

15. Linking Outcomes and Activities

Introduction

This section discusses the linkage between outcomes and activities. The linkage includes:

- the preparation of a rationale for service delivery
- the grouping of activities, and
- disclosure of significant negative effects.

These disclosures exemplify the second of the cardinal virtues.

Why is the link between activities and community outcomes so important?

The results of the community outcomes process represent your community's definition of wellbeing. The outcomes information that goes into an LTCCP represents your opportunity to explain how your local authority will work towards community wellbeing. This explanation of 'why you do it' is an important part of determining your levels of service and the right type of performance measures.

It is important to get the definition of activities and the groups of activities right as it has implications for:

- the transparency and accessibility of the LTCCP to your community
- the level of detail you disclose in your LTCCP
- your financial and planning information systems, and
- the degree of sensitivity that your plan has to changes after adoption.

The rationale for service delivery is the basis for much of the further development of the LTCCP, including the development of levels of service and in your application of section 101(3) when making funding policy.

What does the legislation say about the link between outcomes and activities?

The LTCCP must contain a description of:

- what the outcomes are and how they were identified and prioritised
- how your local authority will contribute to furthering community outcomes (including how it will work with others)
- how the community outcomes relate to other strategic planning documents, and
- how progress towards community outcomes will be monitored and reported.

An LTCCP must set out how each group of activities is made up, explain the rationale for service delivery, and set out significant negative effects that any activity within the group of activities may have on the social, economic, environmental or cultural well-being of the local community.

What are the practical implications of the legislation?

(i) Presenting information by activity or group of activities

The Act requires the identification of activities within the group of activities. This, in itself, is relatively straight forward. But the Act then goes on to state that asset information, financial information and levels of service information should be gathered at group of activities level.

Experience from the 2006-16 LTCCPs showed that presentation of asset information, levels of service and financial information at group level sometimes tends to obscure some of the key information. In particular, it may take effort to establish group levels of service and performance measures that have any real meaning. This points to a lower level of aggregation into groups, that is more groups with fewer activities in the groups.

The following criteria may be of assistance in defining groups of activities:

- **contribution to outcomes** – as a general rule, activities that contribute to the achievement of the same outcomes will generally be more likely to be candidates for grouping together than those that contribute to markedly different outcomes. This may mean that the outcomes process should be completed before much of the LTCCP development begins
- **patterns of benefit** – different activities that have similar patterns of benefit across ratepayers and over time may be candidates for grouping together
- **how they are funded**
- **compliance costs** – the costs of gathering and analysing information may not justify separate treatment for some activities, and
- **transparency** – on occasion certain issues may arise that warrant treating an activity separately especially where the issue might obscure others.

(ii) Identifying the rationale for delivery of the group of activities.

While it may be possible to develop a rationale for the groups of activities, differences between activities in the group may work against this. Performance information may need more specificity than a group level rationale can provide. Again more groups with fewer activities in the group may be a way around this (remembering you have the flexibility to decide what groups you report on and the composition of the groups).

Your rationale for a delivery should be

- succinct
- link to community wellbeing – which may also require a link to community outcomes, and
- specific – remember the rationale should flow through into levels of service, and influence other policy choices.

While you may need to specify the mandatory activities for the benefit of your community, 'we are required to do this' should not be relied upon as a rationale for service delivery by itself. Thinking about why the activity might be mandatory makes the definition of levels of service and other policy choices more easier, thinking only that the activity is mandatory makes definition of levels of service more difficult.

(iii) Linking activities to community outcomes

There is often temptation to show the group of activities contributing to most or all of the community outcomes. The Act talks about outcomes to which the group primarily contributes.

The linkages can be drawn quite simply as in the following table or by using some graphical techniques.

Outcome	Explanation of contribution

(iv) Significant negative effects

This is one of the 'weak areas' from the 2006 LTCCPs. This requirement flows out of the sustainability focus of the Act, and is to ensure that local authorities think about these effects and strategies for managing them. The requirement is that the effects

- must be significant (and therefore may require to be separately defined)
- must be stated by activity (not group)
- apply to any of the four well beings - the tendency in many LTCCPs has been for one or more to be overlooked.

By virtue of annual report information in Schedule 10, Clause 15 (d), there is a link between the significant negative effects outlined in the LTCCP and the identified effects that must be described in the annual report (although the annual report requirement relate to any identified effects).

Good practice with this is a simple description of the effect and a brief statement of any action your local authority intends to take in response (if any) – perhaps in a tabular form.

Effect	Response

What is the source for information on links between activities and outcomes?

- asset or activity management plans
- community outcomes
- policy statements
- social and environmental assessments and
- central government legislation and policy documents

Who should identify the links between outcomes and activities?

Primarily local authority policy or planning personnel, assisted by activity managers.

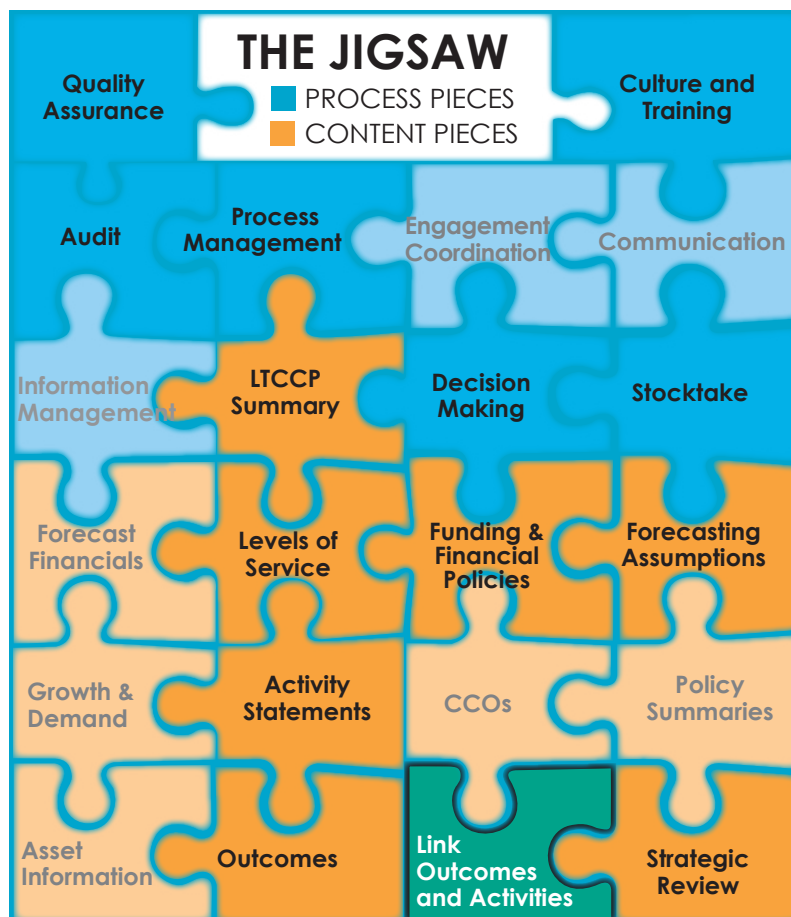
When should the information on links between outcomes and activities be prepared?

At the beginning of the LTCCP process when activity selection is being made.

Where should this information appear in the LTCCP?

Note that the linkages between groups of activities and the community outcomes could be shown in some form of graphic, and must be disclosed alongside other 'group of activity' information. Linkages could also be shown at the beginning of each activity.

What other processes are related to linking outcomes and activities



What were the weaknesses with linkages between outcomes and activities in the 2006 LTCCPs?

Some LTCCPs drew tenuous links between activities and outcomes.

Disclosure at groups of activities level had the effect of obscuring key information and issues.

Statements of rationale for service delivery tended to take the form of phrases such as '*the legislation requires us to do this*' or '*the community wants us to do this*' or on occasion '*it's what we've always done*'.

Statements confused the rationale for delivery of the activity with a rationale for your local authority undertaking the service delivery itself.

Disclosures of significant negative effects were highly variable – some appeared to have thought only of social and environmental outcomes, some were missing or covered with statements such as '*we have identified only positive effects*'.

What good practice information is available ?

Local Government New Zealand et al, (2003), *The Local Government Knowhow Guide to Decision-Making*

NAMS, (2007), *Designing Levels of Service*.

SOLGM/NAMS, (2007), *Performance Management Frameworks: Your Side of the Deal*.