A Good Practice Guide for Enabling and Supporting Place-Based and Related Community Governance

New Zealand-Australia
September-October 2104

PART 1

INTRODUCING THE GUIDE

1.1 Introduction

This guide has been produced to assist councils and other entities[1] wanting closer engagement with the communities they serve. It is set in the context of a sea change in public expectations and opportunities for people to be more involved in shaping the future of their local area, and reflects wide-ranging interest internationally in new ways for councils and others to work with communities in a world in which:

> … public trust in government has declined steadily, while the active support and engagement of citizens has become increasingly critical for solving public problems. Today's citizens are simply more vocal, knowledgeable, diverse, skilled and skeptical than the citizens of a generation ago. [2]

Responses to these phenomena have included:

- Top-down initiatives such as the UK's embrace of localism/devolution, greater emphasis on consultation (Canada, Australia, New Zealand), the IAP2 public participation spectrum, redefining the role of local government to include community well-being (the UK, New Zealand) and initiatives by central agencies to work directly with communities (Australia, New Zealand).
- Bottom-up initiatives such as participatory budgeting (originating in Brazil but now quite common in Europe and North America), community or village planning (England, Victoria, Porirua in New Zealand) and the emergence of neighbourhood or community associations as part of governance (Portland and a number of other US cities).

Key features of the changing environment for engaging with communities are explored further in Part 2 below.

The guide was prepared in association with a series of workshops held in New Zealand and Australia during September and October 2014 for local councils and wider community interests on what is happening in community governance internationally. The workshop panel comprised leading researchers and practitioners Peter McKinlay (who has written and presented extensively in New Zealand and elsewhere on community governance) and Dr Paul Leistner of the Office of

[1] As the guide discusses, interest in facilitating bottom-up community governance goes well beyond local government, to a number of other entities such as the community banking network of the Bendigo bank, community foundations and other trusts distributing discretionary funding for purposes of community benefit and, increasingly, agencies of higher tiers of government.

[2] Quoted from the forward to *Planning for Local Democracy: a field guide for local officials* published by the US-based National League of Cities http://www.nlc.org/find-city-solutions/city-solutions-and-applied-research/governance-and-civic-engagement/democratic-governance-and-civic-engagement/planning-for-stronger-local-democracy

Neighbourhood Involvement, Portland, Oregon, with representatives of the Thames Coromandel District Council and the Bendigo & Adelaide Bank Ltd (both leading exemplars of community governance). Adrienne von Tunzelmann of public policy specialists McKinlay Douglas Ltd designed and authored the guide.

1.2 About the guide

Purpose

The purpose of the guide is to outline how community-based organisations can be enabled and sustained as a network for facilitating engagement between a council or other entity wishing to take a community governance approach and the communities it serves. Throughout this guide we normally use the term 'council' rather than 'council or other entity of community governance'. Because the latter is somewhat cumbersome, the term 'council' is intended to encompass any entity which plays a community governance role in relation to a community or communities which it serves.

The guide looks at a flexible approach – sometimes place-based, sometimes interest or identity-based – with communities having the primary role in establishing their own organisations, but within a series of guidelines for recognition for purposes such as:

- Acting as the representative of its particular community (of place, interest or identity) for dealing with the Council or other entity on matters affecting that particular community, including decisions on policies, place-based expenditure, and on the allocation of funds the expenditure of which the Council or other entity is prepared to delegate to the community.
- Constituting networks through which the Council can establish meaningful and on-going partnerships on a 'whole of Council' or sub-Council level to contribute to better and more informed decision-making across the whole range of Council activity.

Key points

The guide sets out to provide a pathway for councils and other entities towards building a community governance approach into the way in which decisions are taken on behalf of the communities they serve.

The focus of the guide is on non-statutory community governance where the framework is set by the Council (or other entity), but the initiative to establish individual community governance bodies comes from the community. Statutory forms of community governance are typically 'top down' in the way they are established. They both depend on council initiative for their establishment, and can be disestablished as a result of council action. Examples include New Zealand's community boards and the use of Council committees in Australian local government.

The guide sets a course that is 'bottom up', centred on place and neighbourhoods (that is, place-based), in contrast with 'top down' approaches which have been the more usual first step for councils seeking greater community involvement, but extending also to communities of interest and of identity.

It draws primarily on the experience of Portland, Oregon and that city's willingness to share 40 years' of rich heritage and history as a long-standing example of community engagement through a network of resilient neighbourhood associations and, increasingly, including also the recognition of communities of interest and communities of identity.

The guide builds on insights from Portland's experience with neighbourhood associations and other community associations for practical application by councils and other entities in New Zealand and Australia. It takes into account the different legislative and constitutional arrangements for local government in the USA on the one hand and Australasia on the other, but also recognises both the common interest in local democracy and the different ways that has been expressed.

Finally, the guide recognises that councils are not the only entities which have a natural interest in community governance – 'natural' because working with communities to help shape their preferred futures is an essential element in what they do. 'Others' include the community bank branches within the Bendigo & Adelaide Bank Limited's community banking network, community foundations which are increasingly common in both Australia and New Zealand, and New Zealand's energy and community trusts.

Community bank branches all have a commitment to distributing a significant share of their profits back into the community and increasingly do so with a focus on using their community reinvestment to improve community outcomes - an objective which is at the heart of community governance.

Community foundations, and New Zealand's energy and community trusts, typically distribute at least some of the funds they hold for purposes of general community benefit. As elsewhere, their focus is shifting increasingly from reactive distribution policies (responding to grant requests) to proactively seeking out ways of distributing funds to improve community outcomes – again a community governance role, whether or not the trust explicitly perceives that is the case.

In each of these instances, whether a bank branch, a trust or a foundation, as soon as the entity moves to a focus on acting to improve community outcomes it is implicitly taking on a commitment to work with the priorities of the community or communities it serves and to understand what these are and is hence starting to work in a community governance mode.

1.3 Using the guide

The guide is not a prescription for every council or other entity using it – the circumstances of local communities and the relationships across the players vary too much for there to be one 'right way'. Nor does it imply a 'score card' for measuring how well a council may be doing against an 'ideal' in community governance and engagement.

Rather, it offers a rationale and framework for actively involving communities in shaping their environments, incorporating an adaptable menu of policies and practices, as new elements in how they work with their communities, to inform and steer how a council or other entity might go about fostering collaborative planning and decision-making at a community level.

The picture is an evolving one, as it has to be. This is well illustrated in Portland's experience with its citywide system of formal neighbourhood associations. Created in 1974, not only has the system seen changes over time, but the city itself has changed – in particular, its population becoming increasingly diverse primarily as the result of in-migration by ethnic minorities. A major review of Portland's community engagement system initiated in 2005 by the then Mayor has seen a re-energising of the existing neighbourhood association base and the growing involvement of a wider range of community interests, with Portland now recognising that 'community' for the city includes communities drawn together by:

- Shared geography – for example, neighbourhood associations/districts and business district associations
- Shared interest – for groups focused on issues such as the environment, housing, sports, arts, transportation etc.
- Shared identity – people of colour, immigrants and refugees, people with disabilities, older adults, youth, renters, people who are homeless, lesbian/gay/bisexual/trans-gender…

The guide is best used flexibly, and as appropriate to local circumstances. While the same issues and questions about community engagement are widely evident, simply the fact that every community is different, and that governance evolves by different paths and at a different pace particular to jurisdiction, history and character, means the guide will be relevant in different ways.

Using the guide, at least in the first instance, could begin by prompting thinking about the scope for and benefits of new approaches that more effectively connect communities into civic life, and to help identify where the council or other entity might wish to sit along the community governance spectrum.

Councils and other entities may also consider using the guide to develop their own tailored approach – perhaps in a form that can be taken out to communities for input into designing guidelines, policies, tools and practices.

1. 4 Why neighbourhoods?

Traditionally, the formal responsibility of councils has been defined in geographic terms, with councils being statutorily empowered to undertake a range of functions within a defined geographic area. The growing interest in neighbourhoods recognises that decision-making at the level of the entire area for which the Council has responsibility does not cope well with the reality that the geographic area for which a typical Council is responsible will encompass a number of diverse communities each of which will identify in relation to 'place' as a subset of the Council's area, and with what its residents will typically value as its own unique characteristics.

The role of neighbourhoods, or other entities taking a community governance approach, as the basis for facilitating a new approach to engagement between citizens and their councils reflects a number of emerging trends:

- The increasing emphasis on 'place shaping' as a principal role of local government.

- Complementary to this, the reality that most people identify with the immediate area or areas where they live, work and play, rather than with the entire area administered by the council in whose district they live.
- The growing research based evidence, and often the experience of individual councils, that increasingly people most want to engage about issues that affect them and 'their place'.
- The increasing practice among grant-makers and agencies of central government of taking more of a community-based, outcomes focus in their activities.
- The emergence in a number of jurisdictions of 'bottom up' community or neighbourhood planning.

It also reflects the practical reality that most councils, other than the very smallest in terms of population, typically have within their boundaries neighbourhoods or communities (not always geographically defined) whose demographic and socio-economic characteristics can vary very significantly, meaning that apart from services which will be inherently uniform in their nature, it's really important to understand, respect and work with differences.

However, as the Portland experience demonstrates, an initial focus on place-based community governance leads naturally to the recognition that many people will identify not so much by place as by interest or personal identity. Portland's Office of Neighborhood Involvement (ONI) now recognises a number of different interest and identity-based communities, and applies basically the same principles to working with those communities as it does with neighbourhood associations – subject, of course, to the reality that those communities are not place-based. This guide assumes that councils developing a community governance approach in working with their communities will face the same case for recognising non-place based communities, and addresses how this might be done.

1.5 What is meant by good practice – how should it be applied?

Defining good practice	**Use of 'good practice'**
Good practice: • consists of the known effective ways of carrying out functions and managing processes • has a view to excellence • in reality, will be a synthesis of practices that have worked well in one's own organisation and elsewhere, and which have had proven successful results. Good practice has to be adapted to the context and needs of the individual organisation. It does not work by just being borrowed from somewhere else.	'Good practice' is best used as a means to: • learn from the experiences of others and avoid re-inventing the wheel • assess an entity's performance against the best available practices • identify standards the entity might wish to achieve, areas for innovation, improvement or development and the routes for doing so • adapt and implement practices that work well elsewhere to the entity's own use.

1.6 Definitions

Association	The term association encompasses neighbourhood or community associations as well as community of interest and community of identity associations
Community of interest or community identity association	An autonomous organisation formed by people linked together by a common interest or identity formally recognised by the council or other community governance entity and entitled to access the benefits and support available under its community governance policy.
Community governance entities	Entities whose activities typically include the distribution of discretionary funding for purposes of community benefit and whose decisions contribute to the realisation of preferred outcomes for that community. In Australia the term includes the community based companies which own the bank branches within the community banking network of the Bendigo & Adelaide Bank Ltd and community foundations. In New Zealand the term encompasses community trusts, energy trusts and community foundations.
Council	The recognised local authority for the district (in New Zealand territorial local authority). In this guide the term council encompasses other community governance entities.
Neighbourhood	A geographically contiguous self-selected community.
Neighbourhood or community association	An autonomous organisation formed by people for the purpose of considering and acting on issues affecting the livability and quality of their neighbourhood, formally recognised by the council or other community governance entity and entitled to access the benefits and support available under its community governance policy.

PART 2

THE BACKGROUND TO THE GUIDE

2.1 What is driving the interest in community engagement/ community governance?

Interest in community engagement and community governance is far from being a new phenomenon. The theme sitting behind this guide is that we are in the midst of a recognisable shift in how the relationship between communities and different tiers of government is understood.

Among the drivers are:

- From the 'bottom-up' or community level, an increasing interest in taking part in decisions which affect people where they live, work and play. People now want greater access to council policy and decision-making information, and to be more closely involved when decisions are taken which affect 'their place'[3].
- An understanding of the importance of inclusive communities as an essential element not just in addressing many of the 'wicked issues' which have resisted traditional top-down interventions, but in building a sense of participation and belonging which is ultimately an essential element in establishing the legitimacy of governmental action. This has underpinned the growing understanding of the importance of engaging not just with communities of place, but with communities of interest and communities of identity.
- A growing interest in local and participatory democracy which has increased the demand for public involvement and argues the case for decisions to be taken at the lowest possible level – as reflected, for example, in the growing participatory budgeting movement, and in the European emphasis on subsidiarity.
- An increased awareness that the conventional approach to 'consultation' is often dysfunctional , and may actually widen gaps within communities and between communities and councils.
- Experience of the very real benefits of community or neighbourhood governance not just for communities themselves, but also for the councils. There are growing examples of the value to councils of being able to tap into community knowledge and understanding not accessible through conventional top down methods, including the usual approach to consultation. This ranges from better understanding of acceptable service level standards (communities will often be happy to spend less, and accept a lower service level standard than the Council might provide) to an increased comfort level with rates increases simply because communities feel they understand what is being done and why, and can have a greater

[3] See *Evolution in Community Governance: Building on What Works* available at: http://www.mdl.co.nz/site/mckinley/Evolution_Community_Governance_200312.pdf

sense of ownership of the decision, to better decision-making about specific asset development or renewal initiatives.

- Higher tiers of government are themselves learning the value of a community governance approach to the design, targeting and delivery of significant social services. Direct involvement with the community can unblock a number of the barriers to dealing with the 'wicked issues' that have plagued societies for decades.

2.2 A snapshot of some Australasian examples of 'community governance' options

Local government in both Australia and New Zealand has quite a long, if somewhat episodic, history of providing opportunities for communities to contribute to decisions which affect 'their place'.

Australia

The range of Australian experience, and some New Zealand experience, is covered in three recent reports for Australian research entities and peak local government bodies[4].

The Australian experience covers a variety of non-statutory approaches to community engagement; there is no provision in Australian local government legislation for any formal statutory-based structures for governance beneath the level of councils themselves. Among the approaches that have been taken in Australia are:

- *Community or precinct committees*, sometimes established to provide input for Council on a specific initiative (a major retail development for example), sometimes as a form of advisory body on a permanent or semi-permanent basis.

- *Community planning groups*, especially as part of the community planning initiative introduced in the state of Victoria in the late 1990s, some of which have survived as a permanent part of the way councils engage the community. The exemplar here is the Shire of Golden Plains.

> The Golden Plains approach to community planning has been one of enabling and facilitating the work of community planning groups whilst at the same time respecting their independence.
>
> It has drawn on the content of individual community plans to identify 'shire wide' priorities which the Council itself should address. As a result, the Council has led important initiatives in working with state government and other providers to improve service delivery in areas such as transport and health services.

[4] *Evolution in Community Governance: Building on What Works* (see footnote 3), Community-level Governance: What provision should be made and/or mandated in local government legislation available at: http://www.localgovernmentreview.nsw.gov.au/documents/lgr/MDL%20Community%20Governance%20Final%20Report%20July%202013.pdf and *The Role and Future of Citizens Committees in Australian Local Government* available at http://www.acelg.org.au/sites/default/files/ACELG_Citizen_Committees_Report.pdf

- In one case, a Council policy for the recognition of community-based groups which met Council-determined criteria for matters such as representation and viability, and which for some years has supported a network of *township groups*. This policy has since been discontinued.

Each of these examples provides lessons for what works and what doesn't. Specifically, their effectiveness requires a combination of council support (in areas such as capability development and some resourcing) and a willingness on the part of councils and elected members both to respect the independence of community-based bodies, and to see them as in the nature of partners in making effective and well-informed decisions, rather than as threats to elected members' representative role.

New Zealand

New Zealand provides an example of statutorily-based community governance, with the provision for the establishment of community boards as part of the 1989 reforms of local government. These were put in place to provide a form of on-going representation for communities which had previously had their own council but were now part of a larger council as the result of amalgamation. Under the Local Government Act, community boards are elected at the same time as councils themselves, and have as their minimum role acting as a form of advocate to the council on behalf of the community, including providing an overview of services and making representations on any matter referred to the board by the council. The Act also provides a very extensive power of delegation, with some exceptions including powers to borrow, strike a rate, make a bylaw and appoint a chief executive.

Community boards have had a chequered history. In most cases, parent councils have not exercised the power of delegation, so community boards have largely been restricted to the role of community advocates. Other councils, notably the Southland District Council[5], the Queenstown Lakes District Council[6] and the Thames-Coromandel District Council (TCDC), have made very extensive use of powers of delegation to community boards and, more generally, put a strong emphasis on working with their communities whether or not they are formally constituted. The following example from TCDC's experience highlights the value of drawing on knowledge held by the community.

The value of working closely with communities, and drawing on the knowledge and expertise which is held at a community level was quite dramatically illustrated by an experience of the Thames-Coromandel District Council. Puriri, a small dairying community within the district, it needed a new water supply system. Council engineers designed a new system with an estimated capital cost of $16 million for approximately $35,000 per

[5] This Council has also used its powers to establish committees to put in place community committees for townships within its district - which did not have community boards. Under the New Zealand legislation, all but one of the members of the committee may be non-councillors.

[6] This Council has delegated substantial authority to the Wanaka community board. Wanaka, after Queenstown itself, is the second largest centre of population in the district, but separated from Queenstown by a mountain range. The delegation arrangements include a governance agreement between the Council and the community board reinforcing the role of the community board as the primary decision maker on much of local government activity within its community.

rate payer. The community was less than enthusiastic! As a result Council engineers and local farmers, through a series of barbecue meetings at the local hall, designed a solution drawing on local knowledge which met needs at a third of the original estimated cost[7].

As with initiatives in Australia, the New Zealand experience with community boards demonstrates that the success or otherwise of the model is critically dependent on both the commitment of the parent council as an organisation, and the preparedness of elected members to see community boards as partners in effective local decision-making, rather than as a threat to their representative role.

One example from New Zealand of a Council-supported but community-originated initiative that is squarely within a community governance paradigm is the Porirua City Council's village planning programme[8] which began some 11 years ago when a Residents Association approached the Council for assistance to develop a village plan. In 2004 the first 'village plan' – the Plimmerton Village Strategy – was presented to Council. The strategy detailed residents' aspirations for their community, developed through an extensive community consultation process involving 23 street meetings and more than 300 residents.

A final strand in new approaches to using a community governance approach comes from the emerging practice of higher tiers of government wishing to work more closely with communities in order to better target and deliver major social services. In Australia the Department of Human Services *Better Futures Local Solutions* initiative and in New Zealand the *Social Sector Trials*[9] being led by the Ministry of Social Development both provide examples.

Each initiative has included the establishment of a local advisory group (LAG) drawn from the community. Each typically includes a representative of the local council but with the council itself being seen as simply one of a number of local stakeholders, rather than as THE partner with government. The potential for this approach to shift to centre stage in terms of community governance can be seen from the strategic plan prepared by the Shepparton LAG[10].

Assessment

In both New Zealand and Australia experience of different initiatives supporting a community governance approach demonstrates both very real potential, and a high degree of variability in both understanding and commitment. From both jurisdictions the principal lessons include:

- a need for clear on-going council commitment including some support for capability development and resourcing
- an understanding of the importance of respecting the independence of community governance groups, and

7 See *Power to the People*, NZ Local Government Magazine, Vol 51, August 2014

8 See http://www.pcc.govt.nz/Community/Community-Projects/Village-Planning-Programme

9 See https://www.msd.govt.nz/about-msd-and-our-work/work-programmes/initiatives/social-sector-trials/

10 See http://www.humanservices.gov.au/spw/corporate/government-initiatives/resources/shepparton-lag-strategic-plan.pdf

- an acceptance by elected members that community governance groups are partners in promoting more effective decision-making, not threats to the representative role of elected members.

PART 3

PATHS TO GOOD PRACTICE

3.1 Rationale - why be engaged

Councils or other entities wanting to put in place a community governance approach to working with communities should have a clear understanding of what they want to achieve, and why. Experience shows that, although a commitment to 'local democracy' can be an important enabler, the long-term resilience of community governance arrangements depends on a clear understanding of the value this adds for all parties.

The preamble from Portland's principles for public involvement provides a good example of how a council or other entity should value a community governance approach:

Portland City government works best when community members and government work as partners. Effective public involvement is essential to achieve and sustain this partnership and the civic health of our city. This:

- Ensures better City decisions that more effectively respond to the needs and priorities of the community.
- Engages community members and community resources as part of the solution.
- Engages the broader diversity of the community–especially people who have not been engaged in the past.
- Increases public understanding of and support for public policies and programs.
- Increases the legitimacy and accountability of government actions.

Waverley City Council (a council within metropolitan Sydney) provides an excellent example to support the Portland principles. NSW councils are subject to a rate capping regime. Councils which want to exceed the cap can apply to the regulatory authority, IPART, for an exemption. To succeed, councils are required to demonstrate community support.

Waverley's experience, as outlined in extracts from a mayoral press release, demonstrates how working closely with communities can shift the normal resistance to rates increases to a community mandate once the community understands the rationale and feels part of the decision-making process:

After extensive consultation Council had applied for an 11.12% increase for seven years to deliver the community's vision for Waverley. IPART's approval is an average increase of 10.6% each year above the rate peg amount for three years.

"Council had a sound case and we extensively consulted our community before making this application, which showed support for retaining and in some case enhancing our services," Mayor Betts said.

"The community was invaluable in our application because the result of our community consultation clearly showed residents value Council's services but also want us to continue to be more efficient. IPART acknowledged that we had extensively consulted our community and that we clearly communicated the magnitude of the rate increase that was sought."

Other case studies show that working more closely with communities can benefit councils and their communities in a very wide number of ways including better understanding of preferences over service level standards, tapping into community knowledge on how best to plan and implement council services, what is really needed in terms of asset maintenance and renewal (as compared with the formal standards in asset management plans), building support for council decisions, including rate-setting, and much more.

For communities, whether of place, interest or identity, the incentive for becoming involved with councils through a community governance approach is the opportunity to play a greater role in decisions that affect matters within the council's mandate to address, and are important to them. The decision to become involved will be a voluntary one on the part of the community, and one which will require a significant investment, especially of the time and skills of community members. This means that councils, both when developing a community governance policy and in implementing it, should continually keep in mind that the policy will only work to the extent that communities have trust and confidence in what the council is doing, and understand that the council is seeking to work in partnership with them. As well, councils should be explicit about the nature of the support that is available for associations, and how that support can be accessed.

3.2 Developing the policy

There are a number of elements which a policy for enabling and supporting neighbourhood associations will need to cover. These include:

- Recognition
- Support
- Relationship building
- Delegation
- Independence and mutual respect.

3.2.1 Recognition

An important first principle for respecting the independence both of place-based community or neighbourhood associations and of associations representing communities of interest or identity is that it is for the association itself to determine what area, interest or identity it represents. The decision for the council is the separate one: what scale or nature of interest or identity will it recognise within its community governance policy? The purpose is one of being satisfied that the scale of individual associations is large enough, but not too large, to constitute a genuine sub-council level of governance, or that the community of interest or identity association has a basis of legitimacy within its stated interest or identity.

Place-based

For place-based associations, the latest revision of Portland's standards sets a minimum size of 100 acres[11] and 200 households and/or businesses.

[11] 100 acres is 40.5 hectares.

The basic criteria for recognition of a place-based community group as a community or neighbourhood association should include:

- Clearly defined boundaries which do not overlap with the boundaries of any other recognised community or neighbourhood association. The boundaries should be stated in the constitution of the association with the proviso that they can be amended by resolution. For continuing recognition, boundaries would need to comply with any minimum or maximum size established by council policy.
- Incorporation under legislation appropriate for a not-for-profit entity. To facilitate this, a council might develop a standard template for incorporation and provide advice to any neighbourhood or community wanting to establish as a neighbourhood or community association.
- Open membership, including both residents and businesses within the boundaries of the association.
- No, or a minimal, annual subscription for members, in the expectation that the majority of funding will come from sources such as donations or community fundraising events.
- Commitment to a minimum of at least three events annually, open to the whole community within the boundaries of the association and designed to provide an opportunity for the association to share with people within its community in the development of priorities for the community and reporting back on what the association has been seeking to achieve on their behalf.

Recognition of place-based associations is comparatively straightforward. Boundaries can be defined, scale assessed in relation to the overall size of the council's district, representation as a proportion of the population of the defined area established and standard criteria on matters such as incorporation open membership etc relatively easily determined.

Interest or identity-based

Recognition of communities of interest, and even more of communities of identity, can be more complex and demanding, and require the exercise of what may be inherently subjective judgement. Communities of interest may be based on well understood interests such as the environment, sports and arts, but still require judgements about coverage and representation. Does a council decide that in theory every group with an interest in the environment or in sport should be eligible for recognition under its community governance policy? Or does it decide that recognition should be limited to groups that represent a substantial spectrum of environmental or sporting interests, and should thus be across the entire district, or significant parts of the district?

These are matters which themselves should be decided through a process of community engagement. One option is to invite people with a focus on the interest concerned to come together for a facilitated community conversation with the council, which may take place over a period of some weeks or months, to establish the basic criteria for recognition, and the benefits recognition is expected to bring, both for the community of interest itself and for the council. The council may decide that it should set out certain minimum criteria which it expects to apply as a prerequisite for recognition – such as incorporation, open membership, a clear definition of the interest which the group represents and evidence that it has legitimacy with that interest.

Communities of identity are the most challenging of the different types of community a council may seek to recognise within a community governance policy. Some, such as older adults, may be easily identifiable, and at least in part already well organised. Others may be relatively invisible perhaps, for example, because of fear of discrimination or the lack of capacity/capability to organise (the homeless, some gender-based interests).

It is unlikely that a council will be able to develop a single policy for recognition of communities of identity to apply to every potential community of identity association regardless of the identity it may represent. Some, again such as older people, may already be well equipped to engage effectively and meet council criteria. Others will require significant and skilled facilitation to develop as resilient and representative communities on behalf of a given identity. Councils will almost certainly find that this approach is best justified through the contribution that recognition of communities of identity should make both to the objective of building inclusive communities, and to positioning the council as an effective agency on behalf of its communities to enable the more effective delivery of major social services initiatives on behalf of agencies of government or other third parties.

3.2.2 Support

Council policy should be explicit on at least the minimum level of support which will be available for recognised associations, and groups considering establishing such an association. This should include as a minimum:

- Advice on what is involved in establishing an association, including assistance with incorporation.
- Listing of all recognised associations, and their officers, in relevant council and other material.
- Notification to recognised associations of council policies or initiatives, and planning and other applications, which may have an impact within the area of the association and in respect of which the association may have an opportunity to make submissions to the Council.

Ideally support should also include establishment of a nominated position or office within the council with a mandate to work with associations and provide support in areas such as capability development (governance training, association administration), assistance with back-office services, development of association policies and submissions, advice on funding sources and liaison with council and council officers.

For place-based associations, councils may also wish to devolve funding decisions and decisions on council works and activities within association boundaries to individual associations or groups of associations. The purpose of doing so is at least twofold and both purposes should be fully reflected in council policy:

- To tap into community knowledge, experience and resources so that the community becomes a co-producer with the council.
- To provide both a means and an incentive for building community capability as an important part of sustaining resilient associations over time.

Cities such as Portland and Seattle have utilised **community match funds** as an important tool in facilitating the development of community capability. Under this approach, a defined amount will be made available within the city's budget for community match fund projects with the authority to make decisions on individual projects delegated to community associations.

Both of these cities operate what amounts to a three-tier network for neighbourhood associations:

- The bottom tier is the individual association itself.
- The second-tier is a grouping of associations to form a district – with each association appointing a single representative to the district's decision-making body.
- The third, or top, tier is a union of districts across the city to establish a city wide decision-making body for neighbourhood associations, with that body made up of one representative from each of the districts.

Working with the structure, authority on decision-making for community match funds will be delegated to the second tier for grants beneath a defined amount, and to the top tier for grants above that defined amount. In each case the delegation requires the appropriate tier to consider applications from individual associations within its grouping, assess them, and make decisions based on the merits as the decision-making body sees fit.

A critical element within this whole process is that decisions are taken by the community within its structures, not by the Council. In this endearing example, the Fremont community got behind a project to build a giant troll sculpture in a derelict area under a bridge, and despite some alarm on the part of officials and some scathing critiques, secured a substantial grant from Seattle's then Department of Neighborhoods community matching fund to complete the project and create a much cherished and internationally known community amenity.

THE FREMONT TROLL[12]

The troll project began in 1989 with neighbours who were concerned about the unkempt appearance of the land adjoining a bridge in their neighbourhood. They applied for matching funds and developed a park with landscaping and a sitting area. The area underneath the bridge was a mess, but the community saw its incredible potential. They thought that this would be a great place for a piece of public sculpture, so they applied for matching funds. The application committed to selecting the sculpture through a public process which aligned with the requirement for funding decisions to be made by community people. A competition was held and the models put on display for people to vote on. They chose a huge, ugly ferro-cement troll clutching an actual Volkswagen Beetle, and in the face of controversy rallied and raised funds for the project. Soon after, they went ahead and built the troll with a US$100,000 community match fund grant towards the cost. The Fremont Troll quickly became a focal point for the neighbourhood and for visitors from all over the world.

[12] Extracted and abridged from *The Neighborhood Matching Fund: Building Community in Seattle* by Jim Diers, former Director, Seattle Department of Neighborhoods. From *Great Parks/Great Cities: Seattle, 1998*, a publication on an Urban Parks Institute regional workshop. http://www.pps.org/reference/diersneighborhood-2/ See Wikipedia for a photograph and the story http://en.wikipedia.org/wiki/Fremont_Troll.

At least in the early stages of implementing policy for the recognition of communities of interest or of identity, the same process of devolving authority for decision-making on community match grants may not be possible – the essential prerequisite of a representative network of associations is unlikely to be present.

In this situation, a council is best placed to use a more conventional grantmaking process based on evaluation of individual proposals and selecting those which offer the best promise of delivering value in terms of enhancing the council's community governance objectives. Rather than running this as a conventional competitive process, with individual proposers left to their own devices, councils will find it more effective to take a relationship management approach, making a council officer or other facilitator available to assist individual associations with the development of their proposals, and treating the proposal process itself as part of a capability development program designed to enhance the ability of individual proposers to work more effectively on behalf of the interest or identity it seeks to represent.

3.2.3 Relationship building

Relationship building between councils and associations is an important critical success factor, in large part because of the extent to which, in recent years, citizen distrust of the political process has been on the increase.

Good practice in relationship building should include:

- Establishment of a council committee with an explicit mandate to oversee the development and implementation of the council's community governance policy. This should include regular meetings with representatives of associations within the council's district – individual associations if there is not yet any structure linking associations together, but if there is, then representatives of any association network. The committee in its workings with the wider community will need to understand the different requirements of working with a network of neighbourhood or community associations, and working with community of interest or community identity associations, so that each feels that it has an adequate relationship with the council.
- It should also include the designation of the specific positions/office within the council with responsibility for day-to-day dealings with and support for associations.
- And at least annually, a joint strategic planning session involving both the council and the associations, mapping out the on-going development of community governance within the district over the next one, three, five years.

3.2.4 Delegation

Delegation is both a formal process for transferring decision-making authority from one body to another and a strategy for developing and enhancing governance at a community level.

There are already instances of councils delegating very substantial authority to sub-Council bodies - New Zealand's Thames-Coromandel District Council (TCDC) provides one example. The approach TCDC took to determining what decisions should be held at a district level, and what decisions should be taken at a local level is detailed below.

TCDC's journey toward Community Empowerment began at the 2010 elections. The community wanted a significant change to how the Council operated, and voted to get that change.

Central to the model was defining' local' and' district' services. Some 11 activities including parks, airfields, harbours, halls, libraries and social and local economic development went back to local Community Board leadership and budget development, with a tier two senior manager leading a staff team in each local Area for support. The funding for each of these activities is taken back to the local Area, and even extends to their ability to set different revenue and funding methods in each Area. Where it makes sense to have a district-wide contract for a service (such as parks) the contract management remains centrally prepared and monitored, but Community Board Areas define their own levels of service for each Area and fund locally. Community Board work programmes and priorities are locally managed and based around a Community Board Plan, which allows monitoring by the elected District Council. Capital projects have stringent controls and are still subject to monitoring by both Audit and Infrastructure Committees of the Council.

With elected councillors sitting on Community Boards, and Board chairs an integral part of Council meetings and workshops, this relationship has easily been one of mutual respect. The Council has several measures in place to assist the Boards with priorities. For example, an overall fiscal envelope is established at the Council level with Board agreement, to assist Boards to understand how much funding is available for local projects. If in the eventuality there was a serious rift between a Board and Council over any particular project, there is a last resort 'call-in' provision where the Mayor and Chief Executive can override and take a project back under district leadership.

Good practice in delegation to recognised associations begins with the principle that decisions should be taken at the lowest possible level – in geographic terms, typically the lowest level which encompasses the impact of the decision. Good practice also recognises the importance of not overloading lower-tier entities with decision-making responsibilities before they have developed the capacity and capability required. This suggests that a council policy on delegation to associations should:

- Specifically address capacity/capability issues, typically through dedicated support for associations. Initially this will normally need to be through council employed resources but ideally should move on to funding for resources independently engaged by an association or groups of associations.
- Set criteria governing the nature of the decisions which could be delegated, and the conditions that associations or groups of associations would need to satisfy in order for delegations to be made, but make it clear that the council's preference is to delegate decisions as soon as associations have the requisite capacity/capability.
- Set out the accountability requirements which the council will generally include as part of any delegation.
- Address the conditions under which a council may decide to withdraw a delegation or delegations.

3.2.5 Independence and Mutual Respect

Council policy should stress that the basis of the relationship between the council and recognised associations is one of independence and mutual respect. This includes a 'no surprises' understanding – the council, and each association, will notify each other in advance of any decision or other matter it considers likely to be of interest. One, although not the only, purpose of doing so is to ensure that neither party first learns of a significant decision through the media or other third party source.

PART 4

LEARNINGS

4.1 Learning from experience

The premise on which this guide is based is that community or neighbourhood governance will become an increasingly important part of the way in which councils, and other entities, work with and take decisions in respect of the communities they serve. As the research evidence comes in, the case that well-managed community governance adds real value both for councils and other entities of community governance on the one hand and communities on the other grows ever stronger.

The evidence also shows that building a culture and practice of community governance takes time, requires an on-going commitment, needs to be properly resourced, and depends crucially on building and maintaining trust.

This guide began with acknowledgement of its debt to insights from Portland's experience with neighbourhood associations as a source for practical application for councils and other entities in New Zealand and Australia, taking into account the different legislative and constitutional arrangements for local government in the USA on the one hand and Australasia on the other.

The experience of Portland, with its 40 years of history in the practice of community governance, provides a number of valuable lessons for councils, wherever they may be, which are building their own culture and practice of community governance, and includes a clear illustration of what can happen when a council itself fails to maintain a strong commitment.

During the 1970s and 1980s the city developed a very strong culture and practice of community governance and was recognised as one of the five leading cities in the US in developing participatory democracy. During the 1990s and early 2000's, the city's commitment waned and as a result the relationship between the Council and neighbourhood associations became more conflictual than collaborative. The review initiated by Mayor Potter (see page 4 above) reinvigorated the city's commitment, and Portland is again a leading exemplar of good practice in community governance.

The balance of this section provides an overview of lessons learned drawn from a 2009 article[13] jointly authored by the Director of the City's Office of Neighbourhood Involvement and by Paul Leistner, the Coordinator of Neighbourhood Programs within ONI.

4.2 Lessons from Portland

Reach beyond "geographic" community. Effective involvement of a broad spectrum of community members requires recognition that people define *community* in different ways. Geographically based neighbourhood association systems remain the easiest place for many communities to start.

[13] *From Neighborhood Association System to Participatory Democracy: Broadening and Deepening Public Involvement in Portland, Oregon*, © 2009 Wiley Periodicals, Inc. Published online in Wiley InterScience (www.interscience.wiley.com) National Civic Review • DOI: 10.1002/ncr.252 • Summer 2009

However, communities also need to look at how people gather and work together and build a system that supports and involves a range of community groups.

Use a Bottom-up Approach. Supporting and guiding the evolution of a community involvement system is most effective when it focuses on empowerment and working collaboratively with community leaders rather than trying to impose system changes from above.

Build relationships and trust on many levels. You need to tackle the issues of effective engagement at multiple levels in the community and within council. Building relationships and trust is vital. For Portland some of the biggest positive changes were the growing openness of neighbourhood system leaders to seeing under engaged groups as equal and valued partners and the burgeoning number of personal relationships that are starting to bridge this previous divide.

Be willing to let your language evolve. Be aware of the language you use. Terms such as "citizen involvement" can be a deterrent for immigrant and refugee community members. Also, "underrepresented" somehow focuses on the group rather than the council's responsibilities to engage them. Developing a common vocabulary or understanding of terms such as "equity" and "people's expectations" is important.

Use a multipronged approach; build capacity in community and in city government. System changes more likely if, at the same time you are increasing capacity for involvement in the community, you increase willingness and ability among council leaders and staff to partner with community members.

A strong political champion is essential. In Portland's case mayoral leadership was critical. However, it is not enough to have a Mayor say "just do it". You need a comprehensive strategy, resources, and broad buy in from people in council and in the community. To continue to make progress, over time elected leaders and council executives have to understand and champion comprehensive community involvement.

Seed money is vital for building community capacity. Seed money is a vital tool with which to engage people and leverage additional resources in the community. The community can do much more small amounts of money than the council can.

Staying the course. Some elected officials may expect immediate praise from community members for opening the door to greater community involvement. The reality is that people who open the door to something new are often the most attacked, and people may vent their frustrations on them simply because they are there. This goes with the territory. You've got to stay firm in your commitment.

This all takes time. None of this work happens quickly. It takes time for people to change their views and for relationships and trust to build between people and organisations on the one hand and council on the other. Be patient, and commit to allowing the process to unfold organically.

Tell the story. We all need to do a better job of telling compelling stories that answer the questions: Why is this important work? Who's affected? How is it making a difference? Good stories are vital for building and sustaining broad support for community involvement.

USEFUL SOURCES

Listed below are a number of useful websites which will provide valuable additional background on the development of community governance, including experiences from a number of different jurisdictions and emerging practices such as participatory budgeting.

Office of Neighborhood Involvement, Portland, Oregon which provides a comprehensive coverage of Portland's experience over the past 40 years, including extensive documentation. https://www.portlandoregon.gov/oni/

National League of Cities "is dedicated to helping city leaders build better communities. Working in partnership with the 49 state municipal leagues, NLC serves as a resource to and an advocate for the more than 19,000 cities, villages and towns it represents." www.nlc.org

Locality is a UK-based NGO which describes itself as "the leading nationwide network for community-led organisations. We believe that every community is a place of possibility. www.locality.org.uk

Pacific Centre for Participatory Democracy describes its priorities as:

- Participation of traditionally marginalised groups in public decision-making processes.
- Transparency, consistency and predictability in public decision-making processes.

http://pacificdemocracy.wordpress.com/

Participedia whose website states "This site belongs to you: the global community of democracy researchers, practitioners and interested citizens. Participedia's strategy is simple: crowd-source data on democratic innovations from around the world from contributors like yourself and then aggregate this into an open, public database that continually updates with new contributions. We hope that you will be part of this endeavor, through either contributing content or sharing your analysis of the data found on this site. Please visit our help page to learn how you can contribute to – and benefit from – Participedia's growing collection of resources." http://participedia.net/

Participatory Budgeting Project. This U.S.-based NGO describes its mission as "to empower people to decide together how to spend public money. We create and support participatory budgeting processes that deepen democracy, build stronger communities, and make public budgets more equitable and effective." It is comprehensively involved in the development of participatory budgeting internationally. www.participatorybudgeting.org