

Executive Summary and Suggestions for Change

Section 10 of the Local Government Act 2002 sets out the purpose of local government as:

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to promote the social, economic, environmental, and cultural wellbeing of communities, in the present and for the future.

The Local Government (Auckland Council) Act 2009 has been enacted, and the Cabinet's decision on the composition and role of the Social Policy Forum has also been released. This framework establishes social and economic development as important dimensions of the role of local government. The changes have also cemented the importance of coordinating action across central and local government, and within local government across the region. However, the Bill for the reform of the Local Government Act 2002 and the next Bill for Auckland governance are due to be introduced to Parliament before the end of 2009. Both may impact on Council actions to promote social wellbeing and economic development. Therefore, this report should be read as a work in progress.

Part I of this report has two main sections. The first covers social dimensions of development and the second, economic dimensions of development. The last section briefly draws them together as they depend on each other. A strong economy requires a healthy and well-educated population, where all Auckland's peoples can participate in generating wealth for the country, the city and themselves.

Economic and social development at the regional level have different foci. Economic development looks to help shape the future of the regional economy in such a way that it can engage internationally and provide jobs for its citizens, with central government acting as a partner in bringing knowledge about offshore markets and opportunities to decision-making. Social development, in contrast, looks across the region as a whole, to decide what the priorities are if all Aucklanders are to achieve the most they can, socially and economically. Therefore, the sections in Part I can also be read independently.

Part I reflects the respective authors' knowledge and experience gained from working in central government, local government, health, tertiary education, and the private and community sectors. It also draws from the ten case studies of good practice documented in Part II. Each case study tells its own story and can be read independently. Taken as a whole, they offer the reader concrete examples of the vast array of roles undertaken by local government in 2009 that contribute to Auckland's social and economic development. Councils purchase, invest, lease land, influence, facilitate, build trust, shape, regulate and advocate. They also deliver community services, support and coordinate local initiatives.

Social and economic development are closely linked at the local level, as the Wiri Improvement case study and the Tamaki Transformation Programme show. Improving literacy levels, as is happening in a small way in COMET's Family Literacy case study, will provide a more skilled workforce when it happens on a bigger scale. Local economic development agencies can provide work opportunities: sound public transport decisions will bring workers and business together, and zoning and development approval processes can balance social, economic and environmental objectives.

Political leadership, the infrastructure to act, an independent evidence base and strong policy advice functions within the new Auckland Council will be critical to Auckland's success. A summary of our suggestions follows in the social and economic development sections of the report to make these elements concrete.

Economic Development

1. A **Regional Economic Development Forum** that sets the strategic direction for economic development in the Auckland region at the political level. Members of the Forum would be the key economic ministers – Finance and Economic Development, and those whose portfolios impact significantly on economic development – Labour, Immigration and Research Science and Technology, the Mayor of Auckland and the Chairs of the relevant Council Committees. The purpose of the Forum is to identify regional priorities for the region. Therefore, the Forum needs to bring other key sector interests to the table – business, education, unions, Tangata Whenua and Tagata Pasifika. The best mechanism for this needs careful thought, to ensure the Forum is comprised only of interests who can command and bring resources (fiscal, human, cultural) to bear on economic development challenges that face the region and remain sufficiently compact to work well.
2. A **Regional Economic Development Agency (REDA)** that is a Council Controlled Organisation. REDA would be governed by a board comprising people chosen for their expertise in economic development. The purpose of REDA is to lead and facilitate the key strategic economic development actions for Auckland to support the regional priorities set by the Regional Economic Development Forum. This will mean substantially increasing capacity and capability at the regional level, and taking advantage of the local level EDA expertise that currently exists. This would see one employer, the REDA, with local hubs (current EDA operations are the least-cost pathway to retaining local level economic development expertise), but with greater industry sector expertise than at present, increased business development expertise, and expertise in tourism, conferences and major events facilitation, regional branding, marketing and promotion, and inward investment.
3. A **strong in-house economic development policy and strategy unit** in the new Auckland Council. The draft organisational structure proposed by the Auckland Transition Agency suggests that this is likely to happen. It should be tasked with supporting the Regional Forum and the REDA in developing Auckland's economic development plan and objectives. This plan should drop down to actions with clearly articulated roles for leadership and delivery of work-streams (with associated intervention logic, budget allocation/funding proposal and risk assessments). The Auckland council economic development unit should also be tasked with supporting the Mayor and councillors; supporting council board member/s and working across other functions within council (and CCOs at arm's-length to council) that are affected by or have an effect on economic development, such as transport, land use policies, resource management and regulatory processes, community and social development. This work would be done in support of an agreed regional economic development plan.

Social Development

4. The **Social Policy Forum** has already been agreed by the Cabinet to progress social issues at the political level. Members of the Forum will be the Minister for Social Development, the Mayor of Auckland and the Chairs of the relevant Council Commit-

tees. A number of local/central government forums exist already but they have lacked strong leadership and a political mandate. This forum will fill that gap and encourage priority-setting for the region. More players need to be brought in to the game: all the relevant central government agencies (and District Health Boards (DHBs)) should be at the Forum's Advisory Group with a mandate to act, as not every decision needs to go to the Forum. There also needs to be an expansion from the current binary focus on central and local government to bring in other key sectors including Tangata Whenua, Tagata Pasifika, NGOs, private and philanthropic sectors. How and where this should happen will need to be thought through over the coming months.

5. The Social Policy Forum is tasked with identifying priority social issues and communities. Cabinet supplemented these decisions by commenting that local community level work for social outcomes is important; funding must be preserved for grass-roots initiatives; local boards are the appropriate mechanisms to provide community views on priorities; and the boards will have a formal role in securing funding for community initiatives. In this matrix of decision-makers, the Forum will need a way of getting a good connection between what is decided and what happens on the ground. It will also need to be sufficiently flexible to accommodate what emerges from the Council's engagement with its communities, the Mayor's vision for Auckland and the priorities and interests of local boards and residents.

The Forum needs mechanisms to engage well with residents, bringing them into the decision-making and change processes. We suggest a 'flying squad' with a rolling programme of intensive, geographically-based interventions to make sure change happens. The focus will be on developing and releasing residents' knowledge and skills, to build on community strengths so that they can take decisions for action. The squad would also bring in other agencies to support local initiatives.

6. A **strong in-house social policy and strategy unit** in the new Auckland Council. The new Auckland Council will need internal capacity to provide evidence-based advice to the Chief Executive, and the Mayor, on the mid- and long-term social strategies to improve the lives of all Aucklanders. We support the establishment of a social strategy unit, at the same rank as that envisaged for economic development, within the new Council structures. This needs to be reflected in the transition arrangements. At this stage, the draft organisational structure proposed by the Auckland Transition Agency is missing Social Policy as a stand-alone function.

Social and Economic Development

7. Social and economic decisions must be informed by the best possible information. Auckland needs independent analytical capacity that links regional and local social and economic data (as well as, for example, demographic, environmental, housing and transport data where they impact on social and economic development). We propose a 'brain', a council controlled organisation that could integrate, make sense of and disseminate existing data so that it is more useful to those striving to improve Auckland's performance. The independence of such an institution is important so that it can **supply information** to the many people and organisations striving to improve Auckland's performance.

We would not expect the 'brain' to be a decision-maker, nor routinely to provide advice on what strategies are to be adopted, nor to carry out evaluations. This organisation could make sense of regional and neighbourhood level data alongside evidence about what is most likely to work to address identified issues and agreed

priorities and local knowledge (often “soft”, non-quantifiable, historical and personal knowledge). This would give Auckland’s people, organisations and decision-makers at local and regional level an information set that enables them to be clear about the causes of issues they wish to address, be confident they know what will work to make the changes they want in their communities, and measures to track changes. Translating information so it is useful for each audience will be crucial.

8. A central mechanism in Council to **integrate action across the four well beings** (social, economic, environmental and cultural) is critical to make best use of taxpayers’ and ratepayers’ money. The new Council will need the capacity and capability to gather, interpret and integrate knowledge from the perspective of each well-being, and to add a sensitive appreciation of political imperatives at local, regional, and central government levels.