perspective of local government and other key stakeholders. The second is the importance of making a long-term commitment to a direction for change. Too often this aspect is frustrated by political change but there is still a strong case for medium to long-term consistency in advice from the public sector to ministers to assist ministers understand the nature of the context for realising their own political objectives.

In 2009 the UK government (for this purpose effectively the English government) shifted to a different initiative, Total Place, intended to bring together different government agencies and their budgets working within the district of a given local authority to put the citizen at the heart of service design. This initiative highlighted the complexities of bringing together different agencies with different responsibilities in relation to what from a user’s perspective were simply aspects of the same set of issues. A major issue from a user perspective was the inherent assumption that the user would be able to navigate the different services coming together through Total Place. An evaluation of the Birmingham Total Place trial, looking at the drug system from a user’s perspective, highlighted just how impractical this approach was in practice. The lesson for New Zealand is the importance of users having access to people who can help them navigate the service delivery system. This is a further argument supportive of the potential for local authorities to play a crucial role in facilitating community well-being by acting as a local coordinator/facilitator bringing people and services together. The following diagram illustrates the Birmingham situation:

The Drug System from a Users' Perspective



In 2010 the Labour government was replaced by a Conservative led coalition which abandoned the Total Place initiative in favour of an emphasis on what the Prime Minister, David Cameron, described as the Big Society. A series of other initiatives followed including the Localism Act 2011 and community budgeting. The latter, another attempt to bring agency budgets together at a local level was unsuccessful. The Localism Act has had only limited impact because of a combination of overly bureaucratic and onerous requirements and the lack of any overarching political commitment to change.

In more recent years the English government has been preoccupied with a wide range of effectively bespoke initiatives under the broad rubric of devolution but without any consistent sense of long-term understandings of the respective roles of central government, local government and communities.

Wales and Scotland

Wales and Scotland both adopted an approach intended to involve communities as part of a process of ensuring that public services were targeted to the actual needs and circumstances of individual communities. Wales, with authority to legislate conferred in 2006, began the process of extensive public consultation which led ultimately to the enactment of the Well-being of Future Generations (Wales) Act 2015. Scotland, which gained devolved legislative authority somewhat earlier, adopted community planning through the Local Government (Scotland) Act 2003, later superseded by the Community Empowerment (Scotland) Act 2015. Both these initiatives had a strong well-being emphasis. Both sought to allocate aspects of well-being policy to those levels of governance, including community governance, seen as best placed to deliver the outcomes required.

In both countries it is local government which plays the pivotal role in assessing well-being status and developing and implementing measures intended to improve well-being outcomes.

In Wales this responsibility is exercised through public service boards, overseen by the Future Generations Commissioner as an independent public official not subject to government direction. Each local authority district is required to have a public service board. It is chaired by the council and includes the local health board, the fire and emergency service and Natural Resources Wales. It may also by invitation include a range of other public bodies and community representatives.

The role of the Future Generations Commissioner is unique internationally as being an independent statutory officer responsible for overseeing compliance with the requirements imposed by well-being legislation. It is a model which contrasts sharply with the New Zealand decision that the Treasury should have the primary role in evaluating the impact of well-being policy especially given Treasury's pivotal role in determining well-being initiatives through the budgetary process.

The significance of the Commissioner's role is recognised in this statement by the UN Secretary-General (emphasis added):

*We are encouraged to see that many governments are rising to the challenge of placing well-being at the front and centre of their policies... The Commissioner responsible for well-being in Wales is independent from Government, and is **basically a Commissioner who is in charge of telling the Government whether the Government is doing a good enough job in terms of citizen well-being. Now that is a very interesting model, because all of us are used to the government being the one to tell us what is right** and therefore depends on how inspired and how dedicated or focused is the leader or the minister in terms of well-being itself. But when you have an external, independent authority who is hopefully well resourced and well-staffed, it gives examples of institutions and 'how to do it'. If we do not embed the well-being approach more broadly, we will miss a transformative opportunity."*

The Commissioner's oversight role includes providing extensive guidance to public service boards, guidance they are not required to observe but in practice the Commissioner's persuasive power is very considerable (each public service board must publish the advice it receives from the Commissioner).

In the guidance she provides there has been a strong emphasis by the Commissioner on the place of community and of engagement, reflecting her office's priority expressed in advice to the Cardiff Public Service Board that "a priority for my office is encouraging public bodies and PSBs to make sure that they are firstly involving people and communities in ways that give them greater insights into people's lived experiences of public bodies, and secondly acting upon these insights when they make decisions and deliver services."

The Future Generations Commissioner is required to publish a report on progress with implementing the requirements of the well-being legislation not less than one year and a day before the next general election for the Welsh Assembly. The first report was published in 2020. Her foreword comments on the impact of the Covid 19 crisis but goes on to acknowledge very significant progress including in working with communities:

Despite this, I am also seeing some excellent practice emerging in how public bodies are responding. Many of these responses are in line with the aspirations of the Well-being of Future Generations Act – the partnership working, engagement with the private sector to find innovative solutions, new ways of working and increased uses of technology in delivering services, the decrease in carbon emissions, and the programmes which are working with communities to provide services, are particularly notable.

The approach taken in Scotland is somewhat different from that in Wales. First, there is no equivalent of the Future Generations Commissioner. Secondly, the emphasis on working with communities is somewhat stronger in the way in which the legislation, the *Community Empowerment (Scotland) Act 2015*, expresses the obligation.

Each local authority and a wide range of listed public bodies, basically the Scottish government's service delivery agencies (together the community planning partnership), are required to carry out planning for the area of the local authority. The purpose of planning is improvement in the achievement of outcomes from the provision of services by those bodies.

In carrying out community planning, the members of the community planning partnership are required to participate with each other and with any community body likely to be able to contribute to community planning, having regard in particular, to which of those bodies represent the interests of persons who experience inequalities of outcome which result from socio-economic disadvantage.

As Scotland has no equivalent of the Future Generations Commissioner for Wales, there is no equivalent for Scotland to the Commissioner's periodic report on implementation (the Scottish audit office does undertake occasional reviews the last of which was done in 2018). More relevant from a New Zealand perspective in assessing progress, including working with communities, are the annual reports which all community planning partnerships are required to publish. A useful example which provides an indication of the importance of a community focus, enabling community organisations, is the North Ayrshire community planning partnership whose 2019/20 annual report can be accessed at: <http://northayrshire.community/wp-content/uploads/2020/10/NACPP-APR-19-20-FINAL-1.pdf>

Both the Welsh and Scottish initiatives are still very much work in progress. The formal arrangements for both place a strong emphasis on working with communities in order to address issues such as inequality, and to ensure that services are targeted to the actual needs of the individual communities in which they are delivered. Leading researchers/think tanks in both jurisdictions acknowledge the progress which has been made but also comment on the continuing difficulty which governments and their agencies have in adjusting to a process which puts local government at the centre of bringing together agencies and other stakeholders, and working closely with communities, as an integral part of designing, targeting and delivery of public services. Both emphasise the importance of ongoing and strong commitment to change if change is to be successful. The lesson for New Zealand is that shifting the culture and practice of higher tiers of government so it becomes oriented around genuinely working with and seeking to understand the needs of communities, and ideally adopting a coproduction approach, is challenging and requires a long-term commitment.

New Zealand

The Local Government Act 2002 signalled a potentially major change in the way in which central government worked both with local government and with communities.

The act changed the purpose of local government so that it became a combination of enabling local democratic decision-making and action by and on behalf of communities and of promoting community well-being. Associated with this the act set out a series of measures intended to

encourage a much greater emphasis on strategic planning through a collaborative process. At the heart of this was a new approach to the 10 year planning required of councils, moving from what was basically a financial forecast to an outcomes based plan known as the Long-Term Council Community Plan or LTCCP.

This plan was to be based on community outcomes identified by communities themselves and specifically understood, in the LTCCP process, as being communities' outcomes not the council's.

The act set out the basic requirements for identifying community outcomes and the purposes as:

“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 well-being 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.

This section not only recognised the primary role of communities in identifying outcomes, but also that the outcomes are intended to influence not just the activities of the local authority, but also the activities of “other organisations” understood to mean at least government agencies to the extent they were undertaking service delivery or other activities within the district of the council.

The following paragraph, from a 2004 report from the Minister of Local Government's office, set out expectations for how central government agencies might interact with community outcomes:

“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”.”

In May 2004 the Minister of local government took a paper to the Cabinet Policy Committee on the theme Central Government Engagement in Community Outcomes Process with the stated purpose of asking the committee “to endorse actions to promote effective central government

engagement with local government around community outcomes processes under the Local Government Act 2002.” The paper also noted “in July 2000 the Cabinet Economic Development Committee agreed that the Government’s strategic direction for local government is inter-alia to:

- Reflect a coherent overall strategy on local government;
- Develop a partnership relationship between central and local government.”

The committee noted:

- That the Local Government Act 2002 (LGA) provides for communities to identify their desired social, economic, environmental and cultural outcomes and for local authorities to formulate Long Term Council Community Plans (LTCCPs) to show how they will contribute to the achievement of identified outcomes;
- That the LGA requires local authorities to explore ways of working with interested parties (which effectively includes government agencies) in defining and promoting community outcomes;
- That this will introduce a process of identifying community outcomes for communities and regions as a whole, and provide future opportunities for more coordinated planning to help achieve mutually agreed outcomes and priorities;
- That government policy expects and encourages central government agencies to work in partnership with local authorities and communities where this can assist the achievement of mutually agreed outcomes.

In practice the response of government agencies was highly variable although some, especially the Ministry of Social Development, did operate in ways which were consistent with the government’s stated intention although arguably this may have been at least in part because doing so fitted in any event with the Ministry’s own priorities. Nonetheless, the work of the Ministry’s family and community services group was presented by at least one other agency, the Ministry for the Environment, in the third edition of its urban design toolkit (published in 2006), in these terms:

Ministry for Social Development, Family and Community Services Group – local services mapping: <http://www.familyservices.govt.nz/our-work/community-development/local-services-mapping/>. The Family and Services Group (part of the Ministry for Social Development) facilitates each territorial authority through the local services mapping process. Central and local government, iwi and community-based agencies collaborate to identify social priorities and highlight areas for action.

What did not happen was the embedding of consistent commitment from government itself to working within the community outcomes process, collaborating with councils and communities as a means of ensuring government services as a whole were designed, targeted and delivered in ways which genuinely reflected the needs and circumstances of individual communities. A number of factors will have influenced this including:

- The lack, for most government agencies, of a local presence within the district of individual councils and hence a preference for trying to work regionally as implicit in the Cabinet policy committee decisions above. MSD is something of an exception with a presence in most council districts.
- Responsibility for facilitating central government coordination resting with a department, Internal Affairs, which at the time lacked the reach and influence of central agencies such as the Treasury, the State Services Commission and DPMC.
- The lack within cabinet of a minister with a specific and strong commitment to making the community outcomes process work as a form of long-term strategic planning not just for councils and communities but for at least the wider public sector as well.

The change of government in 2008 from the Labour led government, which had introduced the community outcomes/LTCCP process, to a National led government was the effective end of any prospect of embedding a community outcomes based strategic planning process into the governance of New Zealand's communities. The new government's first term was preoccupied with the Auckland restructuring but, in its second term, under the banner of Better Local Government, the purpose of promoting community well-being was removed from the act and replaced with a purpose of 'providing good quality local infrastructure, public services and regulatory functions at the least possible cost to households and business.' In essence, the role of local government had been redefined as a network of local infrastructure companies with some regulatory and arts, culture and recreation add-ons.

The New Zealand experience reflects the experience in England, Scotland and Wales that, if there is to be effective collaboration between central and local government as a means of ensuring that public services are better targeted to the needs of individual communities, then as a minimum:

- The higher tier of government needs to embed a long-term and clear commitment to this way of working.
- This includes ensuring the higher tier of government's own ways of working are themselves supportive of rather than a barrier to collaborative working, especially collaborative working focused on understanding and meeting the needs of different communities.
- A senior political figure has, and is committed to, the role of acting as champion.
- Responsibility for oversight of central government/local government/community relationships is held by a department which has a whole of government responsibility, is adequately staffed and resourced, and positioned as a significant and high profile role within the public sector.
- Expectations for performance are regularly reviewed between central government and local government so there is in practice an ongoing dialogue between the two levels of government about what works, what doesn't and what needs to be done to facilitate the agreed purpose of collaboration.

New Zealand and other jurisdictions: the importance of social services involvement

New Zealand is the only developed country jurisdiction in which local government does not have at least some significant social service delivery responsibility. Even in Australia, whose state local government sectors most resemble New Zealand's in their range of responsibilities, councils are involved with childcare and care for the elderly.

Councils whose responsibilities include major social services have natural and compelling reasons to be closely involved in working with at least elements within their communities. The typical English, Scottish or Welsh council will have quite widespread involvement with the Voluntary Community and Social Enterprise (VCSE) sector, so much so that when councils think about working with their communities, they typically think about working with the VCSE sector rather than with the community as a community of place. See for example the discussion of addressing inequality and engaging communities in *Local by Default*, the recent report from the Association for Public Service Excellence's local government commission 2030.

This approach carries consequences. First, it can make it much more difficult for a council to develop a policy and practice of enabling communities of place as that involves quite different elements from working with elements of the VCSE sector typically selected because of the closeness of their mission to the particular purpose the council might have in mind. Next, especially under the conditions of austerity which have obtained in the UK for the past decade or so, not just councils but also the VCSE sector have come under very significant financial and other pressure limiting their capability to undertake new responsibilities. Finally, the extent to which councils elsewhere are involved in the delivery of major social services both tends to replicate within councils the same kind of silo approach as is normally found with central governments and also creates a potential conflict if the council wishes to enable strong communities of place.

The reason is simple. To the extent that communities of place rely on the council as their advocate to service providers to express their preferences regarding how major social services, impacting on their individual and community well-being, should be managed and delivered, the council has a potential conflict of interest as it would often be involved in advocacy to itself about the nature of the service it was delivering.

New Zealand councils, with no potential conflict of interest, are much better placed than their counterparts in most other jurisdictions to play a very positive role in enabling communities to exercise voice, choice and control in relation to services affecting their place. A council's incentive to do so aligns naturally with the interests of the communities it serves, especially once the council realises the collateral benefits which empowering communities will bring (there is good and substantial evidence ongoing dialogue between councils and empowered communities can lead to significant economies of operation as councils can tap into very local knowledge about what works and what doesn't, and get early indications of problems, especially with infrastructure, before the cost of remediation escalates).

It also means a much better alignment with the central government interest in moving away from a silo-based approach to delivering individual services as councils will not face the challenge of how to adapt existing services to a new way of working.

It also means the focus of New Zealand councils should move directly to matters such as the identification of communities (experience in jurisdictions such as Portland suggest that for

building stronger communities, self-identification rather than identification by experts against set criteria is the better approach), and building capacity and capability, rather than determining which elements within a stressed VCSE sector should be their primary partners.

The New Zealand situation has another strength as well. In jurisdictions where there are already a number of established relationships with community organisations, typically built up around a specific service, there is a very real risk that working with communities becomes just another variation on the theme of top-down provider driven determination of need. Beginning with a focus on communities of place, and hence working with communities to understand the full range of needs and priorities which need to be addressed within each community, shifts the emphasis much more towards a bottom-up and user lead understanding but without the complexity of user managed access illustrated in the Birmingham example above.

Voice, choice and control and its relationship to well-being.

In recent years there has been an increasing emphasis on local governance and the importance of community voice in decision-making. If there is a single major trend regarding engagement and participation, that trend is towards much more in the way of bottom-up decision-making, and communities playing an important role in determining what should happen in their place. The seminal report which crystallised this understanding, released in 2018, was produced by the think tank Locality's Commission on the Future of Localism chaired by Lord Bob Kerslake, a former head of the UK home civil service. Its understanding of the place of communities is set out in the following paragraph:

“Localism must be about giving voice, choice and control to communities who are seldom heard by our political and economic institutions. Localism should enable local solutions through partnership and collaboration around place, and provide the conditions for social action to thrive. Localism is about more than local governance structures or decentralising decision-making. It is about the connections and feelings of belonging that unite people within their communities. It is about how people perceive their own power and ability to make change in their local area alongside their neighbours.”

One major driver for the report's findings, which is common to many recent reports on local governance/working with communities, was a recognition of the need to address increasing inequality, and the disparity between different communities.

The impact of Covid-19 is widely recognised as having significantly increased inequality (emphasised in New Zealand, as one example, by the rapid inflation in asset prices with a resultant decrease in housing affordability among other impacts).

Early in 2020 the chief executive of the New Local Government Network (now rebranded as New Local) published a blog on the theme "Defenders of democracy need to wake up urgently to the threat posed by another crisis". In the blog he argued that the crisis was:

fundamentally about reformulating democracy around [empowered communities](#) rather than empowered global corporations, multilateral bodies or state institutions. It is about telling people that putting trust in yourself, your friends and neighbours is a sounder route back to pride, security and control than putting trust in some fly-by-

night leader. It is about politicians using language and tone that reflects trust in the people and emphasises pride and self-respect.

In policy terms, it means:

- devolving centralised powers to local areas
- establishing local systems of decision-making based on genuine engagement and deliberation
- requiring elected representatives at national and local level to take far more account of their constituents' views when deciding policy and legislation between elections
- introducing sweeping legislation to remove the influence of money and patronage in politics.

The themes in that blog are common in the work of a number of leading UK think tanks including the New Economics Foundation, the Centre for Local Economic Strategies, the Young Foundation, the Joseph Rowntree Trust, the Carnegie UK Trust, the David Hume Institute at Glasgow University and in the US, Public Agenda, the Democracy collaborative, and networks of local authorities such as the National Civic League.

New Local's major work program over the past couple of years has been on the theme of the Community Paradigm, the need for a new model for public service delivery. The following extract, emphasising the growing importance of participation, is from New Local's report outlining what is meant by the Community Paradigm:

at a time when people are increasingly clamouring for a say over the big decisions that affect their lives, paradigms that enshrine hierarchy or see citizens only as atomised consumers will add to a growing sense of alienation and frustration with public services and the state. This need not be inevitable. Rather than lead to alienation, the popular desire for influence could be employed to build the more collaborative relationship with citizens necessary for a shift to prevention. It can be a force to mobilise communities around public good.

To this end, we argue that there is an urgent need for a new model of public service delivery: the Community Paradigm. The fundamental principle underpinning this paradigm is to place the design and delivery of public services in the hands of the communities they serve. In this way, a new, egalitarian relationship can be built between public servants and citizens: one that enables the collaboration necessary to shift to prevention; one that requires communities to take more responsibility for their own well-being; and one that means citizens and communities can genuinely 'take back control'.

The third source we draw on for support of the proposition that the trend towards a greater expectation for involvement in decisions which affect people and their places is more than simply an interest in being consulted on government proposals is the Carnegie UK trust, one of the leading centres internationally of expertise in well-being policy and practice. The trust has undertaken extensive work on well-being policy and practice in each of the four countries of the United Kingdom, has worked in partnership with the OECD, and has a history of more than 100

years of promoting well-being (it was established by Andrew Carnegie in 1917 with the explicit objective of enabling well-being in Scotland and the remainder of the UK).

The following graphic is taken from the trust's refreshed strategy. It sets out the four domains it recognises as central to well-being. Notably, one of the four is democratic well-being described as "we all have a voice in decisions that affect us". When asked why this choice of domain, the response of the trust's research leader for well-being work was that from all the work the trust has done in recent years across the four countries of the UK and in Europe, having a voice over decisions which affect their place is an integral component of community well-being.



This is reflected in the first of the trust's well-being tests:

Give people voice and choice:

recognising that wellbeing cannot be 'done to' people, it has to be done by and with them.

A Pathway Forward

This submission endorses the Public Service Commission's recognition of the growing public expectation New Zealanders are more directly involved in decisions that impact them, and the proposal that *how can we better support public participation in government in the future?* should be one of the topics for the briefing.

The parties to this submission strongly believe, based on the evidence they have reviewed, and their own experiences with their own communities, that the expectation goes well beyond the opportunity to comment on government policy initiatives before they are adopted. As illustrated in this submission, it extends to seeking to have 'voice, choice and control over decisions which affect their place'.

This expectation is consistent also with the way that well-being policy is being developed and implemented in a number of other jurisdictions including Wales, Scotland and Northern Ireland.

The expectation reflects the reality that, for virtually every New Zealander, their actual concern is not so much with the formal terms of policy or practice on the part of the public sector at whatever level, but with how the implementation of policy impacts on their place and what it means for their well-being and that of the community of which they are part.

We acknowledge the work which the Policy Project within the Department of Prime Minister and Cabinet has been doing on community engagement including the development of the *Good Practice Guide for Community Engagement*. We have also considered the recently released cabinet paper *Joined up Government in the Regions report back: Strengthening a regional system leadership framework for the public service* and noted the emphasis now placed on working regionally including the mandate agreed for Regional Commissioners with its emphasis on achieving outcomes for communities (para 32.2).

Both of these initiatives reflect a welcome interest in better understanding how the public sector can best function so as to improve community outcomes. As this submission illustrates, there are compelling arguments that achieving improved community outcomes through the way in which public services are designed targeted and delivered is best done when higher tiers of government work in partnership with local government drawing on the unique relationships and understandings which councils have of the communities they serve. This matters for a number of reasons including the unique circumstances of different communities and the ability of councils to work both holistically and at a micro level in understanding those circumstances and what mix of services managed in what way will best improve outcomes for individual communities.

It's this which lies at the heart of responding to the growing interest people have in being able to participate in decisions that impact them, and the relationship that has to maintaining trust in the public sector.

Against this background the growing practice of local government as the enabler/facilitator of participation is a necessary complement, not a challenge, to the interest which the public sector is now displaying in how to work more effectively with communities.

The PSC's long-term insights briefing provides an opportunity to extend thinking beyond the initiatives government is already developing through the Policy Project and the role of Regional Commissioners to encompass the best of international experience with working with communities.

An understanding of why this matters was very well expressed by the Minister of Local Government in a paper which she took to the Cabinet Social Well-being Committee on 19 August 2019 on the theme Working with Local Government on Community Wellbeing. The following four paragraphs selected from her paper we believe set out an approach for further developing insights on the nature and importance of public participation:

Recent domestic and international experiments (including the Social Sector Trials, the Place-Based initiatives, and Public Service Boards in the United Kingdom) have highlighted potential benefits and challenges in place-based collaboration between central government, local government and communities. Clearly, departments cannot have 78 individual conversations with councils. Nor can we expect councils to engage with multiple central government agencies at different times and places.

I propose to explore ways we can improve central government's engagement with local well-being priorities, and provide a more meaningful, efficient role for local government in the design, targeting and (where appropriate) commissioning of central services. I will also align this work with the Minister of State Services' proposals to strengthen the regional arm of central government.

Local government operates at the interface of people and place. Councils see and experience the challenges our communities face each day, and the services they provide make a critical contribution to well-being. This is essential because, above certain basic needs, different communities will need different outcomes delivered to maximise their well-being - we will not realise intergenerational well-being solely by changes in central government or by reference to national indicators. And making sure communities themselves are driving the mix and nature of services that contribute to their well-being is critical to resilience and social inclusion.

But at present, aspects of how councils work, and the way central government works with them, limit their ability to contribute to community well-being. In many small communities, council staff describe the absence of central government collaboration and alignment as exacerbating a social crisis in our most vulnerable communities.

Events since the Minister took her paper to the Cabinet social well-being committee, including the impact of Covid-19 and what that has meant for increased inequality, make her comments and assessment even more relevant now than in 2019. The emphasis on the difference between different communities, and on recognising that making sure communities themselves are driving the mix and nature of services is critical to building resilience and social inclusion.

So also is understanding her emphasis on the challenges of central government/local government/community collaboration because of the number of different conversations and interactions which could be involved.

We believe these challenges can be relatively easily managed through a tiered system of engagement - councils partnering with communities to determine their needs and priorities and councils collectively then in a regional arrangement established for the purpose (possibly but not necessarily through regional councils) identifying major priorities across the region and the order in which those, and other important but individual community based priorities, should be addressed (with accountability back to individual communities for doing so). These regional fora would then become the venues for dialogue between councils, Regional Commissioners and central government agencies active within the region to agree how best they will ensure the services they provide are designed and targeted to meet needs at the level of an individual community. From local government's perspective a primary purpose of this approach would be to ensure that the regional activities of central government encompass an informed understanding of the needs and circumstances of individual communities and thus providing a workable answer to the challenges which the Minister identified in 2019.

There will be other challenges as well. Research and practice which we have canvassed suggests there are a number of specific issues which will need to be carefully handled in enabling community engagement/participation. They include:

- How to recognise a community of place (or interest). A critical criterion is that the people themselves identify with that community of place as their community.
- How to ensure that the people who speak for a community of place are recognised by the people of that community as legitimate spokespeople.

- What should be provided by way of capacity and capability building to ensure that each community of place is able to play an effective role in identifying and representing the needs and priorities of the people of the place.

Fortunately, there is a wealth of experience available internationally (and some within New Zealand) which can help contribute to dealing with these issues. There is also very good evidence to demonstrate that the investment councils will need to make in order to deal effectively with these issues should be more than repaid in both financial returns and in terms of enhanced trust and social licence to operate. As an example, typically when there are good and ongoing dialogue relationships between councils and communities of place, those relationships can assist councils in ways such as identifying problems earlier rather than later when dealing with them is likely to be more expensive, fine tuning service level standards (experience shows that ratepayers are generally more parsimonious in the expenditure of their funds than councils themselves) and communities taking on responsibility for matters which in a more conventional approach would remain a council responsibility.

Even for those councils which are now actively exploring this approach to working with communities, doing so is still very much work in progress within a learning by doing approach. We expect to see this as an important contribution to the work of the Future for Local Government Review Panel, especially as we have access to and intend to draw on extensive and relevant international experience.

We also suggest that the Public Service Commission treat incorporating our proposals within its analysis of trends impacting on the public-sector as itself a learning by doing initiative opening the way to collaborating with groups of councils as they are ready to act rather than trying to put in place a whole of local government rollout.

Conclusion

We are very supportive of the emphasis which the Public Service Commission proposes to place on how to support better participation in government in the future.

We believe that the public interest which the PSC is responding to goes far wider than simply the opportunity to engage with government in the development of policy. It is very much people wanting more say about what happens in their place - as the Carnegie UK Trust has stated, it's about democratic well-being, people having a say in decisions which affect their place.

At the same time we recognise the significant challenges facing government as it works through how to ensure that the services it delivers are designed, targeted and delivered in a way which recognises the needs and circumstances of individual communities. This is where the role of local government in supporting and empowering communities, and working with them to articulate their well-being concerns, and their lived experience, offers central government a unique and necessary contribution to achieving its objectives.

The suggestions we have included above in the section on a pathway forward are intended to set the scene for a discussion between central government (initially the PSC) and local government on how best the two can work together in enabling the kind of participation and engagement which New Zealanders clearly want, and which we believe is essential to address concerns of

inequality and exclusion as well as, at a more practical level, making better use of scarce skills and resources. We look forward to seeing this offer picked up in the next discussion document.

Please contact me in the first instance with regard to any queries/clarification required in respect of the submission. I can be contacted by email: Garry.Dyet@waipadc.govt.nz or mobile: 0275720043.

A handwritten signature in black ink, appearing to read 'Garry Dyet', with a horizontal line extending to the right.

Garry Dyet
Chief Executive