



WORKING TOGETHER FOR EDUCATION

SUBMISSION TO THE SELECT COMMITTEE ON THE LOCAL GOVERNMENT ACT 2002 Amendment BILL

June 5 2010.

Paper 034/2010

This submission is presented by COMET, a charitable trust established by Manukau City Council in 1999 and created as a Council Controlled Organisation under the Local Government Act 2002.

The Trust has an agreement with Manukau City Council to deliver analysis and advocacy for education in Manukau; and the co-ordination and facilitation of projects that make a difference to education outcomes in the city.

We wish to be heard in support of this submission. Contact details are: 09 968 8773.

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Bernardine Vester (Chief Executive)

Bill Gavin (Chairperson)

SUBMISSION

This submission expresses an opinion about:

- the core role of local government as an agent of community wellbeing,
- the nature of the definition of core services in the bill; and
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The Bill inserts a new section 11A:

“11A Core services to be considered in performing role

In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:

“(a) network infrastructure:

“(b) public transport services:

“(c) solid waste collection and disposal:

“(d) the avoidance or mitigation of natural hazards:

“(e) libraries, museums, reserves, recreational facilities, and other community infrastructure.”

COMET’s Mission is to get the very best value from the government spend on education to effect social and economic transformation in Auckland. Value for Money is a key driver for COMET and appears in our Statement of Intent. New Zealanders have to be getting better for less...and to be taking a very lateral approach to how public resources are to be deployed. COMET applauds the intention of the Minister of Local Government to obtain ratepayer value. However, since 97% of the operating expenditure of Councils already fits this definition¹, this clause responds to a popped pin with a sledgehammer which could destroy the actual intention underlying the bill.

In our experience, the answer to better value is not to limit local government expenditure to “core services”, but to ensure that *all* contributions to community wellbeing are most effectively deployed to achieve Desired Outcomes. The proposed clause provides a barrier to innovative and collaborative practice. Emerging 21st Century international practices about how to obtain ratepayer and taxpayer value show that **value is realized when the respective contributions of central and local government are integrated to**

¹ From analysis based on the 2007/08 Local Authority Census.

create measurable change to community wellbeing. Furthermore, additional value is added when public spending leverages non-government resources. COMET has already demonstrated how a Council CCO can leverage further contributions from philanthropic and private sources to give effect to desired community outcomes. Partnerships are very common internationally, where symbiotic relationships with the Third Sector (Civil Society) and city, state or federal governments are increasingly being seen as ‘co-productions’² to create economic and social wellbeing.

The purpose of local government contained in the Local Government Act 2002 (the four well-beings) is deliberately broad to enable innovative responses to community needs. Local government has a very significant role to play in brokering better responses to complex issues of community wellbeing with central government. Clause 11A proposed in this bill significantly reins in that openness. Defining Core Services will shackle social entrepreneurship and innovation; and if *literally* implemented in Auckland will set the city back years in establishing economic development and community development priorities and addressing needs in the most deprived areas of the city. A key outcome could be for the Auckland Council to abandon the city commitment to a Social Policy Forum for Auckland, and to walk away altogether from the recommendations of the Royal Commission on Auckland Governance which pointed out the relationship between the social dynamics of urban poverty in Auckland and the future economy of New Zealand. In effect, this clause places barriers to the achievement of the stated goal of the Minister – good value for money from government (local ratepayers) and Government (national taxpayers); as well as barriers to the policy initiatives of the Government in responding to social challenges in Auckland.

In the UK, Local Strategic Partnerships (LSP) were introduced by the government in 2000 as part of a national strategy to tackle problems in some of the most deprived areas of England. These partnerships took a lateral approach to how core services could be funded and delivered, by whom, when and where; creating flexibility in responses at the city level. An LSP essentially is a locally-located formal body that brings together the different parts of the

² Victor Pestoff & Taco Brandsen (eds) 2006: "Co-production, the third sector and the delivery of public services". *Public Management Review*, vol. 8, issue 4.

public sector (local and central government) as well as the private, business, community and voluntary sectors so that different initiatives and services support each other by working together. It operates at a level that enables strategic decisions to be taken, but is close enough to individual neighbourhoods to allow actions to be determined at a community level. Cities such as Birmingham have turned around their economic and social futures by concentrating effort around strategic goals driven by national as well as local priorities.

A more recent parallel initiative, the Operational Efficiency Programme, mapped the spending of central government and local government – in particular localities, such as Birmingham³ – in order to point to further efficiencies and value. By putting people at the heart of service design, the pilot programme showed that public authorities are able to improve outcomes and eliminate duplication and wasteful spending. This discovery has resulted in the UK Treasury supporting *Total Place: A whole area approach to public services*⁴. The imperative to get more for less is becoming even more urgent in the context of government fiscal blow-out in the UK and possible bankruptcy.

Network infrastructure

We note the presence of the term “Network infrastructure” in the clause. It is an interesting term. In education sector terms, network infrastructure might refer to the institutions that provide early childhood education, schooling, and tertiary education services. COMET has referred on a number of occasions to the education infrastructure of Manukau City – that is, over 260 early childhood centres, 139 schools, three crown-owned tertiary institutions, and a mix of private and community-owned learning providers; education services with a presence in Manukau; and so on. This network of services may not be what is intended by the clause. Similarly, there is a network infrastructure for Health, for Social Services, for Transport, for Electricity, for Roads, for Water, and so on. Not all of these would be counted as “Core Services” of a Council, but all of them are vital for community wellbeing. And all of them depend for their effectiveness on partnerships with central government.

³ For example, the Be Birmingham project

⁴ HM Treasury, 2009. (2010): *Total Place: A whole area approach to public services*. London: Communities and Local Government. http://www.hm-treasury.gov.uk/psr_total_place.htm

Removal of the clause would allow a “new Auckland” to emerge that responds more laterally to growth needs.

About CCOs

Performance targets and measures (like National Standards in schools) are valuable as benchmarks. However, when too tightly prescribed they will limit creative responses to very complex problem-solving. COMET agrees with the provision of Clause 7 of Schedule I which requires councils to be explicit about the nature and scope of the activities to be provided by council-controlled organisations. However, we would caution that key performance targets and measures by which performance is to be judged need to be negotiated so there is room for innovation and entrepreneurial approaches that provide value to rate-payers.

Submission Ends



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