

NEXT GENERATION COUNCILS

Time for fresh thinking

Budget cuts are making councils in the UK adopt whole new ways of working. **David Hammond** calls for more innovation here too.

Imagine a council with a staff-owned mutual company to run some services. Picture several councils in an area pooling their budgets to run services. They're maybe even sharing budgets with a government department. Or imagine several councils under the same chief executive and senior management team.

These service delivery methods are already in use in England. In a briefing paper released to the House of Commons in April this year, ministers were made aware of the efforts nationwide to achieve cost efficiency, modern service delivery and citizen engagement.

Whilst New Zealand tinkers with rules allowing CCOs to be established more easily and celebrates some shared services

and planning initiatives, British local government seems light years ahead:

- 94 percent of British councils are in shared services;
- Over half have a trading company and this is expected to rise to 100 percent of councils by 2020;
- 57 percent operate a joint venture with the private sector; and
- Councils privately invest in properties, banks and consulting companies to offset rates.

In his April ministerial briefing paper *Local Government: Alternative Forms of Service Delivery*, Mark Sandford cites Northamptonshire County Council in England as an example of a next generation model. The council will downsize, become

highly outsourced and establish a number of new organisations for service delivery, including some run by a staff-owned mutual.

But are these English councils what the next generation New Zealand councils will look like? It seems unlikely. We don't have the same range of allowable options in our sector as in England, and we are the most centralised nation in the OECD.

In a 2015 Policy Quarterly paper – *Decentralisation: does the New Zealand local government system measure up?* – LGNZ principal policy advisor Mike Reid argues that the full benefits of cost efficiencies, modern service delivery and citizen engagement will not be realised here until there is more devolution of political, administrative and funding powers to local government.

I believe that many elements of our next generation councils are already in the sector. If we could put together the next generation innovations all over local government into one council we would glimpse our future. I'm keeping an eye on five next generation examples in New Zealand (see box story "On the watchlist").

New Zealand and Australia continue a preoccupation with council efficiencies and rates levels. While some communities also want broader services local councils as yet do not have the same range of funding tools made available to the sector as England enjoys. Nor do they have the same breadth of mandate.

I have listed 'cost efficient and rates-minimal' as one of my

Spot the difference

Next generation councils:

- Use inclusive governance models with iwi and local people
- Provide a greater variety of mixed outsourced services
- Are cost efficient and rates-minimal
- Unlock the potential of communities
- Are networked not siloed
- Focus on customers and business
- Have professional internal systems
- Staff and management work in partnership
- Have staff and elected members in one team.

descriptions of next generation councils (see box story "Spot the difference"). But we need to recognise the need for innovation and development of the sector on a much broader front.

Imagine a council where iwi come into the governing body. Imagine staff and management in a broader coalition, not just in industrial relations but in service delivery itself. Or, imagine a council resourcing communities to deliver services to meet their own priorities. It's easy if you try. **LG**

• David Hammond is director of advisory services firm Hammond Robertson and the former chief executive of Thames-Coromandel District Council.

ON THE WATCHLIST

South Taranaki District Council – Next Generation Internal Systems

Chief executive Craig Stevenson has developed a staff culture that's the envy of other New Zealand councils. South Taranaki District Council has been a finalist in the IBM / Kenexa Best Workplaces Survey for seven years in a row and has the highest staff engagement in local government. Craig regularly has councils coming to his door on fact finding missions, and a stream of applicants for his council's positions. A humble leader, he says, "If you look after your staff they will look after the business."



Craig Stevenson



Mayor Len Brown, Local Government Minister Peeta Sam Lotu-Iiga and Maungakiekie-Tamaki councillor Denise Krum at a dawn planting ceremony returning a tree to Auckland's iconic One Tree Hill.

Auckland Council – Next Generation Urban Engagement

Mayor Len Brown and CE Stephen Town's city is groundbreaking on so many fronts. GM arts, community and events Graham Bodman and his team are leading highly innovative approaches to citizen engagement. Their activities centre around a community practice team and local strategic brokers with expertise to grow community capabilities and council partnerships.

Rotorua District Council – Next Generation Governance

Mayor Steve Chadwick and CE Geoff Williams are leading groundbreaking work in bringing iwi into the governing body of council. They have also assigned councillors to lead portfolios relating to the themes in their strategic plans, supported by staff resources.



Steve Chadwick



South Waikato District Council – Next Generation Partnerships

Mayor Neil Sinclair and CE Craig Hobbs' council has partnered with and funded the Bay of Plenty Polytech for the development of work-ready courses for youth employment targeting the distribution, logistics and commercial road transport industry.



The Road Transport, Warehousing and Logistics Centre is an addition to the Tokoroa Trade Training programme. Both facilities train local youth, providing them with skills and qualifications to match local labour requirements. They are delivered through tertiary education provider Waiariki Bay of Plenty Polytechnic.



Thames Community Board member listening to high school students speak about their vision for the future of the area.

Thames-Coromandel District Council – Next Generation Local Empowerment

In my former council led by mayor Glenn Leach, the most devolved model of local democracy has been put in place with local people brought up into a single tier on the governing body as equal partners but with different roles.