Innovation in Local

Government:

DEFINING THE CHALLENGE, MAKING THE CHANGE

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LOCAL GOVERNMENT INNOVATION: COMPARING BETTER PRACTICES

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INTRODUCTION

This supplement to the ACELG Better Practice Guide Innovation in Local Government – Defining the Challenge, Making the Change provides a compendium of the 12 case studies used in the Guide. The primary purpose of the case studies is to facilitate reflective professional practice on the ingredients of innovation in local government. It is hoped that local government practice will be enhanced by providing a mechanism whereby better practices employed in local governments can be recognised and diffused sector wide. This has involved examining practices in the local government sector, in Australia and overseas. Our emphasis is to identify, assess and recommend good practice from our knowledge and understanding of the local government sector at home and abroad as well as areas where the need for improvement has become pressing.

The Guide is mainly intended as a reference document for elected members, chief executives, and senior managers with responsibility for managing and delivering strategic community priorities at the local level as well as other partners in local governance.

The 12 case studies reflect four types of innovation: (1) strategic innovation; (2) product innovation; (3) service innovation; and (4), governance innovation. The case studies are listed below.

Strategic Innovation

Social Media and the City of Brisbane (Australia)
Liveability and the City of Porirua (New Zealand)
Demographic Change and the States of Jersey (United Kingdom)

Product Innovation

Environmental Futures and the City of Salisbury (Australia)
Banking on Essex (United Kingdom)
Affordable Housing in the City of Salisbury (Australia)

Service Innovation

Dental Services in Brewarina (Australia)
Service Delivery and Whanau Ora (New Zealand)
Determining Public Value in York (United Kingdom)

Governance Innovation

Home to Work and the Australian Capital Territory (Australia)
Neighbourhood Renewal and Salford City Council (United Kingdom)
Waikato and Boplass Shares Services (New Zealand)

The case studies were peer reviewed at the 2011 ACELG/ANZSOG Excellence in Local Government Leadership Program by 39 local government managers and five elected members.

For further information:

www.acelg.org.au
www.iken.net.au
www.governance.edu.au

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Case Studies in Strategic Innovation

Strategic innovations introduce new missions, worldviews, objectives, strategies and rationales which impact directly on the nature of decision-making and how local communities are governed.

Social media and flood crisis response in the City of Brisbane

Context and Opportunity

This case study of the role of social media in managing the City of Brisbane floods crisis could be situated within the context of product or service innovation types. However, the case is also of particular interest to us in strategic terms. The case provides a compelling illustration of the use of ICTs in delivering broader strategic organisational goals – in this context, effective crisis management.

Information is an essential component of any strategic activity. Information is context specific and will naturally change depending on the needs of the situation. The delivery of that information is also context specific and will vary according to an audience and the way that audience prefers to receive it. Typical delivery methods include face-to-face, fixed and mobile phones, postal service, press and electronic media, and online through email and corporate websites.

Innovations in web technologies together with mobile devices such as smartphones and iPads are rapidly changing the way people communicate online. Information can now be delivered to anyone, anywhere using their mobile device. In addition, online social media technologies are allowing people to interact with that information in real time. For example, when a person receives a message they can immediately send a comment back to the sender; forward the information onto others; or create their own information and share it with their own audience or community. In other words, social media platforms are not only enabling people and organisations to engage in conversations online, one-to-one; they are also enabling scalable one-to-one conversations so that members of a community can all join in the conversation. For organisations it means members of the community can help in the delivery of the information.

Social media has many other advantages as a delivery innovation for organisations, including local government authorities. For example, social media:

• provides the opportunity for immediate and broad dissemination of information that is specifically tailored to a particular audience and context;
• enables the audience and the organisation to engage in a conversation providing immediate feedback and further relevant information; and,
• is agile, simple and cheap to deliver.

Consumer behaviour is shifting rapidly as more people adopt mobile technologies. People are using social media sites such as Facebook, Twitter and other collaborative websites to stay connected with work colleagues, family and friends. A recent McKinsey study pointed to the intensity with which people are using smart phones and social media, which has increased dramatically in just the past three years.[1]

In July 2011, the British Government launched its new "Networked Nation" strategy, prepared by Martha Lane Fox, the Government's Digital Champion. In October 2010, Lane Fox wrote: "There has been a reinvention of the Internet and the behaviour of users in the last few years. Digital services are now more agile, open and cheaper. To take advantage of these changes, government needs to move to a 'service culture' …" [2]

1. McKinsey Quarterly, July, 2011 in an article entitled: "Are your customers becoming digital junkies?" research undertaken by Bertil Chppuis, Brendan Gaffey, Parviz Parvizi showing that nearly 50 percent of US online consumers are now advanced users of smartphones, social networks, and other emerging tools—up from 32 percent in 2008.
2. Martha Lane Fox, Report of Strategic Review of DirectGov, October 2010, London.

As the flood crisis in Brisbane in January 2011 worsened and power, telephone and mobile phones were cut, Brisbane City Council (the Council) faced a situation where its usual communication channels failed. Even its corporate website crumbled under the pressure of the unprecedented visitor numbers of people desperate for information detailing flood maps and evacuation centres. Faced with an urgent need to deliver vital factual information to its citizens, the Council turned to a new channel to communicate with those people directly affected by the floods and with the City of Brisbane more broadly.[3] The results were outstanding.

Response

The independent inquiry which was established following the flood to review the response to the flood event, commended the Brisbane City Council for the manner in which it sought to provide the public with both general and detailed information. The Review made special mention of the Council's use of social media including Facebook and Twitter, which it said proved remarkably successful in rapidly disseminating information. The Review also noted that the increased demand for, and use of, the social media tools has continued after the flood event.

In the lead up to the peak of the flood event, the Council and the Bureau of Meteorology needed to deliver critical information to the expected 40,000 homes and businesses likely to be affected by the floods as well as to the broader Brisbane community. The Brisbane River broke its banks and the Council faced a situation where suburbs were inundated, residents and businesses displaced, power supplies, telephone lines and even mobile phones were cut, and the unprecedented volume of visitors searching online for information resulted in the failure of the Council's corporate website. In addition, the Council's offices had been evacuated and staff sent home.

The Council faced a rapidly changing situation where it was unable to deliver the vital information its citizens needed. Social media was identified as a solution for disseminating information quickly to a large number of Brisbane residents.

Working from their homes and unable to communicate via mobile phone or email, the Council's four-member Digital Communication Team turned to the Council's Facebook and Twitter accounts to deliver flood information to the community. They developed a social media campaign strategy and began engaging in conversations with citizens affected by the flood. As social media is ongoing, the Team worked around the clock, monitoring Facebook and Twitter channels for incoming inquiries and to ensure that other Twitter sources had the correct information.

Part of the strategy involved developing a list of 'hot topics' to ensure that the correct information was delivered – and to ensure it was shared quickly. Council set up a public Twitter account #QLDfloods to share trusted information with other authorities, major news outlets and individuals.

It is important to note that the Council had established the Digital Communication Team more than a year prior to the flood event in the knowledge that social media was becoming an emerging communication channel. It already had a small established presence on Twitter and Facebook and a reputation for delivering credible, timely and trustworthy information. This investment by Council in establishing policies and protocols together with putting together a highly skilled and experienced social media team paid dividends as was seen with the speed with which Council was able to expertly seize the opportunity to innovate in a time of crisis.

Outcomes

Social media became the preferred communication channel during the first 48 hours of the flood event for a large number of Brisbane residents and businesses. Council saw a steep rise in the number of followers of its Twitter and Facebook pages, as indicated overleaf:

3. Brisbane City Council. Brisbane Flood January 2011, Independent Review of Brisbane City Council's Response, 9-22 January 2011.

facebook.	- 1,570% increase in likes - 759 increase likes to 12,679 likes - 17,546 comments - 4,641,232 post views - 21,521 views on 'Facebook Notes' - 125 Facebook Notes
twitter	- 180% Increase in followers - 2,955 followers to 8,291 followers - 561 tweets sent throughout January - 2,207 re-tweets (RT) - 8,322,516 impressions - 105,306 clicks on links posted on Facebook and Twitter (bit.ly) - 7,258 total mentions *Source*: *Brisbane City Council, 2011*

Social media was also used to share messages from other trusted authorities as well as with traditional media. The Team worked closely with the Local Disaster Communication Centre (LDCC) as well as the Bureau of Meteorology, Queensland Police Service, Energex, State Emergency Service, Translink, and traditional media.

In addition, social media was able to engage on a one-to-one basis with those residents directly affected by the flood waters, gaining feedback and intelligence in the process, which it then immediately fed to the LDCC. This intelligent data from the public was particularly important for organising volunteers to assist with the clean-up. It also enabled Council to facilitate assistance for fellow citizens from within the community.

Using social media meant that the Team was able to communicate in real time with people not just located in Brisbane, but with concerned audiences around Australia and even around the world.

Critical Success Factors

The role of the Council's Digital Communications Team was critical to the Council's social media success during the flood event. The experienced Team understood the social media landscape and quickly developed and implemented a social media campaign. In addition, Council's early investment in digital communications enabled the Team to build on the protocols and policies already in place.

The Team also worked with existing communication channels. Council developed a trust-based relationship with the community by responding quickly to all requests with factually correct information in a friendly, conversational style.

This case reveals several lessons for better innovation practice: identifying the opportunity to solve a problem, preparedness to take a risk, having the ability to move quickly, understanding the market and having a commitment to the customer, and the willingness to change from past practices and procedures. Above all, they had in place a highly experienced and skilled team of professionals who understood the social media space. Brisbane City Council identified the opportunity to use social media as a solution to the failure of traditional communication channels and moved quickly to implement a social media campaign. The Council's risk levels were lowered because they already had in place a highly experienced team of digital communication professionals, adept at social media who understood the new practices and procedures required by this new channel of communication. The Team had a complete commitment to deliver information to the citizens of Brisbane and worked 24 hours a day in the early stages of the flood event.

Liveability and the City of Porirua

Context and Opportunity

Porirua is a coastal city located on the far southwest corner of New Zealand's North Island, 20 km north of Wellington. In June 2010, its population was approximately 52, 000. According to the 2006 census, the percentage of Porirua residents of European ethnicity is lower than for NZ as a whole (56.8%, compared to 67.6%), its proportion of people belonging to the Maori ethnic group is somewhat higher (20.9%, compared to 14.6%) and it has a significantly higher percentage of the ethnic group identifying as "Pacific peoples" (26.3%, compared to 7.0%). The average income for Porirua residents was approximately $2000 higher than for NZ overall, but unexpectedly, the unemployment rate in Porirua was also slightly higher (6.9%, compared to 5.1%).

The Porirua City Council (the Council) claims to occupy a unique role among New Zealand local councils it its long-standing commitment to engaging with its community, particularly in relation to the urban design process, having developed a forward-looking Community Strategic Plan in 2002 after extensive public consultation (for more information see: www.localgovernmentmag.co.nz).

Greater emphasis was given to this general principle of engagement following the commencement of the Local Government Act 2002 (NZ) in July 2003, with the stated purpose of providing for "democratic and effective local government that recognises the diversity of New Zealand communities" (s 3), in particular, by requiring local authorities to take steps to become more accountable to their communities and to promote their social, economic, environmental and cultural wellbeing, taking a sustainable development approach (s 3(c), (d)). Consideration of how to give effect to these objectives by the Council, gave rise to, among other things, development and implementation of a "Village Planning Programme" (VPP).

Response

One of the requirements imposed by the Local Government Act 2002 (NZ) was for local authorities to produce a Long Term Council Community Plan (LTCCP), outlining the community's long term goals and priorities and how the council proposes to act on these, including a financial strategy, and providing a long term focus for the council's decision making.

A "Village Planning Programme" (VPP) formed part of the Council's 2004 LTCCP, and was given a budget of $6 million to be spent over 10 years. Each year, $100 000 is provided for planning and engagement work, $500 000 for project delivery, with higher cost projects having to be considered in the Council's general budget or long term plan.

The overarching objectives of the VPP are to enable the Council to set a strategic direction and provide services such that the unique characteristics of Porirua's communities and their quality of life are enhanced along with the City's economic development and to promote constructive relationships between Councillors and staff, local agencies and residents.

The VPP allows for each community to develop a village plan after consultation with its residents that sets out their issues of importance and specific goals to be achieved, such as improving street safety or developing a park, then, in partnership with dedicated Council officers and other project partners, residents complete the goals, including developing and approving designs and assisting with planting and construction.

Various methods of communicating ongoing progress of the VPP and individual village projects are employed, including regular meetings with Council staff and community representatives, a quarterly e-newsletter, dedicated VPP Council website updated weekly and quarterly reporting of VPP progress to Council. Community groups share their expertise and experiences with other resident associations involved in the programme through local newsletters and websites.

Outcomes

In 2010, Porirua won three gold standard awards in the International Liveable Communities Awards, a UK-based organisation, recognised by the United Nations Environment Program, with the stated objective of developing and sharing "International Best Practice regarding management of the local environment" and "improving the quality of life of individual citizens through the creation of liveable communities" (http://www.livcomawards.com/index.htm). Porirua was recognised as a world leader in the way it works as a city, from all levels of government to business and community groups and individual residents for the benefits of the people who live there and the environment.

In particular, Porirua's VPP was recognised as the best example of a world leading socioeconomic project in its ability to "engage and empower the residents in each sector of the city to develop and implement plans in their own way to reflect the distinct identity of each village", and further, that it "is a ground-breaking partnership between the City council and the communities it serves" (www.livcomawards.com/2011-awards/documents/Livcom11pr4. pdf).

Overall, the Council reported a noticeable increase in community pride and a deeper relationship between the Council and its communities. The residents also reported very positive attitudes towards the VPP and the Council generally, one praising the council officers who made the first village plan work when there was no precedent to rely on, commenting that the "level of community consultation [involved in the VPP process] is time consuming and not the way council was used to operating", and that the residents "feel for the first time they have a voice" (LG New Zealand, www. localgovernmentmag.co.nz).

Specific benefits following the VPP reported by the residents of Porirua include:

• revitalised village centres, better pedestrian safety and improved community facilities and general amenity;
• increased community ownership and engagement with neighbourhood leaders;
• residents have a stronger voice and real sense of involvement in Council planning and decision making;
• public goodwill towards the Council's processes have increased;
• less submissions and complaints are made on contentious proposals; and,
• greater engagement now exists between outside agencies (such as government services) and the neighbourhoods they operate in.

In addition, the Council has had to develop new ways of integrating Council work streams to manage the additional demands on Council staff arising out of the VPP process, as well as tools to keep the process on track and communicate with community partners.

Critical Success Factors

The key factors determining the success of this program include:

- securing long-term funding (it was given a budget of $6 million to be spent over 10 years);
- being able to set a clear strategic direction for the City as a whole while staying true to each community's unique characteristics; and
- the capacity to break-down barriers between Councillors and staff, local agencies and residents and establish strong working relationships.

The Council believes the VPP is unique in New Zealand in terms of being a true community/Council partnership. The Council's Social and Economic Policy Manager at the time commented that: "This is absolutely new. It is ground breaking and it is scary at times. It is not controlled by the methodology or fits within the protocols that have grown up around the way council has always treated its citizens of 'You give us the money. We'll spend it'. This is true partnership" (Moira Lawler, Celebrating new ideas, Project Submission Template, 2009 New Zealand Post Group Local Excellence Awards, available at http://www.solgm.co.nz/NR/rdonlyres/3DEF2768-4D33-4F00-8DA5-4605901E5580/71966/CR05PoriruaCityCouncilVillagesPlanningProgramme.pdf).

The States of Jersey and managing demographic change[4]

Context and Opportunity

The Island of Jersey in the UK faces serious challenges in the years to come because of its ageing population. The Government of Jersey (States of Jersey) has difficult decisions to make balancing tax rates, public services and pensions. These decisions could change life on Jersey dramatically, and it is therefore important that policies are informed by the public's views and supported by the community.

Response

The States of Jersey decided to run a large public engagement initiative with the purpose of raising awareness and understanding among the general public of the challenges and trade-offs facing Jersey. This would help the States of Jersey in turn to understand the public's views and preferences on these issues. Involve was commissioned to design a process which was tailored to the specific situation in Jersey and which built the skills of the government. The consultation combined two deliberative conferences (one for citizens of mixed ages and one for young people), an online survey, and a written consultation. Involve recorded and analysed the results of each of these elements and produced a final report of the findings.

At the conferences, participants watched presentations on the ageing society, some possible policy choices and then discussed the issues in small groups facilitated by trained State officials. After the discussions participants used electronic voting pads to vote on pre-agreed questions. In the cases where participants were unhappy about the wording of the questions these were clarified or changed accordingly on the spot. At the conference, participants were given cards with different policy options showing how much money each option would generate or save. Each group had to choose a combination of policies to address the projected annual deficit for 2035. This encouraged participants to consider the options as part of the wider whole and recognise the trade-offs involved. As part of the preparations Involve ran a one day training session on public engagement and facilitation. This built-up the skills of staff to organise and run future consultations.

Outcomes

The event changed the political climate, allowing the States of Jersey to gain a much clearer understanding of which options the public would support, which they would accept, and which they would oppose. The process also enabled the States of Jersey to design future engagement initiatives and facilitate discussion with citizens.

Critical Success Factors

In this case, the role of the knowledge institution (Involve) in designing, facilitating and managing the deliberation was crucial to the outcome. It took a courageous Council to admit that they needed help in this regard. The local authority should benefit from capacity development in the theory and methodology of community engagement in future years. However, the local government also benefitted from a favourable policy environment for radical engagement with the citizenry. The onset of profound economic crisis combined with worrying demographic trends provided fertile ground for an effective engagement.

4. This case study has also been Peer reviewed as part of Involve's UK project on local government innovation in response to economic crisis. See a more detailed exposition of this case study at: http://www.involve.org.uk/.

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Case Studies in Product Innovation

Product innovation involves the development of new local government products which have a commercial or private value and are often associated with the development, use and adaptation of relevant technologies.

Wetland technologies in the City of Salisbury and Safeguarding sustainable environmental futures

Context and Opportunity

Despite enough rain falling on Adelaide over winter to satisfy its annual water consumption, for decades access to cheap, clean water remained one of the most critical issues facing South Australia. Furthermore, for years South Australia spent millions of tax dollars on piping water from the River Murray, with dramatic environmental costs while piping stormwater and sewerage to the coast, where it poisoned the marine environment.

Response

The City of Salisbury to Adelaide's north has addressed these environmental problems in an innovative way through the exploitation of its access to natural water sources. Salisbury lies on a flood plain which was marshy in its pre-settlement state. After Salisbury Council created a wetland recreational asset – The Paddocks – in the late 1960s, it was observed that as well as attracting wildlife the huge natural filter also cleaned pollutants out of inflowing stormwater within a few days. In response to the City's huge irrigation costs in 1993-4, engineers sought a way to store large volumes of water cheaply. The first experimental Aquifer Recharge Bore was trialled in The Paddocks in 1994 with dramatic results: "these trials were very successful, and proved that the aquifer can be readily used to store large volumes of water for subsequent reuse," a City of Salisbury summary states.

Outcomes

The City of Salisbury is now recognised as a world leader in the field of wetlands technology, with over 30 wetlands totalling approximately 250 hectares in area and costing in excess of $16 million. Stormwater – traditionally regarded as a problem, and in some cases a threat – is now a source of significant local government revenue. This investment in the development of technical capacity in wetlands technology has led to innovations in other water technologies. For example, the Aquifer Storage Transfer and Recovery (ASTR) technique is a process for converting stormwater into water of drinkable quality was successfully trialled from 2006 to 2009. The technique involves injecting stormwater, which was treated by being passed through a reed bed or wetland, into an aquifer. The water, stored in darkened conditions for a prolonged period, becomes drinkable through natural processes. The ASTR project is supported by the Australian Department of Innovation, Industry, Science and Research (DIISR), the South Australian Premier's Science and Research Foundation and the National Water Commission. Water quality facts and system operation regarding the Parafield stormwater harvesting system was provided by the City of Salisbury.

Critical Success Factors

In this case, courageous leadership exercised by Salisbury's CEO played a pivotal role in seeing the innovation through from idea to implementation:

"Too many CEOs get bogged down in believing they are hopeless pawns in a political game dominated by the Commonwealth and States. They spend too much time second guessing other government agendas rather than setting the agenda themselves. The fact is if you have a good idea the funding will follow. It is easier to do this in local government".

In addition, possessing the expertise necessary within the organisation [or having access to it] to engage in innovation in a highly technical complex area was also crucial.

Banking on Essex and investing in small local businesses

Context and Opportunity

The economic downturn in the UK has affected people in numerous ways. Loss of access to credit has placed a huge strain on individuals and on small businesses. In Essex, the reduced availability of loans and capital is especially problematic due to its large proportion of small businesses and self-employed people. Essex Council has also noted the concern of small businesses about the increasingly complex and difficult to access business support that is available.

Response

Essex Council decided to take innovative measures and started the 'Banking on Essex' initiative. 'Banking on Essex' provides credit as well as business support to small businesses, not only for the short term but also to help them to plan beyond the recession. The Bank is using £50 million of its own money as well acting as an intermediary to deliver European Investment Bank funds. Loans of up to £100,000 will be made available to eligible, viable small businesses in the county. Many of the problems caused by the current economic crisis can be traced to the corporate model of banking. 'Banking on Essex' aims to base itself upon a more traditional model, focused on lower risks and on providing support to prevent business closures. In this way, unemployment can also be reduced by keeping businesses afloat. In addition, Essex Council has set up a scheme to provide apprentices to small businesses. Not only will this help small companies, but providing people who are out of work with training will be crucial in growing and retaining skills in the workforce.

Outcomes

Though 'Banking on Essex' seems to be responding to purely economic issues, the implications for citizen empowerment cannot be underestimated. Creating a bank that is focused on local needs, personal contact and support of customers can not only help boost small businesses through turbulent times, but restore some faith in the banking sector, as well as in the council. Essex is aiming to respond to community needs whilst helping to build capacity and resilience in local people to survive the economic downturn.

Critical Success Factors

The onset of profound economic crisis once again provided fertile ground for innovation. However, it took a courageous Council to take these steps. The political dividends are potentially significant: the Council is seen to be making attempts to stabilise the local economy through lending support to local businesses in times of crisis with the added benefits of maintaining employment levels and restoring faith in government.

Affordable Housing in the City of Salisbury

Context and Opportunity

This innovative Affordable Housing Strategy is a key outcome of the City of Salisbury's City Plan 2020 - Sustainable Futures. The development of the provision of affordable housing opportunities for the Salisbury community was identified as a priority action in the Council's Living City Strategy. This action seeks to plan for population growth within the city to ensure that the community as a whole is positioned to take full advantage of the significant economic growth that the city has experienced.

In July 2007, the Council raised the issue of housing affordability for Salisbury residents. Elected members had picked this issue up as a serious concern through their interaction with the community who were increasingly concerned about their children's capacity to buy a home.

From an economic development perspective, it was becoming increasingly difficult for 'key' workers to both live and work in the city as a consequence of high property prices relative to income. Workers for industry as well as nurses, teachers, police were unable to find affordable accommodation within reasonable proximity to their work. One of the criteria employers rate highly in their decisions about location is a good supply of labour within a reasonable commute. Furthermore, the City itself had extensive land holdings and was seeking to rationalize these assets to redirect the resources and reduce maintenance costs.

Response

Council recommended that an analysis be undertaken to determine the extent of the housing problem in Salisbury and to ascertain how Council could intervene to address the issue, potentially by utilising Council-owned land. This was undertaken to get a clearer picture of the extent of the problem of housing affordability in Salisbury; the type(s) of accommodation desired; peripheral services/facilities which influence a potential resident's decision to locate in an area; and, the impact these issues have on the future growth and development of Salisbury. In addition, the issue of affordable housing was analysed in the context of its potential impact on the long-term strategic planning for the City in relation to population growth and social and economic development and sustainability.

The evaluation looked at the needs of two population groups, which had been identified by Elected Members. The first group was potential first home buyers, who are generally young families or singles seeking to enter the property market. The second was older residents who are seeking to move from what would have been a large family home into a more manageable retirement-style smaller residence, but who do not have enough equity in their home to enable them to buy into a retirement village at current market prices.

There were two key imperatives for Council to consider regarding affordable housing.

- An in-depth demographic and social characteristic profile of the city as a whole, plus the same for each suburb, was undertaken.
- For first-home buyers, these profiles identified a range of factors such as the percentage age groupings of each age cohort; employment status and type; income; family size; household occupancy rates, and housing tenure (owned, being purchased, private rental and public rental).

An overview of the key findings from the research is presented below.

- The percentage of children (aged 0-9 years) is declining across the city.
- The percentage of people aged over 60 is increasing rapidly.
- Average household size is declining, with an increasing trend toward two person and one person households.
- The percentage of outright home ownership is declining, compared with homes being purchased.
- Private rental is increasing.
- Options for Housing SA rentals are decreasing as Housing SA divests property.
- The top three occupation groups for residents are in the technician/trades, labourers, and clerical admin sectors (when male and female workers are added together), though almost 4,000 females are employed in the community/personal service sector and just over 3,000 in retail.
- The median annual family household income is $49,300 but this tends to disguise the fact that many households are on very low incomes, with 3,000 households earning less than $12,500 per annum, almost 6,000 on $12,500-$25,000 per annum, and over 5,000 with an annual income of $25,000-$32,000. It is also highly significant that although the median is $49,300, the mode is $57,200.
- Median housing loan repayments are $975 per month (up from $600 per month in 2001).
- Housing costs for both purchase and rental are increasing out of proportion with wages.
- The median house price in Salisbury was $276,000 (data from 4th quarter of 2007), which is an increase of 28.2 per cent over the 4th quarter of 2006. (NB the updated median for December 2008 was $297,500).

It was also observed that the key factors which influence people's decision regarding geographical areas for home purchase included:
- affordability – that is spending less than 30 per cent of household income on loan repayments to avoid housing stress;
- short commuting distance to work;
- access to key services (such as retail, community, health, education and transport);
- proximity to support networks such as family;
- aesthetic surroundings;
- personal safety;
- services for children (such as family play areas/sufficient open space); and,
- accessible recreation centres.

There are several key issues that arose from the findings for the Council. The most pertinent was that the median price of a house in Salisbury was now beyond the reach of median income earners. That is, with a median income of $49,300, in order to avoid mortgage stress (that is paying more than 30 per cent of household income on home loan repayments), residents can afford to buy a house worth $147,900; a price point that is not achievable in the current market. This provided the Council with an indicator as to how low an ideal costing would be to avoid mortgage stress. This is pertinent, given that workers in our top three occupations generally fall into this median income bracket, with those on the modal income of $57,200 (which includes workers such as teachers, social workers etc) being able to afford to pay approximately $172,000 for a home before they experience mortgage stress.

Outcomes

In November 2007, Council endorsed a pilot development using a surplus reserve at Brahma Lodge and adopting for further investigation an equity mortgage (shared appreciation) model as the preferred alternative to a direct ownership or equity stake in the property. A strong collaborative partnership was formed with HomeStart Finance, a South Australian Government housing finance agency focussing on low to moderate income earners, and the Affordable Housing Innovation Unit, which proved critical to achieving a successful outcome. It was important for Council to not only achieve a financing outcome that was sustainable and not subsidised by other ratepayers, but also a development that was environmentally sustainable.

The outcome has been:

- A shared equity loan (mortgage) product (SEL) providing up to 30% of the finance required to supplement a traditional loan. The SEL combines a higher share in any capital gain set at 1.4 times the original percentage, together with a small administration fee of 1.9%. Modelling suggests that over time Council will receive a return that approximates our long term borrowing rate.
- An economical built development that achieves a high 7 star energy rating and is supplied with recycled cleansed stormwater for non-potable purposes and not limited by water restrictions.

From the outset there was intense interest in the project resulting in 600 calls a day to the Council's call centre for the first week after it was announced as a potential project. This highlighted the significance of affordable housing to the community. The eligibility criteria were confined to: people who either lived or worked in Salisbury; were first home buyers; and, had a combined household income under $59,000 (120% of median income). A website was designed for people to register their interest and over 250 people registered on the site. Subsequently formal applications were called for and 100 applications were received for the 11 houses available.

As a result of this project the City of Salisbury has been able to help eleven families on low to moderate incomes, achieve home ownership. The shared equity loan concept enabled them to significantly boost their borrowing capacity which ultimately made the difference. As added benefit the environmentally sustainable features will make ongoing energy and water costs more affordable.

Critical Success Factors

The critical success factor in this case study lay in convincing elected members that the Council should get involved in enabling affordable housing. In relation to Council's potential role in facilitating the provision of affordable housing, the commissioned research emphasized that the major influences on housing affordability are outside the control of Local Government (e.g. population trends, interest rates, the impact of economic activity on supply and demand for housing, development infrastructure costs, stamp duties and land tax, supply of skilled trades etc are all the concern of Commonwealth and State Governments). However, Council does own land which is considered surplus to needs and, potentially, could perform a greater service to the community if it were designated for affordable housing.

The report emphasized that in developing a proposal to utilize Council land for housing, Council should be careful to structure this as an unsubsidized commercial arrangement while at the same time providing an opportunity for someone to gain home ownership equity that was otherwise not achievable. Council members felt they could not ignore the problem and were keen to find some way that would assist its community enter home ownership in an environment where that possibility was becoming increasingly remote even for those on moderate incomes. They saw home ownership as community building – giving people a stake in their city.

The case study demonstrates a new way of being local government. It underscores the importance of leadership, evidence-based policy making and risk taking and the sharing of risk through partnering with a private sector provider.

3
Case Studies in Service Innovation

Service innovation involves the production of new services which have public rather than private value and sometimes drawing on the development, use and adaptation of relevant technologies.

Brewarrina Mobile Dental Services

Context and Opportunity

Brewarrina is a remote community in New South Wales with a predominantly Indigenous population. Prior to the introduction of the Brewarrina Rural and Remote Dental Project, the community had been without dental services for five years.

Response

In December 2006, Brewarrina Shire Council approached Griffith University to develop a Rural Placement Dental Program that would host final year dental students undertaking practical experience in the town of Brewarrina. The community was consulted and a partnership between Brewarrina Shire Council, Griffith University, Ochre Health and Greater Western Area Health Service (GWAHS) was formed to deliver the Brewarrina Rural and Remote Dental Project. Not only does the project provide a health service for Brewarrina that has not existed for five years, it also benefits all of rural Australia by providing dental students with a valuable opportunity to experience rural life in a remote town. These placements show Gold Coast based students that living and working in a rural locality can be a rewarding experience and will hopefully lead to some of these students considering starting their careers in rural Australia.

Most students report that being involved in this program was a positive experience and invaluable to their understanding of the specific needs involved in a rural area. Some students have indicated that they are now looking to move to a rural community after graduation.

In early February 2009, a dental surgery was built using capital funding. The facility contains four dental clinics which enables four dental chairs to be operating concurrently. This allows for families who have to travel to be booked together. Groups of up to eight Griffith University dental students, accompanied by a qualified dental supervisor visit Brewarrina for blocks of three weeks at a time.

The service is free for children under 18 years and holders of Australian Health Care Cards. A partnership with the Greater Western Area Health Service also makes dental treatment of approximately 70 per cent of Brewarrina residents free. The service aims to improve oral health education among children, improve affordable access to oral health care and reduce cases of secondary illnesses caused by poor oral hygiene that are prevalent in many communities.

Outcomes

Since commencing in February 2009 over 700 patients have received treatment and 1,300 appointments have been attended. Children and Australian health card holders receive free treatment. The Shire benefits from improved health, reduced retail leakage and attraction of people to Brewarrina as well as an injection of funds to the local community. The project ran for 21 weeks in 2009 and will run for 24 weeks in 2010 and for 30 weeks in 2011. The clinic opens Monday to Friday and provides services for between 25 and 30 patients a day. The project is funded $124K per annum for operational expenses but due to its innovatory character it has attracted a range of funding sources to provide for remote client transport, mobile dental equipment, and the use of state of the art dental equipment (mobile x-ray). The partnership has also provided for educational outreach to school students, shire towns and villages. Since the inception of the program the practice has conducted over 3,000 appointments and received no patient complaints.

Critical Success Factors

This is unique project in Australia mainly because the provision of oral health care would not normally be viewed as core council business. The capacity of the Shire Council to see a partnering opportunity which would be a 'win-win' for both organisations took considerable foresight. Once the partnership had been established, access to highly skilled and respected practitioners and health professionals made the program sustainable. This is a telling example of a Council searching to create and deliver public value outside of its normal organisational boundaries. It took courage and a leap of faith but has proved an important innovation which has enhanced the wellbeing of the community.

Whanau Ora ('Community wellbeing') place based service delivery

Context and Opportunity

In Maori, Whanau Ora refers to 'Family or community wellbeing'. The Prime Minister of New Zealand John Key set up a Whanau Ora taskforce on 14th June 2009 to evaluate how the indigenous gap between Maori and non-Maori could be addressed. The specific task of the taskforce was "to develop a policy framework for a new method of government interaction with Maori service providers to meet the social service needs of Whanau".

In its report, published on 8 April 2010, the taskforce made five core recommendations: a) it recognised the need for tailored services for the Maori community; b) it identified the need for a joined-up approach to service delivery through which multi-agency activities would be delivered through one agency selected and funded through a regional panel; c) it argued that money currently spent on health, education, justice and social development on Whanau Ora would be diverted into a Whanau Ora program; d) the focus of the program would be on early intervention; and, e) while the policy would be aimed at Maori "it will be available to all families in need'.

In general, the other main parties supported the recommendations. Reservations were expressed regarding the need for additional funding. As Green Party Co-Leader Metiria Turei put it, "Whanau Ora won't work unless there is new money put in to it. The Government cannot ask the already deeply stretched social service sector to do more with the same or less money, it just won't work". Further concerns were articulated regarding money being spent on establishing new bureaucracy rather than on solving Maori problems. The Maori community itself is sceptical at yet another costly initiative being conceived without sufficient consultation with communities. Finally, there is some pessimism within the public service at its capacity to deliver joined-up placed based solutions to Maori problems.

The Whanau Ora taskforce gives one example of how the new welfare policy might work. It describes a single mother in part-time employment who is finding it difficult to make ends meet and who has lost contact with her extended family. She has three children:

• a 16 year old son who has been caught repeatedly driving without a licence and has stopped going to work be cause he is scared of telling his boss about his offending;
• a 12 year old daughter who has been referred to the Strengthening Families program because of repeated ab sences from schools; and
• an eight year old son who has been picked up roaming the streets at night and returned to a home with no adult present, which has led to a referral to Child, Youth and Family services.

The Mother is working mornings and nights meaning she has to rely on the older children to look after the youngest and she is unaware that her daughter is being bullied at school.

In this case, the Mother is dealing with the Police, Work and Income services, Child, Youth and Family services, schools, and, the Strengthening Families program. The Taskforce has stated that the Whanau Ora policy would result in one provider dealing with the family in an open and frank way.

Response

Whanau Ora has been constituted as a Whanau-centred governance structure for collaborative integrated service delivery in a way that wraps appropriate services around the family unit. Whanau decide on the nature of those services and who provides them. Regional leadership groups have been created based on Te Puni Kokiri boundaries. Their role is to provide regional strategic leadership to ensure that whanau-centred initiatives that reinforce community goals and values are established. Members include community representatives from each Te Puni Kokiri, the Ministry of Social Development and local District Health Boards. There are 25 provider collectives involving 158 health and social service providers that have begun to deliver the program.

Outcomes

This program is in its infancy and its development has been adversely impacted by the Global Financial Crisis. Not least because it had its original budget slashed back from $1billion to $134million. Thus far $164 million has been invested in the Whanau Ora program and it has been rolled out country-wide. The first stage of the program has involved creating governance structures (Regional Leadership Groups), developing planning and priority-setting processes and identifying providers.

Critical Success Factors

Hitherto, the importance of the Whanau Ora program lies not in its program outcomes but in the establishment of deep core beliefs with regard to the normative principles to be applied to Whanau social exclusion issues. These are reflected in three principles of engagement – the emerging belief in the policy sub system of the illegitimacy of top-down 'government-knows best' programs; participatory democracy; and, community program ownership. At the policy core certain policy positions are emerging for attaining these core values: community-driven development; indigenous organisations as sovereign; use of indigenous NGOs for managing delivery; facilitating partners for building capacity; and, crucially, political will, majority government and national solidarity on the issue of Te Puni Kokira.

Service Priority-setting in York and determining public value

Context and Opportunity

Dealing with the recession has been difficult for councils across the UK, due to rising unemployment and much tighter public budgets. The City of York, like other councils, has had to deal with these pressures and adapt involvement methods to engage more effectively with communities over financial concerns and stabilise the community to work constructively in the current economic climate.

Response

The City of York Council has taken the approach that the empowerment agenda is intrinsically linked with helping local citizens get through the economic downturn. By working in wards and using participatory budgeting, York has shown that using tools that are already available is often a successful way to efficiently involve and empower citizens during difficult economic times. There are 18 Ward Committees in York; each holds meetings at least four times per year, where people can discuss local issues and propose solutions. In addition, each Ward Committee has a devolved local budget, and local people can influence its spending. A specific response to the recent economic situation is the introduction of 'credit crunch surgeries' as a topic for Ward Committee meetings. These help local residents deal with financial problems they might be having. Participatory budgeting (PB) has proven a particularly useful tool in coping with decreased resources while also engaging citizens in local decision-making. York has a long history of using a system of devolved budgets, and was announced as one of the Government's latest round of PB pilots. The process begins with local households being given lists of suggestions for budget spending, and residents are invited to ward committee meetings to prioritise their choices. Not only is this an effective way to allocate scarce resources, but it involves citizens in a proactive way and empowers them to be active in their community. Each ward also produces newsletters called 'Your Ward', featuring content such as volunteering opportunities, credit crunch surgeries and other suggestions to help people through the recession. The results from participatory budgeting are published in these newsletters so that local residents are informed and can feel like they could make a difference in the spending of scarce public money.

Outcomes

In summary, York has taken a 'business as usual' approach to dealing with the recession. With involvement of citizens already built into the agenda of ward committee meetings and participatory budgeting. The only change necessary was to be resourceful, and slightly adapt the agenda to suits local people's needs and concerns.

Critical Success Factors

In this context, a history of innovation in participatory budgetary methods (though at a limited scale in terms of the size of resource) provided a strong technical capacity for scaling up to a more radical course of action. Hence the creation of an innovation system led to the proliferation of new forms of policy learning. The critical success factor here is the willingness on the part of elected members to share power with communities.

4

Case Studies in Governance Innovations

Governance innovations involve new or altered ways of solving implementation tasks with other sectors and knowledge bases, delivering services or otherwise interacting with clients for the purpose of supplying specific services.

ACT-Anglicare-Northside 'Home to Work' Program

Context and opportunity

In 2011 there remains small groups of citizens, spread throughout most communities in Canberra who are living deeply challenging lives. This is a consequence of a historical decision by the City's founders to spread public housing across communities rather than concentrate it in specific areas.

These citizens share our communities, our aspirations, our own daily lives. Some are trapped in a spiral of drugs, homelessness, poor mental health and crime. But in the most part they are the victims of poor life choices, or personal crises brought on by sexual or physical abuse, bereavement, loss of employment or poor health. There is also a growing number of immigrants escaping religious or political persecution who are structured as outsiders from the moment they join our communities.

Despite government emphasis on the importance of combating social exclusion and indeed improved results in tackling wider forms of social exclusion such as homelessness, gains in helping this highly visible section of citizens who experience multiple needs and exclusions have been at best superficial.

Response

Home to Work is a pilot project designed to improve coordination and integration between support and employment services for some of the most disadvantaged job seekers in Canberra: that is, public housing tenants in the inner-north postcode 2612. The project aims to enhance community engagement and connection for tenants in addition to improving opportunities to participate in community activities, programs, training and work.

Home to Work is funded through the Australian Government's Innovation Fund. The funding application was developed and submitted by the ACT Government (through the Chief Minister's Department and the Department of Disability, Housing and Community Services). The Innovation Fund was established by the Australian Government to address the needs of the most disadvantaged job seekers by trialing innovative place based projects to overcome barriers to employment.

Effective responses to long term unemployment require collaboration across the Commonwealth and Territory Governments and with non-government organisations (and these sectors are all represented on the project's Governance Group). The project aims to ensure that Commonwealth funded services (Job Service Australia and Disability Employment Network providers and Centrelink for example) and ACT funded services (including public housing, crisis and support services) work together to minimise what public housing tenants have called the 'service run-around' and to optimise their opportunities.

The project is place-based and located in the 2612 postcode (which includes the inner-north suburbs of Reid, Braddon and Turner) because of the relatively high levels of socio-economic disadvantage and long-term unemployment. The postcode also has concentrations of multi-unit public housing.

The project is delivered by three brokers – Anglicare, ACT Housing and Northside Community Services – and managed by Anglicare Canberra and Goulburn in a principal-agent relationship. The aim here is to wrap a range of appropriate services around the citizen to facilitate integration over time into the labour market. While the three brokers will develop relationships important working relationships with the citizen, the key relationship (as far as the citizen is concerned) is with the Northside Community Services case worker.

Outcomes

Specific activities undertaken by Brokers include, but are not limited to: advocacy and mentoring; 'one on one' support meetings with participants; support to complete housing applications; court and bail condition support; job search and preparedness support; emergency relief brokerage; family and extended family support; facilitation of access to special Centrelink payments; assistance to travel interstate for funerals and to visit ill relatives; coordination and payment of bills related to work placement; referral to specialist support services including Legal Aid and mental health services; and, Home and Community Care Assessments.

This project has been enormously successful both in combating social exclusion and in delivering employment opportunities. Key outcomes through social capital bridge-building includes: a reduction in anti-social behaviour as illustrated by improved social interactions of participants with the broader community in the 2612 postcode; regular participation in personal development activities such as art groups; engagement in social activities such as community barbecues and walks; completion of training such as First Aid certification, Forklift licensing and certificates in Information Technology; participant engagement with Job Service Australia and Disability Employment Service providers; participation in English language courses; skills development through work experience, identification of employment goals and, engagement in casual, part time and full time employment.

The project also accepts that the measurement of project success needs to be calculated from the perspective of the journeys of individual citizens. For example, Citizen X has a background of mental and physical abuse and has been structured as an outsider from childhood. He is experiencing barriers to inclusion in terms of psychological pain and low self-esteem resulting in personality disorders and social exclusion. Citizen X is highly intelligent, possesses key skills and has a clear sense of entitlement. His future is contingent on effective coordination of a staged approach to permanent full time employment and to a more stable and contented life. In short, a successful outcome for this citizen is contingent on effective management of various transitions from unemployment to part-time employment to full-time employment to long-term employment underpinned by success in managing mental illness. In overview, the indices of success in this case are that the citizen is work ready, holding down a part time position, and has heightened confidence making for better mental health.

Critical Success Factors

H2W is innovative because:

- Unlike other Innovation Fund Projects, the H2W project partners directly with the ACT Government and builds on existing client relationships with Housing ACT tenants to provide a continuity of service provision. This project also builds on existing funding relationships and networks between the ACT Government and community services providers to facilitate the involvement of support providers in the project.
- It is also notable that the project is managed by Anglicare Canberra and Goulburn in a principal-agent relationship – this is unique in the Australian context.
- As the owner of asset, Housing ACT also has capacity to manage the physical environment in which services will be provided and will also be able to explore employment avenues for tenants via its subcontractor base through the use of social procurement activities.
- The project integrates skills development, training and work with the provision of crisis and support services for some of the most disadvantaged individuals in the ACT; a population that has been largely disengaged from the labour market.
- It is using the secure tenure provided by social housing as a key intervention point to support social and economic participation (which will capture people recently exiting homelessness, long term unemployed, lone parent households, Aboriginal and Torres Strait Islanders and members of the CALD community).

It is also noted that cost effective, local and personal services for individuals facing the challenge of multiple needs requires:

- careful management of the case work pressure points (wrapping support systems around the case worker, succession planning);
- integrating key governance partners (e.g. JSAs, advocacy groups, volunteer organisations) into the delivery system;
- cost effective, local and personal services for individuals facing the challenge of multiple needs requires;
- moving towards a co-design model linked to enhancements in skills mapping for participants; and,
- finding the right places for delivery – i.e., local institutions that work for the different groups (this often means thinking beyond a postcode).

Waikato Lass and Boplass Shared Services

Context and opportunity

This is the story of the attempt by two regions to share services. Each area had been exploring the potential of shared services, primarily through jointly-owned shared services companies, constituted under New Zealand local government legislation as a 'council controlled organisation.' Waikato had established the Waikato Local Authority Shared Services Ltd (LASS) and the Bay of Plenty later formed the Bay of Plenty Local Shared Services Ltd (BOPLASS).

The Waikato region and the Bay of Plenty region are situated on the north island of New Zealand. The Waikato region comprises one regional council, one city council, nine district councils wholly within the region and two district councils partly within the region. The Bay of Plenty region, immediately to the east of Waikato, comprises one regional council, one city council, four district councils wholly within the region, one district council largely within and one district only partially within the region.

Within each region there had been some experience of ad hoc arrangements between two or more local authorities. Waikato had recognised the potential advantages of having a shared valuation database coupled with the potential for establishing contestability in the purchase of valuation services. Bay of Plenty had a history of providing IT support for smaller district councils in its region, and in both regions there had been some cooperation in the provision of specialist building services. In both cases, however, there was an understanding that member councils were not obliged to take part in every shared service.

However, both regions developed separate models of governance and organisation to progress the development of shared services. Both models had some advantages and some successes and both provide valuable lessons for other councils wishing to pursue policies of shared services.

Responses

Waikato LASS

Waikato LASS was established a year before BOPLASS. A critical factor for Waikato was the close personal relationship and goodwill between three key chief executives in the region, those of Hamilton City, the Regional Council and Waikato District Council. The choice of organisational structure was left to the region's CEOs, as the shared services initiative was seen primarily as a responsibility for CEOs consistent with their remit to deliver council services. Board membership was restricted to six directors with two directors representing just one local authority, one representing two authorities, and three each representing three.

There were some successes. In addition to developing a shared valuation database, Waikato LASS promoted the development of a single transport model for the region, with the LASS providing a convenient umbrella for its establishment.

According to senior staff, the Waikato transport model appears to be performing effectively and efficiently as planned, with Waikato LASS providing a minimal governance structure for those services. Joint procurement has been successful in delivering very worthwhile savings for Waikato LASS.

From the outset, however, there were difficulties with governance, especially in relation to the operations of the Board. An obvious advantage of having a small-sized Board was the ease with which the Board could be brought together for meetings. However, it proved inadequate in providing a mandate for decisions as many Board members needed to refer possible decisions to constituent councils for advice. The Board also complained that they did not receive financial statements in a timely manner, resulting in it being unaware of budget over runs. Financial issues seriously undermined its credibility with shareholders.

Difficulties were compounded by changes in key personnel and workloads in the two largest councils, Hamilton City and the Regional Council. Both CEOs had played a major role in the initial establishment of Waikato LASS but Hamilton City's new CEO took a very different approach from his predecessor. The new CEO at the Regional Council had to deal with significant governance changes and major funding issues. Consequently, he preferred the council to design services and offer other councils the opportunity of participating, rather than proceeding through a formal shared services process requiring all councils to agree.

These changes in management approach have reduced individual council support for shared services and have resulted in the initiative stalling. Although some shared services activity continues in the region, it is typically outside the purview of Waikato LASS, being developed amongst groups of councils rather than by the region as a whole.

BOPLASS

In the case of BOPLASS a number of factors were significant in establishing shared services throughout the region. There was an interest in retaining local identity including a decision by two CEOs that radical collaboration was an essential element in protecting local governance. This was coupled with a recognition that a successful shared services strategy needed to be much more than an anti-amalgamation strategy, amalgamation being very much the 'elephant in the room'.

Bay of Plenty also had a recent history of successful collaboration with four councils establishing a common library catalogue and a joint contract under which some councils were purchasing aerial photography services, a contract that was about to expire. And of course, the recent establishment of Waikato LASS provided a ready model on which to draw, generally an advantage in not being an early adopter!

The Bay of Plenty region was aware of the difficulties encountered by Waikato LASS with the structure of their administration and made one crucial change having all councils represented on the board, arguing that it was essential to have all the decision makers around the table.

Taking the 'low hanging fruit' approach, BOPLASS sought early successes in joint purchasing of items such as stationery, computer software, aerial photography and insurance resulting in significant savings to individual councils. These successes gave the member councils confidence that the shared services approach did have considerable potential for all member councils.

A turning point for the Bay of Plenty was central government interest in encouraging the development of regional broadband initiatives. BOPLASS established a subsidiary company to explore the potential of a high-speed fibre-optic network linking all the councils in the region. This program was subsequently rolled out with a current capacity of 1GB per second (with the potential to increase to 5GB). The program has proved to be the enabler of further developments in shared services by providing the means for any council to access data held by other councils.

As a result of the success of this venture BOPLASS and its member councils are now considering the establishment of a 'centres of excellence' approach to further shared services. Under this approach one council may become the base for other councils in for example, GIS or human resources or payroll or debtors control or any other service that is essentially a matter of receiving, processing and accessing information.

Difficulties faced by BOPLASS are typically based around the establishment of good governance practices: the recognition that values and policies can be difficult to harmonise, difference in operating styles, communication of board decisions to responsible managers in individual councils and the engagement of elected members in the whole process.

There have also been concerns about resourcing. In particular, conventional company reporting for BOPLASS does not capture the full costs and benefits, such as the opportunity costs incurred by involvement of CEOs as directors of BOPLASS. Because savings accrue to individual councils it can also be difficult for BOPLASS to demonstrate the full value it has added.

In both Waikato LASS and BOPLASS there have been concerns about securing buy-in from staff. In the case of BOPLASS, these fears about job losses have been compounded by the centres of excellence approach. However, senior staff have tried to reassure other staff by arguing that jobs will remain within councils although in time there will be a concentration of different skills in different councils which should create more career opportunities across the region.

The establishment of the high-speed fibre optic network at BOPLASS has set a platform for significantly increased collaboration. Some agendas for further capacity to share services include water and sewerage and spatial planning especially as possible centres of excellence. Significant levels of trust are building between the different councils in the Bay of Plenty region with CEOs meeting together every six weeks and councils hosting meetings with staff from different councils with staff comfortably using the other councils' IT facilities.

Outcomes

These two cases are instructive in that different approaches have yielded quite different outcomes. There are lessons to be learned that generally reflect the literature on change management. For example, the governance structure is crucial especially in ensuring that all major stakeholders are directly represented on the Board; building trust among participants is critical to developing confidence; and other important factors include starting small, gaining some early successes and ensuring clear and accurate reporting of financial matters.

The cases also reflect the importance of leadership: CEOs need to lead the process with commitment and clear communication to all involved of full costs and benefits. The success of Waikato LASS' shared valuation database initiative was not in reducing costs, rather by holding costs below where they would otherwise have been, but this was not always understood.

There is a fundamental difference between shared services expressed as a single provider selling services to other councils and shared services as a means of facilitating different councils to develop specialist functions and capacities that they can then provide to other councils. The emerging centres of excellence model in the Bay of Plenty region actually reinforces the autonomy and capability of smaller councils and strengthens local governance.

Conceptualising 'shared services' as fundamentally an exercise in information management is a major breakthrough. It opens up the potential for each service for which a council is responsible to be managed and delivered so as to optimise economies of scale and scope without the need for the potentially disruptive approaches that are likely to accompany amalgamation.

Critical Success Factors

The following factors were critically to achieving positive outcomes: inclusive governance arrangements; building trust and confidence among participants especially through engineering early successes; understanding the differences between shared services models where one council is a single provider of services for others, and the model where different councils develop specialisations which they can then 'export' to others (the centres of excellence approach); conceptualising shared services as an exercise in information management at BOPLASS obviates the need for more intensive forms of consolidation such as amalgamation; and leadership, especially in securing staff buy-in.

Salford City Council Neighbourhood Renewal Program

Context and Opportunity

During a recession, social cohesion can be adversely affected by rising unemployment and increased tension in communities. In Salford, neighbourhood management has proven an effective way to empower local people; increasing their abilities to react and adapt to difficult financial circumstances.

Response

Salford is comprised of eight neighbourhoods, each of which has a neighbourhood management team attending to their particular needs and issues. By working with partners such as the police, community groups and PCTs, neighbourhood management teams help determine which priorities local people have, and budgets are allocated accordingly. Neighbourhood management is also a way to make sure that local people are involved in the decisions that affect them directly, including local services and community safety. Each neighbourhood has a Community Committee, providing residents' forums for local people to voice their concerns and priorities.

Outcomes

This way of responding to local issues and listening to peoples' needs has been particularly well suited to helping local people in Salford respond to the economic crisis. Devolved budgets, enabling local people to make decisions through participatory budgeting, have allowed Salford's neighbourhoods to make the most of decreased resources. Neighbourhood managers also are able to harness other resources, such as local skills, in order to organise events or supporting allotments. These activities are crucial in promoting cohesive communities.

Through a program called Spotlight, Salford has helped to mainstream community regeneration by choosing an important issue in each neighbourhood and focussing the Neighbourhood Management team's efforts on it in every area of policy. This has brought problems, particularly unemployment, into clearer view and has enabled Neighbourhood Management teams to better pinpoint causes and solutions. Salford Neighbourhood Management has begun to tackle unemployment by recognising and highlighting opportunities in communities and by taking a whole systems approach; focussing on getting both newly and long-term unemployed back into work.

Critical Success Factors

This case demonstrates the importance of the maxim – never let a good crisis go to waste. Neighbourhood management has proved a useful tool for service priority-setting and targeting need directly but most significantly it has enabled the Council to maintain a cohesive relationship with its community in times of crisis.

This case study forms part of Involve's project on innovation in response to economic crisis. See a more detailed exposition of these case studies at: http://www.involve.org.uk/.