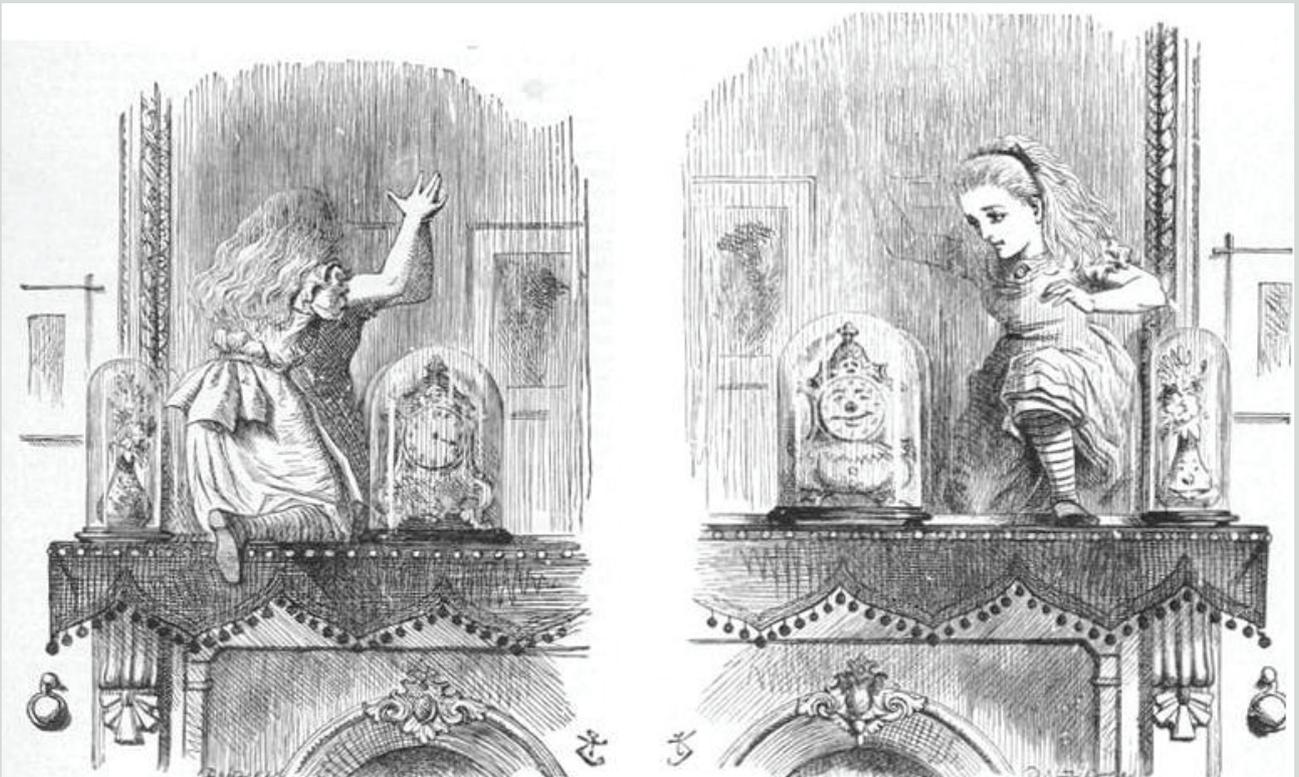


Through the Looking Glass

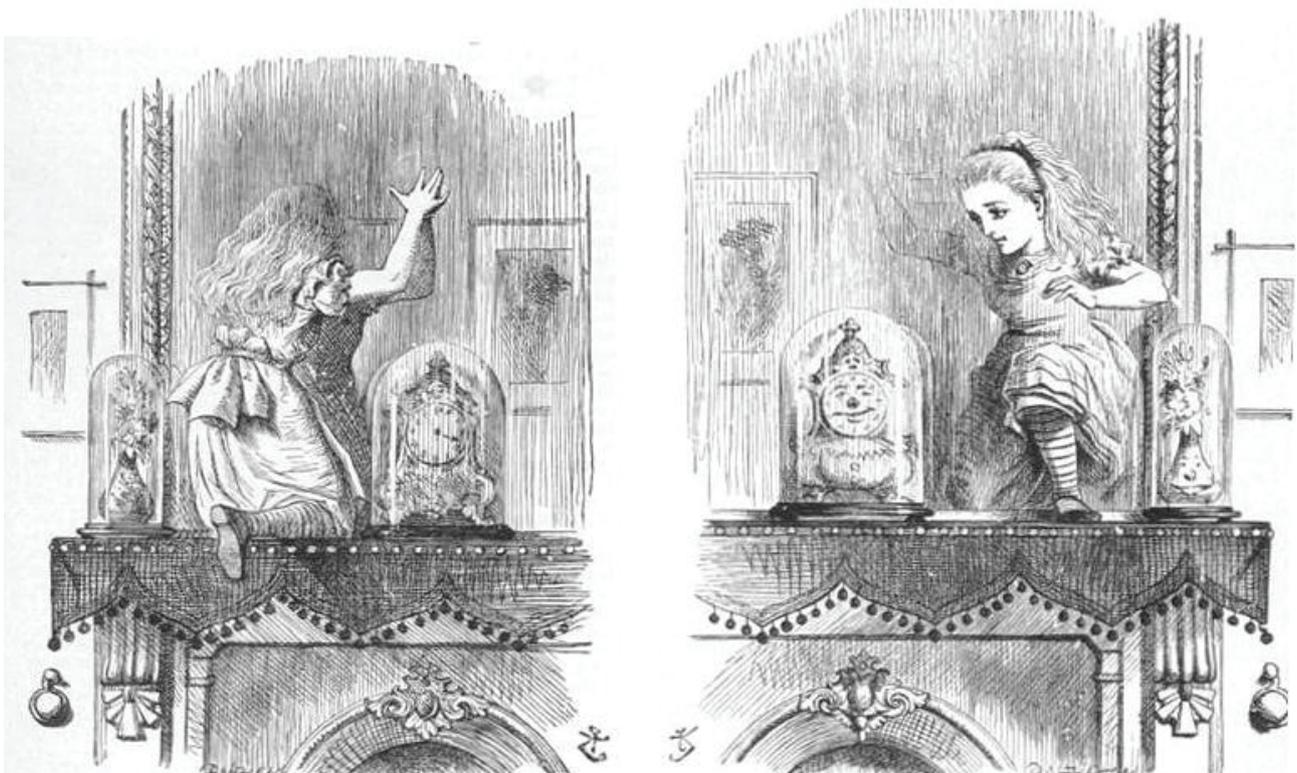
What SOLGM saw and learned in England, Scotland and Wales



Alice entering the Looking-Glass. Illustration by Sir John Tenniel.

Through the Looking Glass

What SOLGM saw and learned in England, Scotland and Wales



Alice entering the Looking-Glass. Illustration by Sir John Tenniel.

NZ Society of Local Government Managers' Study Tour to the United Kingdom –
October/November 2017

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Introduction

"The time has come," the Walrus said,
"To talk of many things:
Of shoes — and ships — and sealing-wax —
Of cabbages — and kings —
And why the sea is boiling hot —
And whether pigs have wings."

From *Through the Looking-Glass and What Alice Found There*, by Lewis Carroll, 1872

Since 2011 we have heard much about the dramatic impacts of "austerity" on local government in the United Kingdom (UK). Year upon year the extent of the impacts of unprecedented funding cuts for our colleagues seemed to grow. Austerity provided a "burning platform" for change at a scale and scope that has created learning opportunities for local government everywhere.

In July 2016 the Society of Local Government Managers (SOLGM) published *Austerity: Creating service resilience*. This report applied a managerial and financial lens, asking how UK councils were delivering services with dramatically less funding and how relevant practices could be, and are, applied in New Zealand (NZ).

The SOLGM Board believed there was more to learn from the UK, a view reinforced in every contact with our British counterparts. The search for a "richer picture" led to the 2017 NZ SOLGM Chief Executive Study Tour to England, Scotland & Wales (ES&W). This report picks up a wider set of lenses and examines how councils and communities in Britain tackle economic, environmental, social and technological challenges under severe financial constraints.

The Team comprised Phil Wilson (Governance Director, Auckland Council & President, SOLGM), Susan Edwards (Community Development Manager, Tasman District), Steve Ruru (Chief Executive, Southland District), Karen Thomas (Chief Executive, SOLGM) and Richard Mabon (Principal Advisor, SOLGM).

While NZ local government has no burning platform like austerity, we do have a smouldering platform of infrastructure deficits, a housing crisis, freshwater and drinking water quality issues, and a need for greater resilience in response to climate change and natural disasters. Many local government leaders and commentators say the current models of funding and service delivery are unsustainable.

Change is not a choice. The question to be answered is whether NZ councils will work with their communities to lead this change or wait for Government to impose change upon them.

Framework

This report has a five-part framework.

- Part 1. Discussion of the purpose of local government in Britain compared to New Zealand. It asks why they do what they do and how it differs from our purpose.
- Part 2. Challenges in the UK operating environment. What are they and how do they compare with ours?
- Part 3. Key areas of focus for local authorities in England, Scotland & Wales. What are they working on and how does this compare with our major issues?

- Part 4. The local government toolkit of responses. What approaches, and techniques are being brought to bear on these challenges? How does the NZ toolkit compare?
- Part 5. Lessons for New Zealand.

About the Title

The theme of the 2017 Society of Local Authority Chief Executives (SOLACE) Conference was "Holding up the Mirror". We chose to call our study report "Through the Looking Glass" to acknowledge both the Conference theme and to capture the purpose and themes of the Study Tour.

Like Alice, the SOLGM team explored a new environment. Stepping through the looking glass of geography and culture into the world of local government in ES&W gave us a fresh perspective on our "real world" in New Zealand local government in terms of both the challenges we face and the opportunities they present, and how we might choose new responses.

Acknowledgements & Disclaimer

We acknowledge the generosity of our hosts who shared their time and expertise selflessly. We thank the elected members, chief executives, staff and stakeholder partners of the councils of Birmingham, Bournemouth, Cardiff, Coventry, East Lothian, Edinburgh, Greater Manchester, Manchester City, North Dorset, Trafford District, Vale of Glamorgan, West Dorset, West Dunbartonshire, Weymouth & Portland and Wolverhampton. We also thank the impressive variety of speakers from the SOLACE Conference and the wider sector partner organisations we met with, including the Local Government Information Unit, Convention of Scottish Local Authorities (COSLA), the Dorset Association of Parish and Town Councils (DAPTC), the Environment Agency, Scottish Water, SOLACE and Young Scot.

Finally, the Study Group members acknowledge the support of their own organisations: Auckland Council, Southland District Council, Tasman District Council and SOLGM.

The report represents the views of the SOLGM Study Tour members. It is our synthesis of the information shared with us as visitors to a parallel local government universe. We have been as careful with accuracy as our resources and Kiwi frame of reference will allow. We take full responsibility for any errors or misunderstandings and acknowledge that a tour of this kind can only skim the surface of a topic so broad and deep. Time constraints prohibit in depth analysis. As you consider the ideas in this report, the Study Group members urge you to conduct your own due diligence.

Executive Summary — the lessons on a page

Place is paramount

Local government exists to build better lives for people in their communities. Building better places is more than improving the physical environment. It is also about place in an economic sense, a social sense and a psychological sense — about the emotional connections that people feel to the places they live in.

Every community has a unique story to tell and that story binds people to their places. Working with community partners enriches the relationship of people to their place.

Change is not a choice

NZ, like the UK, faces a series of economic, environmental, social and cultural challenges. The way forward is uncertain, but one thing is abundantly clear — more of the same will not deliver the answers NZ needs. As Gary Taylor, Chairman and Chief Executive of the Environmental Defence Society tells us, *"business as usual is not on offer anymore"*.¹

NZ local authorities must work even harder to create a deeper understanding of their local communities, environments and economies. There are two reasons for this.

1. Our circumstances as a nation and as regions and communities are unique. We need to understand the changes we face within our own social, economic, environmental and cultural context.
2. Building the sector's reputation depends on high-performance, and high-performance is built on robust, evidence-based decision-making.

To lead or to follow — that is the question

NZ councils face a choice — do they take the lead in shaping change in the sector and in their communities or do they wait for the Government to impose change upon them? If we want solutions that reflect community aspirations for their place, those outcomes are more likely to be achieved if they are led by local communities than if they are imposed from Wellington.

"Leadership as usual" is not enough

The future will require leadership that unites councils and the communities they represent (and their disparate stakeholders) around a long-term shared vision. It is an approach based on collaborative leadership with distributed power, not top-down command-and-control leadership. It will require the building of mature relationships, growth mindsets, and "just" organisation cultures at all levels of leadership to enable those organisations to take appropriate risks.

Size does matter

Most NZ councils lack the scale and capacity to develop or retain the skills and systems that future success will require. The traditional route to increased scale is amalgamation, and this has been rejected by communities.

There are viable alternatives to amalgamation for scaling-up. These include:

- shared management, where a single council organisation provides services to multiple councils in one or more regions
- shared services which could be achieved through legislation, local authority shared service (LASS) vehicles or transfer of responsibilities under the Local Government Act 2002
- partnering with private, public or voluntary sector organisations for specific services or projects.

¹ In *Perspectives 2018*, LG Magazine, January 2018

Any or all of these solutions could be implemented without amalgamations. None of them can be achieved without a shared vision and collaborative leadership.

Fiscal disciplines

NZ has not had the same need to apply the sort of brutal efficiency agenda that has been driven by austerity. Consequently, the culture of NZ local government is not as strong in terms of “lean” thinking. NZ Councils have not been forced to look at alternatives to council delivery such as community devolution or simply ceasing some activities. In a similar vein, it is arguable whether Councils in NZ have been forced to entertain shared procurement and delivery to the degree that might be possible.

On the other hand, the reforms of the 1990’s mean that NZ Councils have extracted a lot of gains from outsourcing and CCO structures that have not been explored in the UK. It seems to us imperative that NZ Councils continue to pursue every avenue to enhance effectiveness and efficiency at the same time as it is apparent that expectations of 20% spending cuts are unrealistic.

Structural Solutions

We found no “silver bullets” in alternative structures for service delivery and governance, yet we believe there is value in continuing to turn our minds to how we adapt to change and find new ways of working.

Infrastructure

The Group does not recommend that NZ authorities adopt the Scottish water model although it is certainly an option that Government may consider, when analysing alternative delivery models. Other options include regional provision (along the lines of the Watercare Services, Wellington Water examples). The Group notes three elements present in the Scottish Water model which are a good fit for NZ conditions. These are:

- public ownership.
- a strong regulatory framework.
- a benchmarking regime.

The Group also noted an observation by Scottish Water that it would have been greatly beneficial if the three regional bodies which had preceded its establishment had deployed common systems and processes across their organisations. This would have enabled greater collaboration and a more efficient amalgamation into one organisation.

Environment

Comparing the NZ and English models highlighted the classic differences between centralised and de-centralised models. The Environment Agency (EA) is a centralised model for environmental management in England, with advantages in terms of consistency of policy and delivery across the country. The decentralised regional council model has advantages in ensuring that policy and delivery is matched to local conditions and enables the needs and preferences of local or regional communities to be met. Each set of agencies have developed strategies to address the weaknesses in their model.

Again, we were not convinced that the English model was necessarily better, but we remain open to exploring ways of strengthening the NZ model for future challenges ahead.

Local Government Options

The combined authority model for regional collaboration has no parallel in NZ. It enables councils to combine resources to address cross-boundary issues without requiring them to undergo amalgamation.

Smarter thinking

Commercial capability and digital maturity

Councils that grow their commercial capability are better placed to manage commercial risk. Commercial skillsets and aptitudes are also a feature of non-commercial activities, as councils seek to become more efficient and effective in delivery of services. Fostering commercial partnerships and the recruitment of commercial skillsets are key pathways to grow commercial capability.

Councils investing in greater digital maturity positioned themselves to deliver services more efficiently, invest their resources more effectively, and empower their communities to embrace their futures with greater confidence. This seems to be an area where size, and thus collaboration, matters.

Demand management

The sector has identified a need for legislation to support demand management through volumetric charging for water and wastewater services and tolls for land transport infrastructure. Demand management, in concert with a focus on allocative efficiency, has the potential to enable councils to maximise the value of public investments by focusing on the areas of greatest need and benefit.

A final thought

Whatever your council decides as it responds to the challenges ahead, you need to design your organisation and your solutions so that you can relate to people in the communities where they live. People want to know that someone is providing leadership for their “place” because, as we said at the outset, place is paramount.

Part One: Background, Purpose, Scale and Function

This part of the report compares the three systems we saw in the UK with the NZ system of local government.

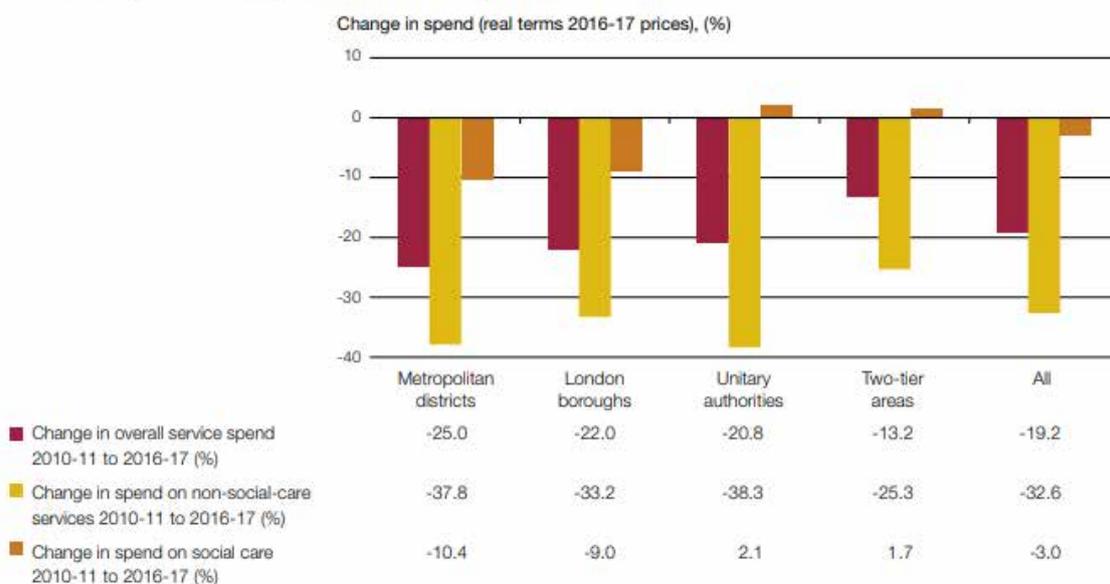
Background — Some key facts on austerity²

UK Government funding for local authorities has fallen by an estimated 49.1% in real terms from 2010–11 to 2017–18. This equates to a 28.6% real-terms reduction in “spending power” (government funding and council tax).

Alongside reductions in funding, local authorities have had to deal with growth in demand for key services, as well as absorbing other cost pressures. Demand has increased for homelessness services and adult and children’s social care. From 2010–11 to 2016–17 the number of households assessed as homeless and entitled to temporary accommodation under the statutory homeless duty increased by 33.9%; the number of looked-after children grew by 10.9%; and the estimated number of people in need of care aged 65 and over increased by 14.3%.

Change in overall service spending by type of local authority in England, 2010-11 to 2016-17

The reduction in overall service spend in different authority types is the net outcome of limited falls or even growth in social care spend offset by large falls in other service spending



Notes

- 1 'Non-social-care services' includes non-schools education services.
- 2 The 'Two-tier areas' data series combines the data from the shire districts and county councils.

Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government data. See standalone methodology

Local authorities now spend less on services, and their spending is more concentrated on social care. Since 2010–11, spending on services has fallen by 19.2% in real terms. This is the net outcome of a 3.0% fall in spending on social care and 32.6% fall in spending on non-social-care services. Consequently, social care now accounts for 54.4% of service spend, compared with 45.3% in 2010–11.

² National Audit Office, *Financial Sustainability of Local Authorities 2018*, March 2018

In contrast, spending on planning and development fell by 52.8% in real terms, with spending on housing services and transport falling by 45.6% and 37.1% respectively. Spending on cultural and related services fell by 34.9%.

Service provision in some non-social-care services has changed, including reductions in weekly domestic waste collection (a 33.7% reduction in the number of households receiving at least a weekly service between 2010–11 and 2016–17), miles of subsidised bus journeys (a 48.4% reduction from 2010–11 to 2016–17 in England outside of London) and libraries (a 10.3% reduction in the number of service points from 2010–11 to 2016–17).

Financial resilience varies between authorities, with some having substantially lower reserves levels than others. Some 10.6% of single-tier and county councils would have the equivalent of less than three years' worth of total reserves (earmarked and unallocated combined) left if they continued to use their reserves at the rate they did in 2016–17. A further 9.9% have the equivalent of more than three but less than five years of reserves.

Among district councils, 3.5% have the equivalent of less than three years' worth of their reserves based on their 2016-17 rate of use, with a further 3% having the equivalent of more than three but less than five years of total reserves.

Purpose of UK local government

UK local government is not one system but four. While Westminster decides the overarching system of local government (which becomes the default setting for England), devolution to the Belfast, Cardiff and Edinburgh Parliaments creates different national operating frameworks in Northern Ireland, Wales and Scotland. We saw the English, Scottish and Welsh frameworks in operation.

There is no formal constitutional basis for local government and the sector can be described as an artefact of history that exists in administrative law at the pleasure of Parliament. The UK statute books contain no legislated purpose akin to Section 10 of NZ's Local Government Act 2002.³

A sense of the purpose of local government in ES&W can be gained from the planning documents and functions of those councils. Here are examples from four councils we visited.

<p style="text-align: center;">City of Cardiff, Wales</p> <p style="text-align: center;">Better education and skills for all Supporting vulnerable people An economy that benefits all our citizens Working together to transform services</p>	<p style="text-align: center;">West Dunbartonshire, Strathclyde, Scotland</p> <p style="text-align: center;">Reducing inequalities for the people of West Dunbartonshire</p> <p style="text-align: center;">A strong local economy and improved employment opportunities</p> <p style="text-align: center;">Supported individuals, families and carers living independently and with dignity</p> <p style="text-align: center;">Meaningful community engagement with active empowered and informed citizens who feel safe and engaged</p>
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³ **10 Purpose of local government**

(1) *The purpose of local government is—*

(a) *to enable democratic local decision-making and action by, and on behalf of, communities; and*

(b) *to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.*

<p style="text-align: center;">West Dorset, South East England Contribute to a Stronger Local Economy Empower Thriving and Inclusive Communities Improve Quality of Life</p>	<p style="text-align: center;">Wolverhampton, West Midlands, England Place: Stronger Economy Delivering effective core services that people want An environment where new and existing businesses thrive People develop the skills to get and keep work People: Stronger Communities People live longer, healthier lives Adults and children are supported in times of need People and communities achieve their full potential</p>
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The underlying detail in each of the Council’s plans shows that environmental sustainability is part of the overall mix. West Dorset District aims to “*Safeguard and provide opportunities to enjoy the natural and built environment now and in the future*”. Cardiff City supports the Cardiff Public Service Board shared outcomes, including “*Cardiff is clean and sustainable*”. West Dunbartonshire’s vision for success embraces regeneration “*which takes account of the environment and sustainability*” and aims to improve recycling across the community.

Functions of UK local government

A comparison of the structures and functions of local government in ES&W compared with NZ is set out in [Appendix 4](#).

The critical difference in functions is summarised in this table:

Category	Activities
NZ councils deliver, UK councils don’t deliver	Water supply, wastewater treatment and disposal, storm water services, environmental protection, pest and biodiversity management, water quality management
Councils deliver in both settings	Waste management, libraries, museums, land transport, strategic planning, social housing ⁴ , waste collection, council tax (rates) collection, local planning, licensing, cemeteries and crematoria, business support services (such as finance, IT, HR, customer services), economic development, urban renewal.
UK councils deliver, NZ councils don’t deliver	Education, social services, police, fire, consumer protection and community relations, reserves and community facilities.

⁴ There is a significant difference of scope and scale. NZ local authorities have traditionally delivered elderly person’s housing, which is usually referred to as community housing. Social housing in ES&W is more like the role of Housing NZ as the major provider of public sector housing services.

The provision of education and social services by local government contributes to the fact that local government spending is about 22% of total UK public sector spending, compared with less than 12% in New Zealand.

A question of scale

There is a fundamental difference of scale. NZ has a population of around 4.79M people spread over an area of 268,061 km². The UK has a population of around 65.6M people spread over an area of 242,295 km². Put another way, the UK squeezes more than 13 times our population into an area 10% smaller than NZ.

Country	Population (Millions)	Councils	Average population served per council	Median population served per council
England	55.02	326	168,773	132,250
Scotland	5.49	32	171,562	119,350
Wales	3.17	22	144,090	130,350
Northern Ireland	1.87	11	170,727	145,400
New Zealand	4.79	67	71,492	34,100

As expected, the populations served by UK local authorities tend to be much larger than their NZ counterparts. This table has avoided double-counting by taking regional councils and their UK counterparts out of the calculation. In all cases, the median is lower than the average because a smaller number of councils serving very large populations skews the average up. This is especially marked in NZ where Auckland Council serves a population larger than that served by the next 12 largest territorial authorities combined.⁵

Scottish councils have the lowest median population served of UK councils at 119,350. Only six NZ Councils are larger than the median Scottish council.

Comparison with New Zealand

Key similarities

Both systems lack a constitutional basis for local government, which renders the systems of local government heavily dependent upon the will, aspirations and legislative mandate of the Government of the day. Wellington and Westminster (and Belfast, Cardiff and Edinburgh) are the masters of local government's destiny.

Two more important common threads are the focus that all systems of local government place on building better communities, and the fact that all systems apply a holistic approach that embraces social, environmental and economic well-being.

Key differences

British local authorities tend to serve much larger populations. This lack of critical mass amongst NZ councils is an impediment to exploiting economies of scale and attracting and retaining the expertise required for C21st local government.

⁵ By comparison, the populations served by the second and third largest councils combined exceed that of the largest council in each case in England, Northern Ireland, Scotland & Wales. By population, Auckland Council is larger than any UK Council.

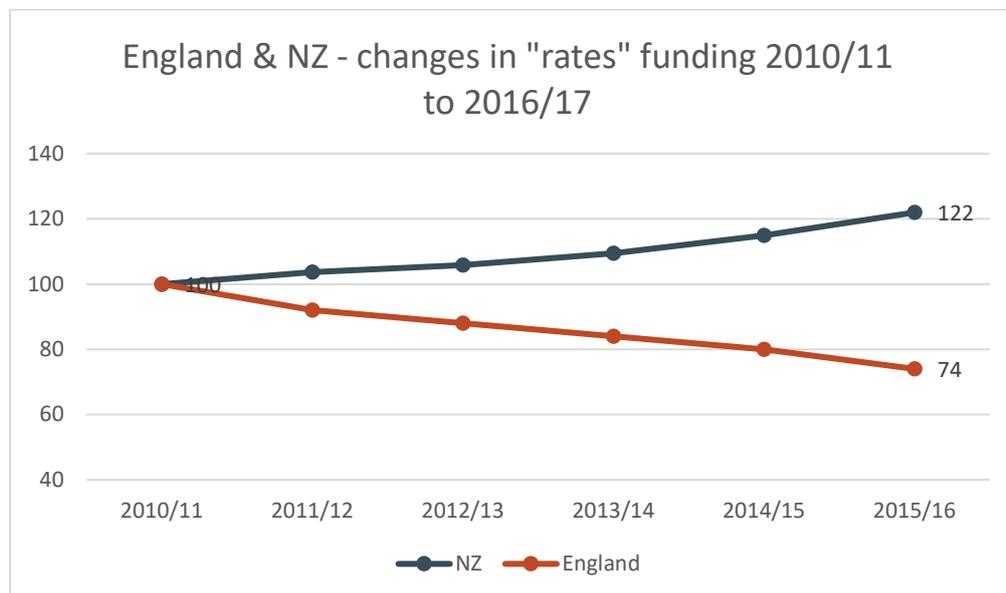
The NZ public sector is generally more centralised than ES&W. An exception to the more decentralised UK picture is that the primary actor in environmental issues in England is the Environment Agency (EA) and its equivalents, the Scottish Environmental Protection Agency and Natural Resources Wales. Their activities invite comparison with regional councils in NZ. The environmental picture in NZ is more fragmented with stronger local and community influence.

The heavier emphasis on economic and social outcomes by councils in the UK reflects where the bulk of their expenditure lies. ES&W local authorities have a role more akin to that of the Ministry of Social Development, Housing New Zealand, the Ministry of Education and school boards of trustees in NZ. By comparison, the bulk of NZ council expenditure is on network infrastructure, especially land transport and the three waters.

Corporatisation and privatisation of the three waters (water supply, wastewater and storm water services⁶) is a conspicuous difference. Three waters left local government control in England and Wales in 1973 and is now privatised. In Scotland, three regional water enterprises were established in the late 1990s and were replaced by Scottish Water in 2002, although it remains in public ownership.

One final difference is the funding independence enjoyed by NZ Councils. The redistribution of business tax (non-residential rates in our system) and the capping of Council tax (residential rates) in the UK make Councils there extremely dependent on the decisions of Government. These mechanisms have enabled the austerity policy to be implemented.

The next graph compares English council "spending power" (business tax and council tax) with NZ rates increases over the first six years of the austerity programme. In each case the 2010/11 funding is the 100% baseline and the changes are expressed as a percentage increase/decrease from the base



If NZ Councils need any further evidence of how lucky they are, they need only look at the funding environment of NZ District Health Boards.

⁶ Storm water management in the UK remains a grey area in our understanding. A lot of storm water infrastructure is road infrastructure managed by Councils. So the boundary is blurred.

Part Two: Change and Challenges

Change confronts British local authorities and environment agencies on four fronts as they seek to build better communities, economies and environments.

Climate and environmental change

In Britain, climate change is expected to mean rising temperatures, rising sea levels, warming oceans and more extreme weather events. These will bring greater rainfall and greater drought, more dangerous coastal storms, and threats to food production, biodiversity, ecosystems and human health.⁷ A series of major flood and storm events since 2012 have raised awareness of the threats posed by a changing climate.

At a national level, the British Government passed the Climate Change Act and set up the Committee on Climate Change in 2008. Britain is making progress towards an 80% reduction in six greenhouse gases by 2050. Local government responses include reducing carbon footprints, conserving energy and water, building community resilience and improving flood protection infrastructure in partnership with environment agencies. Three hundred councils have signed up to the *Nottingham Declaration* which is a pledge to reduce emissions.



Carlisle Civic Centre in the Storm Desmond flood water, December 2015

Comparing climate and environmental challenges

Similarities

Both countries face challenges responding to climate and environmental change. Significant flooding and storm events have highlighted the threat of climate change. In both countries, partnerships between central and local government will be important contributors to success.

From a New Zealand perspective, many of the issues are the same although our responses lag. The newly-elected NZ Government proposes to establish a Zero Carbon Act and an independent Climate Commission along British lines (albeit ten years later). NZ local government has its own climate change declaration signed by 54 of 78 local government leaders.

Differences

NZ's situation makes the cost of cleaner water and reducing greenhouse gases very high. NZ has a major economic stake in agriculture which has been heavily criticised domestically for the impact of intensive dairy farming on water quality and methane emissions. Town and country are divided as urban dwellers criticise "dirty dairying" while farmers point out the poor quality of urban waterways. Failure to protect NZ's "100% PURE" image is expected to damage economic performance and our

⁷ <https://www.gov.uk/guidance/climate-change-explained>

reputation as a clean, green producer and tourism destination. In addition, the science of addressing these issues is complex and uncertain. There are no easy solutions.

Māori have a substantial cultural interest in water and water bodies and are a key stakeholder in environmental planning and decision-making. The bicultural dimension of New Zealand society is a crucial point of difference.

Demographic change

The UK population is forecast to grow from 65.6M to 73M by 2037 with the number of people aged 80 and over expected to double. Projected natural increase (more births than deaths) accounts for 57% of population growth, with the remaining 43% driven by migration. The younger age profile of existing migrant populations means they account for 29% of the projected natural increase.⁸

A growing population puts pressure on housing. An older population puts pressure on health care and social services, two of the highest priorities for UK local government. Additionally, the population is set to become increasingly diverse. One study forecasts that over a dozen UK cities will have no single ethnic majority by 2037, with the first “super-diverse” cities including Leicester and Birmingham.⁹ The issues of increasing diversity are more keenly experienced in England than in Scotland & Wales, and in metropolitan and urban areas rather than the smaller and provincial centres.

Area	Council with highest % non-British nationals	Council with lowest % non-British nationals
Dorset	Bournemouth 16%	East Dorset 1%
Inner London	Kensington and Chelsea 37%	Lewisham 20%
Outer London	Brent 34%	Havering 8%
Greater Manchester	Manchester 18%	Wigan 3%
West Midlands Combined Authority	Coventry 21%	Dudley 3%
Edinburgh & South-East Scotland City Region	Edinburgh 14%	East Lothian & Mid Lothian 3%
Glasgow City Region	Glasgow 12%	Inverclyde 1%
Cardiff City Region	Newport 8%	Blaenau Gwent 1%

Data sourced from Office of National Statistics, 2018

An increasingly diverse community can become less socially cohesive. At its extremes, this sees councils in large urban areas tackling recruiting of disaffected minorities by terrorist groups and cases of far-right violence against ethnic minorities. Social and economic change has contributed to events like the Manchester Arena bombing, the 2017 London Attacks, the [2017 Westminster Attacks](#) and the [murder of Jo Cox](#) by a right-wing extremist.

⁸ <https://www.theguardian.com/news/datablog/2013/nov/06/uk-population-increase-births-migration>

⁹ <https://www.theguardian.com/society/2007/dec/23/communities.population>

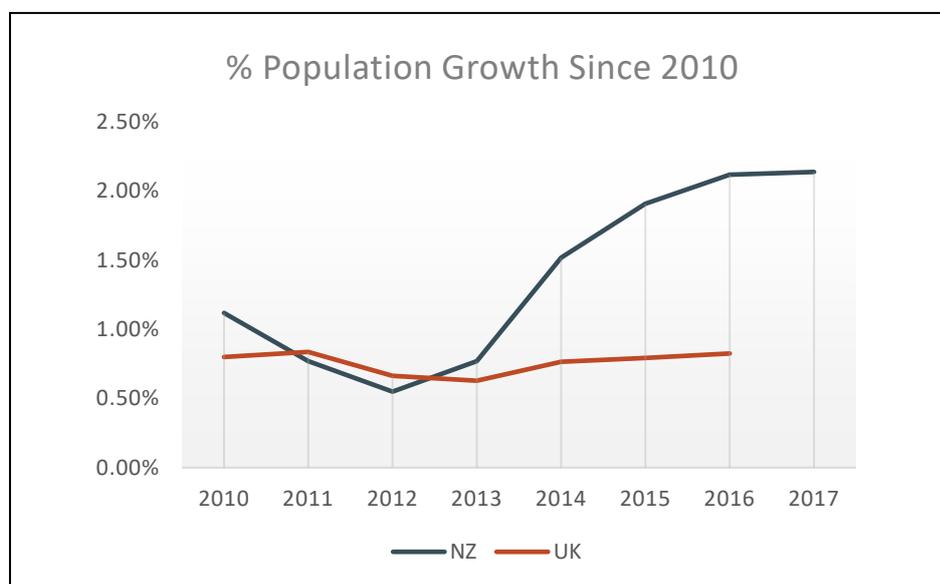
Comparing demographic challenges

Similarities

Both countries are experiencing similar demographic change. Populations are growing, ageing and becoming more diverse. This is more pronounced in major cities than provincial and rural areas. Migration towards the cities is evident in both settings. This has flow-on effects in high-growth areas of both countries, especially when coupled with infrastructure deficits. In low or no growth areas, rural and provincial councils must address the need to downsize infrastructure – to “manage for decline”.

Differences

Population growth has been steady at around 0.8% per year from 2010 to 2016 in Britain. Growth pressures have been more pronounced in New Zealand. As this graph illustrates, NZ growth rates have been higher (at 1.36% per annum from 2010 to 2017) and more volatile (ranging from 0.55% to 2.14% per annum in that period).



Economic and political change

Economic Change

Economic impacts on ES&W councils have two main drivers. Under austerity, UK councils have reduced expenditure by 18% from 2008 to 2018. Another 9.5% reduction in expenditure is forecast in the five years to 2023.

These changes are imposed from Westminster. The majority (80%) of council revenues are raised by two taxes — business rates¹⁰ (or national non-domestic rates (NDR)) and council tax.¹¹ The capacity of Whitehall to reduce grant funding to councils from business tax and to cap council tax is a heavy constraint on council spending.

¹⁰ Akin to non-residential rates in NZ.

¹¹ Akin to residential rates in NZ.

Funding and autonomy

NNDR are collected by councils and handed to Whitehall, which allocates them back to the councils in funding grants. This redistributes funding from wealthy areas (typically London and the South) to poorer areas in the north of ES&W. For example West Dorset receives back 18% of what it collects in funding grants. For some councils this funding will eventually dry up completely.

Before April 2013 all business rates income collected by councils formed a single, national pot, which was then distributed by the Government in the form of formula grants. Through the Local Government Finance Act 2012, and regulations that followed, the Government gave local authorities the power to keep up to half of business rates income and to transfer the other half to central government. The central share is then distributed to councils in the form of Revenue Support Grants. The half kept by local authorities is then subjected to tariff, levy, top up and safety payments depending on the financial position of the council.

According to the Government the change gives financial incentives to councils to grow their local economies and increase their income from business rates. At the same time the new scheme has resulted in more risk and uncertainty for councils, and some have seen growth in business rates revenue clawed back by Whitehall.

The second major source of council revenue is council tax. Councils collect council tax from property occupiers rather than owners unless the property is unoccupied or in multiple occupancy. This revenue source is also constrained by Whitehall. Council tax increases are capped at 2% per year, above which a local referendum is required. There is a complex centrally regulated system of discounts, rebates and exemptions, and a set of tax bands based on historic property values (dating back to 1991 in England and 2003 in Wales).

Low economic productivity

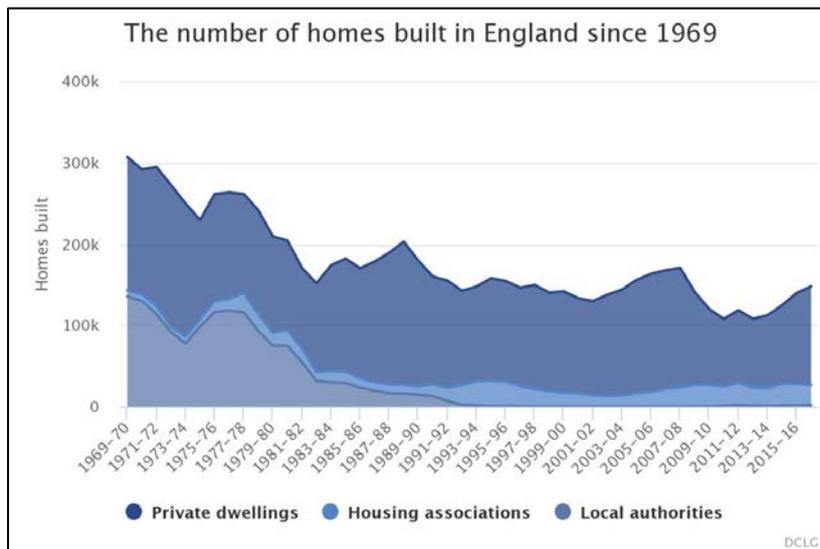
The second area of economic challenge relates to economic legacies. Low economic productivity bedevils the British economy. It lags France, Germany, Belgium and the Netherlands. This underpins the economic malaise that led to austerity measures. While London has reinvented itself and is a keystone in the British economy, other regions are searching for ways to unlock greater economic success. London contains 13% of the United Kingdom's population but generates 22% of its GDP. The capital is the star of the UK economy, but a strong London is not enough. There is a shifting emphasis in developing city regions like Manchester, the West Midlands, Edinburgh and Cardiff.

Political change — Brexit, independence and housing

Brexit is the dominant political issue in Britain, but not the only major issue. The impacts of Brexit on labour markets, trade access and the cost of withdrawal from the European Union (EU) are unknown but are expected to be substantial. For local authorities it means uncertainties over the legislative frameworks that will replace EU law. There are also funding implications. The EU provides some grants to Councils, which means that another source of funding is at risk and is likely to dry up. At one council we met, all 10 economic development staff will go when funding ceases. The funding for their roles is provided by the EU. The council's own economic development budget is only £96,000 per year. The impacts of Brexit are likely to extend the austerity programme indefinitely into the future, or at least until the end of the current Government.

Next to Brexit, the internal debates over independence in Scotland and Wales are interesting for their impacts throughout the UK. The 2014 Scottish referendum resulted in an agreement for more devolved powers for the Scottish Parliament (itself established in 1998). While the timing has differed, Wales also enjoys a separate Parliament and more devolved powers. The growing independence of Scotland and Wales is a factor encouraging devolution to combined authorities, as the larger English regions have high populations and strong regional identities.

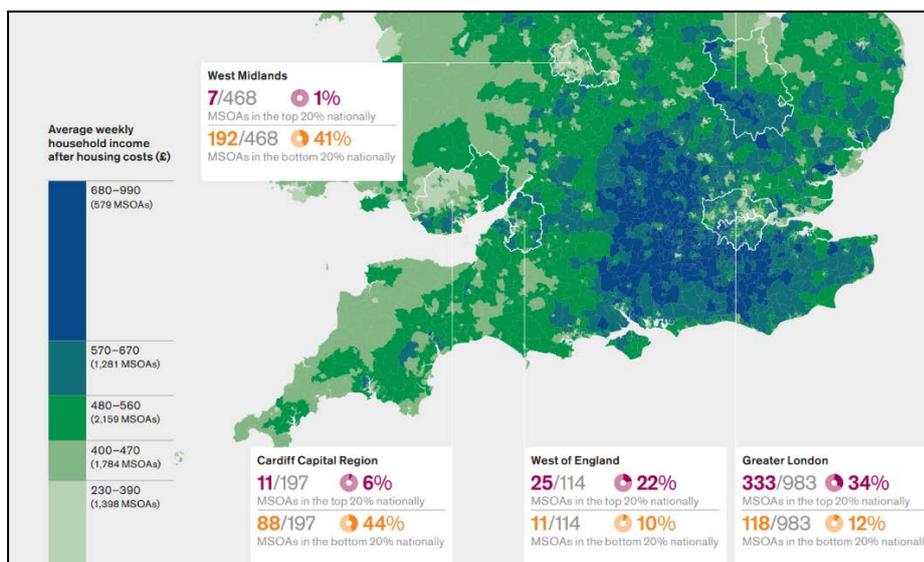
Housing was the social issue dominating headlines during our time in Britain. House building has dramatically declined in Britain in the last 50 years. A big factor in this has been the declining role of local authorities.



Local authority house building was slowing when Margaret Thatcher came to power. By the time she left 10 Downing Street, the council housing supply had fallen from 93,300 to 14,700 houses per year. Private sector and housing association supplies never bridged the gap. House building has not topped 200,000 since 1990. A 2007 review estimated 250,000 homes were required annually. Councils were side-lined by a debt cap on the housing revenue account¹² and funding constraints. Thirty years of Thatcherism and neo-liberalism left Britain in the grips of a housing shortage, house price inflation, an inability for young families to get on the housing ladder, and many related issues that are familiar to a NZ audience.

Austerity policies are linked to rising social inequality. West Midlands Police estimates 83% of its work relates to social well-being and 30% of its work is generated by mental health issues. In the National Health Service, 120,000 deaths have been attributed to austerity cuts and these impacts fall disproportionately on the poor and ethnic minorities. Economic geographers are quick to point out that the pattern of inequality is more complex than a "rich South, poor North" dichotomy and that there is poverty in parts of London and wealth in parts of the West Midlands.

¹² See Appendix 6



Percentage of adults earning less than living wage UK (2014). Information from presentation by Charlotte Alldritt to SOLGM Summit, 2017.

Comparing economic and political change

Similarities

The growth picture is not uniform in either country and regional development is a major focus for the Government. NZ has some high growth areas (Auckland, Queenstown, Tauranga, Hamilton and Selwyn) — but many provincial areas have slow or no growth and are predicted to decline. A \$1B per annum regional development (provincial growth) fund is up and running.

Housing is also a major issue in NZ, although the drivers of housing issues vary. In both cases, neo-liberal policies have prevailed to the point where there has been recognition of the need for Government action to address market failures.

Poverty and the growing gap between rich and poor was a feature of the 2017 NZ General Election and a factor in the resurgence of British Labour under Jeremy Corbyn. High suicide rates are a concern in many New Zealand communities and inadequate resources in mental health services are driving up police workloads.¹³

Differences

NZ local government operating expenditure increased by 62% from 2007 to 2016 as UK councils' expenditure tracked in the opposite direction.

Some UK councils have sought to proactively grow their revenues through commercial property investment funded by low interest borrowing and linked to policies enabling councils to retain portions of business rates. This is perceived as an area of growing risk, although many of these councils are partnering with commercial providers to manage the development risk. Our observation was that in some cases the appetite for commercial risk-taking was high by NZ standards.

In comparison with UK Councils, NZ councils have a high degree of autonomy around their funding.

¹³ http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11895179

NZ weathered the global recession better than many economies, including the UK economy. Economic growth, fuelled by investment in dairy, the rebuild of Christchurch, and high levels of immigration has been more positive than the British experience.

Our economy has different vulnerabilities, being more geographically isolated and less diverse than the UK economy. On a positive note, we haven't voted to secede from economic union with our neighbours and major trading partners.

The scale of council involvement in housing is dramatically different. The discussion of West Dunbartonshire in Part Three highlights this point.

Technological change

Emerging technologies, such as automation, big data, the internet of things, and cloud computing present opportunities for local government at the same time as cyber-security poses a growing risk.

ES&W Councils are redesigning and digitizing services to lower the costs of service delivery. They are also using digital technology to manage communication with their communities and encourage community participation. Big data also brings potential benefits for service delivery (by more effectively targeting the beneficiaries of their services, focusing on early prevention and lowering delivery costs). Smarter analysis of council information is enabling more informed, evidence-based, decision-making.

Cyber-security is an increasing concern. In May 2017, the WannaCry ransomware attack affected 150 countries and a range of public and private sector organisations (including brands like FedEx, Hitachi, Honda, Nissan and Renault). WannaCry made headlines in Britain for its impact on the National Health Service. Affected New Zealand companies included Maersk NZ, Colmar Brunton and the NZ office of the international law firm DLA Piper. Cyber-resilience is critical for the delivery of council services which are increasingly reliant on a digital interface with the community.

At a community level, the impact of technology on the world of work represents a threat to higher employment and better paid jobs. Communities pursuing economic development and employment see automation as a threat to these objectives. According to the Institute for Public Policy Research (IPPR), 44% of the jobs in the UK could be replaced with machines over the next two decades.¹⁴ Automation, if not properly managed, could lead to "the paradox of plenty," leaving the overall economy better off but at the cost of many communities losing out because of technological change.

Comparing technological change

Similarities

Many of the technologies, and their application, are available and are being used in both countries. The opportunities and the risks are very similar. In NZ, the Government is working to create more online service delivery and so is local government.

Differences

The best councils we saw were using technology to drive more efficient and effective service delivery. Their digital maturity and cyber-resilience seemed to be ahead of many NZ councils.

¹⁴ <https://uk.webfg.com/news/technology/automation-threatens-to-widen-inequality-gap-across-the-uk--3048505.html>

So, what does all this mean?

For the UK

We identified four major issues at the top of the UK local government action list, and all of them need to be achieved in an environment of continuing funding restraints. In Part Four we look at each of these topics, and what councils in ES&W are doing to respond. We refer to them as “the big Whats”.

- **Housing** — This is driven by the housing shortage, the recognised need for councils to return to that role, and the social impacts of austerity linked to homelessness and poor-quality housing.
- **Regional development and economic regeneration** — This is driven by the need to increase productivity at a national level, the desire to create jobs and improve incomes in all communities, the need for councils to grow new streams of revenue, and recognition that the economy cannot be built on London alone. This goal is shared by central and local government and there appear to be strong signs of collaboration.
- **Social cohesion and inclusive communities** — This is driven by changing demographics, increased diversity, the social impacts of austerity, and the threat posed by terrorism, extreme-right reactions to growing ethnic diversity, and increased inequality.
- **Smarter services** — This is driven by the need for councils to find more efficient ways to deliver services, the need to maximise return from every dollar spent by focusing on the most valuable interventions, increased demands for health and social services, customer expectations around digital services and the opportunities created by new technologies. Devolution presents opportunities for city–region collaborations for more effective and efficient service delivery.

For New Zealand

Our list of four “big What’s” for New Zealand local government looks like this.

- **Affordable housing and infrastructure** — This is driven by population increases in high-growth centres, under-spending of asset renewal budgets, the need for climate-driven infrastructure resilience, and questions over the long-term affordability of rates. Technological change may create opportunities to improve affordability.
- **Water resources and management** — This is driven by increasing concerns over water quality in rural and urban settings, the downstream effects of changing land uses and the over-allocation of water in some regions. It is linked to the impact of storm water, wastewater and irrigation networks on the environment and receiving waters.
- **Economic and regional development** — This is driven by the need to increase productivity at a national level, the desire to create jobs and improve incomes in all communities, and recognition that stronger regions support a stronger economy. This goal is shared by central and local government but how this will be achieved lacks the clarity of the regional measures we saw in ES&W and the strong sense of central/local government collaboration.
- **Risk and resilience and natural hazard preparedness** — This involves preparedness for natural hazards. It is driven by higher awareness of our vulnerability to major earthquake events and anticipation that storm and flood events will become larger and more frequent due to climate change.

Understanding our differences is important for successfully adapting UK solutions to our situation.

Our funding environment is very different. NZ councils do not face an austerity regime but are sensitive to rates increases. The Government is reviewing local government funding. Advocates for more financial support from central government need to consider whether that means reduced autonomy and whether communities would be willing to accept that.

Climate change issues will be a major challenge for New Zealand. Smaller centres of population make investment in resilient infrastructure more expensive, and our short electoral cycles reinforce short-term thinking. The politics of addressing greenhouse gases when your major contributor is also a major export earner are tough. This may also explain why we are 10 years behind the UK in introducing zero carbon legislation and an independent climate change commission.

A diversifying ethnic base brings richer cultural diversity and some social challenges particularly where they are represented in lower socio-economic groups. These issues are most likely to arise in our metropolitan centres, especially Auckland but increasingly are spreading to other parts of NZ. UK experiences addressing social cohesion may offer useful lessons for NZ provided we remain cognisant of NZ's different ethnic mix, our relationships with Asia and the Pacific, and the role of Māori as Treaty partner. Debates about Māori representation highlight tensions over cultural diversity in NZ.

Given the different range of local government functions, social issues are not prominent in our list. Surveyed mayors and chairs identified inequality, substance abuse and poverty as the leading social issues on the local government radar. Of the surveyed local government leaders, 84% consider this a central government responsibility, while 12% see it as a joint responsibility.

There is no doubt there is significant potential for NZ local authorities to do some very good work in this space. This could include working collaborative with social service agencies such as District Health Boards. While UK local authorities have a statutory role in the delivery of social services, the fact they are addressing these issues is also an important contribution to building their local communities.

Part Three: Building Better Futures

In this part, we discuss examples of UK councils addressing the “big What’s” — the major issues for their community. We also touch on the “big How’s” (which are discussed more fully in Part Four) and show how these are linked to the “big What’s”.

The “big Whats”

During the tour, four areas emerged as significant areas of local authority activity in response to the challenges of climate, demographic, economic and technological change. These “big What’s” were:

- **Housing**
- **Regional development and regeneration**
- **Social cohesion and inclusive communities**
- **Smarter services.**

The “big Hows”

We also saw many examples of relevant management practices demonstrated by councils we visited. Some recurring themes emerged. Our five “big Hows” were:

- **Commercial capability**
- **Leadership**
- **Integrated thinking**
- **Partnerships for place making**
- **Successful structures**

Housing

House building has dramatically declined in Britain in the last 50 years. A big factor in this has been the declining role of local authorities. Now, local authorities are returning to housing supply in commercial partnerships.

Wolverhampton

In January 2015, people moved into the first council homes built in Wolverhampton in 30 years. The Birches development will include 40 council homes (affordable housing) in a 120-home development in partnership with Kier Partnership homes. Wolverhampton has also begun major investment at Bilston Urban Village. Kier is developing 78 homes on part of the South Wolverhampton site and 17 were sold before the show home opened. Another 450 homes are planned nearby in partnership with Countryside Properties. Wolverhampton Council has developed a new leisure centre, built a new high school, and built pedestrian linkages to the town centre as part of the development.

Bournemouth

Bournemouth Development Corporation (BDC) is a 50/50 partnership between the Borough Council and Morgan Sindall Investments Ltd. Two developments are already complete. The Citrus Building comprises 64 apartments ranging from studios to three bedrooms. Demand for the apartments was exceptional, with all apartments sold by July 2015. The building replaces a former council-owned car park with new parking relocated to the new Madeira Road development nearby.

At Madeira Road, BDC has constructed three halls of residence for Arts University Bournemouth, housing 378 students. There are 61 separate flats for small groups of students plus four studio apartments. Next to the accommodation is a 382-space multi-deck public car park.

More information on the Bournemouth Development Corporation is in [Part Four](#).



West Dunbartonshire

West Dunbartonshire Council (WDC) has around 10,500 social housing properties which make up about 20-25% of the housing stock in the district. There is a waiting list of about 3,500 people looking to rent a Council property. The Council has an important role in improving local quality of life as a major provider of social housing, especially given the socio-economic situation of many of its tenants.

WDC has recently announced its intention to build another 1,000 affordable homes across West Dunbartonshire. The homes will be a mixture of Council and housing association properties. As well as new housing for social rent, a mix of housing options are also being developed, including properties specifically for older people, families and people with additional needs.

The *More Homes West Dunbartonshire Strategic Housing Investment Plan* has been developed in partnership with the Scottish government, other registered social landlords and the West Dunbartonshire Health and Social Care Partnership (HSCP). It forms part of a collective national effort to provide 50,000 affordable houses for 50,000 people by 2021.

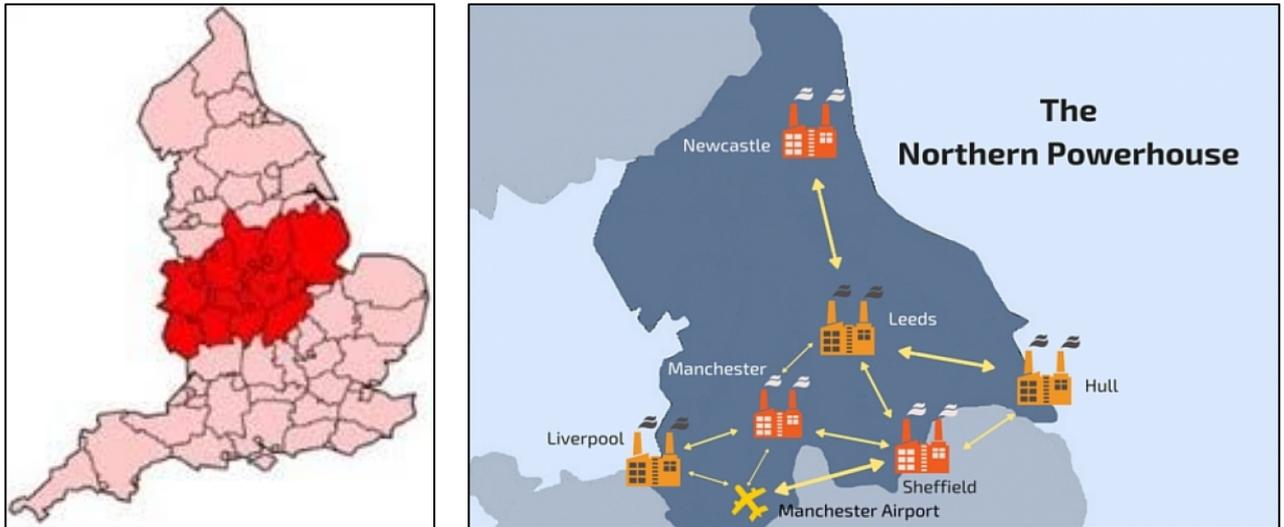
The What	The How	Examples
Housing	Commercial capability	<ul style="list-style-type: none"> Partnering with Morgan Sindall Investments Ltd to create Bournemouth Development Corporation Partnering with Keir Partnership Homes and Countryside Properties in Wolverhampton
	Integrated thinking	Bournemouth Town Centre Vision — a 20-year master plan to regenerate the Town Centre
	Partnerships in placemaking	<i>More Homes West Dunbartonshire Strategic Housing Investment Plan</i>
	Successful structures	Use of a Local Asset-based-Vehicle (LABV) model for the BDC commercial partnership

Regional development and regeneration

Economic regeneration is a priority across Britain. This is occurring at a pan-regional level, at a city region level, and at a local council level.

Pan-regional regeneration in England — the Midlands Engine and the Northern Powerhouse

In England, the UK government has created two major regional development initiatives, known as the Midlands Engine and the Northern Powerhouse. These strategies bring together local government, universities and businesses to invest in skills, build infrastructure to create jobs, grow exports, and improve productivity.



The strategies for the two regions have common areas of focus as outlined below.

- Improving connectivity to raise productivity. This includes major road and rail infrastructure.
- Strengthening skills to make the regions more attractive locations for businesses. This includes skills training and workplace support.
- Supporting enterprise and innovation to foster a more dynamic regional economy. This includes investment in future technologies, data innovation centres, and advanced manufacturing.
- Promoting the regions nationally and internationally to maximise trade and investment. This includes trade missions.
- Enhancing quality of life to attract and retain skilled workers, and to foster the local tourist economy.

See Appendix 5 for more information.

City-region deals

The Edinburgh and South East Scotland City Region has secured a £1.1B deal with the UK and Scottish Governments. The UK and Scottish Governments are committed to jointly investing £600m over the next 15 years and regional partners have committed to adding up to £500M, overall representing a deal worth £1.1B. At the same time, the UK Government has secured a £1.2B deal with Cardiff City Region. See Appendix 5 for more information.

These deals feature the same common areas of focus as the English regional development initiatives.

Regional & local regeneration

In every place we visited, we found councils and communities focussed on “industrial strategy” which is UK-speak for economic development. It took many guises, but mostly we saw public and private developments for commercial and industrial regeneration (completed, underway and planned). The table below captures several examples of local economic regeneration.

Community	Projects
Birmingham	Birmingham City Enterprise Zones; West Midlands Procurement Framework for Jobs and Skills; Birmingham Commonwealth Games 2022 — £750M for proposed athletes’ village
Bournemouth	BDC projects: Citrus Building and Madeira Road — £350M worth of development and another £350M in the pipeline
Cardiff	£110M for a 15,000 seat indoor arena
Coventry	£100M Friargate development; £73M Bishopgate development, £113M Belgrade Plaza; Coventry City of Culture 2021
Dorchester	£100M Brewery Square Development
East Lothian	Destination marketing including East Lothian Golf Tourism Alliance, Haddington 700, and the John Muir Way
Greater Manchester	Media City UK; Altrincham Market
West Dunbartonshire	£15.4M New Dumbarton Office project, saving c. £400K per annum
Wolverhampton	£3.7B of development planned and underway including Wolverhampton Interchange, Wolverhampton Westside, Bilston Urban Village, Molineux Quarter and Canalside Quarter

Local regeneration case study: Salford Quays & MediaCityUK

At its peak of activity in 1948, the Manchester Docks were Britain’s third busiest port. By 1982 the Manchester Docks had closed and over 3,000 jobs were lost.

In 1983 Salford City Council acquired parts of the docks covering 220 acres (90 ha) from the Manchester Ship Canal Company with the aid of a derelict land grant. Canals were created, and water quality improved to the point that fish were restored to the waterways.

Between 1986 and 1990 the docks infrastructure was modified to create an internal waterway network. Roads and bridges were built and a promenade along the waterfront was constructed and landscaped. Public funding and private investment totalled around £280 million by the early 1990s.

Salford Quays is home to 795 businesses, with 20,000 fulltime and 5,000 part-time employees now working there and more than 3,000 people residing there. Landmarks include [The Lowry](#), the [Imperial War Museum North](#) and MediaCityUK. MediaCityUK is a 200-acre (81 ha) mixed-use property development on Pier 9 of the Quays with a focus on creative industries. It was developed by the Peel Group and its principal tenants are media organisations including the BBC.

Salford Quays is an outstanding example of successful economic regeneration. Key features include:

- detailed master plans which have been regularly reviewed through the life of the project
- partnership between local councils, Government and the private sector
- integration of commercial activities, accommodation, pedestrian and light rail infrastructure and leisure/visitor attractions
- substantial public and private investment.

There is no doubt that Britain has a complex and challenging town planning legal framework and a climate of strong public support for the protection of natural and built heritage. These two factors alone are compelling reasons for careful planning. Master-planning (of the kind that saw the redevelopment of Salford Quays over a 30 year period) is dynamic **and** rigorous, forward-looking **and** respectful of the past, and economically **and** environmentally prudent.

But regeneration comes with risk

From a New Zealand standpoint, the overall level of investment and the degree of risk taking could have been regarded as a “build it and they will come” approach. Nevertheless, there were a variety of risk management mechanisms at work, including risk sharing in commercial joint ventures, partnering to bring commercial skills and disciplines to the project management approach, and a high level of rigour in development master planning, as well as dedicated risk management functions enshrined in legislation such as the s151 (Chief Financial Officer) role and the Section 5 (Monitoring Officer) role.

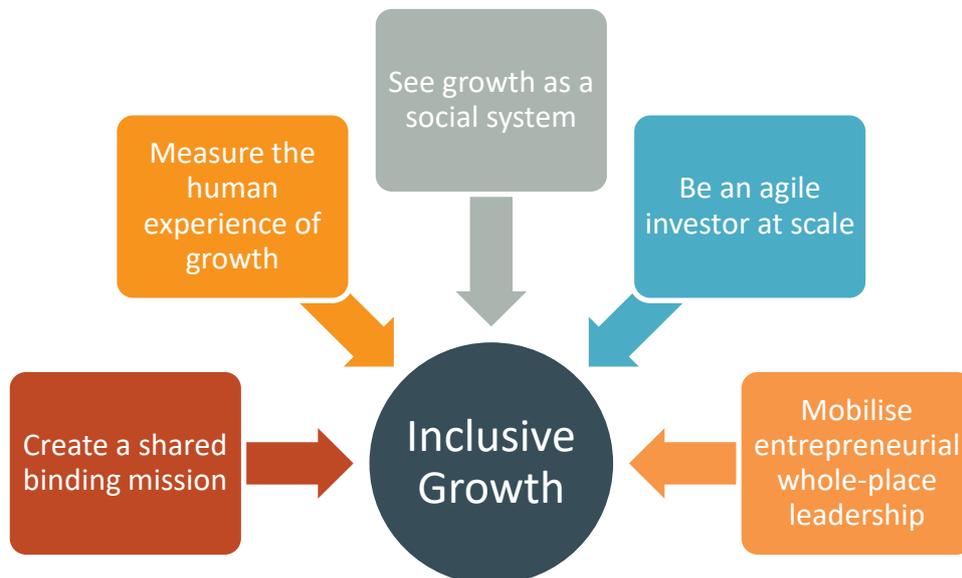
The What	The How	Examples
Regional development and regeneration	Commercial capability	<ul style="list-style-type: none"> Partnering with Morgan Sindall Investments Ltd to create Bournemouth Development Corporation Partnering with Keir Partnership Homes and Countryside Properties in Wolverhampton
	Integrated thinking	Master-planning for Salford Quays; Bournemouth Town Centre Vision
	Partnerships in place	Local government working with the Environment Agency to improve water quality at Salford Quays
	Successful structures	Use of a Local Asset-based-Vehicle (LABV) model for the BDC commercial partnership

Social cohesion and inclusive communities

Socially inclusive growth

Some academic and political commentators in the UK are openly critical of the neo-liberal “grow now, redistribute later” model which is seen as creating divisions, fostering inequalities, holding down living standards and real wages, and compounding poor productivity.

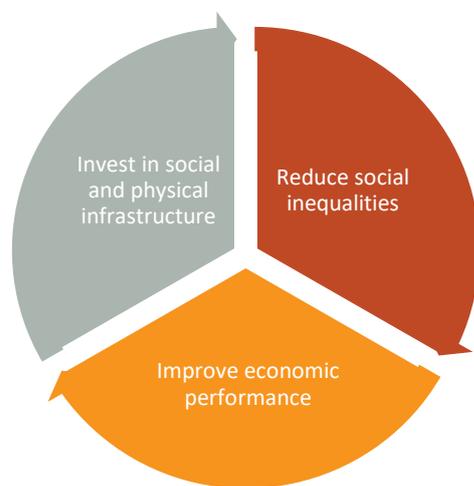
In its place, they are arguing for a “socially inclusive growth model” for creating tomorrow’s Britain.



This model challenges local leaders to:

- work locally with business, civil society and citizens to design and implement plans to achieve national objectives
- get beneath headline averages to understand the distribution of growth, socially and geographically
- analyse how different policies and economic forces interact with each other, including through public deliberation
- ensure sufficient, strategic, integrated finance to leverage the value of social and economic investment
- mobilise the full force of local resources to build on existing assets and opportunities for change.

In this model, the aim is to leverage place-based leadership to generate a virtuous cycle where economic investment in social and physical infrastructure addresses the causes of inequalities to improve social equality. This in turn improves economic performance, enabling further investment in tackling social inequality, which in turn continues to improve economic performance.



Socially inclusive education - Giving the best start in life

East Ayrshire Council is applying both socially inclusive thinking and principles of allocative efficiency to the delivery of education. In partnership with [NHS Ayrshire and Arran](#) and the [Council of Voluntary Organisations \(East Ayrshire\) Ltd](#) East Ayrshire seeks to 'Give the Best Start in Life' to local children and their families in their early years and into the future.

In response to the Scottish Government's *Early Years Framework* East Ayrshire wants to:

- use the strength of universal services to deliver prevention and early intervention
- support children, families and communities to help each other.

In the future, they plan to spend more on prevention and less on helping families in crisis — more fences at the top of the cliff and fewer ambulances at the bottom. This will free up resources to:

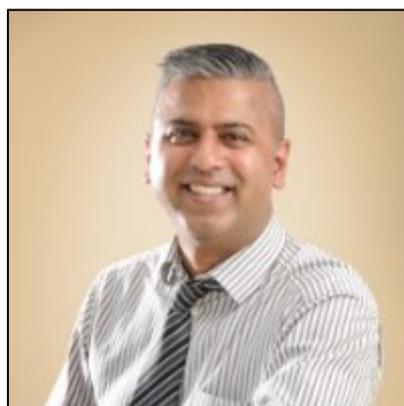
- increase services that everyone in the community can access
- help communities to develop their own supports.

Funding is limited. East Ayrshire must consider how it ensures that services:

- are developed and delivered with children and their families
- anticipate future needs.

This is done through local communities and service providers working in partnership. Within the statutory framework, East Ayrshire has developed strong partnerships

Community partnerships for safety — PREVENTing Radicalisation



Waqar Ahmed MBE, Prevent Manager, Birmingham City Council (BCC)

Waqar Ahmed was awarded the MBE in 2014 for his services to challenging extremism and empowering communities in Birmingham. His work involves tackling all forms of extremism, which includes Muslim and right-wing extremism. Birmingham City Council (BCC) is considered a world leader in responding to radicalisation and Ahmed is an international authority on the matter.

Birmingham applies a socially-inclusive approach to delivery of the National PREVENT Strategy, which is a work stream of CONTEST, the UK Strategy for Counter-Terrorism. Local resources are mobilised to support successful implementation. The programme is based on partnership working and local delivery, designed to be proportionate and city-wide yet also targeted towards the areas of most vulnerability and need.

BCC has mainstreamed PREVENT access across all relevant service areas within the City Council. Schools are the major focus and other partners include local youth workers, substance misuse workers and mental health professionals. BCC service areas are offered training on PREVENT and how to identify vulnerable individuals for referral to the Channel Panel (a collaboration of social and health agencies which support vulnerable individuals).

BCC has also developed partnership relationships with community and voluntary groups. In 2016, Faith Associates (a national faith-based organisation) and BCC launched a safeguarding toolkit for faith-based settings following consultation with over 100 faith institutions. During Ramadan, 30 Birmingham Mosques launched a booklet challenging Daesh narratives and distributed more than 50,000 copies. KIKIT, a local substance misuse charity, works with 20 Birmingham Mosques to support a range of vulnerabilities including radicalisation, homelessness and recruitment by gangs. Local activists regularly come out and challenge extremist speakers online and on the streets. These community relationships augment the PREVENT message in Birmingham.

The What	The How	Examples
Social cohesion and inclusive communities	Leadership	The work of Waqar Ahmed in Birmingham
	Integrated thinking	<ul style="list-style-type: none"> • Closer integration of education and social services in East Ayrshire, <i>Giving the Best Start in Life</i> • Integrating a range of Council services into the delivery of the national PREVENT strategy in Birmingham City • Local outcomes improvement plans in Scotland (See Part Four) • Public Service Boards in Wales (see Part Four)

The What	The How	Examples
	Partnerships in place	Birmingham City working with Faith Associates, KIKIT and local mosques to counter radicalisation

Smarter services

The councils we saw and heard from are applying smarter technology and smarter thinking to maximise value for money in service delivery.

Smarter Technology

Wolverhampton Council is making significant investments in digital solutions and achieving significant gains. Phase One of their Digital Transformation Programme (DTP) includes the three work streams outlined below.

The **Customer Platform** is a mobile-friendly gateway that makes it easy for residents and businesses to potentially access a wide range of services and benefits and to transact with the Council. Customers can apply, report and pay for services through a central online account and associated digital services. This work stream has:

- implemented a single future proofed customer case management and Customer Relationship Management (CRM) solution to support contact centre consolidation and enable end to end digital service provisioning of services
- created reusable components to enable 24/7/365 availability of all eligible Council services. The project proved the concept by delivering bulky waste, tip permit and digital payment services
- launched an online customer account with 16,000 'My Account' registrations to date, enabling the migration of the e-billing solution to the new customer 'My Account' portal.

The **Business Intelligence** dashboards for Finance and HR reporting are considered a step change by peer councils. This work stream has:

- created a HR Dashboard capable of providing managers with full drill down visibility of employee details in their entire establishment
- created a capital budget management dashboard capable of providing budget holders with one place they can go for full real-time capital budget visibility for their area of responsibility
- produced a finance revenue budget management dashboard providing real-time visibility of budget managers' revenue positions
- built a data analysis module for the mainframe archive enabling quicker, more informed responses to invoice payment queries
- created an initial Customer Services Dashboard providing full drill down capability, which will be ready for full automation in the next phase of the project.

The DTP has also established a **Single View** of the customer across the Council, enabling the Council to relate to the customer intelligently as a single organisation. This work stream has:

- collated three key data sources including council tax and housing benefits, adult social care and housing management into a single customer view
- established a data stewards team to enable and support continuous data quality and data governance procedures within business units
- improved Council data sharing and data quality. The Council now has over 160,000 cleansed data records which have been updated into the source systems
- uploaded customer data into CRM to provide initial customer information. This will support the Customer Platform to provide a 360-degree view of the customer to service departments and to the customers themselves through the 'My Account' feature.

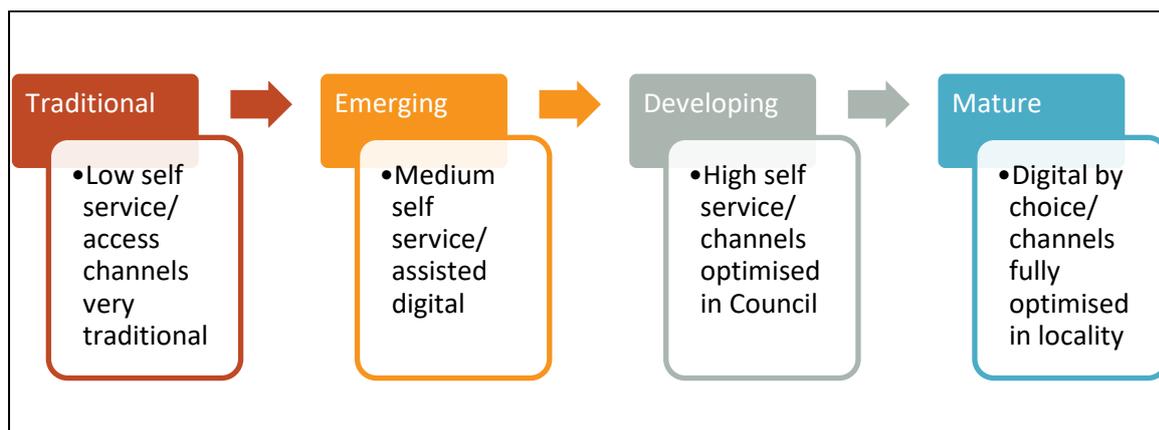
#DigitalWigan — Wigan Council’s Digital Journey

Alison Mckenzie-Folan (Deputy Chief Executive & Director Customer Transformation, Wigan Borough Council) addressed the SOLACE Conference on Wigan’s digital journey. This is an excellent illustration of a council and a community advancing into digital maturity.

Wigan Council identified there were significant benefits for businesses and households from the digital journey. These facts speak volumes:

- 44,000 adults in Wigan have never accessed the internet
- 37% of social housing tenants are digitally excluded
- 80% of Government interactions are with the poorest 25% of the population
- the benefit to new users of being online is estimated at £1,064 per year
- one third of small-to-medium enterprises (SMEs) don’t have a website and two thirds of SMEs don’t market themselves online
- £164B of online sales are lost every year by companies with no web presence
- 90% of future jobs will have a digital component.

Councils wanting to lift the economic prospects of their communities need to lead with the digitisation of their own services, and support businesses and the poorest in their community to take the digital journey.



The digital maturity index — this illustration focuses on the service delivery aspects of digital maturity. See appendix 7 for more information.

The Deal — community and council partnerships in service delivery

The Deal is an informal agreement between Wigan Council and everyone who lives or works in Wigan to work together to create a better borough.

Wigan Council has committed to a series of pledges and in return asks residents and businesses to play their part too. The Council, residents and businesses of Wigan have saved £115m so far through working together, but there’s still a long way to go.

Wigan Borough has the second lowest council tax rates in Greater Manchester and believe they can continue to balance their books if citizens help by doing things like recycling more, volunteering in their communities and using online services. Wigan Borough regard The Deal as a huge success. The [Deal in Action programme](#) is a great example of how communities are coming together for better local government.



Smarter Thinking

Delivering services with less money means councils need to focus on both *technical efficiency* (how we get the desired quantity of *outputs* with the lowest quantity of inputs) and *cost-effectiveness* (how we get the desired quantity or quality of *outcomes* with the least cost). There is also a strong focus in social care on *distributional cost-effectiveness* (how we get the desired quantity or quality of outcomes for socio-economic groups).

Using library services as an example:

- *technical efficiency* focuses on how this service issues materials to citizens at the lowest cost per item issued
- *cost-effectiveness* focuses on how this service enables all citizens to have their needs for literacy and information met with the least cost
- *distributional cost-effectiveness* asks how this service enables specific groups of citizens (maybe children aged 5–16 or new immigrants for whom English is a second language) to have their needs for literacy and information met with the least cost.

This approach has been coupled with smarter technology, and analysing data to inform better decision-making for service investments, such as identifying risk factors to target early social care interventions.

The What	The How	Examples
	Integrated thinking	<ul style="list-style-type: none"> • Wolverhampton <i>Digital Transformation Programme</i> • <i>#Digital Wigan</i>
	Partnerships in place	Wigan Borough — <i>The Deal</i>

Part Four: The Manager's Tool Kit — How Responses are Delivered

Overview — the CLIPS mnemonic

We saw many examples of relevant management practices demonstrated by councils we visited. Some recurring themes emerged. For ease of communication they have been aggregated into a mnemonic we call CLIPS. This mnemonic comes from the first letter of each component:

- C**ommercial capability
- L**eadership
- I**ntegrated thinking
- P**artnerships in place
- S**uccessful structures.

We saw several organisations deploying some or all of these responses, and often in combination. We referred to examples in Part Three and will do so again in Part Four of this Report. While an example cited under one heading in Part Four will illustrate the relevant practice, it will often also embody other CLIPS practices.

Commercial capability

Commercial Partnerships

Prior to 2011, opportunities for councils to trade were very limited by law. Councils could charge for services but only to recover costs. There were few exceptions. The Localism Act 2011 created a power of general competence, which means that councils can now trade for profit in any activity, but this must be through a company and pay corporation tax.

This practice focuses on what the commercial world can bring to local government as a sector through commercial partnerships. Those benefits are:

- access to expertise
- access to private capital
- risk management.

Bournemouth Development Company

See Part 3 for further information on the Bournemouth Development Company (BDC).

The Bournemouth Development Company was created in 2009. The Borough Council followed a [rigorous selection process](#) when seeking a commercial partner in a [local asset-based vehicle](#) (LABV), which led to the selection of Morgan Sindall Investments (MSI). The Council had, and still has, strong economic and financial drivers. Before austerity struck, Bournemouth was already in relative economic doldrums, lacking the level of investment other cities were enjoying at that time. As austerity has bedded in, councils have looked for opportunities to increase revenues, including commercial development opportunities.

Bournemouth Development Company is a 50/50 partnership, with the Borough Council providing public land as equity, and MSI contributing cash as its contribution. The partners share equally in the assets, shareholding and profits. Neither partner holds a controlling stake.

Expertise

Bournemouth Development Company is a JV between Bournemouth Borough Council and Morgan Sindall Investments Ltd (MSI) which is part of Morgan Sindall Group (MSG). MSG employs around

6,000 people in eight companies, bringing together expertise in design, construction, infrastructure services, office refurbishment, workplace strategy & fit-out, facilities management, housing regeneration, mixed-use projects and development financing. Bournemouth Borough also brings skills to the table, in the form of two Council directors and Town Centre Vision Programme Leader, Martin Tiffin. Tiffin is dual qualified as a chartered civil engineer and solicitor with over 30 years' experience of the construction, development and projects sector.

Capital

Bournemouth Borough has contributed land to the joint venture. The Council's land is spread across 17 sites, predominantly car parks in the city centre. The value of the land is matched £-for-£ by MSI. The projects are intended to bring to fruition the "Bournemouth City Vision" which was developed after extensive consultation with citizens and businesses in Bournemouth. This, plus the Council's decision to reinvest its dividend from BDC into public spaces, mitigates the risk that the community views the projects as commercial opportunities for profit-taking at the citizens' expense.

Risk Management

The partners share the risks, although the expertise that both partners bring to the table helps to mitigate commercial risk. Some of the development risk is in the town planning and building consenting areas, where Council can bring its compliance expertise to the table.

Benefits

The partners also share equally in the profits. Projects are required to ensure that the overall level of car parking in the city is at least maintained, and to ensure the Council receives a return not less than the value of their land contribution. For MSI, the benefits include a pipeline of work and investment opportunities which are backed by commitments from the public sector.

Commercial Risk

In addition to the local asset-based vehicle (LABV) model, we saw more traditional forms of public procurement in Britain. Some partnerships were based on orthodox development-by-development deals, where partners were secured by following a normal commercial procurement approach. No form of JV is without the normal commercial risks associated with commercial development, but the LABV model appears less risky than the private finance initiative model (also known as PFI or PFI2 in the case of its second iteration).

Commercial Customer Culture

Commercial culture and a strong customer focus were evident in more subtle ways. Wolverhampton Council Chief Executive Keith Ireland's title is "Managing Director" to reinforce a more business-like approach. We saw several councils (Coventry, Wolverhampton, Cardiff and West Dunbartonshire) which had recently developed their offices, or were mid-redevelopment. This enabled surplus properties to be sold off, more efficient use of buildings, more energy-efficient buildings and more productive use of building spaces. In addition to harnessing new technologies, such as automated queuing systems and self-service kiosks, there was a customer-friendly, open easy-access approach to office layout, as opposed to a more traditional high-counter "barrier" or the heightened security we are seeing more of in New Zealand after the Ashburton WINZ shootings in 2014.

Efforts to make Councils more "business-friendly", especially in their consenting activities for development, are another feature of the business culture.

Leadership

A new style of leadership

We saw many examples of councils recognising that things needed to be done differently if their community was to succeed. Urban regeneration projects like MediaCityUK, organisational reform at multi-award-winning Wolverhampton Council, devolution initiatives in Greater Manchester, shared services in Dorset and destination marketing in East Lothian were all good examples of local authorities partnering with stakeholders for change.

It will however require leadership that:

- unites councils, communities and disparate stakeholders around a long-term shared vision
- is based on distributed power, not top-down command-and-control leadership
- builds mature relationships and organisation cultures that enable people to take appropriate risks.

Shared vision

Successful councils have clarity of purpose and a shared vision of community success. As Keith Ireland says, it starts with being clear about where you're headed. Successful leaders use resonant stories to create that sense of shared purpose and they understand the practice of system leadership in a complex world.

Powerful stories

Storytelling can be a powerful way of creating a shared vision for a community. In this report, we've shared several success stories from councils in England, Scotland & Wales. The SOLACE Conference featured workshop sessions on the place of storytelling in leadership and how to develop stories that work.

SOLACE commissioned Dawn Reeves and Fran Collingham to produce *Holding Up the Mirror — True stories of public service in a post-truth world* which is an anthology of work stories, one of which is reproduced here in Appendix 8. The role of storytelling in leadership is also featured in SOLGM's Accelerated Leadership Programme for Tier 3 managers.

As Councillor Roger Lawrence, Leader of Wolverhampton Council, observed:

"There are still battles to be won and we can't always get across to people that capital investment now will protect services for the future."

Creating a shared vision is vital.

System leadership

A *Stanford Social Innovation Review* article¹⁵ identified that system leadership is about three core capabilities developed by system leaders to foster collective leadership:

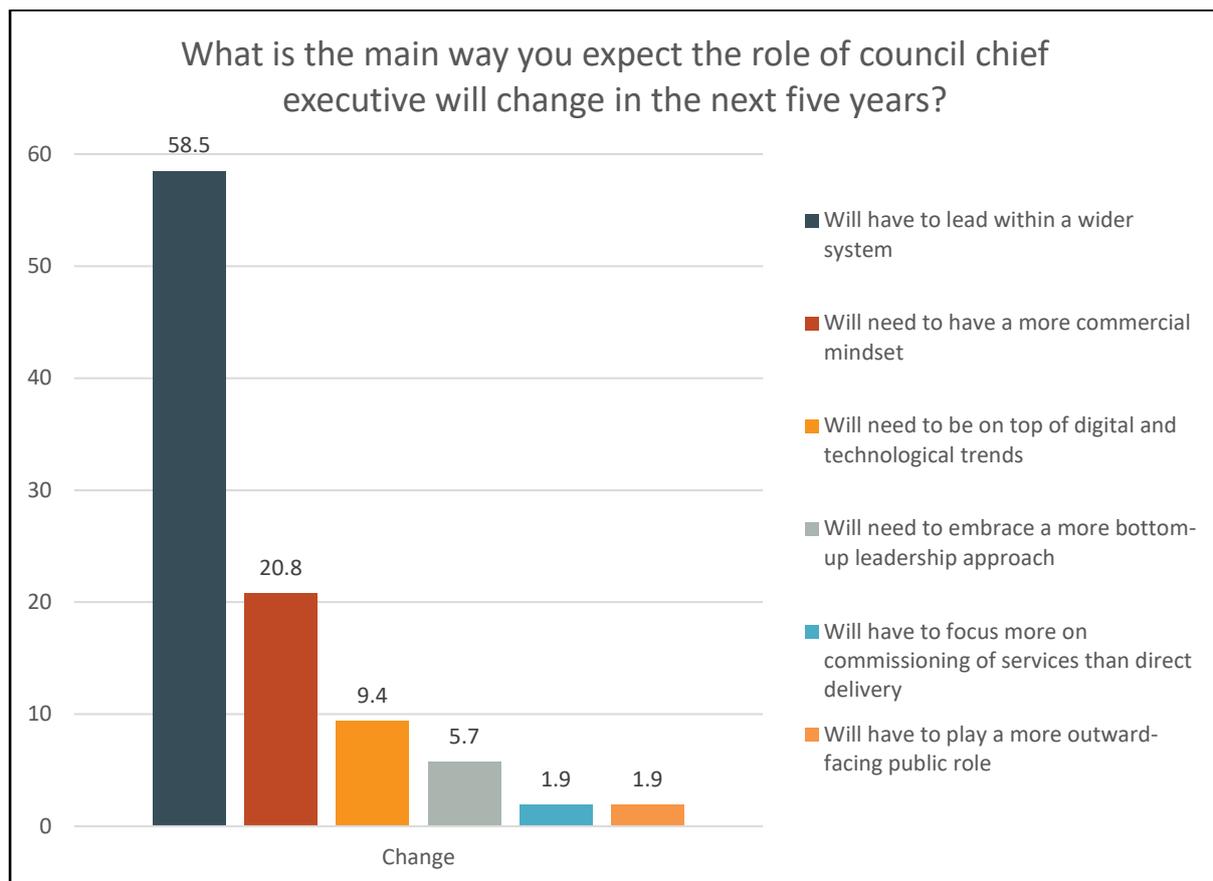
- the ability to see the larger system
- fostering reflection and more generative conversations
- shifting the collective focus from reactive problem solving to co-creating the future.

We observed many examples of collective leadership, especially around the physical and social elements of place making. In terms of physical place making, the development of a shared vision may involve balancing local interests against the needs of the wider community or balancing economic growth with the preservation of heritage or natural resources, or simply convincing the community that the Council should invest.

¹⁵ Senge, P., Hamilton, H. & Kania, J. "The Dawn of System Leadership" in *Stanford Social Innovation Review*, Winter 2015

System leadership comes into its own when organisations face challenges that are beyond their capacity and capability to address alone. It is leadership that recognises the need to develop long-term working relationships with other organisations which have the capabilities, resources and networks that your organisation does not. Frequently it means developing and sustaining relationships with organisations which do not share the same objectives and priorities as your own.

Increasingly, UK local government chief executives see themselves leading in different ways in future. A survey of council bosses conducted by SOLACE and *The MJ* emphasised this message.



Coventry City Chief Executive, Martin Reeves talked about this with *Local Government Magazine* before his 2015 visit to New Zealand.

“Local government CEs — and I’d argue public sector CEs and leaders too — have relied for many decades on technical skills and competence, very strong operational delivery modes, budget control, and programme direction,” says Martin. *“There’s nothing wrong with that. We in the UK, and certainly in your neck of the woods, have created strong delivery over many years on that.”*

Even so, Martin says future leaders will increasingly be good at letting go of control. *“The professional currency of the future is not about all-knowing or having the solutions to problems. It’s about being able to use social media and engagement techniques. And it’s about working with what I call the ‘unusual suspects’ — people who have not stood up before to be part of the solution and many of whom have often been seen as part of the problem.”*

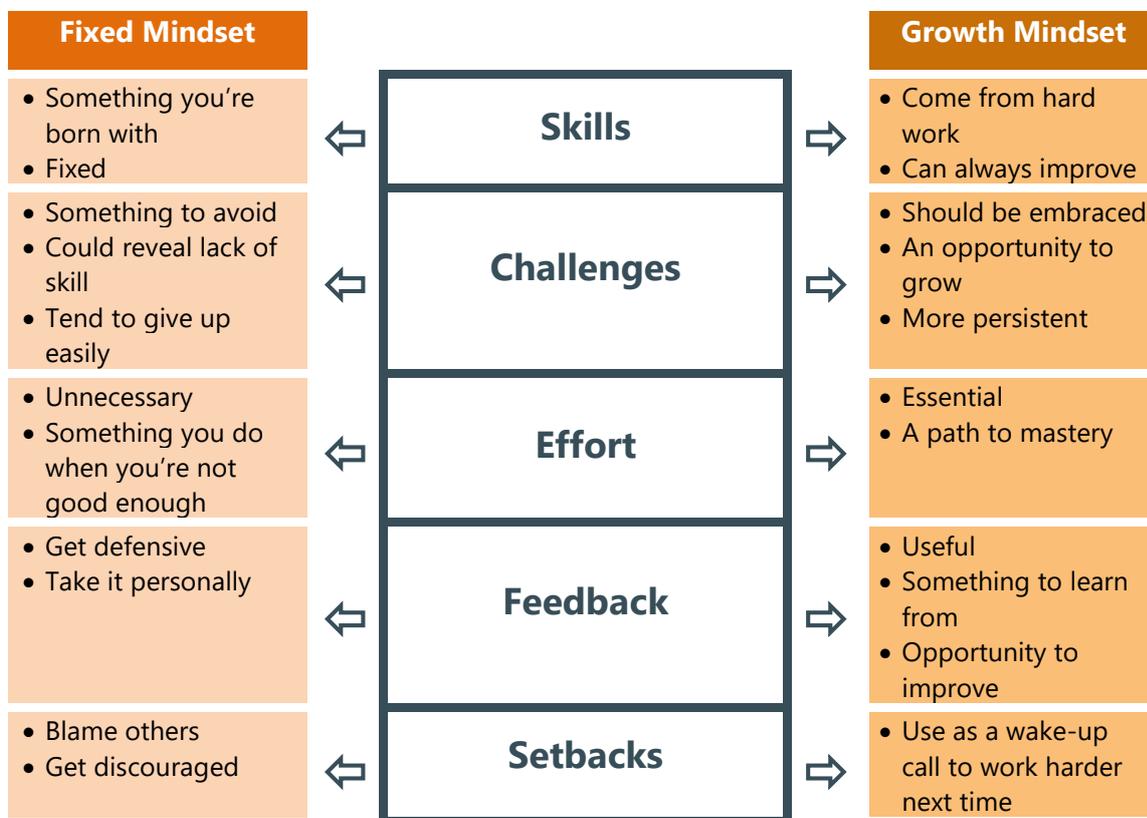
Systems leadership, as he calls it, centres around people at the top of organisations ceding power — rather than hiding behind hierarchies — and getting the best out of the assets in their town, city or district.

“That requires a sophistication, a humility and a kind of leadership which is about distribution rather than holding on to, and accumulating, power,” he says. “So can you imagine how scary that is for some professionals?”

- Local Government Magazine, October 2015

Growth mindsets and just cultures

Creating a culture that will tackle daunting challenges in innovative ways is a daunting challenge in itself. Conference speaker Matthew Syed spoke about fixed and growth mindsets and how the latter will open organisations up to learning about their environments to enable innovation and continuous improvement.



A growth culture is not about seeing events as things to be fixed. Rather it's seeing events as opportunities to improve our understanding of risk — both system risk, and behavioural risk. A better understanding enables management decisions to be based upon where our limited resources can be applied to minimise the risk of harm, knowing that our system is comprised of sometimes faulty equipment, imperfect processes, and fallible human beings.

Syed spoke about the fostering of a “Just Culture” which is about:

- creating an open, fair, and just culture
- creating a learning culture
- designing safe systems

- managing behavioural choices.

“People make errors, which lead to accidents. Accidents lead to deaths. The standard solution is to blame the people involved. If we find out who made the errors and punish them, we solve the problem, right? Wrong. The problem is seldom the fault of an individual; it is the fault of the system. Change the people without changing the system and the problems will continue.” Don Norman Author, the Design of Everyday Things

We can expect fallible human beings to behave in three ways.

- Human error — inadvertent action; inadvertently doing other than what should have been done; slip, lapse, mistake. In a just culture, this behaviour is managed by changes in processes, procedures, training and design.
- At-risk behaviour — behavioural choice that increases risk where risk is not recognised or is mistakenly believed to be justified. In a just culture this behaviour is managed by removing incentives for at-risk behaviours, creating incentives for healthy behaviours and increasing situational awareness.
- Reckless behaviour — behavioural choice to consciously disregard a substantial and unjustifiable risk. In a just culture, this behaviour is managed by remediation and punitive action.

Integrated thinking

Integrated thinking was a recurring theme in the practice of successful British councils. We saw integrated master planning that underpinned urban regeneration and housing projects, which drove social safety and well-being initiatives and enabled smarter integrated service investments by social agencies.

This integrated thinking fell into two categories:

- land use master plans
- co-ordinated multi-agency strategic plans.

There is no doubt that Britain has a complex and challenging town planning legal framework and a climate of strong public support for the protection of natural and built heritage. These two factors alone are compelling reasons for careful planning. It would be difficult to overstate the emphasis on “place making” we saw on our journey through Britain and it would be a mistake to attribute this careful planning to a resigned compliance with “jumping through regulatory hoops”. The councils we saw were concerned about local prosperity, but also concerned to enable development that is sensitive to local needs and reflects local stories. Master planning (of the kind that saw the redevelopment of Salford Quays over 30 years) is dynamic **and** rigorous, forward-looking **and** respectful of the past, and economically **and** environmentally prudent.

Co-ordinated Multi-Agency Strategic Planning

Minister Nanaia Mahuta has stated her intention to restore the four well-beings to the NZ Local Government Act 2002. Should the Government also choose to pursue a return to community outcomes, a review of the approaches taken in Scotland and Wales might be worthwhile.

Component	Scotland	Wales
Model	Local Outcomes Improvement Plan	Public Services Board
Legislation	Community Empowerment (Scotland) Act 2015	Well-being of Future Generations (Wales) Act 2015

Component	Scotland	Wales
Linkage to National Framework	Yes. Scottish Ministers determine National Outcomes. There are currently 16 national outcomes	Yes. The Welsh Government has set 7 well-being goals for Wales and 12 well-being objectives
Consultation on first National Framework	Mandatory for Ministers to consult with Scottish parliament and “... persons who appear to them to represent the interests of communities in Scotland, and other persons as they consider appropriate”	Mandatory within six months of a General Election after Act first passed
Review of National Framework	At any time but not less frequently than every five years	Within six months of all future general elections
Consultation on review of National Framework	As for consultation on first National Framework	As for consultation on first National Framework
Ministers to report on achievement of National Outcomes	Yes. Frequency of reporting “as the Scottish Ministers deem appropriate”	Annual Well-being Report
Planning Authority	Community Planning Partnership	Statutory Public Service Board
Members of Planning Authority	<ul style="list-style-type: none"> • Local authority, • Regional college • Police Service • Health Board • Highlands and Islands Enterprise • Historic Environment Scotland • Integration joint board • National Park Authority • Regional strategic body • Scottish Enterprise, • Scottish Environmental Protection Agency, • Scottish Fire and Rescue Service • Scottish Natural Heritage • Scottish Sports Council • Skills Development Scotland Ltd • A regional transport partnership • VisitScotland 	<p>The Statutory Members of each Public Services Board (PSB) are:</p> <ul style="list-style-type: none"> • the local authority • the Local Health Board • the Fire and Rescue Authority • Natural Resources Wales. <p>In addition to the statutory members each PSB will invite the following people to participate:</p> <ul style="list-style-type: none"> • Welsh Ministers • Chief Constables • the police and crime commissioner • certain Probation Services • at least one body representing relevant voluntary organisations.
Voluntary participants	Such other community bodies as the Community Planning Partnership considers able to contribute to community planning having particular regard in particular to bodies representing the interests of persons who experience inequality of outcomes	PSBs will also be able to invite other public service organisations to participate.
Outputs	Local outcomes improvement plan (LOIP) Locality plan(s)	<ul style="list-style-type: none"> • PSB Assessment of Local Well-being • Local Well-being Plan
Review of Outputs	LOIP must be reviewed from time to time.	Annual Review of local Well-being Plan
Reporting on Outputs	Annual progress report	

These frameworks are about two years old, and in Wales it replaces a voluntary system. The jury is still out on the effectiveness of these arrangements but the anecdotal evidence from the social sector is that this co-ordinated approach is more productive.

By comparison, in NZ we are required to have “outcomes” as part of our planning framework. There is no obligation to consult with any community or government agency to create the outcomes. There is no review requirement for these outcomes.

Partnering in place

Dumbarton Rock & Castle Charrette

An example of a community-based partnership can be found in the story of the [Dumbarton Rock & Castle Charrette](#). Dumbarton Castle has the longest recorded history of any stronghold in Scotland. It overlooks Dumbarton and sits on Dumbarton Rock, a plug of volcanic basalt which is 240 feet (73 m) high. Dumbarton Rock & Castle is owned and legally protected by the Scottish Government as a scheduled ancient monument, to conserve it for future generations.

West Dunbartonshire Council led a community-based planning exercise in the form of a Charrette in 2015. The focus of the charrette is shown below, focusing on the Rock and the Castle at the bottom of the image, but also taking in the wider area including Dumbarton Football Club immediately north of the Rock & Castle, and the former industrial waterside area at the mouth of the Leven.



Dumbarton Rock & Castle as viewed from the Clyde.

The Charrette was supported by the Scottish Government and Historic Scotland. It was held over four days, attracting a wide diversity of community stakeholders, including businesses, tourism interests, and the nearby Dumbarton Football Club.

The Charrette is not a new technique but is certainly a technique well-suited to creating a shared community vision for the future of the area. Results from the Charrette were presented to the community on the final day and were integrated into action plans for the sites.

The action plan identified projects, actions/steps to deliver them, target timescales and project partners for the delivery of each project. It was subsequently discussed and agreed. Some projects contribute to more than one theme and some are linked to projects already identified in the Dumbarton Town Centre and Waterfront Revised Urban Strategy 2014. Where possible, the timescales stated correspond with the timescales in the Revised Urban Strategy.

Like the example of Salford Quays, this site features remediation and regeneration of a city's industrial heritage, promoting contemporary visitor experiences, creating better linkage to the city centre, and capitalising on riverside location. In addition, this site features a unique heritage asset in the Castle.

The partners have their own constraints — Historic Scotland is resource-constrained with a strong focus on putting its limited resource into maintaining the fabric of what it has. Dumbarton Football Club faces a major decision about whether to relocate the Club, which may open their site up for housing development and create better linkages to the town centre. West Dunbartonshire Council faces austerity, but also opportunities arising from the Glasgow City Region deal.

Like Salford Quays, it would be wise to expect that this will be a long journey, and that the shape and priority of investments may evolve over time.

As previous discussed under Leadership, two of the basic requirements are system leadership and a shared vision or purpose. Sometimes, as in the case of austerity, an external threat can bring partners together. To assess what else helps partnerships to prosper, let us look at a couple of examples.

Successful structures

During the tour, we saw several examples of organisation structures adapting to, or created for, service delivery improvement. We note four examples:

- Scottish Water
- Environment Agency
- Greater Manchester Combined Authority
- Dorset Councils Partnership.

Scottish Water

Scottish Water (SW) is the product of a two-phased reform of delivery of water supply and wastewater services in Scotland. Phase One occurred in the early 1990s when the activities of 12 regional and island authorities responsible for water delivery were aggregated into three water authorities.¹⁶ In 2002, SW replaced the three water authorities.

To give some appreciation of the scope and scale of the operation:

- SW is a wholesaler, supplying water to 23 retailers who deal direct with 150,000 business, public sector, charitable and not-for-profit organisations
- councils collect the water charges on behalf of SW
- SW supplies drinking water to 2.46 million households
- every day it supplies 1.34 billion litres of drinking water and takes away 847 million litres of wastewater from customers' properties and treats it before returning it to the environment
- Scottish water supply networks vary in size from 10 households to over 550,000 households (Glasgow)
- in September 2014, SW announced a £3.5bn investment programme for the period 2015 to 2021.

Key features of the SW model are:

- public ownership, in contrast to the privatised ownership in England & Wales. (Privatisation of the three Scottish water companies was vigorously opposed. Opinion polls at the time showed community opposition ranging from 86% to 91%. Strathclyde Regional Council conducted a referendum in which 97% of 1.2M voters voted "no" to private water companies)
- a strong regulatory framework with regulatory oversight from the Water Industry Commission (cost of service/value for money), the Drinking Water Quality Regulator (drinking water quality), the Scottish Environmental Protection Agency (environmental effects) and the Scottish Ombudsman (public complaints)
- a benchmarking regime to monitor efficiency and effectiveness of SW operations by comparison with the 10 English and Welsh private water companies.¹⁷

¹⁶ East of Scotland Water Authority, North of Scotland Water Authority and the West of Scotland Water Authority.

¹⁷ Of the 10 companies serving England & Wales, Welsh Water is the only not-for-profit, like Scottish Water, which reinvests any surplus in the water supply networks.

Environment Agency

The Environment Agency was created by the Environment Act 1995 and came into existence on 1 April 1996. It had responsibility for the whole of England and Wales but with specifically designated border arrangements with Scotland covering the catchment of the River Tweed.

It took over the roles and responsibilities of the National Rivers Authority (NRA), Her Majesty's Inspectorate of Pollution (HMIP) and the waste regulation authorities in England and Wales including the London Waste Regulation Authority (LWRA). All of the predecessor bodies were disbanded, and the local authorities relinquished their waste regulatory role. At the same time the Environment Agency took responsibility for issuing flood warnings to the public, a role previously held by the Police.

On 1 April 2013, the part of the Environment Agency covering Wales was merged into Natural Resources Wales, a separate body managing the Welsh environment and natural resources.

Policy Ministry

In the English system, the equivalent of our Ministry for the Environment is the Department for Environment, Food and Rural Affairs (DEFRA). DEFRA has a budget of £1.7B, being cut through austerity to £1.4B. The EA budget is 65% of the DEFRA budget so it is facing some significant funding cuts. This means that central government control over policy and operations is very high and the ability of local communities to influence environmental outcomes is quite weak. The EA has a "pragmatic" approach to environmental issues and is not an "environmental protection agency" in the manner of SEPA or MfE. This difference can compromise environmental outcomes.

Functions

The Environment Agency (EA) is an operational agency, accountable to DEFRA and the Secretary of State for Environment, Food and Rural Affairs. The EA provides many services in England that are delivered here by regional councils, including:

- flood and coastal risk management (from designated main rivers¹⁸ and the sea)
- public awareness of flood risk, flood forecasting and warning and a general supervisory duty for flood risk management
- air quality — the Agency is a regulator for the release of air pollutants into the atmosphere from large, complex industrial processes. This will soon include emissions from some large-scale agricultural activities. Many agricultural activities will continue to be unregulated
- waste management — the Agency is the regulatory authority for all waste management activities including the licensing of sites such as landfill, incineration and recycling facilities. It also regulates the movement of hazardous wastes such as fibrous asbestos, infectious clinical wastes and harmful chemicals
- water quality — the Agency has a duty to maintain and improve the quality of surface and ground waters and, as part of the duty, it monitors the quality of rivers, lakes, the sea and groundwater. Monitoring is also carried out on many discharges to the aquatic environment including sewage effluent and trade and agricultural discharges
- water resources — the Agency manages the use and conservation of water through the issue of water abstraction licences for activities such as drinking water supply, artificial irrigation and hydro-electricity generation
- navigation — after the Canal & River Trust, the Environment Agency is the second largest navigation authority in the United Kingdom, managing navigation for 634 miles (1,020 km) of England's rivers.

¹⁸ Flood and coastal risk management functions in relation to other rivers (defined as ordinary watercourses) in England are undertaken by Local Authorities or internal drainage boards.

The EA also has some responsibilities that do not rest principally, solely or even at all with regional councils in NZ. These include:

- climate change — which falls within the ambit of territorial authorities, MfE and regional councils
- fishing — the Agency is a regulator of angling and sells over a million rod licences a year. This role is carried out by Fish and Game NZ. The Agency also regulates the commercial exploitation of shellfish which is regulated by the Ministry of Primary Industries in NZ.

Overall, the NZ system is more fragmented with responsibilities divided amongst regional councils, territorial authorities and the Ministry for the Environment, amongst others.

Greater Manchester Combined Authority (GMCA)

Greater Manchester is the first of the nine English combined authorities under the *Local Democracy, Economic Development and Construction Act 2009* and is the most advanced of the nine in terms of devolution deals. (The Greater London Authority was formed under its own legislation in 1999.)

The Mayor of Greater Manchester is a directly-elected political post¹⁹, currently held by the Rt. Hon Andy Burnham. The Leaders of the 10 Manchester councils make up the rest of the governance body.

Each of the 10 councils' leaders holds a portfolio responsibility for GMCA. Each of their Council's chief executives holds a management portfolio responsibility although, importantly, it is not the same portfolio held by their Council's leader.

New activities of a combined authority require unanimous support from all constituent councils. Other decisions generally require a simple majority, although some major decisions require the support of seven leaders.

Devolution deals have been successful as a strategy for encouraging regional collaboration – the funding incentives for local government and the prospects for greater self-determination have received a positive response. One measure of its attractiveness to local government is that, despite the Government's unpopular insistence on a directly-elected mayor, the number of applications for combined authorities continues to grow.

The staff of the GMCA includes about 380 researchers and economists to develop the policy work and strategies to take Manchester forward. This is supplemented by some local council resources and the work of the chief executives in their management portfolios. As Geoff Little, deputy chief executive of the GMCA advised us ...*"without that core resource, you just can't make progress quickly enough"*.

¹⁹ A directly-elected Mayor is distinctly different from local authorities, where the Leader of the Council is selected from the elected members representing the majority party in the Council Chamber. The Mayor of local authorities is a largely ceremonial role, combining chairing the Council meetings with public duties. It is not the fulcrum of political power.

What are the functions of a combined authority?

When the first CAs were established the legislation gave them responsibility for transport, economic development and regeneration. The current position is far more open, leaving the functions of a combined authority to be determined by a combination of local choice and the outcome of negotiations with government. They can include both local authority functions, where it makes sense for them to be delivered at a larger scale across administrative boundaries, and the powers of other public bodies, where this is agreed through a devolution agreement.

In practice most of the CAs created so far have economic development, regeneration and transport as their core functions. The Greater Manchester CA has the widest range of functions, including health and social care, children's services and public health.

Dorset Councils Partnership

Dorset Councils Partnership is a single organisation serving three district councils — a “whole-of-Council shared-service” under a single chief executive and management team.

This arrangement is unique for serving three councils. It began in 2011 when West Dorset, Weymouth and Portland Borough opted to create a single organisation. This was based on a business case to generate savings of £2.5M (target exceeded with savings of £2.9M) against costs of £2.1M (which were offset by savings of £1.4M generated ahead of schedule). Approximately 70 positions were reduced in the process.

In 2015, North Dorset joined the partnership. At that time the business case was to achieve savings of £1.455M — this target was achieved and surpassed with savings of £1.567M. The aim is to strip out £6M less cost over 5 years through selling council properties, reducing management positions, ICT efficiencies, and reducing from three main offices to one main office located in Dorchester.

The Dorset Councils Partnership now serves three sovereign councils, has 650 employees, 235,000 customers (about 10% more than Wellington City) spread over 1,732 km² (about the size of Matamata-Piako). There are 146 subsidiary decision-making bodies²⁰ and 113 elected councillors.²¹

There are concurrent proposals to create a Dorset combined authority and to turn the nine Dorset Councils into two unitary authorities.

Nine Councils	Now serviced by six organisations	Proposed to be replaced by two unitary councils plus	An overarching combined authority
North Dorset	Dorset Councils Partnership	Rural UA	Dorset CA
West Dorset	Dorset Councils Partnership	Rural UA	
Weymouth & Portland	Dorset Councils Partnership	Rural UA	
Dorset County	Dorset County	Rural UA	
Purbeck	Purbeck	Rural UA	
East Dorset	Christchurch & East Dorset Partnership	Rural UA	
Christchurch	Christchurch & East Dorset Partnership	Urban UA	
Bournemouth	Bournemouth	Urban UA	
Poole	Poole	Urban UA	

Observations on structures

Each of these structural arrangements is, in its own way, fit for purpose. By comparison with New Zealand, the greater range of structural options available invites councils to pursue the alternatives that offer the greatest benefit in their circumstances.

²⁰ 12 town councils, 71 parish councils, 33 grouped councils and 30 parish meetings.

²¹ North Dorset has 33, West Dorset 44 and Weymouth and Portland 36.

Also, by comparison with New Zealand, the appetite for reforms to drive savings and deliver better services is impressive. In NZ, communities have tended to reject council amalgamations largely due to concerns about loss of local autonomy. NZ Councils have successfully tackled joint procurement through shared service arrangements but have struggled (with some notable exceptions²²) to gain headway in major operational activities.

NZ Councils went through major reforms in the 1990's and our councils have largely contracted out service delivery activities in operational areas to a greater extent than has occurred in the UK. We also use council-controlled organisations and council-controlled trading organisations to manage commercial activities in ways which do not occur in the UK. These approaches have generated efficiencies which appear to be ahead of the UK. However, NZ Councils need to be looking for new and more effective and efficient ways to deliver value for our communities.

²² Watercare services, WREDA, Wellington Water, Canterbury water management strategy, Canterbury regional landfill, shared asset management in the Manawatu, IT & solid waste shared services in Southland.

Part Five: Lessons for NZ Local Government

Place is paramount

Local government is about building better communities, and the setting for those communities is their place. By recognising their places, their people and their stories, ES&W councils are creating communities where their citizens feel connected, giving them a sense of their place in the world. Whether regenerating Manchester from the industrial roots of Salford Quays, exploring the potential of Dumbarton Rock & Castle or celebrating the rebuilding of St Mary's Church, Haddington, every community has a unique story to tell.

If "place" is the defining characteristic of local government, then place making is about sharing that journey with the communities living in that place. In Parts Three and Four, we shared examples of communities engaged in place making, from the Bournemouth Town Centre Vision, to a community charrette for Dumbarton Rock & Castle, and engagement with community groups to fight radicalisation of Muslim youth in Birmingham City.

Some issues are simply so large and complex that councils alone cannot address them effectively without community partners. Engaging communities on smaller, less complex issues they care about is at the heart of good governance. These kinds of relationships expand the influence of councils by engaging the energy, knowledge and networks of community partners. There are consequences in such partnerships, as they create an expectation that the views of community will be treated with respect. To some extent, councils are ceding control. As Fiona Lees, Chief Executive at East Ayrshire Council pointed out, *"If you invite community into the conversation, you have to expect that they will stay."*

Martin Reeves on Place

For me, it's all about thinking about the people I serve and the place they live in first and above all. Once all of us think that way we can glue other leaders, professionals and sectors together beyond our existing systems to think about the whole, about the place. I love my council — I've loved every council I've worked for, but I've loved the people and the places I've worked for more."



Martin Reeves, Chief Executive, Coventry City Council

We saw the importance of place reflected in:

- urban regeneration projects that reflected the heritage of the communities within which they were located
- councils working with local communities in tourism enterprises to tell authentic local stories
- councils working with social agency partners to develop more effective social programmes based on local knowledge
- the work of British economic geographers, illustrating that underneath the broad brushstrokes of a national economic canvas there is a richer local socio-economic picture of economic inequality.

A second message is that NZ local authorities must work even harder to create a deeper understanding of their local communities, environments and economies. NZ local government aspires to build a better reputation amongst communities. Improved reputation comes from better performance, and better performance is supported by better decision-making. A major function of Greater Manchester Combined Authority is assembling the evidence base to inform the best choices for Greater Manchester. Bournemouth Development Corporation is a 20 year venture founded on extensive community engagement in the *Bournemouth Town Centre Vision* and implemented through a partnership supported by commercial and technical expertise.

NZ commentators have noted the need for better evidence to inform decisions. In *Growing Apart — Regional Prosperity in New Zealand*, economist Shamubeel Eaqub observes that the mix of global and local economic forces ... *"is often idiosyncratic to each region and ... only an improved base of evidence on local forces will yield tangible actions that will help regional economies."*²³

Jo Miller on the rate of change...

"We live in a complex world, where the rate of change we experience is both the fastest we have ever known and the slowest we will ever know ..."



Jo Miller, Chief Executive,
Doncaster Council and President
of SOLACE

Change is not a choice

The case for change is compelling. NZ, like the UK, faces a series of economic, environmental, social and cultural challenges. The way forward is uncertain, but one thing is abundantly clear — more of the same will not deliver the answers NZ needs.

As Gary Taylor, Chairman and Chief Executive of the Environmental Defence Society reminds us,

*"Carbon Zero by 2050 is a big ask and given that 50 percent of our emissions are from agriculture, it implies shifting land use towards lower emission models. This will prove disruptive for the sector and farmers will have to show real leadership. The rest of us — including local government — will have to help farmers with the transition. Finding an equitable path forward won't be easy, especially when you add in the changes required for freshwater management. **Business as usual is not on offer anymore**".*²⁴

Stephen Selwood, Chief Executive at Infrastructure New Zealand comes to a similar conclusion:

"The old ways of planning, funding and delivering core services are no longer working and something has got to give. The need for change is evident not only in Auckland, where infrastructure deficiencies have contributed to a housing crisis, but around New Zealand. Hospitals,

²³ Shamubeel Eaqub, *Growing Apart – Regional Prosperity in New Zealand*, Bridget Williams Books, Wellington, 2014, p 26

²⁴ In *Perspectives 2018*, LG Magazine, January 2018

*schools, water services, roads and rail across the country are all under immense pressure. **Business as usual is not an option.***²⁵

To lead or to follow — that is the question

Austerity has been the burning platform for eight years of change in local government in the United Kingdom. NZ has no burning platform, but it does face an imposing set of wicked issues.

NZ councils face a choice — do they take the lead in shaping change in the sector and in their communities, or do they wait for Government to impose change upon them? Significantly, if we want solutions that reflect community aspirations for their place, those outcomes are more likely if they are led by local communities than imposed from Wellington.

This will not be achieved without a new style of leadership.

A new style of leadership

We saw many examples of councils recognising things needed to be done differently if their community was to succeed. Urban regeneration projects like MediaCityUK, organisational reform at multi-award-winning Wolverhampton Council, devolution initiatives in Greater Manchester, shared services in Dorset and destination marketing in East Lothian were all good examples of local authorities partnering with stakeholders for change.

It will however require collaborative leadership that:

- unites councils, communities and disparate stakeholders around a long-term shared vision
- is based on distributed power not top-down command-and-control leadership
- builds mature relationships and organisation cultures that enable people to take appropriate risks.

Shared vision

Successful councils have clarity of purpose and a shared vision of community success. As Keith Ireland says, it starts with being clear about where you're headed. Successful leaders use resonant stories to create that sense of shared purpose and they understand the practice of system leadership in a complex world.

Powerful stories

Storytelling can be a powerful way of creating a shared vision for a community. In this report, we've shared several success stories from councils in England, Scotland & Wales. The SOLACE Conference featured workshop sessions on the place of storytelling in leadership and how to develop stories that work.

SOLACE commissioned Dawn Reeves and Fran Collingham to produce *Holding Up the Mirror — True stories of public service in a post-truth world* which is an anthology of work stories, one of which is reproduced here in Appendix 8. The role of storytelling in leadership is also featured in SOLGM's Accelerated Leadership Programme for Tier 3 managers

²⁵ In *Perspectives 2018*, LG Magazine, January 2018

Keith Ireland on leading change

- *Be clear where you're headed*
- *Get the right people on the bus*
- *Underpin the transformation with technology*
- *Communicate, communicate, communicate*



Keith Ireland, Managing Director,
Wolverhampton Council

System leadership

As noted in Part Four, system leadership is about:

- building coalitions of the willing around a shared vision
- distributed rather than traditional command & control leadership
- the ability to see the larger system
- fostering reflection and more generative conversations.
- shifting the collective focus from reactive problem solving to co-creating the future.

System leadership comes into its own when organisations face challenges that are beyond their capacity and capability to address alone. It is leadership that recognises the need to develop long-term working relationships with other organisations which have the capabilities, resources and networks that your organisation does not. Frequently it means developing and sustaining relationships with organisations that do not share the same objectives and priorities as your own.

A New Zealand example of this kind of leadership is the Canterbury water management strategy, which has forged relationships at catchment levels between competing interests in water resources including iwi, power generators, environmental groups, farmers, recreational water users, local authorities and the regional council.

Growth mindsets and just cultures

Public sector organisations value innovation. As noted earlier, we need to do things differently if we are to respond to the challenges before us. Yet we know that public sector environments also value accountability. When accountability leads to a culture of blame, we inhibit the capacity of people and organisations to learn from their mistakes and improve how they operate.

We need “just cultures” to foster a growth mindset. We need growth mindsets because they enable organisations to innovate and improve. This will require chief executives and their senior leadership teams to take their elected members along on the journey to create growth mindsets in their organisations and just cultures to support them.

Matthew Syed on culture

"When a culture is unfair and opaque, it creates multiple perverse incentives. When a culture is fair and transparent, on the other hand, it bolsters the adaptive process."



Matthew Syed, Author Of "Black Box Thinking"

Size does matter

In recent years, the NZ Government has considered or is still considering:

- regional building consent authorities
- stronger regional structures for civil defence emergency management
- aggregated suppliers of three water services
- rules to make multiply-owned council-controlled organisations for three waters, land transport or economic development easier to establish.

Larger organisations often have the scale to develop a rigorous evidence base for policy work that smaller councils do not. Collective research around common policy problems, e.g. freedom camping and adaptation to climate change, enables more councils to make decisions from a better information base.

Investment in technology appears to be an area where the scale of NZ local authorities mitigates against the investment in skills, software, hardware and systems that enable them to achieve higher levels of digital maturity. Collaboration in shared IT services is an opportunity meriting further work by NZ local authorities, perhaps in partnership with private IT providers or other public sector agencies. The data analysis aspects of digital local government reinforce the benefits of investing in a deeper, evidence-based understanding of local communities.

For the most part, NZ councils lack scale. While they are, in many cases, major employers in their communities, most lack the capacity to develop or retain the skills and systems that future success will require. Only six NZ local authorities serve populations larger than the median Scottish Council, which is the lowest median of the four nations comprising the UK.

After repeated false starts in recent years, amalgamation is off the table unless a future Government prescribes it or a new burning platform emerges to drive radical change. There are viable alternatives to amalgamation for scaling up. These include:

- council partnerships, where a single council organisation provides services to multiple councils in one or more regions
- combined authority arrangements, where a group of councils agree to deliver services collectively across a region or sub-region — such as economic development, consenting services, land transport, three waters, or "back office" services. This could be achieved through legislation, local

authority shared service (LASS) vehicles or transfer of responsibilities under the Local Government Act 2002

- partnering with private, public or voluntary sector organisations for specific services or projects.

All these solutions could be implemented without changing the number of democratically-elected councils. Tellingly, none of them can be achieved without a shared vision and collaborative leadership.

Fiscal disciplines

There is no doubt that the fiscal challenges of austerity have forced local authorities in Britain to contemplate a brutal efficiency agenda unlike (thankfully) anything in the New Zealand local government experience. By comparison then:

- NZ councils may not have such a strong culture in terms of “lean thinking” and the ruthless pursuit of inefficiencies
- NZ Councils have not been forced to look at devolving activities and assets to communities or simply ceasing activities
- NZ Councils have not been forced to entertain shared procurement, shared delivery of services and collaboration to the degree that is possible.

In making those observations, it is important to remember that NZ Councils went through major reforms in the 1990's and our councils have largely contracted out service delivery activities in operational areas to a greater extent than has occurred in the UK. We also use council-controlled organisations and council-controlled trading organisations to manage commercial activities in ways which do not occur in the UK.

Continuing to explore every opportunity for service collaboration and delivery is essential but it is unrealistic to expect that 20% spending reductions would be achievable in the NZ environment.

Structural Solutions

Here are some pertinent observations on current UK structural models. While we found no “silver bullets” in these alternative structures, we believe there is value in continuing to turn our minds to how we adapt to change and being prepared to try new ways of working, including exploring alternative structural solutions.

Infrastructure

Scottish Water has been held up by Infrastructure NZ as a model for the future structure of three waters services in New Zealand.²⁶ This structure is described in greater detail in [Part Four](#). The Study Tour Group notes the Havelock North Drinking Water Inquiry (HNDWI) has recommended that Government “*make a decisive and definitive assessment of whether to mandate, or persuade, suppliers to establish aggregated dedicated water suppliers*”.

The Group does not recommend that NZ authorities adopt the Scottish water model although it is certainly an option to consider, when analysing alternative delivery models. Other options include regional provision (along the lines of the Watercare Services, Wellington Water examples). The Group notes three elements present in the Scottish Water model which are a good fit for NZ conditions. These are:

- public ownership (there is strong political consensus around publicly-owned entities)
- a strong regulatory framework (as recommended by the HNDWI)
- a benchmarking regime (to ensure quality of performance can be compared with similar entities).

²⁶ *Building National Infrastructure Capability: Lessons from Scotland*, Infrastructure New Zealand, June 2017

The Group also noted a recommendation made by Scottish Water related to regional structures. Scottish Water was preceded by three regional structures. In hindsight, it would have been greatly beneficial if these three regional bodies had deployed common systems and processes across their organisations. This would have enabled greater collaboration and a more efficient amalgamation into one organisation.

Environment

The Environment Agency (EA) provides many services in England that are delivered here by regional councils, including consenting and enforcement of discharges to air and water, and co-ordinating responses to major weather events.²⁷

More information on the EA can be found in Part Four. Comparing the NZ and English models highlighted the classic differences between centralised and decentralised models. The EA is a centralised model, with advantages in terms of consistency of policy and delivery across the country. The decentralised regional council model has advantages in ensuring that policy and delivery is matched to local conditions.

Each have developed strategies to address their weaknesses. The EA is working closely with councils and local communities to build local relationships and input. Regional councils have put in place special interest groups to enable collaboration and sharing of expertise, while the Ministry for the Environment is working on national policy statements and national environment standards.

Local Government Options

While New Zealand has three forms of local government (territorial authorities, regional councils and unitary authorities) and Scotland and Wales each have one model, there are four models of local government in England. English councils can be tier-one or tier-two councils, unitary authorities or combined authorities. The combined authority model has no parallel in NZ and is worth exploring as it enables councils to combine resources without requiring amalgamation.

Devolution of government responsibilities and funding to local councils is attracting some interest in NZ. While only Auckland Council approaches the scale of population of the English combined authorities²⁸, there has been media coverage of a city deal for Wellington.²⁹

Both England and NZ have a lower tier of local government in the form of town and parish councils in England or community boards and local boards in NZ. The sheer number and configuration of town and parish groupings was impressive, if administratively intimidating.

Smarter thinking

Service innovation and efficiency improvements were closely linked to expanding commercial capability, investment in technology and smarter thinking around needs and priorities.

We saw councils that succeeded by making decisions based on good quality research, comprehensive data, and data analysis to turn information into knowledge and knowledge into better quality decisions. The information and knowledge is (where appropriate) researched, developed and shared with partners and communities for collective benefit. Service and financial benefits were very tangible.

Likewise, we saw many examples of detailed master planning underpinning investments in urban regeneration.

²⁷ IN NZ, regional councils are the administering authorities for civil defence emergency management (CDEM) groups, which coordinate the CDEM activities of regional and territorial authorities.

²⁸ There are nine combined authorities, ranging in population from 700,000 (Tees Valley) to 2,834,000 (West Midlands). Two serve populations less than 1M, four serve populations of 1-2M, and three serve populations over 2M.

²⁹ <https://www.newsroom.co.nz/2017/10/11/52870/wellington-lobbies-government-for-special-powers#>

Thirdly we saw (in Scotland and Wales), nationally mandated and mandatory corporate planning to integrate public sector plans (and the commercial and voluntary sectors) so that local action plans support national objectives (think nationally, act locally). A NZ audience might characterise this as “second-generation community outcomes” differing from the previous iteration in NZ because the participation of Government agencies is legislatively mandated.

Grow commercial capability and digital maturity

ES&W Councils have embraced both commercial capability and the pursuit of digital maturity to improve their ability to manage the future. The Bournemouth Development Company examples and the commercial partnerships used in Salford Quays, Wolverhampton, Coventry and elsewhere have helped achieved successful project outcomes, manage risks, provide social housing and drive revenues. Commercial aptitude has also informed many other aspects of council activities. These are areas of development potential for all councils.

Digital investment has enabled councils to progress the digitisation of service delivery (redesigning services to automate processes and enable customers to access services from websites and self-service technologies) and data analysis to focus investment in the areas that will be most effective for the community. It has enabled councils to improve their cyber-resilience. Some councils demonstrated a high level of digital maturity and are focused on developing the capability of communities to engage with their council through web-based services.

It is relevant to note that investment in technology appears to be an area where the scale of NZ local authorities mitigates against the investment in skills, software, hardware and systems that enable them to achieve higher levels of digital maturity. Collaboration in shared IT services is an opportunity meriting further work by NZ local authorities, perhaps in partnership with other network infrastructure providers such as power companies.

Demand management

The nature of many social services means that early intervention is an effective technique for demand management, addressing the needs of individuals and families before they become dependent on long-term support.

The sector has identified a need for legislation to support demand management through volumetric charging for water and wastewater services and tolls for land transport infrastructure. Demand management, in concert with a focus on allocative efficiency, has the potential to enable councils to maximise the value of public investments by focusing on the areas of greatest need and benefit.

For Further Information

Appendix 1 — Tour Diary

This is broken into four parts. Part 1 is the Study Tour where we travelled and learned as a Group. This includes the pre-SOLACE Conference visits in Manchester and the West Midlands and the Scotland visits. Part 2 is the SOLACE Conference itself. Parts 3a & 3b are where the Study Tour split in two with visits to Dorset and Cardiff City Region. The overall chronology is as follows:

Dates	Study Tour Part
30-31 October	Part 1 – Whole Group – Greater Manchester & West Midlands
1-3 November	Part 2 – SOLACE Summit (Trafford)
4-7 November	Part 3 – Cardiff City Region Part 4 – Dorset
7-10 Nov	Part 1 Resumes – Edinburgh & Glasgow City Regions

Part 1 — Full Group

Date	Visits	People Met
30 Oct	Coventry City Council	Martin Reeves (Chief Executive), David Cockroft (Director of City Centre and Major Projects Development) and Sandeep Shingadia (Head of Programme Development, Transport for West Midlands)
30 Oct	Birmingham City Council	Stella Manzie CBE (Interim Chief Executive), Richard Cowell (Development and Planning Manager), Waqar Ahmed MBE (PREVENT Manager)
30 Oct	Wolverhampton City Council	Cr Roger Lawrence (Council Leader (Labour)), Cr Wendy Thompson (Opposition Leader (Conservative)), Keith Ireland (Managing Director), Tim Johnson (Strategic Director Place) plus other elected members and executive staff
31 Oct	Environment Agency	Lee Rawlinson (Area Director for Greater Manchester, Merseyside and Cheshire) and Dave Marshall (Executive Coordination Manager)
31 Oct	Manchester City Council	Geoff Little (Deputy Chief Executive) and David Houliston (Policy and Partnerships Manager)
31 Oct	Greater Manchester Combined Authority	Andrew Lightfoot (Strategic Director Public Service Reform)
2 Nov	Local Government Information unit	Dr Jonathan Carr-West (Chief Executive)
7 Nov	Scottish Water	Ken Hutchison (Managing Director) and Alan Thomson (Head of Corporate Relations)
8 Nov	West Dunbartonshire Council	William Hendrie (Provost), Jonathan McColl (Council leader) Joyce White (Chief Executive), Richard Cairns (Strategic Director, Regeneration, Environment and Growth), Marnie Ritchie, (Regeneration Co-ordinator) and Claire McNally (Head Teacher, Dumbarton Academy)
8 Nov	Loch Lomond and The Trossachs National Park	Gordon Watson (Chief Executive)
8 Nov	Edinburgh Council	Andrew Kerr (Chief Executive)

Date	Visits	People Met
9 Nov	East Lothian Council	Cr John McMillan (Provost), Angela Leitch (Chief Executive) and Gael Pollitt (East Lothian Golf Tourism Alliance)
10 Nov	COSLA	Adam Stewart (Policy Manager) and James Fernley (Director)
10 Nov	Young Scot	Marie Duguid (Local Partnership Development Manager)
10 Nov	Scottish Parliament	Tour Guide

Part 2 — SOLACE Summit

Date	Visits	Speakers/Site Visits
1 Nov	SOLACE Summit – Day 1	<p>Speakers</p> <p>Jo Miller (Chief Executive, Doncaster Council & President of SOLACE), Theresa Grant (Chief Executive, Trafford Council), Matthew Syed (Journalist, Writer, Broadcaster), Cr Sean Anstee (Leader, Trafford Council), Sally Bourner (Chief Superintendent, West Midlands Police), Wilfrid Petrie (Chief Executive, ENGIE UK) and Deborah Cadman OBE (Chief Executive, West Midlands Combined Authority)</p> <p>Site Visits</p> <p>Trafford Tour — Altrincham Regeneration Story Salford Tour — MediaCityUK</p>
2 Nov	SOLACE Summit – Day 2	<p>Mike Bennett (Director, Public Intelligence), Sarah Norman (Chief Executive, Dudley Council), David Johnstone (City Manager, Candiac, Quebec and President of ICMA), Dawn Reeves (Author and Facilitator), Guy Clifton (Head of Local Government Advisory), Grant Thornton, Sir Amyas Morse KCB (Comptroller and Auditor General, National Audit Office), Rob Whiteman (Chief Executive, CIPFA), Paul Najsarek (Chief Executive, Ealing Council), Dr Rebecca Magstaff, (Centre Director, Public Health England, North West), Nancy Hey (What Works for Wellbeing), Alex Kenmure (Good Gym Buddies), Mary Parsons (Executive Group Director for Placemaking and Regeneration, Places for People — and also Chair of the Town and Country Planning Association), Charlotte Alldritt (Deputy Director, Centre for Progressive Policy), Neil McInroy (Centre for Local Economic Strategies), Jim Taylor (Chief Executive, Salford Council), Fiona Lees (Chief Executive, East Ayrshire Council), Phil Wilson (Governance Director, Auckland Council and President of NZ SOLGM) and Claire Chidley (Director, Create Tomorrow Today)</p>
3 Nov	SOLACE Summit – Day 3	<p>Dr Helen Bevan OBE (Chief Transformational Officer, NHS Horizons), Dr Nicola Millard (BT Customer Experience Futurologist), Dr Catherine Howe (Digital Innovation Director Capita Transformation), Alison Mckenzie-Folan (Deputy Chief Executive, Wigan Council), Linda Whalley (Director of Social Care Strategy, NHS Digital), Frances Woodhead (Bevan Brittan), Barry Quirk CBE (Chief Executive, Lewisham Council & Chief Executive, Royal Borough of Kensington & Chelsea) and David Bellamy (Chief of Staff, Office of the Mayor of London)</p>

Part 3a – Cardiff City Region

Date	Cardiff Visits	People Met
4 Nov	Site Visits	
5 Nov	Site Visits	
6 Nov	City of Cardiff	Paul Orders (Chief Executive), Jon Day (Economic Development Manager) and Chris Hadfield (Venues & Culture Manager)
7 Nov	Vale of Glamorgan	Phil Chappell (Team Leader Economic Development)

Part 3b – Dorset

Date	Dorset Visits	People Met
4 Nov	Site visits — Bournemouth & Dorchester	
5 Nov	Site Visits — Weymouth & Lyme Regis	
6 Nov	Dorset Councils Partnership	Matt Prosser (Chief Executive), Sarah Cairns (Engineering Projects Manager), Clive Milone (Head of Housing), John Symes, (Financial Resources Manager) and Jacqui Andrews, (Corporate Manager — Democratic Services & Elections)
6 Nov	Poundbury	Site visit with Clive Milone
6 Nov	Dorset Association of Parish and Town Councils	Hilary Trevorah (Chief Executive)
7 Nov	Bournemouth Development Company	Martin Tiffin (Town Centre Vision Programme Leader)

Appendix 2 — SOLACE Summit 2017 Programme

<https://secure.solace.org.uk/summit2017/FINAL2017SummitDelegateHandbook.pdf>

Appendix 3 — Who Does What Where?

England

There are, in simple terms, five kinds of council in England. These are upper-tier authorities, lower-tier authorities, single-tier authorities, combined authorities and town or parish councils.

This in England...	...is a bit like this, in New Zealand
Upper-tier authority	Regional council
Lower-tier authority	City or district council
Single-tier authority	Unitary authority
Combined authority	There is nothing like this in NZ
Town or parish council	Community board or local board

In England, there is a unique set of arrangements for London, and a different set of language to describe the council arrangements in metropolitan areas (like Manchester) and non-metropolitan areas (like Dorset)

Arrangement	Upper tier authority	Lower-tier authority
Non-metropolitan counties/Non-metropolitan districts (e.g. Dorset)	waste management, education, libraries, social services, transport, strategic planning, consumer protection, police, fire	housing, waste collection, council tax collection, local planning, licensing, cemeteries and crematoria
Unitary authorities	housing, waste management, waste collection, council tax collection, education, libraries, social services, transport, planning, consumer protection, licensing, cemeteries and crematoria	
Metropolitan counties/ Metropolitan boroughs	housing, waste collection, council tax collection, education, libraries, social services, transport, planning, consumer protection, licensing, police, fire, cemeteries and crematoria	
Greater London/London boroughs	transport, strategic planning, regional development, police, fire	housing, waste collection, council tax collection, education, libraries, social services, local planning, consumer protection, licensing, cemeteries and crematoria
Combined authorities	The first combined authorities were responsible for transport, economic development and regeneration. Now, the functions of a combined authority are determined by a combination of local choice and the outcome of negotiations with Government	
Town and parish councils	Local services including allotments, bridleways, burial grounds, bus shelters, car parks, commons and open spaces, community transport schemes, community safety and crime reduction measures, events and festivals, footpaths, leisure and sports facilities, litter bins, public toilets, planning, street cleaning and lighting, tourism activities, traffic calming measures, village greens and youth projects	

To illustrate these arrangements in county and metropolitan settings, this table compares Dorset and Greater Manchester.

Type of Council	Dorset	Greater Manchester
Upper-tier authority	Dorset County Council	Nil
Lower-tier authority	Christchurch Borough, East Dorset District, North Dorset District, Purbeck District, West Dorset District, Weymouth and Portland Borough	Nil
Single-tier authority	Bournemouth Borough, Poole Borough	Bolton Metropolitan Borough, Bury Metropolitan Borough, Manchester City, Oldham Metropolitan Borough, Rochdale Metropolitan Borough, Salford City, Stockport Metropolitan Borough, Tameside Metropolitan Borough, Trafford Metropolitan Borough, Wigan Metropolitan Borough

Type of Council	Dorset	Greater Manchester
Combined authority	Nil, although Dorset councils are pursuing a proposal for a Dorset Combined Authority	Greater Manchester Combined Authority
Town or parish council	There are 250 parishes and 17 towns in Dorset. ³⁰	There are 10 parishes and 3 towns in Greater Manchester. ³¹

Scotland

There are two kinds of council in Scotland. These are unitary authorities and community councils.

Scotland's 32 unitary authorities are responsible for providing a range of public services. This includes: education, social care, roads and transport, economic development, housing and planning, environmental protection, waste management, cultural and leisure services.

Community councils act as a channel of the opinions of the local community. They have the right to be notified of and respond to any planning applications. Sometimes they are also involved in local projects, mostly related to local infrastructure such as footpaths, parks, playgrounds and local events.

Unlike in England and Wales, Scottish community councils do not have the right to raise funds by setting a precept on local taxes, and are instead dependent upon local authority funding, which is usually received for running costs only.

Wales

There are two kinds of councils in Wales. These are principal areas and community councils.

Wales' 22 principal councils provide services such as education, social care, housing, planning, refuse and recycling, the setting and collection of council tax and the collection of non-domestic rates. Principal councils also act in the capacity of the local education authority, social services authority, licensing authority and planning authority.

Every principal area is divided into communities served by a community council. The functions of a community council are set out in legislation. The services and amenities they most commonly provide are village halls, playing fields and open spaces, seats, shelters, street lighting and footpaths. Community councils have the power to do anything they consider is likely to achieve the promotion or improvement of the economic, social or environmental well-being of their area.

³⁰ Christchurch – 2 parishes, East Dorset – 22 parishes, 3 towns, North Dorset – 69 parishes, 5 towns, Purbeck – 24 parishes, 2 towns, West Dorset – 132 parishes, 6 towns, Weymouth and Portland – 1 town, Bournemouth – 1 parish

³¹ Bolton – 3 towns, Manchester – 1 parish, Oldham – 2 parishes, Tameside – 1 parish, Trafford – 3 parishes, Wigan – 3 parishes

Appendix 4 — Regeneration and Regional Developments

Pan-Regional Regeneration — the Midlands Engine and the Northern Powerhouse

Strategic focus	Midlands Engine	Northern Powerhouse
Connectivity	<p>£25M to tackle road congestion and access in the Black Country</p> <p>£12M to unlock commercial and housing developments in Coventry and Warwickshire</p> <p>£55.7B investment in high speed rail across the whole route</p>	<p>£150M to support the rollout of smart and integrated ticketing across the North</p> <p>£161M to transform the M62 into a smart motorway</p> <p>Over £3.3B allocated to Local Enterprise Partnerships across the North</p>
Skills	<p>£11M to provide additional Work Coaches for unemployed people</p> <p>£11M for skills in Coventry and Warwickshire, including an Apprenticeship Academy</p>	<p>£70M for the Northern Powerhouse Schools Strategy</p> <p>£235M to the Sir Henry Royce Institute</p>
Enterprise and innovation	<p>£14M for a global space technologies hub in Leicester</p> <p>£11M for investments in high value manufacturing in the Black Country</p> <p>£60M for an Energy Research Accelerator to develop future energy technologies.</p>	<p>£400M Northern Powerhouse Investment Fund for investment into SMEs</p> <p>£20M to the National Ageing and Innovation Centre</p> <p>£15M to the National Institute for Smart Data Innovation, Newcastle, subject to business case</p>
Trade and Investment	<p>£5M to support the region to market its strengths</p> <p>Publication of a Midlands Engine Investment Portfolio</p>	<p>£15M for Northern Powerhouse trade missions</p> <p>£7M to establish the Northern Powerhouse Investment Taskforce</p>
Quality of Life/Community Engagement	<p>£12M to develop Black Country Garden City housing development</p> <p>£20M towards the new Defence and National Rehabilitation Centre at Nottinghamshire</p> <p>£16.7M will be invested in the Burton Upon Trent Flood Alleviation Scheme</p>	<p>£15M million for projects for the Hull UK City of Culture 2017</p> <p>£78 million for the Factory Theatre in Manchester</p> <p>\$25M for the Great Exhibition of the North in 2018</p>

City Region Deals in Scotland and Wales

Comparator	Cardiff	Edinburgh and South East Scotland
Total Value	£1.2B over 20 years	£1.1B over 15 years
Number of councils	10	6
Government/Council input £	£1.2B over 20 years	£600M over 15 years

Comparator	Cardiff	Edinburgh and South East Scotland
	<ul style="list-style-type: none"> UK Government £500M over 20 years Welsh Government £500M over seven years European Regional Development fund £100M 	
Private Input £	Estimated £4B ³²	£500M over 15 years
Connectivity	£1.2B including: <ul style="list-style-type: none"> South East Wales Metro Valley Lines Electrification New Regional Transport Authority 	£140M for A720 city bypass and west Edinburgh transport improvements
Skills	<ul style="list-style-type: none"> New Cardiff Capital Region Skills and Employment Board Cardiff Capital Region and Welsh Government will work with Department of Work and Pensions to co-design future employment support 	£25M regional skills programme to support improved career opportunities for disadvantaged
Enterprise & Innovation	<ul style="list-style-type: none"> £50M to develop capabilities in Compound Semiconductor Applications Cardiff Capital Region Business Organisation will be established 	£300M for data innovation centres
Quality of Life	Partnership between Cardiff Capital Region and Welsh Government to take a strategic approach to housing and regeneration	£65M of new funding for housing £20M capital funding for new concert hall

Appendix 5 — Caps on Housing Debt

Caps on borrowing were imposed on each of the 169 councils that had housing stock in April 2012. The caps impose limits on how much each council can borrow for council housing. The limit includes the debt they already have — anything above this and still within the limit is called “headroom”. The impact of the caps is very arbitrary — some councils that need to borrow have no or limited headroom, others have significant headroom and may not need it. The caps were put in place because the Government knew that within a few years of the start of self-financing councils would easily be able to afford to borrow more. All council borrowing affects Government debt. So while councils must stick to prudential borrowing rules, caps were also judged necessary. Few councils can borrow as much as they could afford to do sustainably within the prudential rules, and Housing Revenue Account borrowing is the only part of council debt that is capped.

³² Not included in total value

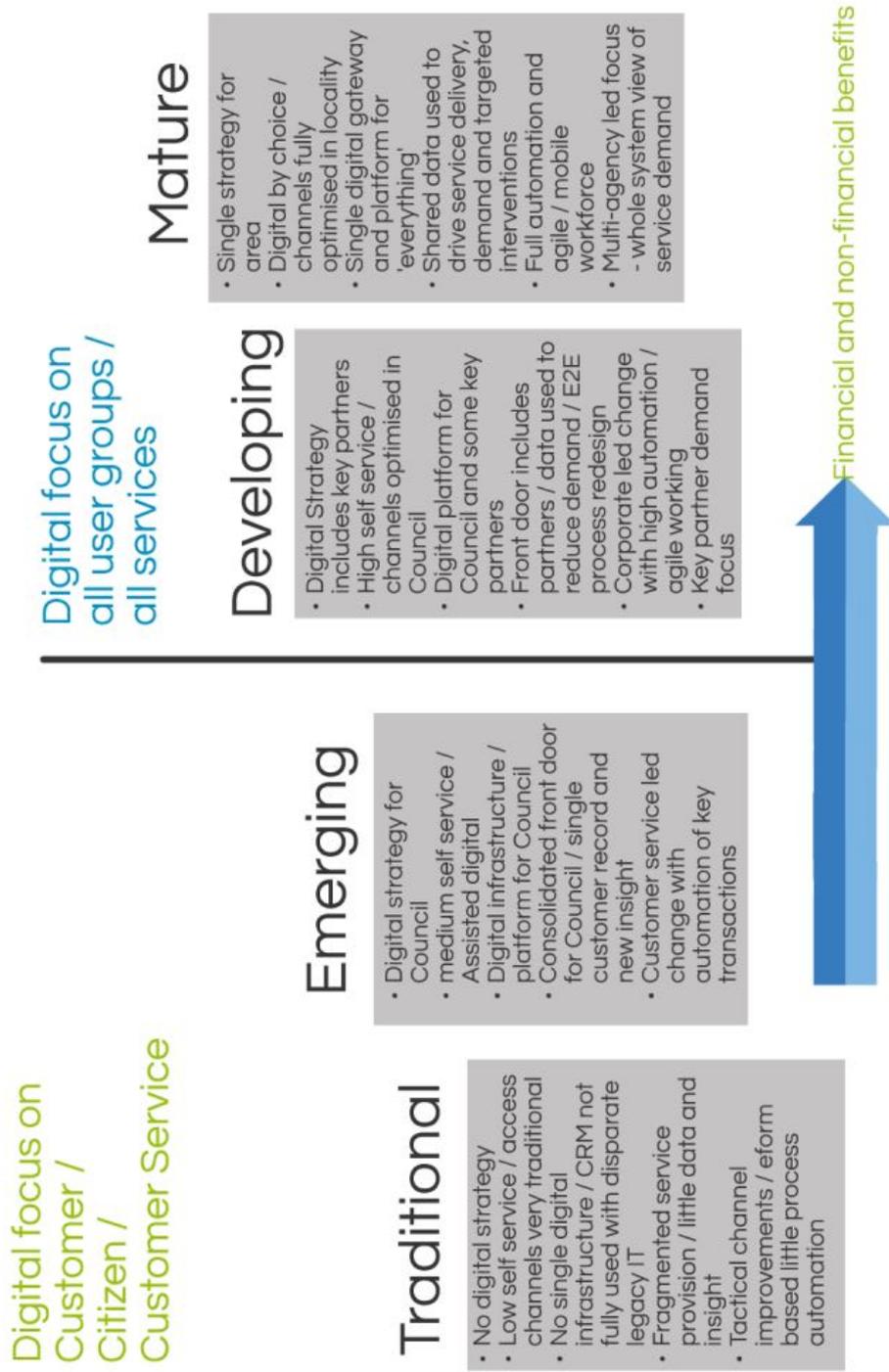
Furthermore, caps do not exist in Scotland, where councils are building almost as many houses as in England (over 1,000 new units annually) even though Scotland's population is only 1/10th of England's. The caps are much tighter than when self-financing was originally planned by the last government.

Appendix 6 — Salford Quays/MediaCityUK Regeneration Timeline

Year	Planning & Project Milestones	Public Infrastructure Milestones	Private Infrastructure Milestones
1981	Salford-Trafford Enterprise Zone created		
1984	Purchase of the area by Salford City Council		
1985	Salford Quays Development Plan adopted by City Council		
1986	City Council Salford Quays Project Team established on site		
1987			Multiplex Cinema, Copthorne Hotel and first phases of housing and offices open
1988	Development Strategy review proposes performing arts centre and Metrolink	Chandlers Canal opened	
1989		<ul style="list-style-type: none"> • Mariners Canal opened • Masterplan framework & first phase developments complete, including 2 new canals and 6.4 km of waterfront promenade 	
1990			Major commercial developments on Dock 9, Harbour City and the Anchorage
1992	Masterplan for the Salford Centre (later became the Lowry) published		
1993		Water achieves stable bathing quality	
1994		<ul style="list-style-type: none"> • Salford Wharf opened • First water sports centre opened 	
1996	Lowry Trust established		
1997		Lowry build begins	
1999	Planning permission granted for Imperial War Museum North (IWMN)	Metrolink comes to the Quays	Lowry commercial development gets underway
2000		<ul style="list-style-type: none"> • The Lowry and new footbridge completed. • Metrolink continued from the Quays to Eccles • Salford Tourist Information Centre opened • Construction of IWMN begins 	Peel Group contributes £12.5M to IWMN — a record private contribution to a public project

Year	Planning & Project Milestones	Public Infrastructure Milestones	Private Infrastructure Milestones
2001		<ul style="list-style-type: none"> The Lowery entertains 1M visitors in first year Permanent water sports centre opened (not-for-profit charitable trust) 	
2002		<ul style="list-style-type: none"> IWMN opens Commonwealth Games at the Quays 	Lowery Designer Outlet attracts 3M visitors in first year
2003		IWMN receives 470,000 visitors in first year	
2005			First occupancy of NV buildings
2006	Outline planning permission granted for MediaCityUK (MCUK)		
2007	Detailed planning permission granted for Phase 1 of MediaCityUK (MCUK)	Construction commences for MCUK BBC starts moving operations in stages	
2010		<ul style="list-style-type: none"> BBC relocates 5 departments to the Quays ITV Granada announces decision to move to MCUK 	
2011		<ul style="list-style-type: none"> Opening swing footbridge opened to public University of Salford moves its media-related teaching and research to MCUK 	
2013		ITV shifts <i>Coronation Street</i> sets to MCUK	
2016	Detailed planning permission granted for Phase 2 of MediaCityUK (MCUK)		

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Appendix 8 — Storytelling in Leadership

TACKLING LITTER ... AND LONELINESS Palbinder Sandhu, Bradford (An excerpt from *Holding Up the Mirror - True stories about public service in a post-truth world*, curated by Dawn Reeves and Fran Collingham)

I stand on the pavement, looking up Victor Street, in awe of the passion and commitment of over 30 volunteers made up of residents, business owners and me, the ward officer, on a hazy, sunny Sunday morning in August. This is the third community clean up in three months.

With bags of rubbish neatly piled up outside the local community centre, we all head in to celebrate another successful operation with pizza and soft drinks donated from local takeaways and shops showing their gratitude and, possibly, guilt following the initial complaints residents had made about the streets being blighted by litter.

Tensions had grown in the area and two local women, Saima and Zenub, had taken it upon themselves to take action, calling on their local councillor, who had put them in contact with me. Zenub said, "We all take pride in our homes, making them spick and span, yet we step outside and the streets are strewn with litter - where's the pride there, why don't people care?"

It's great to harness support, yet the balance is delicate in keeping volunteers motivated. People used to say, "But what do we pay our taxes for?" But over the past few years there has been understanding from most people that front line services are being reduced. So, when the group were asking people to volunteer, they were explaining that if they supported the council by volunteering, the council would provide equipment and take away the collected rubbish.

Volunteers were getting this project off the ground so the leadership of it was theirs. By organising their own clean up the community avoided bureaucracy and red tape. I explained to the group how to carry out a clean-up and supported them but they took the lead, door knocked and motivated residents to get involved by speaking in plain English and plain Urdu, Punjabi and more.

Hearing the chatter between residents of all ages and backgrounds as they enjoy the fruits of their labour, it's evident that these volunteers had not only helped clean the streets but had also brought the community together.

However, I have a nagging feeling that all this has been developed on thin ice. What about neighbourhoods where there are no willing volunteers? Does the pro-activeness of this community mean the redeployment of council resources to other, more needy, areas? Do neighbourhoods like this one gain or lose out?

For now, all I know is there's a real feeling of community in this neighbourhood. Long may it continue.

Appendix 9 — Further Reading

Changes and Challenges

<https://www.gov.uk/guidance/climate-change-explained>

<https://www.theguardian.com/news/datablog/2013/nov/06/uk-population-increase-births-migration>

<https://www.theguardian.com/society/2007/dec/23/communities.population>

<http://blogs.oii.ox.ac.uk/policy/what-are-the-barriers-to-big-data-analytics-in-local-government/>

https://secure.solace.org.uk/summit2017presentations/AlisonMckenzieFolan_Summit2017.pdf

<https://medium.com/@camdentheo/scaling-digital-change-for-better-public-services-reflections-on-uk-local-government-digital-659cc287492b>

<https://visual.ons.gov.uk/migration-levels-what-do-you-know-about-your-area/>

Building Better Futures

Better Housing

<http://www.telegraph.co.uk/property/house-prices/government-launches-revolutionary-white-paper-fix-housing-crisis/>

<https://www.theguardian.com/money/2017/mar/25/how-one-council-is-beating-britain-housing-crisis-sheffield>

<http://www.publicfinance.co.uk/news/2017/11/chancellor-lifts-hra-borrowing-caps-councils-high-need>

<https://www.insidehousing.co.uk/home/government-resists-calls-to-lift-council-borrowing-cap-52752>

<https://www.gov.uk/government/news/new-money-for-affordable-homes-released>

<http://www.bbc.com/news/magazine-30776306>

Growing Economies

<http://www.centreforcities.org/wp-content/uploads/2015/06/15-06-01-Northern-Powerhouse-Factsheet.pdf>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571562/NPH_strategy_web.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/598295/Midlands_Engine_Strategy.pdf

<http://www.investwolverhampton.com/build/>

<http://www.belgradeplaza.co.uk/about/>

<http://www.coventry.gov.uk/investmentsitemap>

<http://www.bournemouthdevelopmentcompany.com/>

Safe and Cohesive communities

<https://www.east-ayrshire.gov.uk/Resources/PDF/B/Best-start-in-life-in-East-Ayrshire.pdf>

Smarter Service Investments

<https://www.local.gov.uk/sites/default/files/documents/eflg-revised-guide-counci-fe9.pdf>

<http://www.legislation.gov.uk/ukpga/2010/15/part/1>

The Manager's Toolkit

http://www.mediacityuk.co.uk/_assets/userfiles/files/MediaCityUK-Phase-2-information-displays.pdf

<https://www.local.gov.uk/sites/default/files/documents/growth-bournemouths-town-c1a.pdf> <http://www.mediacityuk.co.uk/images/pdf-files/HistoryofMediaCityUK.pdf>

<https://www.salford.gov.uk/media/386144/quays-dev-plan-1985.pdf>

https://www.salford.gov.uk/media/385733/milestones_v2.pdf

<https://www.birmingham.ac.uk/generic/tsrc/documents/tsrc/reports/SEIF/SEIFPhaseOneThelandscapeofsocialinvestmentintheUK.pdf>

https://www.britishcouncil.org/sites/default/files/social_enterprise_in_the_uk_final_web_spreads.pdf

<https://industrywake.co.uk/foxlake-adventures-cic/>

<http://www.west-dunbarton.gov.uk/media/4308585/summary-report-final.pdf>

<https://nationalfloodforum.org.uk/working-together/communities/what-is-a-flood-action-group/>



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