Community Governance

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Peter McKinlay

**Director
Local Government Centre
AUT University
Auckland, New Zealand**

peter.mckinlay@aut.ac.nz

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Introduction

Over the past few months I have delivered a number of presentations and papers on the theme of community governance. Each time I start by reflecting on the nature of the audience, and the experience they may have had. I find it a very useful way of getting a focus on dealing with a topic which can be hard to pin down.

For this presentation my starting point is an awareness that many in this audience will have spent the greater part of their working lives in local government. A number of you will have started working in the sector in the days when local government was very much in the traditional business of roads, rates and rubbish. Its place as a third tier of government was well understood. Basically it was to deliver a well defined range of services combined with local regulation. Councils were elected once every four years, and that of itself gave elected members a mandate to make decisions on behalf of their communities.

Fast forward to 2011. Not a great deal has changed in terms of the legal framework under which you operate - there have been some shifts in the area of planning, reporting and accountability, but not much in terms of general understandings, certainly within the sector, of the role and place of local government.

The Changing Environment for Local Government

A bit over a year ago I led a team which prepared a report on future options for local government for Northland, the region which abuts the northern boundary of the newly amalgamated Auckland Council. Accepting that form should follow function, we took the view that our first task was to think about the functions of 21st-century local government and indeed, more broadly, about how communities in the 21st-century were actually governed.

We began by looking at some of the major shifts since the present form of local government was put in place. I want to take that list and adjust it a little for Australian local government. 30 years ago, when many of you may have been starting your careers in local government:

- The Internet did not exist.

- Personal computers and mobile phones were still in the future.

- Along with this, the potent organising power of social networks was as yet undreamt of.

- Climate change was not yet an issue.

- Water as a major and potentially defining economic and environmental issue was still well in the future.

- Participation in local government meant the opportunity to vote once every four years - not the demand for direct involvement in individual decisions which is now commonplace.

- The profound impact of globalisation was still well in the future, as was any suggestion that China and potentially India would be by far Australia's major export market.

- Few if any councils or communities (or national governments) yet had any idea of how important would become the role of local government in place shaping - creating the places where highly mobile people would want to live and work.

- If we spoke about governance, we almost certainly meant the principles on which the Council itself was organised, especially in terms of relationships between elected members and senior management.

- The proposition that the government (governance) of Australia's major cities would become an important preoccupation for Federal Government was simply not on the table.

- Nor was the dramatic shift in the role of cities, with metropolitan centres now overtaking nationstates as the principal drivers of international trading and other networks.

- There was virtually a consensus that social services were a federal and/or state government responsibility with little or no role for local government. The view now emerging that local government is an essential partner in working with higher tiers of government to ensure the effective targeting and delivery of social services was virtually unheard of.

Most of you will be quick to tell me that although the legal framework of local government may not have changed much in response to the changes outlined above, local government practice itself has. You will point to the increasing use of the Internet and information technology, not just for processing local government's own information, but for working with your communities. Terms like place shaping have become part of your vocabulary; you are actively involved in policy development in areas such as climate change, energy efficiency and the management of fresh water (even when you're not directly involved in a delivery role).

What I want to suggest in this paper is that the impact of the kind of changes I have listed, and others which are coming, will have a far more profound impact on the role and function of local government, and its place in the governance of Australia's communities, than the great majority of us have yet recognised.

Government or Governance?

This question goes to the heart of the function of modern day local government; are you in the business of government or governance and what is the significance of the difference?

Start by thinking of the nature of the communities for which you are responsible. All to a greater or lesser degree are made up of an extremely diverse mix of localities, interests, ethnicities, faiths, economic groupings and much more. Despite that diversity there are some strong commonalities. One is a shared interest in the quality of life within the communities in which people live, work and enjoy their leisure. However the term 'quality of life' will mean different things to different people, and even for people who broadly share an understanding of the meaning, priorities in terms of what matters most will also differ.

Another strong commonality is the recognition that pursuing 'quality-of-life' requires, among other things, some form or means for collective action as 'quality-of-life' is very often a collective rather than an individual good. Common examples with which we are all familiar include groups such as the committees which run kindergartens, local primary school boards, local hospitals, sporting

and other clubs, faith groups and much more all of which in their different ways represent different means for pursuing 'quality-of-life'. A more comprehensive listing would also include business groups such as Chambers of Commerce and others committed to improving the quality of the local business environment.

The result mélange of interests can be looked at in a number of different ways. It could be seen as evidence of a vibrant community, with a high level of engagement (think of Robert Putnam's work on social capital). It could be seen as evidence of a relative lack of collaboration, with different groups stumbling over each other in the pursuit of what ought in many respects to be common goals. It could be seen as evidence that communities generally lack any overarching framework within which to debate, determine and pursue collective goals.

There been a number of endeavours, over the past couple of decades, to try and put some kind of robust framework around analysis of what is happening at a community level as different groups pursue their preferred outcomes. 20 years ago the American researcher Clement Stone popularised the concept of the 'urban regime' as a way of understanding governance in major American cities as an alliance between local government and local stakeholders most especially the business community.

More recently, there has been an increasing interest within local government research in exploring the difference between government and governance. The English researcher Robin Hambleton has developed what is possibly now the best known description of the difference, and the role of governance versus government:

> *Government* refers to the formal institutions of the state. Government makes decisions within specific administrative and legal frameworks and uses public resources in a financially accountable way. Most important, government decisions are backed up by the legitimate hierarchical power of the state.

> *Governance*, on the other hand, involves government *plus* the looser processes of influencing and negotiating with a range of public and private sector agencies to achieve desired outcomes. A governance perspective encourages collaboration between the public, private and non-profit sectors to achieve mutual goals. Whilst the hierarchical power of the state does not vanish, the emphasis in governance is on steering, influencing and co-ordinating the actions of others. There is recognition here that government can't go it alone. In governance relationships no one organisation can exercise hierarchical power over the others. The process is interactive because no single agency, public or private, has the knowledge and resource capacity to tackle the key problems unilaterally.

Why the shift in emphasis? Common explanations include:

- A response to globalization as city regions become increasingly engaged in the international economy, competing for inward investment, skills and other resources (Lefèvre, C.1998); and

- A shift in the focus of local government from the basically 'local administration' focus of the mid and late 20th-century to an emphasis on well-being - seeking solutions for the so-called ' wicked issues' which now preoccupy public officials (Rittel & Webber, 1973; Clarke, M. & Stewart, J.,1997; Sullivan, H., 2002; Hambleton, R. 2004).

For practical purposes, the second explanation is more immediate. It has become increasingly common for the statutory function of local government to be defined in terms of promoting community well-being regardless of who has ultimate responsibility for the actions required. If it is the local authority itself, then its responsibility is to take the necessary actions. If it is the responsibility of others, whether higher tiers of government, business or the voluntary and community sector, then the responsibility of local government is to act as an advocate and facilitator.

Examples of this approach through legislation can be seen in the enactment of the well-being power in the UK Local Government Act 2000, with its related obligation for councils to produce local strategic plans, in the statutory purpose of New Zealand local government including to promote the social, economic, environmental, and cultural well-being and communities, in the present and for the future and in the obligation on councils in New South Wales (as one example of the obligations which councils in most states now have in developing community plans) that the development and delivery of their community strategic plan should be as a partnership between council, state agencies, community groups and individuals and should address a broad range of issues that are relevant to the whole community (IPRF Manual Essential Element 1.1).

A Changing Role for Local Government?

Does this reflect a changing role for local government? To answer this question, it is useful to look at some of the influences which are now shaping the way in which local government works with its communities.

The first is the changing way in which people want to relate to their local governments. Is still common to think of local government as based on representative democracy with the implication that the principal and perhaps only way in which the average citizen connects with his or her council is through the opportunity to vote. Most of us are very aware that turnout in local government elections, especially in those states where voting is not compulsory, has been going through a long-term decline with the occasional uptick when initiatives such as postal voting have been introduced (Russell 2004).

What may be less well understood, but emerges from recent research especially in Europe, is that the way in which people wish to engage with their local governments has been changing. Although representative democracy is still seen as important, there is now a much greater focus amongst citizens on the opportunity to engage around specific issues which affect them personally. Among other things this reflects the fact that representative democracy is not a particularly effective means of influencing specific decisions on (say) traffic calming measures in your neighbourhood, the management of a local park, or changes to the council's rubbish collection.

Four different approaches are recognised. They include representative democracy as currently understood, user democracy - relating to the local authority as a consumer of services, network democracy - broadly equivalent to Clement Stone's urban regime theory, recognising the increasing role of stakeholders in collective decision-making, and participatory democracy (Haus & Sweeting 2006, Schaap et al 2009).

Two other important influences are also coming to bear. The first is a consequence of growing fiscal stress on higher tiers of government and the second an understanding of the preconditions for implementing major behaviour changing policies.

Fiscal stress

Traditionally, because higher tiers of government have 'owned' the major tax bases within their societies, they have also enjoyed a virtual monopoly on decisions about how major social services should be designed, targeted and delivered. Even in societies where local government has played a significant role in delivery, it has been common for higher tiers of government to insist on the establishment of universal standards (hence the common reference, in England, to the 'postcode lottery' as something to avoid).

With the growth in fiscal deficits in a number of developed economies post the global financial crisis, and the related awareness of the upward pressures coming to bear on government finances, especially as a consequence of an ageing population, a shift in thinking has been taking place. A number of governments are now recognising that the optimal response to a failed policy is no longer to design another policy and throw another cheque at the problem.

Instead, governments are now looking for new means of designing, delivering and targeting major policies, and drawing on research evidence which has highlighted some of the difficulties with the traditional approach. Specifically, governments have become more aware that the 'top-down' approach is both relatively expensive and less efficient than more devolved alternatives.

As an example, *Public Sector Paradox*, a report exploring the effectiveness of social service delivery in the north-east of England (Commission on Public Sector Reform in the North East. 2009) found that per capita expenditure on public services was higher than the average for England, public services in the north-east performed better than public services generally in terms of their formal KPIs, but outcomes were poor. One reason was the relative lack of engagement at a local level. The clear inference was the need for public services to be delivered through means which were much more directly connected to the local communities in which they were intended to have their impact.

This argument for greater devolution was taken up by London Councils, the body representing London's Boroughs, in *Manifesto for Londoners* which proposed significant devolution from central government to local government and further down, making the argument that this shift would result in better outcomes for communities and lower costs to government.

This was developed in the context of the then Labour Government's 'total place' initiative which was intended to promote greater integration between central government, local government and other entities engaged in the delivery of services at a local level. That initiative has been largely superseded by the coalition government's 'Big Society' initiative which is premised on devolving to the community level – local government and through local government to community organisations (Cabinet Office 2010a).

This initiative has included the introduction of a new Localism Bill which is now going through its final stages in the House of Commons. The Bill proposes:

- Granting local government a power of general competence. Among other things this will enable councils to form companies through which to carry on activity.

- Providing for what is known as a community right to challenge under which a community organisation can seek the right to deliver a specific

service or services. The process which the council is then required to follow includes an appeal right to ensure that challenges are treated on their merits and that the council cannot determine a challenge purely in its own interests.

The Big Society initiative is also part of a broader policy programme intended to reduce, significantly, the level of public sector expenditure. As part of this, local government revenue is being cut, over the next three years, by approximately 28% forcing a very rigourous approach to weeding out low priority or low value services, and finding new ways of delivering services which are intended to remain. As part of this, the government has been encouraging local authorities to look at the use of new delivery means such as employee or community owned entities. In order to facilitate this, it has engaged a number of leading UK-based cooperatives, and cooperative advisory groups, to work with a number of Pathfinder projects (Cabinet office 2010b).

This has sparked a number of creative responses from local government, most particularly a move by the Borough of Lambeth to reposition itself as the 'Cooperative Council'. This is an initiative under which the Council is actively exploring the potential across all of its services for community engagement in different forms including the use of community controlled trusts and other entities (Cooperative Council Citizens' Commission 2011). It is an initiative of real interest for local authorities not just throughout England and Wales, but in other jurisdictions because of its potential to draw on skills and other resources within the community.

The UK government, amongst developed economy governments, is the one which is most directly focused on the potential for devolution to a community level to achieve what could amount to a win-win outcome:

- Better outcomes at a lower cost from government policies.

- A greater measure of community control and choice over the delivery of services.

The argument has been made by councils in other jurisdictions, notably in Australia and New Zealand, that the same situation does not apply for them because they do not have an equivalent role to that of English local government in the delivery of major social services. This is an argument which misunderstands what is really going on. The importance of devolution to a local level in order to engage local knowledge and networks is a function of the nature of the social services themselves, not of which level of government has the formal responsibility for the funding and delivery of those services.

Looked at in this way, it can be seen as a pointer to the way in which local government in Australian states may eventually evolve in terms of working with its communities to improve both access to services, and the outcomes they provide.

Policies Which Require Behaviour Change

One of the things which has changed quite dramatically in recent years is the nature of the major policy challenges which confront governments. We have moved on from the days in which the principal challenges could be handled within a 'command and control' approach to government. Today our major policy changes typically require a willingness on the part of both firms and individuals to embrace significant behaviour changes. Examples include climate change, energy

efficiency, the prudent use and pricing of water, road pricing, managing the response to an ageing population and much more.

Typically, in all of these areas, we already have much of the knowledge needed to tell us the direction and magnitude of change, and who needs to do what in order to get the outcomes being sought. What we do not have is the commitment on the part of those who need to change that they should do so.

Australia provides a good recent example. In 2005, at a time when its conventional water supply was close to running out, the city of Toowoomba held a referendum on whether to use recycled wastewater. The evidence was that the recycled wastewater would be of at least equivalent quality to the city's normal potable water supply. The referendum was defeated.

In the lead up to the referendum social scientists from the CSIRO had undertaken an in-depth study on public attitudes to the use of recycled wastewater (Po et al 2005). They found that just giving people information was not sufficient in order to gain public support. In the specific case of recycled wastewater, it did not overcome the 'yuck' factor.

A key conclusion was that governments need to engage rather than persuade the community. A genuine partnership with the community needs to be developed over time if changes in expectations and behaviour are to be brought about consensually. It's a finding that places a very strong emphasis on the importance of working through structures which have the ability, over time, to engage with communities and manage the 'community conversations' needed to build a consensus around major behaviour change issues.

More recent evidence comes from a just published research paper looking at the role of behaviour change in managing expenditure especially within local government (Keohane 2011). This also supports the proposition that you need to do more than simply give people information:

> Although a common characteristic of successful behaviour change schemes is the level of intelligence possessed by the authority about the client group, there have been criticisms that current behaviour change programmes often simply present information to the public. They therefore make assumptions about what information is likely to influence people; may make the problem appear impossibly big and distant from the individual; or assume falsely that information can fill the motivation gap. As a Cabinet Office paper has previously acknowledged, 'several decades of research have conclusively shown that knowledge alone often fails to change behaviour.' Conversely, academic research has indicated that where behaviour change schemes are attuned to the needs and circumstances of citizens themselves that they are likely to be well-received.

The potential gains are significant. The executive summary for the paper notes:

> By re-designing services in ways that fit with citizen motivations, local government can significantly reduce the costs of services – cost reductions emerging from projects detailed in this report are yielding 15-20 percent.

Evolution in Community Governance

In jurisdictions like Australia and New Zealand, we take it for granted that local government in some form will always be part of our governmental arrangements - despite, I would suggest, the occasional anxiety within Australian local government about its lack of constitutional recognition.

However, we also know that local government's exact role, structure and status itself can never be taken for granted. Higher tiers of government have shown a readiness to intervene if they believe that local government is not properly discharging what they expect of it. In Australia compulsory reorganisations such as those in Queensland and Victoria are relatively recent examples as is the just completed restructuring of Auckland, and the 1989 restructuring of New Zealand local government.

These have all proceeded on the unspoken but clearly agreed understanding that statutorily based local government in some form will remain part of our governing arrangements. Is it prudent to take this for granted?

The world's most active laboratory for local governance is the United States of America. It's partly the country's size, partly the large number of states each of which is responsible for the structure of local government within its own jurisdiction, and partly the nature of the American commitment to local democracy.

In some states this includes what amounts to a right to secede and establish your own local authority, something which helps account for the very large number of small local governments. California provides an example with the contract cities movement (www.contractcities.org). This comprises approximately 500 small local councils each of which contracts in virtually all of its services, some from local authorities, others from the private sector or NGOs. In statutory form contract cities are local authorities but in practice many of them look more like local clubs which have taken advantage of the local government statutory framework - in essence, they represent a form of 'escape' from traditional local government.

Another development, larger in scale than the contract cities movement, is the growth of homeowner associations (see http://en.wikipedia.org/wiki/Homeowner_association). These are typically not regulated by state law but depend on private contract law instead. They vary significantly in the range of services and amenities they provide from something which would look not unlike the body corporate for an apartment block to much more comprehensive services with some homeowner associations being in essence the equivalent of self-contained towns. At the moment most homeowner associations involve their residents both in paying levies to the association, and in paying at least some of the property taxes which they would be liable for if their property were not part of the association.

The rapid growth of homeowner associations as a preferred approach to property development has meant that the structure and arrangements have been dictated substantially by the interest of developers. However, as existing estates mature, and the developer interest disappears there is the potential that could change. More to the point, it provides a practical example of an alternative approach to the provision of services which could become a challenge to local government in jurisdictions such as Australia and New Zealand if there were sufficient dissatisfaction with the performance of local authorities themselves.

Considering both the contract cities example, and the growth of homeowner associations, it seems clear that at least in concept, local government does have potential competitors, especially if it is unable to satisfy groups who want to take a more holistic approach to the governance of their communities.

Current developments in Australia

LGMA, the Australian Centre of Excellence for Local Government, and the Municipal Association of Victoria are jointly supporting a project on the theme of Evolution in Community Governance: Building on What Works.

It is partly a literature review based exploration of recent international experience in the development of community governance (some of which has been drawn on in earlier parts of this paper), and partly a case study based examination of current trends in Australian local government.

Victoria's experience with community planning is undoubtedly Australia's most comprehensive approach so far with practice which resembles community governance. First, rather than being based around the entire district of a local authority, community planning has quite deliberately been focused on identifying areas which recognise themselves as distinct communities within the boundary of the local authority - a task which has proved much easier in more rural authorities because they tend to have geographically distinct townships/areas which are easily recognisable as separate communities in the sense that people identify with them. Second, the underlying premise has been that community plans belong to their communities, rather than to the local authority whose role is seen as being much more in the nature of facilitation than ownership.

The implementation of the Integrated Planning and Reporting Framework in New South Wales is still in its early stages; although group 1 and group 2 councils have completed their community strategic plans no comprehensive independent assessments had yet been undertaken of them, or of the processes which individual councils went through. It should be noted though that one of the strengths of the New South Wales approach is that councils have a significant amount of discretion in terms of how they go about engaging with their communities.

Specifically, it seems still too early to make a judgement about whether New South Wales councils have been genuinely taking a community governance approach in the development of their community strategic plans - which moves closer towards co-determination - or whether they have been operating in a more conventional consultation mindset. Anecdotal evidence so far suggests something of a mix.

The Queensland Local Government Act 2009 created an obligation for Queensland local authorities to prepare long-term community plans covering a period of at least 10 years. The State government's community engagement guide describes the role of community planning as "Community planning involves developing medium to long range plans to achieve a stated vision and work towards preferred outcomes. Community plans typically respond to a diverse range of economic, environmental, social and governance issues and can include capital, land use, transportation, heritage conservation, health, learning and cultural visions and outcomes."

The focus of the Evolution in Community Governance project in terms of council practice is on how approaches to community governance have been evolving within Australian local government, rather than specifically on how councils have

been responding to statutory requirements for greater community engagement. There is an obvious overlap, especially as one of the principal drivers in a shift towards more of a community governance approach has been statutory requirements for a different approach to planning but the project has been primarily concerned with innovation in community governance rather than specifically with compliance.

Two roughly parallel approaches are being explored through the project; one is local authority initiated or supported community governance and the other community governance as it can be seen emerging through elements of the community banking network of the Bendigo and Adelaide Bank. Case studies have been selected through discussion with informed observers, and amongst the project sponsors - we have been quite deliberate that the objective is not to produce some kind of statistically valid sample survey, but rather to bring out a series of experiences which contain within them worthwhile learnings for others interested in community governance.

Before considering some of the preliminary findings, it may be worth outlining why practice within the community banking network was seen within the context of the evolution of community governance. Very briefly, the community banking network[1] is made up of a little over 200 individual branches each independently owned by a community company structured to ensure widespread ownership within the community served by the branch (with community being defined broadly in terms of the branch's expected catchment area). Each branch operates under a franchise which provides, among other things, for the sharing of branch revenue between the bank itself and the community company which owns the branch.

Profits, once earned, go partly to providing for a return to shareholders, partly to build up reserves, and partly as distributions to the community within the branch's catchment. It is the distribution of a share of profits to the local community which is resulting in a number of community banks gradually moving towards a community governance mode. This is happening because, in order to distribute a share of profits to the community, the branch's directors need to have at least some understanding of the community's own priorities.

The approaches taken vary considerably from branch to branch. Some still rely entirely on the personal networks and knowledge of directors on the basis that, especially in smaller communities, their collective wisdom is a very good proxy for the community's preferences. Others have developed quite formal plans through an extensive consultative process designed so that the community can tell the branch what its priorities are.

One individual who has had some years of experience working with the community banking network described the priorities for distribution of profits in terms of evolution from a relatively simple sponsor approach through to a much more sophisticated planner and initiator role in terms of the steps which he expected to see community banks pass through as they matured, and their funds available for distribution increased. The steps he identified are:

1. Sponsor – sponsor local clubs/events with minimal proactivity.
2. Supporter – ongoing systematic grants process with some proactivity.

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[1] For a recent overview of the performance of the community banking network *Business Update: Why Bendigo Banks on the Community* go to
http://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=BEN&timeframe=D&period=M

3. Consulter – starting to proactively identify project/support opportunities via conversations with community.
4. Funder – putting some larger $ in to community projects, usually with leveraged outcomes. Sometimes identified proactively.
5. Partner – ongoing relationship with community bodies (could be local government) and forward commitment on project funding. Active ongoing future-focused conversations.
6. Coordinator – actively involved in projects, both in funding and managing the process.
7. Planner – ongoing and vital role in identifying and building plans for, the future of their community. Closely aligned and have input to formal planning structures (government).
8. Driver – is a vital part of future discussions and plans on community. Initiator of activity and well connected at all levels (community, local and state government).

Some Preliminary Findings

The project itself is still work in progress, with a final report expected around August 2011. It has however already produced some very interesting preliminary findings both in terms of local government practice and in respect of the role of community banks in community governance.

Local government

Three themes have emerged which look to be of particular interest for people involved with local government management. They are evolution versus 'grand plan', the role of elected members and management in community governance, and accountability of council officers.

Evolution

One of the things which we have been looking at is how council approaches to community governance have been changing and why - have councils adopted a 'grand plan' to becoming more engaged with community governance, or is it more in the nature of serendipity?

We have found a consistent theme in all the case studies; councils are taking a step by step approach, addressing issues as they arise, rather than having a long-term objective of achieving some particular degree of community governance within some defined timeframe. One chief executive made the insightful point that if you did take a 'grand plan' approach there was a real risk that the objective of achieving the 'grand plan' could displace the real purpose of building meaningful community governance.

An example from one case study will illustrate the point. The Shire the subject of this case study was one of the early participants in the Victorian State government's community planning initiative. Over time it has found that the process has evolved from an initial focus on the 'nuts and bolts' of very local detail issues - perhaps the location of a pedestrian crossing - to a more strategic focus.

As this Shire's communities have become more experienced, the themes expressed through community planning have become more strategic. For a specific example, a number of community plans picked up on the issue of community transport. This provided the information base which allowed the Shire

itself to put forward a successful proposal to the State Government for community transport funding.

As the Shire has gained in confidence with the community planning process and its outcomes, it has decided to allocate some funding for individual communities which they can commit to one or more of the objectives in their community plan. At the moment the amount is only $A5000 for each community but most communities are approaching this as a sum which they can use to obtain funding from other sources. This is a first step in what could well become a shift to participatory budgeting, with communities gradually taking over responsibility for decisions on how council expenditure within their area should be allocated.

The Role of Elected Members and Management

All of the case studies, in different ways, have identified the common theme of the role of the elected member. Is it still the conventional role of representative government - I was elected to make decisions. Is it more in the nature of a facilitator role working with communities to understand their priorities and how best the council may be able to realise those, something which requires an acceptance that the community itself has a right to share in making the decisions which determine its future?

The nature of this challenge was expressed by one case study council, in the executive summary for an earlier case study on its community planning activity, as:

> However recognising the enormous cultural change required to reach agreement that communities actually do have a right and capacity to influence and determine their own future…

Most case study councils report mixed attitudes amongst their elected members ranging from the conventional representative view to a willingness to embrace the facilitator/community governance role. They also report that taking an evolutionary approach, rather than adopting a 'grand plan' strategy for developing community governance, is a much better way of working with the elected members as it allows their understanding to evolve as the process does, rather than commit at the beginning of a shift to community governance to endorsing the end point.

Coupled with this, a number of case study councils also noted that moving to a community governance approach was seen by a number of elected members as a threat to their political role. Reasons included a sense that this could be undermining their decision right, to a concern that building the capability for a community governance approach could be training people who might then themselves seek to be elected to the council. The general view was that these issues need to be recognised and managed, especially by executive management and council leadership, rather than swept under the carpet. This is especially the case as so much of what happens through a community governance approach is political in the sense of being focused on matters which are significant for the community.

There is another and perhaps more subtle challenge for councils as well; the time intensive nature of community governance processes inevitably means that much of the work of community engagement will be undertaken by officers rather than elected members. This raises very real questions about the scope of authority which officers may have when working with different community groups, and how

to ensure that they continue to have elected members support not just for the way they are working, but for the outcomes from their work.

This places a particular responsibility on chief executives and senior management to understand the different roles which council officers are now being expected to undertake, and to ensure that a community governance approach is not seen as undermining the prerogative of elected members.

Accountability

Inevitably, working with communities in a community governance mode will require quite significant support from councils - some of this may be technical in the sense of providing advice for community groups on the financial, technical and operational feasibility of different options. Some of that may involve working on capability development as not all community members will necessarily have the skill sets and experience required.

If the issue or issues being addressed through a community governance approach are significant in scale, or in terms of the need for building community capability or managing dialogue with and within the community, it's likely that the council will need to make someone available on a full or part-time basis to work with the community. One matter which needs careful consideration is to whom and for what that person (or people) should be accountable?

One case study provides a practical example. This council was working with one of its communities to develop a plan for a range of services which were geographically contained within the community but significant in technical, funding and operational terms. It had facilitated the establishment of a community group through nomination from a number of existing community organisations. That group needed support, particularly in terms of access to and understanding of a range of technical, funding and operational matters. The council seconded an officer to work with the group.

There is a real potential for an accountability conflict which the council has recognised; the process of developing the plan may result in the community setting different priorities or wanting different outcomes than are consistent with current council policy. The officer's role with the community group will virtually require the officer to work on the group's behalf even if its objectives conflict with those of the council - the alternative of seeking to limit the group's consideration of different options would quickly undermine trust, and sabotage the community governance process.

How does the officer, and the council, manage the conflict if one arises? The officer is accountable to the council as employer. It's highly likely elected members will expect the officer to support the council position.

It's a situation which is likely to become very common as councils' use of a community governance approach increases. It requires clarity of understanding about the nature of role, and support both from the chief executive and senior management, and from elected members.

Other case studies suggest that there is a different and potentially more appropriate approach; of providing the support not through seconding a council officer, but through contracting an independent facilitator.

Community banking

Case study work suggests that most community bank branches are still operating at levels one through four of the various steps set out at page 11 above.

It is clear from case study interviews one reason for this is that many community bank branches prefer to work closely with their local council, rather than necessarily undertake their own in-depth community planning/governance activities themselves. In taking this approach, they are recognising that most councils now have a statutory obligation to go through a comprehensive community planning process which amongst other things will identify the community's priorities.

From the community bank branch perspective this avoids reinventing the wheel, and makes it easier to work in partnership with the council.

Some community branches, especially larger and longer established ones, are functioning more in a community governance mode, working with their communities to determine what their priorities are. One case study branch has a formal structure of community committees and holds major project forums in different parts of the city, inviting 'strategic' community players to provide input. They will include leaders from various community organisations and senior politicians (federal, state and local). Through these forums the bank believes it gathers enough information to identify the real priorities.

The forums are independently facilitated. As an example from one forum the facilitator was also able to make it clear that the bank would fund key projects that it could be involved in. The bank was looking for the 'ten' (or so) major issues it could work towards in the future; also ones where it might be a conduit for obtaining support from other parties. An example that came up was youth suicide which was topical and close to home (a local girl had recently committed suicide). When the issue was explored a bit further, it was found that there were a lot of organisations already tackling youth suicide but that the information was not flowing back, so rather than creating another programme it was decided to work on setting up better communication. A website is being developed that will be focused on communication.

They have had past experience of trying to drive projects themselves, to support community initiatives where there were capacity limitations. This just got them embroiled in "throwing money at things and putting band-aids on wounds, not solving anything". They have had a few "deep breath" moments. Their approach now is to try to be more collaborative in the way they get involved and to give their time in a "community service sense".

Conclusion and Some Implications

Conclusion

'Local administration' will remain important but a number of influences will gradually drive local government down a community governance path:

- Changing public demands for engagement as people want more say in the decisions which affect where they live and work.

- The need for higher tiers of government to draw on community networks, knowledge and capability to better manage their own policy development and delivery – both to get a better 'spend' from existing policies and to

develop the mandate needed to implement policies which depend on behaviour change.

- The changing role of cities, especially metropolitan centres, in cross-border relationships (not just economic but also social and cultural) and, associated with that, the need for metropolitan governance which can deliver at both the regional **and** the local levels (globalisation needs glocalisation).

Some Implications

There are a number of important implications for local government concerning both its function and the respective roles of elected members and executive management and the relationship between them:

- Is a community governance approach compatible with our conventional representative government model?

- What does a community governance approach imply for the roles of elected members and council officers? How do our relatively low numbers of part time elected members cope with the shift to a model which may demand ongoing and quite intensive engagement with a large number of different communities? Do elected members shift to more of a macro level role, setting the general direction for the council as a whole but standing back from involvement in local decisions which don't impact on the council as a whole? Should we be making greater use of delegation to committees at a community level (akin to Victoria's 'Section 86' committees or New Zealand's better performing community boards)?

- Is it time to revisit the efficiency driven assumption which has favoured fewer elected members and rethink the importance of local democracy and the role elected members should play in helping build their communities' preparedness to embrace the major changes our society needs to make but which require active community acceptance if they are to happen?

- How will or should accountabilities, especially those of council officers, change under a community governance approach? What is the responsibility on executive management to ensure that the shift to a community governance approach is not experienced by elected members as undermining their role?

- What should be the relationship between councils and other entities with a possible role in community governance – including but by no means restricted to community banks?

- Who should lead changes to metropolitan governance? This is a particularly high risk area for local government and its communities for reasons including:

  - The very strong incentives for higher tiers of government to intervene to create governance arrangements consistent with what they believe is needed for high performing metropolitan centres;

  - The extreme reluctance of many local governments to recognise and work for the type of changes required; and

- The tendency for higher tiers of government, when they get involved with metropolitan restructuring, to ignore or seriously mishandle the requirements for effective governance at a local or community level.

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