

MINISTERIAL BRIEFING

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Minister of Local Government

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INTRODUCING SOLGM

SOLGM is an incorporated society, established in 1988 to represent senior managers in local government, and to promote excellence in management within the sector.

SOLGM's vision is –

Professional quality leadership by the Society's members producing better local government managers.

OUR MEMBERS

SOLGM is an individual membership organisation, with approximately 580 members throughout all local authorities in New Zealand. Full membership is available to:

- ◆ Chief Executives;
- ◆ Second tier managers reporting to the Chief Executive; and,
- ◆ Other managers with significant management, policy or strategic development responsibilities.

From July 2005 SOLGM introduced a new category of associate membership. This is open to all local authority staff with an interest in management. This reflects SOLGM's commitment to the professional development of those people who will be the next generation of local government senior managers, as well as those already in senior positions.

A Code of Ethics defines the expected integrity and professionalism of members of SOLGM.

Our members span all disciplines involved in local government, including general management, finance, strategy, policy, economics, engineering, regulation, community development, recreation and culture.

Our members are a rich resource of professional, technical, and practical knowledge and experience of local government. We are keen to make this expertise available to Ministers, Select Committees, and Government Departments in relation to management issues that arise in the course of policy development and implementation.

HOW WE ARE ORGANISED

SOLGM is led by an Executive Committee, comprising the President, 2 Vice Presidents, and 6 Executive Members. The membership of the current Executive Committee is detailed in Appendix A to this brief.

The principal role of the Executive Committee is to focus on the Strategic Direction of SOLGM, to drive this through the Annual Plan and Budget, and to be accountable to members for this. The Committee is also responsible for:

- ◆ ensuring that members uphold the Society's Constitution, Rules and Code of Ethics;
- ◆ stakeholder management; and,
- ◆ international liaison with SOLGM's overseas affiliates.

SOLGM is organised into six regional branches (four in the North Island and two in the South Island) and a National Office located in Wellington. These are:

- ◆ Northern
- ◆ Midlands
- ◆ Central
- ◆ Wellington
- ◆ Top of the South
- ◆ 45 South

Each branch organises its own regional activities. These include branch meetings, seminars and retreats. They are a valuable vehicle for networking among staff of local authorities within their area. They also provide input into SOLGM's industry leadership activities (such as submissions on legislation affecting local government). The Legal Compliance Programme, that is now one of the major programmes administered by the National Office, originated as a local initiative of the Top of the South Branch.

Each branch elects a representative to the Executive Committee. The President and Vice Presidents are elected by the whole membership.

There are two Advisory Boards comprising Executive members and other co-opted members. These oversee aspects of the work of the National Office. The Business School Advisory Board oversees the training and development activities delivered through the SOLGM Opus Business School. The Centre of Excellence Advisory Board oversees good practice development and promotion work.

SOLGM also has 3 standing Working Parties that drive significant aspects of its work programme. These are:

- ◆ the Electoral Working Party (EWP);
- ◆ the Financial Management Working Party (FMWP); and
- ◆ the Legal Compliance Working Party (LCWP)

Each working party comprises a mix of local authority officers and representatives of key stakeholders including government departments.

The National Office is managed by the Chief Executive supported by a staff of five.

In addition to the work programme developed through the working groups and Advisory Boards, the National Office produces a four monthly e-magazine *PULSE*, and on the other months of the year a newsletter. These provide information not just to members but to a wide range of other stakeholders. We have created a subscription to PULSE and the newsletter for you and your local government private secretary.

OUR RELATIONSHIPS

Local Government

SOLGM has excellent working relationships with other local government sector organisations within New Zealand. In particular it has a very close working relationship with *Local Government New Zealand (LGNZ)*. This is underpinned by a memorandum of understanding. SOLGM also works closely on matters of common interest with INGENIUM (the organisation which represents engineers in local government), NAMS (the National Asset Management Steering Group) and ALGIM (the Association of Local Government Information Management) along with the wide range of other institutes and associations whose membership includes significant numbers of local authority staff.

Central Government

SOLGM particularly values the good working relationships that it has been able to develop in recent years with central government agencies. We feel that the working relationship with the Department of Internal Affairs (DIA) is a strong and positive one. We also work closely with other departments and ministries with responsibilities that are important to local government, such as the Department of Building and Housing, the Ministry for the Environment and Audit New Zealand along with Parliamentary offices such as the Office of the Auditor-General.

International

SOLGM also has strong relationships with a range of sibling organisations internationally. These include:

- ◆ SOLACE – Society of Local Authority Chief Executives and Senior Managers – United Kingdom;
- ◆ LGMA – Local Government Managers Australia;
- ◆ iLGM – Institute of Local Government Management of Southern Africa; and
- ◆ ICMA – International City/County Management Association – United States of America

OUR ACTIVITIES

SOLGM's activities, aside from general services to members and branches, fall into three key areas. These are

- ◆ Professional Training and Development;
- ◆ Development and Promotion of Good Practice; and
- ◆ Industry Leadership (including input into policy development).

Appendix B illustrates how SOLGM's activities are organised, relate to our Constitutional objectives, and the impacts expected of them. The activities undertaken within each of these streams, and the current focus of that work, are briefly summarised below.

Training and Development

SOLGM Opus Business School

SOLGM's training and development activities are delivered primarily through the *SOLGM Opus Business School*. The Business School is managed by a Manager, assisted by an event co-ordinator.

The objective of the Business School is:

"To ensure that personal development opportunities and quality industry good training exists for all people in local government".

The desired impact from this group of activities is:

"Increased professional and managerial capability of managers and other staff in local government".

The Business School has operated since 1997 and has significantly raised the level of training throughout local government. In 2005/2006 over 1,500 local government officers are expected to attend Business School seminars, courses or programmes.

The scale of operations of the Business School has increased steadily over the years. The target for 2005/06 is to run approximately 27 training seminars, courses or programmes. These events generally fall within one of four broad types:

- ◆ Information Sharing Seminars;
- ◆ Competency Development Courses;
- ◆ Networking Seminars; and
- ◆ One-off Events on particular themes and topics.

Information Sharing Seminars

These are most frequently organised to assist local authorities with the implementation of new legislative requirements. Major areas of recent focus have been:

- ◆ the process for, and more technical aspects of, the development for the first full and audited *LTCCP*. A series of 6 regional “LTCCP Jigsaw” seminars was held in April and May 2005, on behalf of the SOLGM Financial Management Working Party.
- ◆ preparedness for the implementation of the New Zealand International Reporting Standards (*NZ IFRS*). A series of 6 regional seminars was held in November and December 2004.

Competency Development Courses

An increasing range of such courses has been developed that are able to be offered as part of a regular programme. These have included:

- ◆ Introductory and more advanced policy analysis (in association with Victoria University);
- ◆ Negotiation and Conflict Resolution; and
- ◆ A range of leadership courses targeted for different tiers of management.

During 2005/2006 a major focus has been on a series of Customer Services courses. These are being offered in regional locations. A new course on Community Consultation Skills will be delivered for the first time in Wellington and Christchurch in February and March 2006.

Networking Seminars

A range of networking seminars is offered annually for different groups of non-managerial local government officers. These enable staff working in similar areas of work across local authorities to develop networks and share issues and ideas. These include annual events for Committee Secretaries, Executive Assistants, rating staff; and community planning staff.

Themed Events

Over the past two years the Business School has also become involved in running large one-off events to highlight particular themes and issues of importance to local government. During 2004/05 the Business School organised the *Bay Roads* Conference which highlighted the performance-based road management partnership that had been developed in the Bay of Plenty. Following the February 2004 floods, the lessons were captured through the *When the Rains Kept Falling* conference. During October 2005 an *International Infrastructure Management Summit* was held jointly with INGENIUM.

Management Challenge

The Business School also organises the New Zealand leg of the Local Government Managers Australia Management Challenge. This is a premier training and development event for young and up and coming local government managers.

The event attracts more than 100 teams from throughout Australasia each year. 2005 saw a record entry of 119 teams, including 15 from New Zealand. The New Zealand winner, the team from the Southland District Council, competed in the Australasian final in Canberra during May 2005. New Zealand teams have a very good record in this event. In 2004 Dunedin City was runner up, Christchurch City was 3rd in 2003, and Manukau City was the winner in 2002 after finishing 3rd in 2001. The Management Challenge has been won by New Zealand teams on three occasions – Christchurch City – 1994, Environment Waikato – 1996, and North Shore City – 1997. 17 New Zealand teams have entered the 2006 Challenge.

International Conference Attendance Awards

Exposure to overseas local government managerial conferences is a valuable professional development experience. Together with MWH, SOLGM sponsors five managers to attend the conferences of our overseas partners. Three awards are available for attendance at the ICMA Conference in the USA, and two for the LGMA Congress in Australia.

Development and Promotion of Good Practice

SOLGM's good practice development and promotion work is carried out by the *Centre of Excellence*. It has operated since 1997.

The purpose of the Centre of Excellence is:

“To promote, foster and encourage excellence in local government management and to establish SOLGM as the key driver behind this quest for excellence.”

The activities are primarily driven from the objective:

“To encourage better local government by:

- ◆ *Identifying and promoting leading edge management practices*
- ◆ *Initiating research, publishing and distributing information on local government management.”*

The desired impacts of the activities are:

- ◆ *“increased adoption of ‘good practice’ management tools and modules by managers and staff in local government; and*
- ◆ *effective partnerships operate with sector organisations, locally and internationally, to advance professional local government management.”*

The work is undertaken by the Manager Good Practice and Policy assisted by an Advisor.

The Centre pursues good practice through the following activities:

- ◆ Delivering the good practice work programmes agreed by SOLGM Working Parties;
- ◆ Holding the annual Management Excellence Awards, in conjunction with New Zealand Post;
- ◆ Collaborating with ICMA and LGMA to promote best practice through an International Leading Practices Symposium held every second year;
- ◆ Awarding five overseas manager exchanges; and
- ◆ Developing and maintaining the “*Good Practice Toolkits*” website at www.solgm.co.nz.

Working Parties

SOLGM has three standing working parties that oversee different aspects of the good practice work programme. These are the:

- ◆ Financial Management Working Party;
- ◆ Electoral Working Party; and the
- ◆ Legal Compliance Working Party.

The focus and key current activities of each is briefly summarised below.

Financial Management Working Party (FMWP)

The FMWP is descended from a group established in 1989 to assist the adoption of accrual accounting by local authorities. It was reconstituted and its terms of reference broadened in 1997.

The focus of the FMWP is wider than its name suggests, embracing strategic planning and management issues as well as financial management. Its membership comprises local authority officers along with representatives of the Office of the Auditor-General, Audit New Zealand, DIA, and *Local Government New Zealand*. The FMWP is a major forum for discussion between central and local government officials on accounting issues, rating, and the practical application of the planning and financial management provisions set out in the Local Government Act 2002.

Over the past year the FMWP has been focused on two key issues. These have been assisting local authorities with the process of developing their first full and audited LTCCP, and preparations for the concurrent implementation of new financial reporting standards (NZIFRS).

The major outputs have been:

- ◆ the *LTCCP Jigsaw* seminars held in April and May 2005 and *Booster Shot* seminars (November 2005) and the related *Jigsaw* guide that is published on-line on the Good Practice Toolkits website; and
- ◆ the *NZ IFRS Preparedness* seminars held in November and December 2004 *Booster Shot* seminars (November 2005) and the related *NZ IFRS Preparedness* guidance material that was commissioned from PricewaterhouseCoopers and published on-line on the Good Practice Toolkits website.

The FMWP has recently begun working with DIA to develop an integrated approach to the implementation of the revised rates rebates scheme. This is dealt with further in the section of this brief on current issues. Following the completion of the 2006 LTCCP process, the FMWP will identify the best practice from around the country and collate and publish this as a resource for use in the 2009 LTCCP round.

Electoral Working Party (EWP)

The Electoral Working Party is concerned with the organisation and conduct of local elections. Its membership includes representatives of the Ministry of Health and DIA as well as local authority electoral officers.

The EWP played a key role in the development of the Local Electoral Act 2001 and has, on several occasions, been appointed as an advisor to the Justice and Electoral Select Committee for the purposes of its reviews of local elections. It played a major role in preparations for the implementation of STV at the 2004 local elections.

Most recently the EWP has made submissions on the Justice and Electoral Committee Inquiry into the 2004 local elections. SOLGM has written to you separately outlining its concerns with the recommendations that arose from that review. Further information is provided in the section of this brief on current issues.

The EWP has developed a detailed *Code Of Good Practice For the Management of Local Authority Elections and Polls*. This is published on the Good Practice Toolkits website.

Legal Compliance Working Party (LCWP)

The LCWP oversees SOLGM's Legal Compliance Programme. The membership of the LCWP comprises representatives of Audit New Zealand and Riskpool as well as local authority officers. The programme operates on the basis of voluntary subscriptions from participating local authorities (83 local authorities currently participate) and with the support of a variety of government departments. The guidance modules that have been developed by the programme are password protected within the website with access limited to the subscribing local authorities. This programme and the suite of guidance modules that it has developed are the key pillars of SOLGM's good practice work. These are published on the Good Practice Toolkits website at www.solgm.co.nz.

The objective of the programme is to develop and maintain a suite of guidance modules that set out legally compliant processes that enable local authority staff and managers to ensure that statutory responsibilities are carried out in a way that is consistent with the relevant statutes.

Over time the scope of the modules has expanded from the core focus on legal compliance to also include an increasing range of guidance and information with a more general focus on promotion of best practice. Increasingly the modules are becoming a hub through which access to a wide range of information and resources is made available for local authority staff.

The suite of published modules now extends to:

- ◆ LGOIMA
- ◆ The Privacy Act
- ◆ Resource Consents
- ◆ Enforcement
- ◆ L.I.M.s
- ◆ Building Consents
- ◆ Dog Control
- ◆ National Dog Database (developed in conjunction with the Department of Internal Affairs)
- ◆ Liquor Licensing
- ◆ Property Sales, Acquisitions and Leases
- ◆ Tendering and Procurement
- ◆ Employment
- ◆ Health and Safety
- ◆ Rating - Billing & Collection Process

Work Programme

Each year the LCWP agrees a work programme which includes:

- ◆ a regular cycle of module reviews (to ensure material remains current);
- ◆ module enhancements (expanding the scope of existing modules); and,
- ◆ new module development.

The programme for 2005/06 is a large one.

Additional modules on:

- ◆ The Rating Database; and
- ◆ Rating Policies,

will be published shortly.

New modules are currently under development dealing with:

- ◆ Decision-making under the Local Government Act 2002;
- ◆ Bylaw-making and review; and
- ◆ Development Contributions.

DIA staff are participating in the development process for each of these modules.

The Technology

The programme modules have a number of key features which we believe makes them the state of the art in terms of the web-based delivery of good practice guidance.

The module development process takes as its basis the expertise of experienced practitioners and key stakeholders. A development team works with an independent professional facilitator to develop a consensus presentation of the guidance material. This is then peer reviewed by a second similar team. It is then reviewed by Audit New Zealand and by legal advisors with expertise in the subject matter. Material is presented in plain English and from a user perspective.

The module material is designed for delivery on the web. It is not simply a paper document made available through the web. The module content is presented making extensive use of flow diagram formats to set out the work process flows and decision trees that practitioners face in dealing with the subject. These diagrams are hyper-linked to explanatory material and to a range of other relevant information, tools, and resources.

International Recognition

This “technology” that has been developed by the LCP is starting to attract attention internationally. The New South Wales branch of Local Government Managers Australia (LGMA) is currently considering the adoption of our technology to develop their own version of the programme. We have recently also received an expression of interest from LGMA Queensland in also doing so.

Your Password and Username

A user account has been established so that you can view the material in the modules if you wish. To view the module material, go to www.solgm.co.nz and enter the word “molg” as both password and username.

New Zealand Post Management Excellence Awards

These awards are held annually in conjunction with New Zealand Post. The winners are announced at SOLGM's annual conference (held in September each year). The awards provide the opportunity for local authorities to showcase their successful projects and share them with their colleagues. The awards have four categories. These are:

- ◆ Process Management;
- ◆ Management of People;
- ◆ Technology Application; and
- ◆ Community Relationships.

The overall award is chosen from the four category Award winners.

In 2005 a record 42 entries were lodged. Entries for the awards represent a substantial collection of examples of good practice across a wide range of areas of local authority activity. Since the awards were initiated in 1997 over 50 local authorities have submitted more than 250 projects. Since 2004 all entries have been published on the Good Practice Toolkits website. These have attracted a high level of interest with around 4,000 downloads recorded for copies of the entries for 2004 and 2005 to date. View the entries from the 2005 awards.

International Leading Practices Symposium

The symposium is held every second year as a collaboration between SOLGM, ICMA (USA) and LGMA (Australia) as a means of promoting best practice. The previous symposium was held in Melbourne in May 2004. The five case studies presented included 2 from New Zealand. These were on the *Southland Shared Services Forum*, and Kaikoura Districts *Green for Growth* Strategy. The case studies are accessible on the Good Practice Toolkits website. These have also attracted widespread interest with nearly 4,000 downloads recorded for the 6 2004 case studies since they were published in November 2004. View the case studies from the 2004 symposium.

The next Symposium will be the first to be hosted by SOLGM in New Zealand. Further information on this is set out in the current issues section of this brief.

Overseas Manager Exchanges

Each year SOLGM offers five overseas manager exchanges. There is one exchange each year to the UK, one to the USA and three to Australia. A proposal for an exchange with British Columbia is currently being investigated. The New Zealand exchange manager spends a week with a host local authority and attends the national conference of the host association. The overseas partner spends a week with a host New Zealand local authority and attends the SOLGM conference. New Zealand exchange managers produce a written report on their exchange which is then published. The exchanges enable managers to experience and learn how overseas local authorities operate and to pick up on good practice management processes with transferability.

Good Practice Toolkits Website

The website www.solgm.co.nz was originally established to deliver the modules developed by the Legal Compliance Programme. It is, however, being developed progressively as a central location for all good practice material developed by SOLGM. An increasing network of links is being built up to and from other web-based good practice material that is relevant to local authorities. The site is evolving towards becoming a hub for access to good practice guidance for New Zealand local authorities.

Industry Leadership

SOLGM's industry leadership activities include its interest in policy development and implementation, as well as the ability to act on behalf of local government on management issues that have a national dimension.

Policy Development

SOLGM does not generally take a lead role in making representations to government on headline policy issues. This is more appropriately the role of *Local Government New Zealand*. SOLGM's interest in policy development affecting local government is more from a professional management perspective. SOLGM has played a large role in policy discussion on particular areas of the legislation that are technical in their content, such as the electoral and rating legislation, and those Parts of the Local Government Act 2002 that are concerned with financial management and planning processes. In addition SOLGM has a general concern to see that, whatever the policy content of legislation; it is enacted in a form that can actually be implemented successfully.

In these areas of relatively technical legislation SOLGM is able to draw upon extensive technical and professional expertise from among its members across a wide range of disciplines. SOLGM is thus well positioned to provide advice on the practical implications and practicability of legislative proposals, and to contribute this perspective to the policy development process. According to the circumstances we can do this, by working alongside government officials during policy development, by directly making submissions to government agencies and Parliamentary Committees, or by contributing towards the clarification of sector positions that are represented by *Local Government New Zealand*.

Policy and Legislative Implementation

Over recent years there has been a spectacular volume of legislative change affecting, local government. In this context SOLGM is playing an increasing role in working with government agencies to achieve effective implementation of new policies and legislative initiatives. Much of the current content of the good practice and training and development work programmes is driven directly or indirectly by the need of local government managers to respond in a positive and professional way to the challenges which legislative change poses.

SOLGM is keen to be involved in policy and legislative implementation processes at a management level. There is a large degree of common ground between the need for central government agencies to achieve effective implementation of initiatives affecting local government, and the professional imperatives facing our members - "the law is the law (whatever its merits), and it is up to us to make it work as well as we can."

We believe that the range of activities that SOLGM undertakes spans most of the practical tools for achieving effective implementation of legislation affecting local government. These include;

- ◆ the communication channels available on our own behalf and through LGOL;
- ◆ our experience in developing and delivering good practice guidance and the technology we have developed for this (through both the Legal Compliance Programme and our other good practice products);
- ◆ the availability of our working parties as fora for discussion and clarification of practical issues around proposed and actual legislation; and
- ◆ our ability (through the Business School) to organise seminars and forums to put information in front of the appropriate local government audiences;

We are pleased to note the government agencies are increasingly approaching SOLGM to become involved in exercises of these types.

As a result of our involvement in an increasing number of implementation exercises, we have become interested in developing an understanding of what best practice in the implementation of legislation affecting local government involves, and in promoting an awareness of this among central government agencies. Our preliminary thinking on this is set out in the current issues section of this briefing.

Strategic Issues

From time to time issues arise that are important to the local government on a national scale, and in which SOLGM is able to play a leadership role on behalf of the sector as a whole. A current example of this is the work that is being undertaken in relation to Recruitment and Retention issues in local government. This is dealt with more fully as a current issue in the following section of this brief.

e-localgovernment Services

One of SOLGM's principal strategies has been to focus on the use of electronic technology as the means of delivering services to its geographically dispersed constituency. The main vehicle for delivery of e-localgovernment services is *Local Government Online* (LGOL).

Local Government Online Limited (LGOL)

LGOL was established in 1998 by SOLGM in partnership with the Association of Local Government Management (ALGIM). Since that time LGOL has been developed as the New Zealand local government internet portal. Access is not, however, restricted to local authorities and the site is open to anyone interested in learning about local government in New Zealand. Shareholding in the Company is now shared between; SOLGM, ALGIM, *Local Government New Zealand*, and Civic Assurance.

The LGOL website records an average of over 34,000 visits and up to 100,000 page views monthly. Results from the 2004 Local Authority Elections were carried live on the site. These included results for the 86 councils and the 22 district health boards. The site registered a record 438,000 page views for the month of October 2004. The 2001 local authority election results were also carried by LGOL.

A wide and growing range of services are offered to local authorities by LGOL. The main ones are:

Hosting local government association websites

LGOL is the portal host for several local government association websites, including; SOLGM, ALGIM, INGENIUM, the Local Government Industry Training Organisation, and Civic Assurance.

Advanced search facility

The website contains an *advanced search* facility which trawls all 86 New Zealand local authority sites together with the association sites listed above.

Community Online

LGOL has developed *Community Online* template websites for 21 local authorities. This has assisted in achieving an objective of all 86 local authorities having a web presence. With Chatham Islands Council having gone live with its Website in October 2005 that goal has been attained.

News Service

This is a homepage feature carrying council media releases along with items gleaned from APN daily publications, www.govt.nz the New Zealand Government site, and other sources. The service is archived and has become a useful research vehicle.

Resource Library

LGOL operates a Resource Library with free access to over 2,000 items and links on local government. This makes it one of the largest internet local government resources in the World. This is another of the website's research facilities.

Directory of Councils

The Website provides a *directory of local authorities* with key contact information, links to their websites and key pages, and links to their major public policy documents. The latter provides the only consolidated online listings of these important documents, including LTCCPs, District/Regional Plans/Maps, and Bylaws.

Mailing Lists / Discussion Groups

LGOL operates 85 Mailing Lists/Discussion Groups (LISTSERVs) for the various professional and vocational groups within local government. These include Chief Executives, asset managers, planners, committee secretaries, IT managers, finance managers, and regulatory managers, among others. All the postings are archived, thus adding to the research capacity offered by LGOL.

This tool enables staff to readily share problems, solutions, policies, and practices across the whole sector. Currently approximately 4,500 officers are linked to the LISTSERVs and up to 180,000 interactive emails are generated each month.

What's New Ezine

A weekly *What's New Ezine* is distributed to 5,500 subscribers. This contains, amongst other things, the past week's accessions to the News Service. We have taken the liberty of arranging subscriptions to *What's New* for you and your local government portfolio private secretary. The Ezine should by now be arriving in your in-box weekly.

Shared Workspace Facility

LGOL provides a shared workspace facility allowing the sharing of documents and graphics and other files. This is ideal for project management and developing reports when participants work remotely. This can allow officers across local authorities to work together on projects without the need for travel to meetings.

Online Service Partnerships

LGOL has formal business associations with a growing number of service providers to the sector. These include:

- ◆ uTransact – transaction gateway to settle bank transactions in real time;
- ◆ LGOL Careers – a recruitment service based on a talent pool approach as opposed to jobs boards;
- ◆ Online forms - covering a wide range of council forms, and with back-end management functionality;
- ◆ LGTenders – in association with Tenderlink provides electronic tendering that is now used by 50 local authorities; and
- ◆ Health and Safety event management software in association with INTAZ

OUR CURRENT ISSUES

This section of the brief highlights a series of current issues that we would like to draw to your attention. The issues covered are:

- ◆ the recommendations arising from the Justice and Electoral Committee report on its Inquiry into the 2004 local elections;
- ◆ implementation of the enhanced rates rebates scheme
- ◆ SOLGM's project on recruitment and retention issues in local government;
- ◆ Chief Executive's employment contracts;
- ◆ the 2006 International Leading Practices Symposium
- ◆ the pressure on local government at present arising from its dealing with multiple legislative transitions concurrently;
- ◆ developing and promoting "good practice" implementation of legislation affecting local government; and
- ◆ completion of the Local Government Act 2002.

Inquiry into the 2004 Local Authority Elections

The Select Committee's report includes a number of recommendations relating to technical and managerial aspects of the conduct of local elections. SOLGM supports these. Many of these arose from SOLGM's submission.

However, we have major concerns with the recommendation for the establishment of a central agency to oversee local authority elections by 2008. This Agency would be a merger of the Office of Chief Electoral Office, Electoral Commission and the Electoral Enrolment Centre. The possibility of this Agency appointing local electoral officers, conducting elections, receiving complaints is to be considered further. It will however, undertake some functions which are currently done by the sector, including development of the Code of Good Practice, and the provision of particular information. SOLGM opposed a central agency approach in its submission.

The recommendations relating to a central agency have been considered by the EWP and it opposes them on the following grounds.

Responsibility for conducting and running their own elections has been a long standing and largely unblemished role of local authorities. The assumption of responsibility or oversight of this by a central agency represents a centralisation which is contrary to the spirit and intent of the Local Government Act 2002.

- ◆ No clear rationale has been presented for these roles to be centralized. Centralisation would not prevent a recurrence of the STV data processing failure by Datamail/electionz.com. On the other hand by far the majority of elections in 2004, including a number of STV elections, were held without any difficulties.

- ◆ Local government elections are considerably more complex than Parliamentary elections and it is not clear that the necessary expertise and experience to administer local elections exists within central government.
- ◆ The means of achieving the necessary level of national co-ordination already exist through *Local Government New Zealand's* co-coordinating Committee and the EWP. The central government agencies with a role in local elections – DIA, Ministry of Health, Electoral Enrolment Centre, New Zealand Post – are already represented through these channels.

We have written to you separately setting out our concerns with this proposal in greater detail.

Enhanced Rates Rebates Scheme

The revised thresholds for the rates rebates scheme are welcomed by local government generally. Some effort needs, however, to be put into ensuring an effective implementation of the changes.

It has been many years since the qualifying thresholds for the scheme had been revised. The scheme had become all but moribund with only trivial numbers of ratepayers qualifying for rebates. While there is considerable uncertainty about the numbers who will qualify under the revised thresholds it is clear that the numbers will be large. We understand that the Treasury has suggested 118,000 based on a 40% take-up of entitlements. It could be considerably higher.

Neither local authorities nor the affected government agencies (IRD, WINZ and DIA) have had to maintain the administrative systems necessary for the smooth administration of rebates on this scale since the 1970s. Accordingly, the change in the scale of the scheme requires it to be seen as effectively the roll-out of an entirely new programme. There is a risk of dissatisfied applicants that if all agencies that play roles in the process are not sufficiently well prepared to ensure that the large number of applications that are likely to be lodged within a short timeframe can be dealt with in a timely manner. We have raised these concerns with DIA and suggested that we need to work together to develop and roll-out a comprehensive implementation package. We are pleased to have received a positive response.

In addition, the process which applicants are required to follow (as a result of the scheme of the Act) is a relatively inefficient one from an administrative viewpoint. It is clearly not feasible for a review and redesign of the Act to be undertaken before the revised thresholds take effect from July 2006. We believe, however, that the opportunity should be taken to review the Act with a view to allowing a more modern and streamlined set of administrative arrangements being put in place. We have also raised this with DIA.

Recruitment and Retention Project

The 2004 Chief Executive's Forum focused on the difficulties being faced by local government in recruiting and retaining staff in a number of key skill areas, as a critical issue facing the local government sector as a whole. The Forum asked SOLGM to undertake a project to identify possible sector-wide responses to this.

The research phase of this project has now been completed. This has involved; a comprehensive literature review, sector workshop, a survey of all local authorities, interviews and focus groups with secondary and tertiary students and a perception image questionnaire to private sector and local government employees and tertiary students. The resulting research report has just been completed.

The key findings of the research report are:

- ◆ There are key critical skills and labour shortages across local authorities in the areas of; building control, civil engineering, IT specialists, policy analysts, and environmental consent processing;
- ◆ There are also critical shortages of specialised knowledge in areas such as; asset management, change management, strategic thinking, and people management skills.
- ◆ Factors contributing to these skill shortages in local government are: increasing labour market competition for skilled employees, and the negative public perception of local government (tertiary/secondary students etc.) as an employing sector;
- ◆ These skill shortages are impacting through delays in projects and approvals. This exacerbates negative public perceptions of the sector; and
- ◆ The current skill shortages and subsequent recruitment and retention difficulties likely to increase over time.

The SOLGM Executive Committee has prepared an action plan to start to address some of the key issues that have been identified. We will keep you informed of developments with this project.

Chief Executive's Employment Contracts

The Local Government Act 2002 limits the terms of appointment of local authority Chief Executives to 5 years plus an additional 2 years subject to satisfactory performance review. After that, where a vacancy exists it must be advertised, although an incumbent can apply.

There was considerable concern at these provisions at the time of the passage of the Act. These concerns continue to be raised. SOLGM intends undertaking some research on the impacts of these provisions, and will approach you further on this issue once this has been done.

2006 International Leading Practices Symposium

The next symposium will be the first time the event has been held in New Zealand. It is scheduled to take place in Rotorua on 2 and 3 November 2006. We are aiming to attract around 200 delegates from New Zealand and overseas. The symposium will be of interest not just to local authorities but also to government departments that deal with local government.

We will be writing to you separately seeking your support, and that of DIA, for the symposium. We would also be interested in your availability to open the event.

Multiple Transitions

There has been a large volume of legislative change impacting on local government over the past few years. The new local government legislative framework comprising the Local Government Act 2002, the Local Electoral Act 2001, and the Local Government (Rating) Act 2002 requires significant changes in local authority practice in a number of areas, some of which have significant lead times. Most notably the new financial management and planning provisions are being fully implemented for the first time with the first full audited LTCCPs due by July 2006. In addition, new responsibilities have been granted in areas like gambling and prostitution. More recently there have been changes affecting the major areas of local authorities' regulatory responsibility with the new Building Act 2004, amendments to the Resource Management Act and changes to environment standards. Furthermore, the process of developing the 2006 LTCCP has been complicated by the requirement to implement the new International Financial Reporting Standards at the same time.

There is a limit to the capacity of any management system to cope with multiple major transitions concurrently, while still carrying on daily service delivery and operational activities. It is fair to say that at the current time the local government sector is under some stress dealing with the combined demands of these changes. We understand that *Local Government New Zealand* will have raised with you the perception of local government that government decision-making processes do not adequately take account of the cumulative impact that decisions taken across different portfolios can have on local authorities. SOLGM fully supports *Local Government New Zealand's* position on this.

Good Practice Implementation of Legislation Affecting Local Government

As noted earlier in this brief SOLGM has been pleased to see an increasing level of engagement from government departments with the implementation of legislation affecting local government. Government departments are actively seeking to engage with SOLGM and other sector organisations on these exercises in a way that has not always been apparent.

SOLGM has built up considerable experience in working with government departments on such exercises. We are now moving beyond viewing each implementation as a one-off event, and are coming to view them as cases of a recurring process. We believe that it is possible to start identifying the key elements of what makes a successful implementation process in the local government context. We are keen to develop our thinking into a model of good practice that could be promoted for use by government agencies generally when they are faced with implementing legislation impacting on local government.

We do not propose to set out our thinking in full in this briefing. We are taking this opportunity to briefly explain a few of its key elements.

The key points that we believe are crucial are:

Early Start - Officials should not turn up in the office the day after the enactment of the legislation and start thinking about what to do about implementation. While the roll-out of implementation support programmes necessarily follows enactment (which in turn follows the policy advice), the design and development of the implementation programme should start earlier. Elements of this should be concurrent with the policy and legislative processes.

Work With the Stakeholders - For any legislative initiative impacting on local government there will be a range of groups with a stake in successful implementation. This includes not only the national sector organisations such as *Local Government New Zealand* and SOLGM but also related professional organisations, and a variety of occupational institutes and associations. Engagement with these stakeholders can do a lot towards achieving effective implementation.

A Separate Process – SOLGM has been pleased to see the increasing willingness of central government to engage with local government during the process of policy development. While engagement with local government on implementation is likely to involve many of the same stakeholders, it should be set up as a separate process and work-stream. This is to separate consideration of “the means of making it happen” from debate over “the desirability of making it happen.” Early work towards implementation can inform aspects of policy advice and legislative design, but should not become confused with the policy and legislative processes.

A Single Shared Plan - SOLGM and other sector stakeholders will often see it as part of their role to support the implementation of the new legislation by local authorities (they may for instance have existing good practice guidance they will need to revise). If the actions of central government agencies and local government sector organisations are not co-ordinated in some way however, then there are risks that some work on some issues will be duplicated while others falls between the cracks. A single agreed common plan of action around the implementation proceeds avoids these risks and is likely to lead to the most effective use of the available resources.

Use of the Proven Technology - Stakeholder organisations will generally have the established and effective channels of communications with their constituents within local authorities. They may already have tools and guidance material that are widely known, recognised and used within local authorities. Government agencies should be encouraged to use these rather than establishing competing channels and tools.

Clarity About Audiences and Needs - In implementing legislative change affecting local government there are a range of audiences, spanning elected local authority members, managers, and hands on practitioners in the specific affected areas of work. Their needs and the best means of addressing them are likely to differ. For instance, we would argue that the technology developed by our Legal Compliance Programme would often be best available technology for meeting the needs of managers and practitioners, but it does not address the needs of elected members.

Linkage to Select Committee Process - If work on developing guidance material as part of an implementation programme is started early enough there are opportunities for this to feed back in a positive way into the Select Committee process. This reflects our experience with the development of the legal compliance programme modules. The detailed work undertaken to identify the practical means of complying with legislation sometimes highlights technical shortcomings in the legislation that is being worked on – gaps and disconnects, inconsistencies and contradictions, and areas of clarity. If the effort is made to start this work early there is the opportunity for these sorts of issues to be addressed prior to enactment.

Part of a Life-Cycle Approach - Once legislation is enacted there is a necessary ongoing maintenance task for the administering department. New issues may arise, areas of unclarity or contradiction may come to light, provisions may be interpreted in unexpected ways by either practitioners or the Courts or both. The ability of a department to respond effectively and properly maintain the legislation depends on the strength of its feedback systems from users. Engaging openly with stakeholders on implementation can assist this by establishing the foundation of relationships that can ensure open information flows into the future.

We would be interested in discussing this with you, the further development of this thinking into a piece of guidance for central government agencies implementing legislation impacting on local government. In particular we are interested to hear your views on whether you would be prepared to have your officials work with us on this.

Completion of the Local Government Act 2002

The original objective of the exercise that gave rise to Local Government Act 2002 was to completely repeal and replace the preceding Local Government Act 1974. In the event a variety of provisions of the 1974 Act were left in place. Many of these do not deal with significant or potentially controversial policy issues. Rather they are simply groups of relatively detailed provisions that were left in place because there was insufficient time available to complete the detailed work necessary to assess

with confidence which parts could be repealed and which needed to be retained in modified form. At the time it was envisaged that work to address these residual issues would follow almost immediately. This has not however happened.

The continued existence of these provisions making detailed provisions for specific areas is somewhat at odds with the more generally empowering framework under the 2002 Act. SOLGM would be keen to work with officials to assist in any exercise to review these provisions and “finish the job” of creating the new modern Local Government Act.

SUMMARY







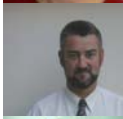


In conclusion, SOLGM is a professional organisation committed to contributing towards better local government management in our communities. This contribution is made through facilitating and encouraging the continuous training, learning and development of members and other local authority staff, the development and promotion of ‘good practice’ codes, modules and guidelines and their dissemination through SOLGM’s Good Practices Toolkits website and LGOL.

Not only has the substantial knowledge base of professional managers with technical and practical experience across a range of disciplines facilitated SOLGM’s ‘good practice’ work, it has also enabled SOLGM to positively contribute to several important Government policy development and implementation initiatives affecting local government.

SOLGM therefore looks forward to working with you and the Government in local government initiatives, and continuing to build on the current positive working relationship.

APPENDIX A

SOLGM Executive Committee

President	Phillippa Wilson	Chief Executive Franklin District Council	
Vice President	Athol Stephens	General Manager, Finance and Corporate Support Dunedin City Council	
Vice President	Ross McLeod	Director, Corporate and Civic Services, Waitakere City Council	
Executive Member (Northern)	Alistair Drake	Corporate Services Manager, Whangarei District Council	
Executive Member (Midlands)	Gary Allis	Engineering Group Manager, Western Bay of Plenty District Council	
Executive Member (Central)	Clare Hadley	General Manager, City Future, Palmerston North City Council	
Executive Member (Wellington)	Graham Sewell	Senior Policy Analyst, Hutt City Council	
Executive Member (Top of the South)	Bob Dickinson	Chief Executive Tasman District Council	
Executive Member (45 South)	Steve Parry	Chief Executive, Gore District Council	

APPENDIX B

SOLGM Model

The following diagram illustrates the linkages between the objectives in SOLGM’s Constitution and the overarching outcome we will contribute to through the combined impacts of our activities. The Annual Plan describes these elements in more detail.

