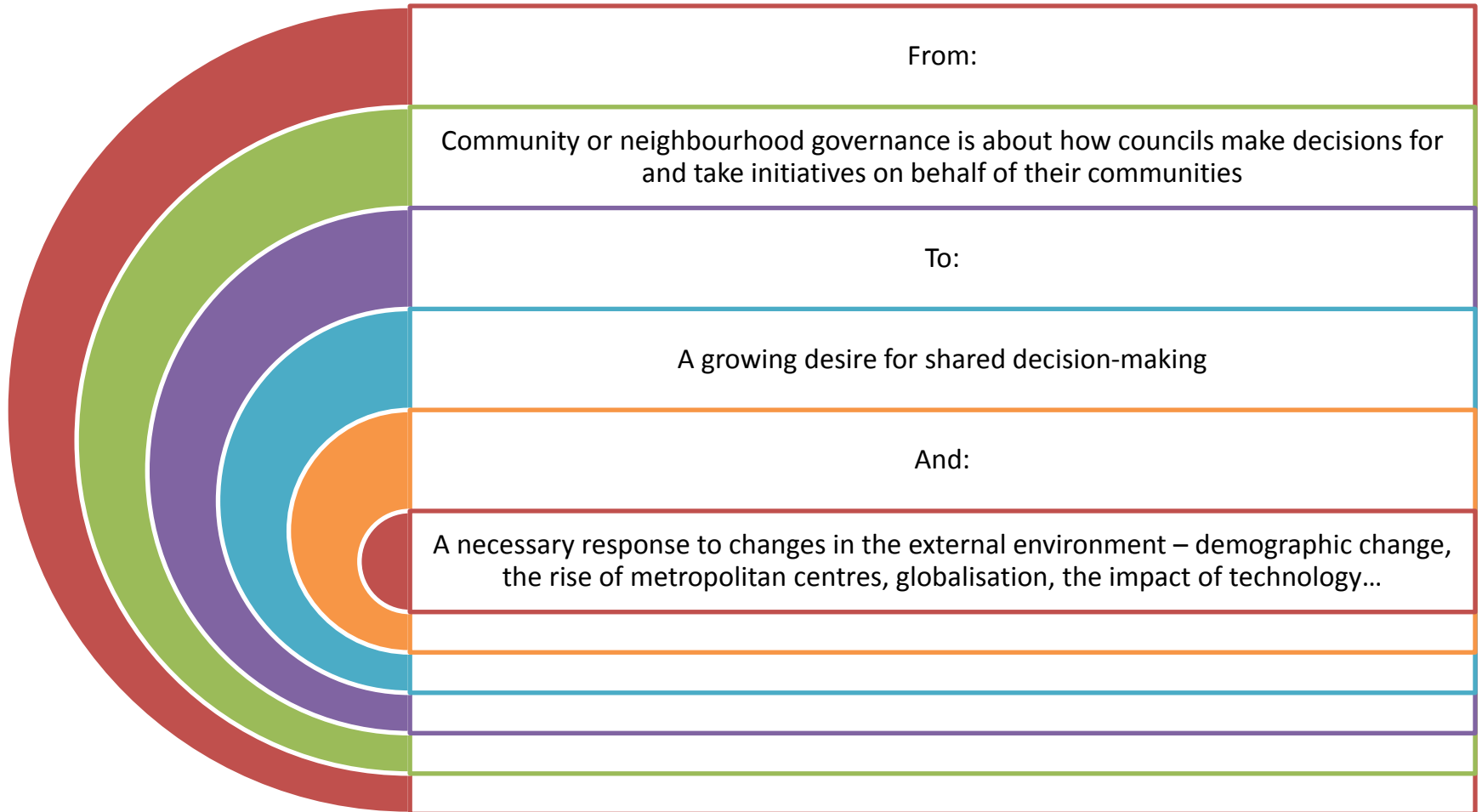


An Overview of Developments in Community and Neighbourhood Governance

A presentation by Peter McKinlay to the
workshop series *Making Community Governance
Work for You and Your Communities*

September/October 2014

Introduction: The Great Governance Shift?



Purpose

The purpose
of this
presentation
is to:

- Provide an overview of what's been happening in different jurisdictions with community governance including the role of other entities such as major trusts.
- Consider the respective roles of the Gisborne District Council and the Eastland Community Trust.
- Reflect what could happen with community governance either if councils actively take the lead, or they don't and the lead defaults to others.

What Do We Mean By Community Or Neighbourhood Governance?

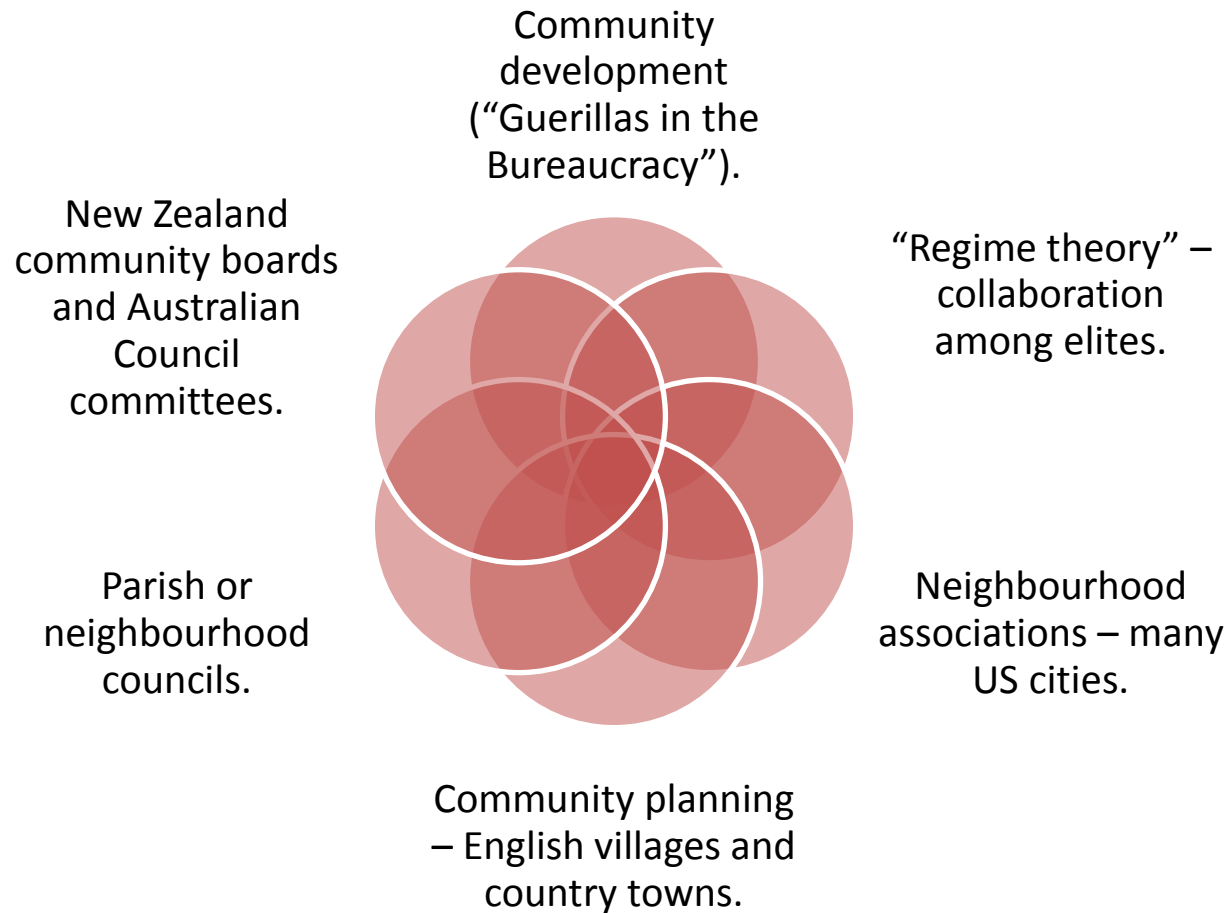


Really difficult to pin down.

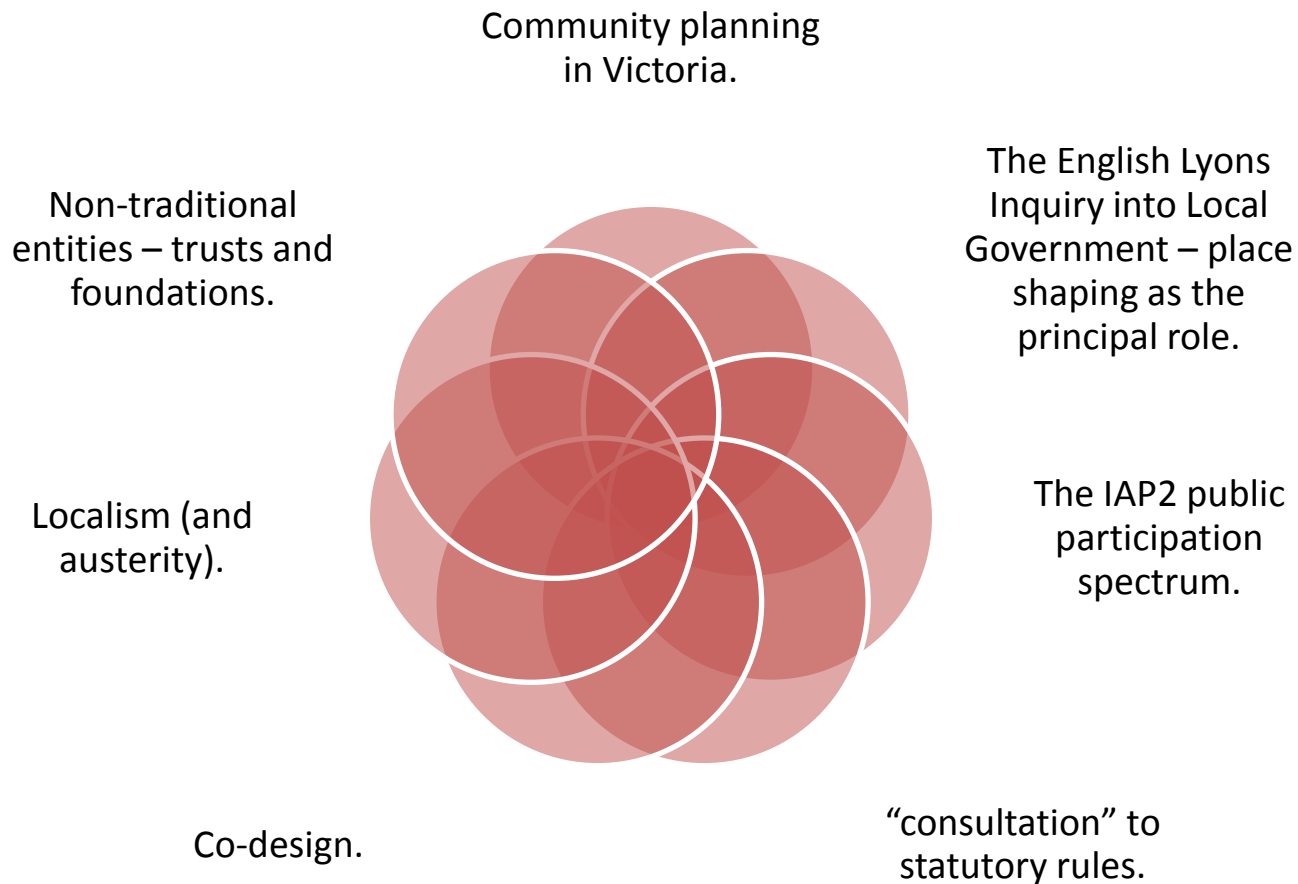
Sensible not to get carried away by trying to set clear boundaries on what is and what isn't.

Community or neighbourhood governance is a collaborative approach to determining a community's preferred futures and developing and putting in place the means for getting there.

Some Long-Standing Examples



Some Recent Developments and Practices



The Balance Of This Presentation

More details on a number of the themes already touched on.

The value proposition for councils, higher tiers of government and communities themselves.

The implications for the future of local government including **the potential for local government increasingly to be bypassed** in the governance of the communities it currently serves.

How People Want To Engage



Attitudes are changing.

Voting is no longer enough, and may not even be relevant for many people.

Residents not just as voters, but as customers, and crucially as people who want to share in the decisions which affect 'their place'

Engagement by Higher Tiers of Government

Higher tiers of government working directly with communities, often bypassing local government.

In England, much of the Localism initiative.

In Australia initiatives such as the Department of Human Services *Better Futures Local Solutions*.

In New Zealand, *the Social Sector Trials*.

A Shift to Bottom-Up Governance (1) Enabled by Councils

Neighbourhood or community associations.

Community boards.

Victorian style community planning.

Council committees.

A Shift to Bottom-Up Governance (2) Driven By Resource Constraints



Cooperative Council – the London Borough of Lambeth and the Cooperative Councils network.

The London Borough of Barnet – the commissioning Council and the use of social enterprise. “As a Commissioning Council, Members and officers will work with residents to set the strategic priorities of the borough, in the context of the available resources, and agree a set of outcomes that reflect the needs of residents.”

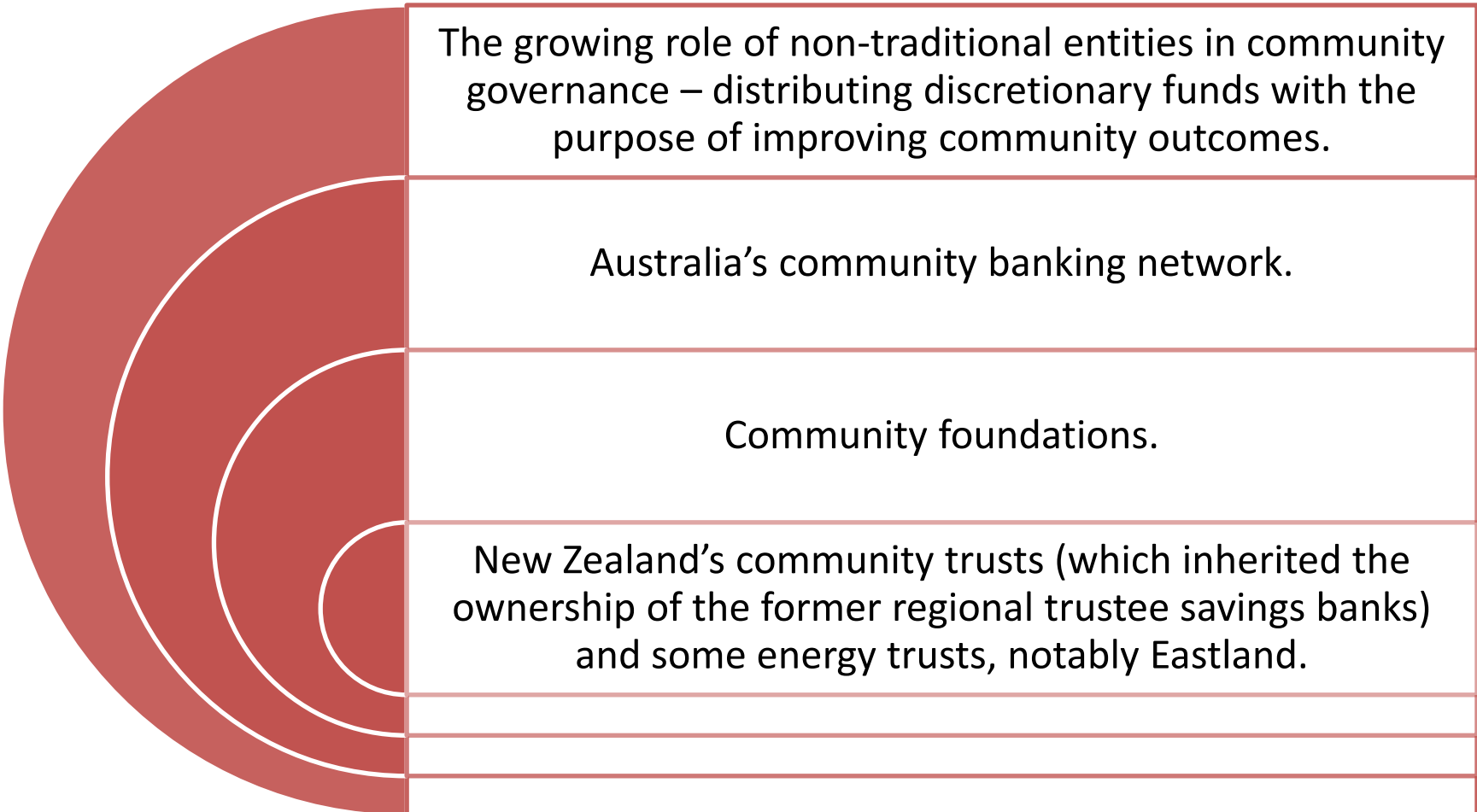
A Shift to Bottom-Up Governance (3) Community Initiatives

Porirua City Council Village Planning – triggered by an approach from the Residents Association for Council assistance in developing a plan for their village.

Community planning in England – more than 3000 voluntary community plans over a 20 year plus period.

Crucially and still highly unpredictable the potential for technology to replace and side-line much of local government's role in community governance and leadership.

Non-Traditional Entities



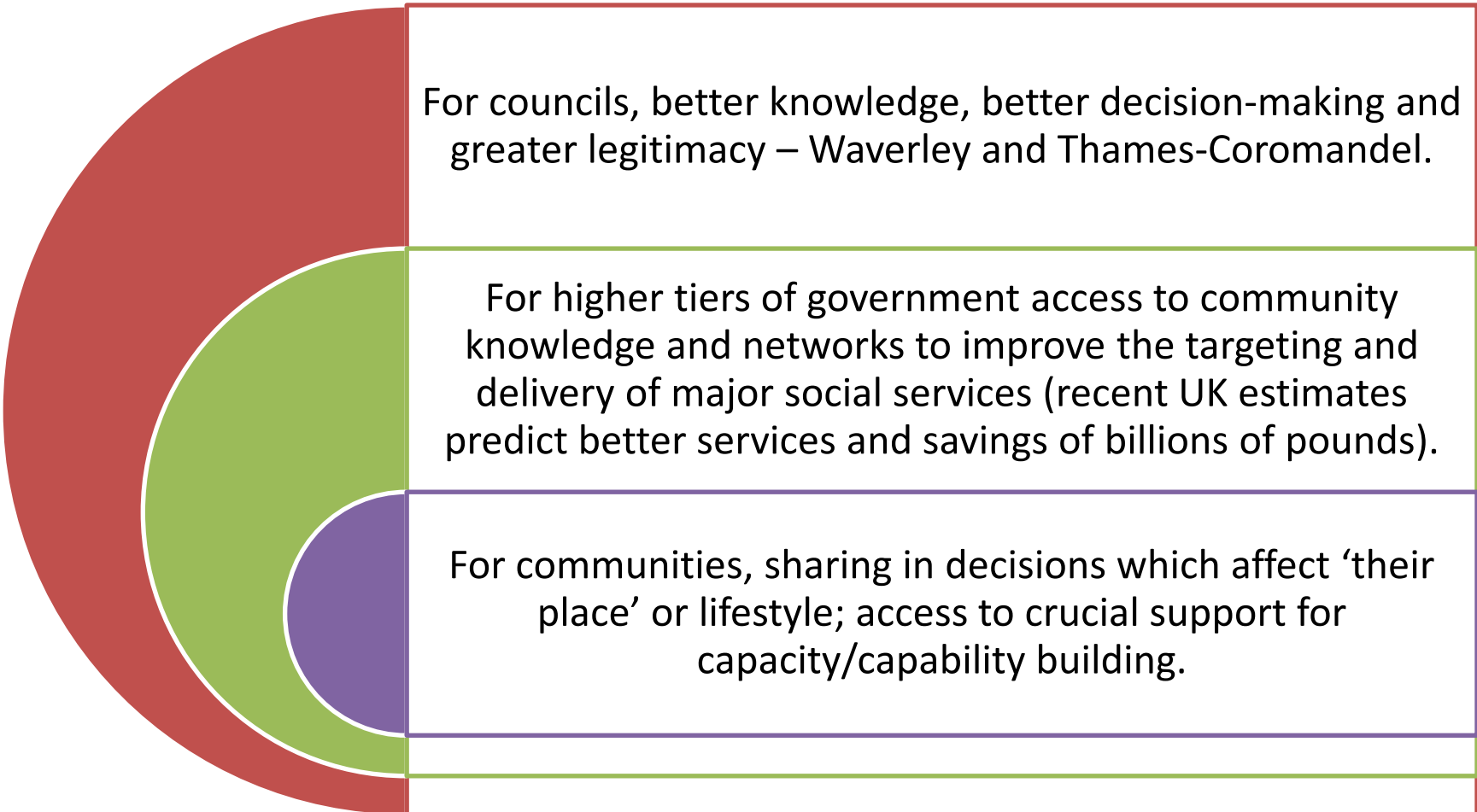
The growing role of non-traditional entities in community governance – distributing discretionary funds with the purpose of improving community outcomes.

Australia's community banking network.

Community foundations.

New Zealand's community trusts (which inherited the ownership of the former regional trustee savings banks) and some energy trusts, notably Eastland.

The Value Proposition



For councils, better knowledge, better decision-making and greater legitimacy – Waverley and Thames-Coromandel.

For higher tiers of government access to community knowledge and networks to improve the targeting and delivery of major social services (recent UK estimates predict better services and savings of billions of pounds).

For communities, sharing in decisions which affect 'their place' or lifestyle; access to crucial support for capacity/capability building.

Implications for the Future of Local Government

The basic assumption: local government will always be with us, and will always be the lead player in community governance.

The emerging reality: Community governance is becoming multifaceted and communities have a number of potential partners. Whether local government as we know it will always be one of those partners is far from guaranteed.

**Coromandel:
surfing the
wave of
Community
Empowerment**



Moving “good examples” to become everyday normal

TCDC Community Empowerment

- Decentralised service delivery, budget and decision-making delegations, revenue setting, planning & devt.
- Integrating local leadership with District for One Vision.
- TCDC Changes to Boards: Scope, budgets, delegations, Area Offices, cost efficiencies, capital mngt, leadership.

Coromandel democracy

Highly engaged peoples with strong desire for local democracy & decision-making

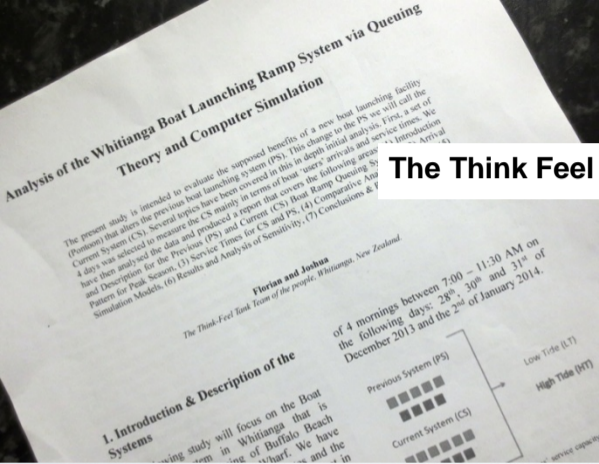
Coromandel Dislikes:

- Glass Tower decision-making from centrist organisations
- One size fits all
- Bureaucracy
- Slow, inflexible decisions

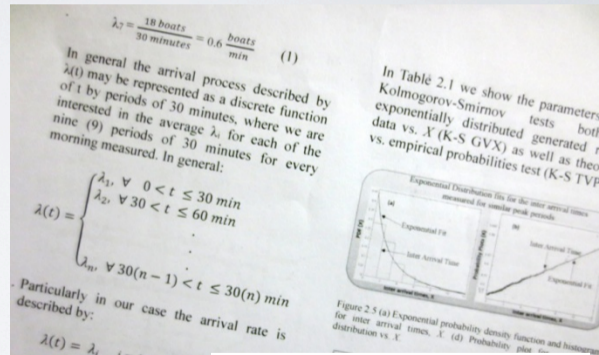


Whitianga Area Office Harbour Pontoon Project 2013

The Think Feel Tank Team of the People of Whitianga NZ



Board Decision-making analysed- 22 pages of statistical tests including the Kolmogorov-Smirnov test...

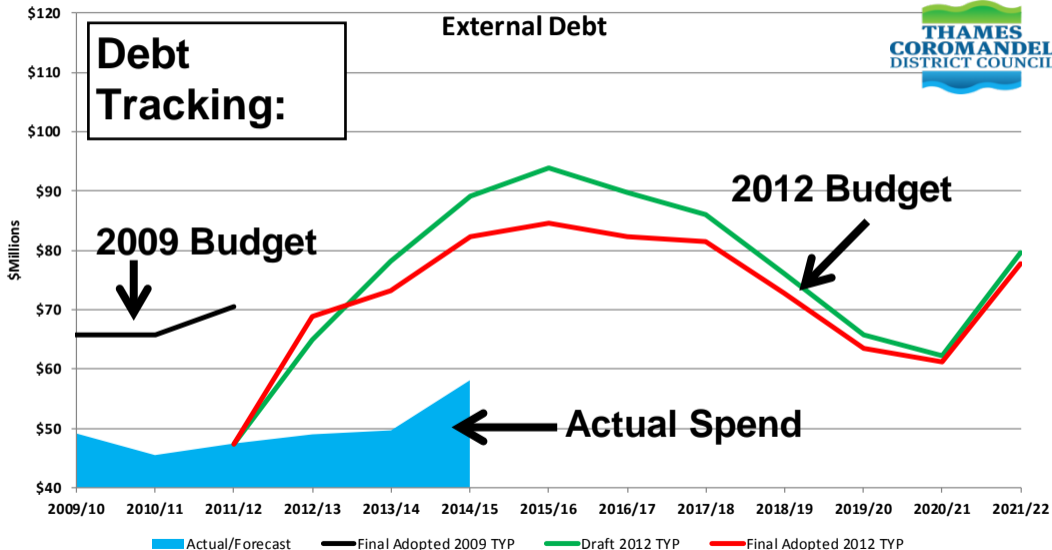


Conclusion: The Board's decision was flawed

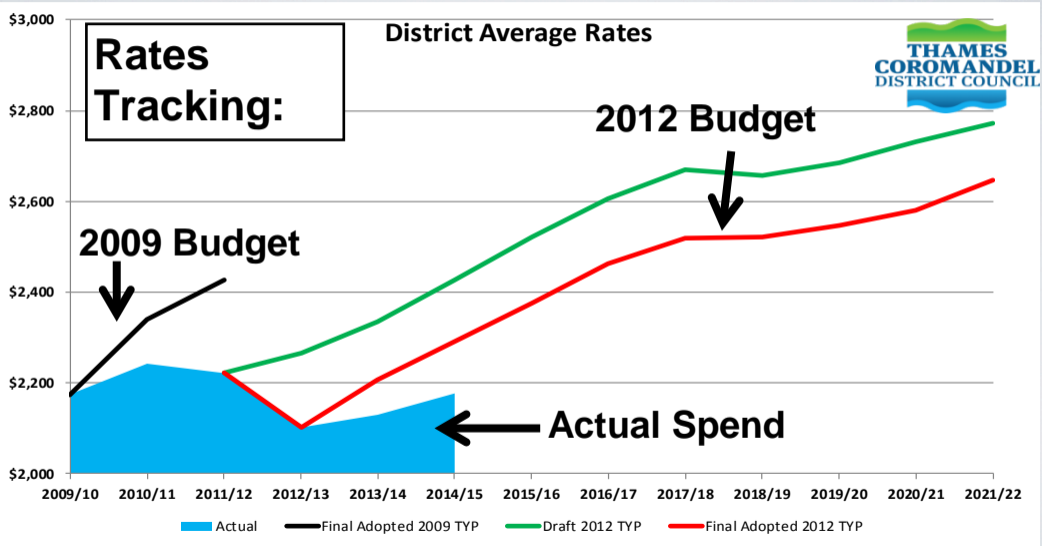
Cost efficiency achieved

External Debt

Debt
Tracking:



Cost efficiency achieved



Challenges

- Change from a centrist council;
- Cost trade-offs to build up Area Offices;
- Capital management tightened;
- Councillors' roles clarified;
- Community expectations;
- Still a work in progress in 2014.

What they say:



“The doomsayers told us we would be crippled by personal grievances, our services would collapse and communities would send rates sky-high wanting every project under the sun.

“It was a hell of a big change to staff but we weren't crippled by personal grievances. The next year, in 2013, we had the highest ever public satisfaction with many of our main services, and average total rates dived to the lowest per property in the Waikato in 2013 as our costs came under control.”

Mayor Glenn Leach
TCDC

What they say:



“In my view, more 'local' projects have been completed under the first year of Community Empowerment, with contemporaneous reductions in rates, than had been completed in several prior years of convoluted and expensive bureaucracy.”

Keith Johnson
Whangamata Community Board
Chair



Future?

“We think that power should be exercised at the lowest practical level – close to the people affected by decisions, rather than distant from them.” (UK; Rt Hon Greg Clark, 2010)

“When you are talking about localism in NZ you are running against a deep-seated ideology, and it is one of the reasons why localism has not made a lot of traction. The good news is: Statism has peaked.”

(Rt Hon Bill English, in Hartwich 2013)



Be part of
something bigger.



Bendigo Bank

Bigger than a bank.™

bendigobank.com.au

Some background.

Founded on the Bendigo goldfields in 1858.

A single branch until 1978.

Bank conversion in 1995 (\$1 billion in assets).

600 (and growing) retail outlets and 2000 ATMs.

Rapid growth and acquisitions.

More than \$53.5 billion in assets under management.

1.4 million customers.

More than 80,000 shareholders.

First **Community Bank**[®] branches established mid-1998.

Founded to create a prosperous community.



Where are we now?

Market Capitalisation of \$4.6 billion.

Leading Australian bank for customer satisfaction (Roy Morgan = 87% - big bank average 75%).

Bendigo Bank named one of Australia's Top 20 brands by Interbrand.

Business bank of the year three years running.

Bendigo Bank named one of the world's top ten sustainable stocks (companies) by sustainable business.com

Leading bank for customer advocacy (more than 40% of our customers are happy to advocate for us).

But we're more than just a good bank.

\$120 million invested back into Australian communities.

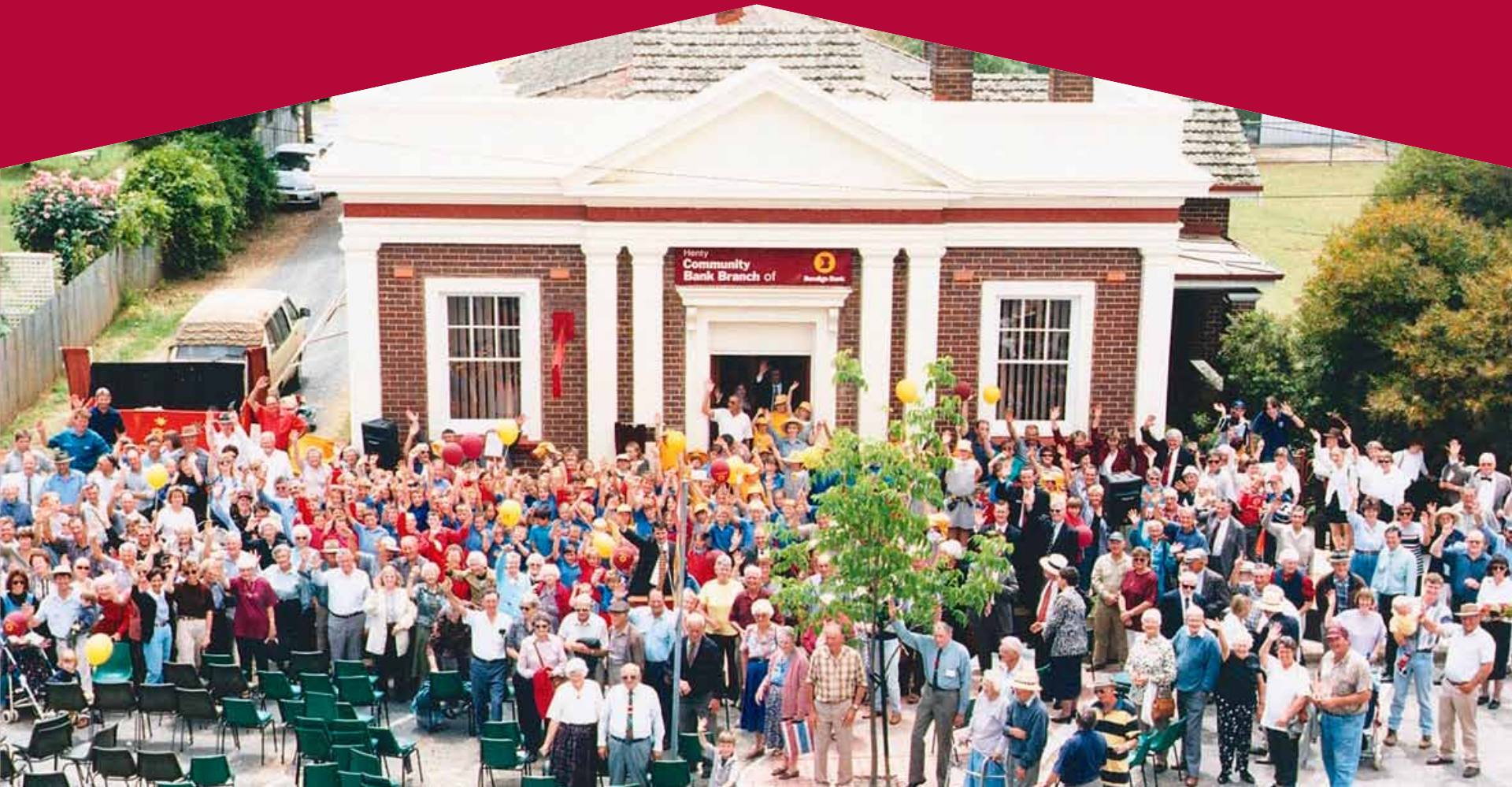
One of Australia's biggest charitable foundations.

A leading tertiary scholarship program.

Social and environmental initiatives.

Staff volunteering and fundraising.

The Community Bank® model. The most unique banking model and community strengthening program in Australia.



The Community Bank[®] model.



Initially started in 1998 to replace closed bank branches.

Owned by community shareholders.

Community receives share of branch income.

Profits spent on local projects and dividends.

303 branches opened in the first 14 years – more than half our retail network.

73 of last 100 branches had one or more existing banks.

Enabling local communities to take control of their financial destiny.

What is community banking?



Bendigo and Adelaide Bank

- Banking infrastructure
- Balance sheet
- Credit
- Marketing



Local community

- Staff
- Banking relationships
- Business

Local shareholders provide start-up capital

Local community elects volunteer board

Board established local financial services company

Community Bank®
Franchise Agreement

Up to 80%
of profits
distributed for
community
projects

20%
of profits
distributed to
shareholders
as dividends

Our value proposition.

Bank with us because we have enabled incredible things to happen in communities across Australia.

And you can be part of that, too.

Communities with cash in hand – not just cap in hand.

A game changer.

\$40 million
in community contributions
and it all starts with **U**

\$50 million
in community contributions
because **U** choose Bendigo

\$80 million
in community contributions
for thousands of local stories

\$125 million
to Australian communities by mid-2014.

Bendigo Bank

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Tell us yours

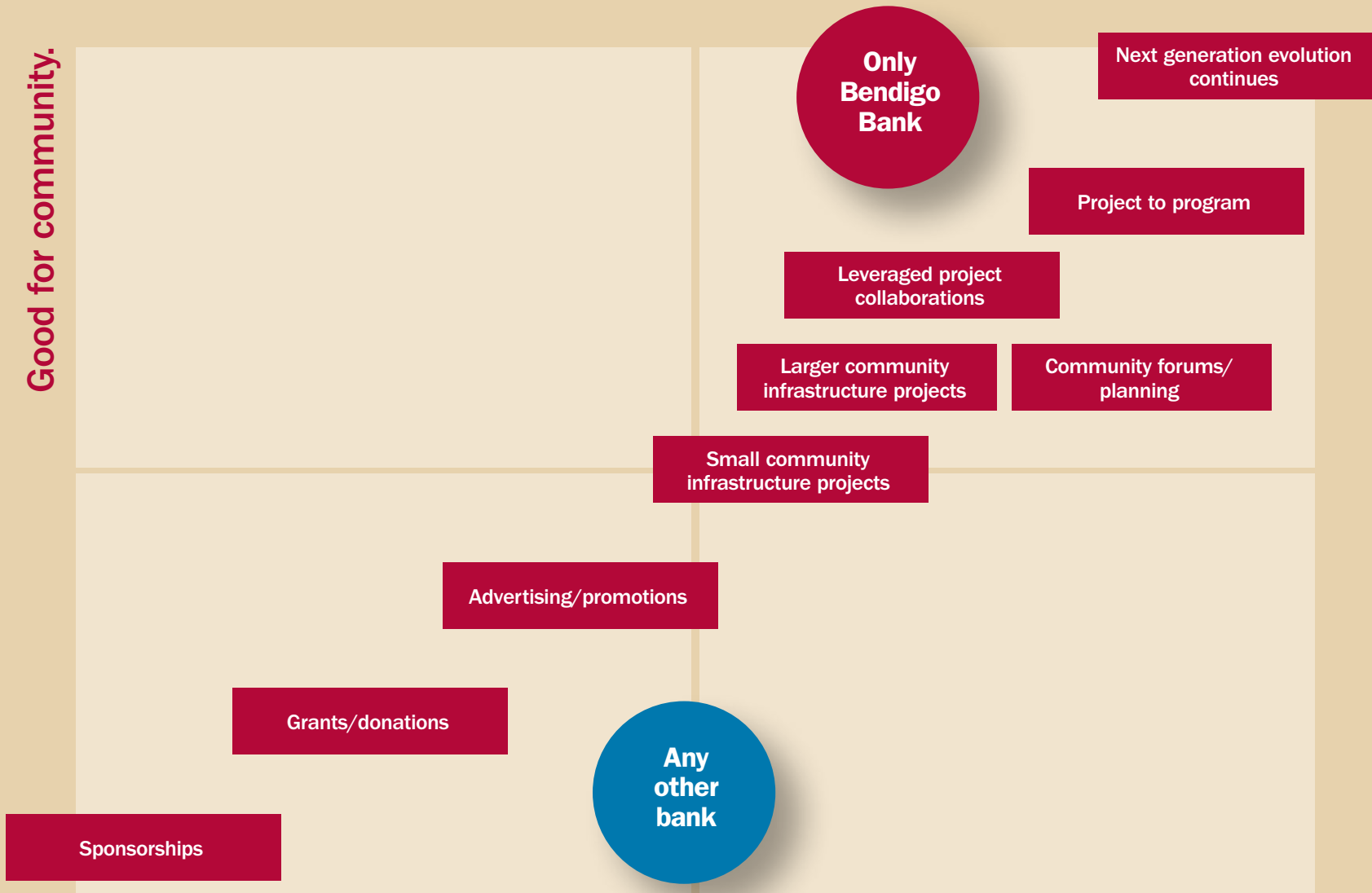
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People power. Celebrating success with the opening of a new community enterprise.



Good for community.



Good for business.



Nillumbik Shire Council Mayor, Councillor Michael Young,
invites you to the official opening of the

Community Bank Stadium

Date: Friday 10 February 2012

Time: 11.30am-1.30pm

Venue: Community Bank Stadium, 129-163 Main Hurstbridge Road,
Diamond Creek (Melway 12 C6)

RSVP: by Monday 6 February 2012 to Suzanne Rouvray on
9433 3183 or Suzanne.Rouvray@nillumbik.vic.gov.au

Pre event entertainment, sporting activities and a community
barbecue provided.

Filling rooms across the nation.

Bank asks community for its funding priorities

More than 100 residents turned up to talk about local projects that require financial attention at The Boat Club last Tuesday night.

The first community forum organised by the Hervey Bay Community Bank established seven assignments to be considered.

They were a bike path link between Hervey Bay and Maryborough West, a new kitchen for Meals on Wheels, a convention or civic centre, accommodation and assistance for youth and people in need, a dialysis machine and a defensive driving course.

The night was declared a success by the bank's chairman Rod Cullen.

"The guests were passionate about the plans put forward and we are looking forward



to seeing the progress of the projects," Mr Cullen said.

Each of the projects will be available on the website www.planbig.com.au as a Fraser Coast Community Projects.

Residents are encouraged to have their say online, making special not to comment on the projects they consider most important for the

Fraser Coast.

More than \$40 million has been donated by the 260 Community Bank's across Australia.

Hervey Bay's Community Bank opened in 2006 and in April this year David Skeels moved his family up from Brisbane to his home region to manage the branch.

"We are budgeting

for about \$45,000 to go back into the community this year," Mr Skeels.

"But it's not uncommon for other banks to give back \$250,000 – the more people that bank with us the more we can give back."

The Hervey Bay Community Bank will soon consider expanding into Maryborough.

Future ambitions you should consider.

Strengthening

Keeping capital in the community.

A local investment option for locals.

Source of revenue for local projects.

Transforming

Growing capital in the community.

Investment in **local enterprises
and innovation.**

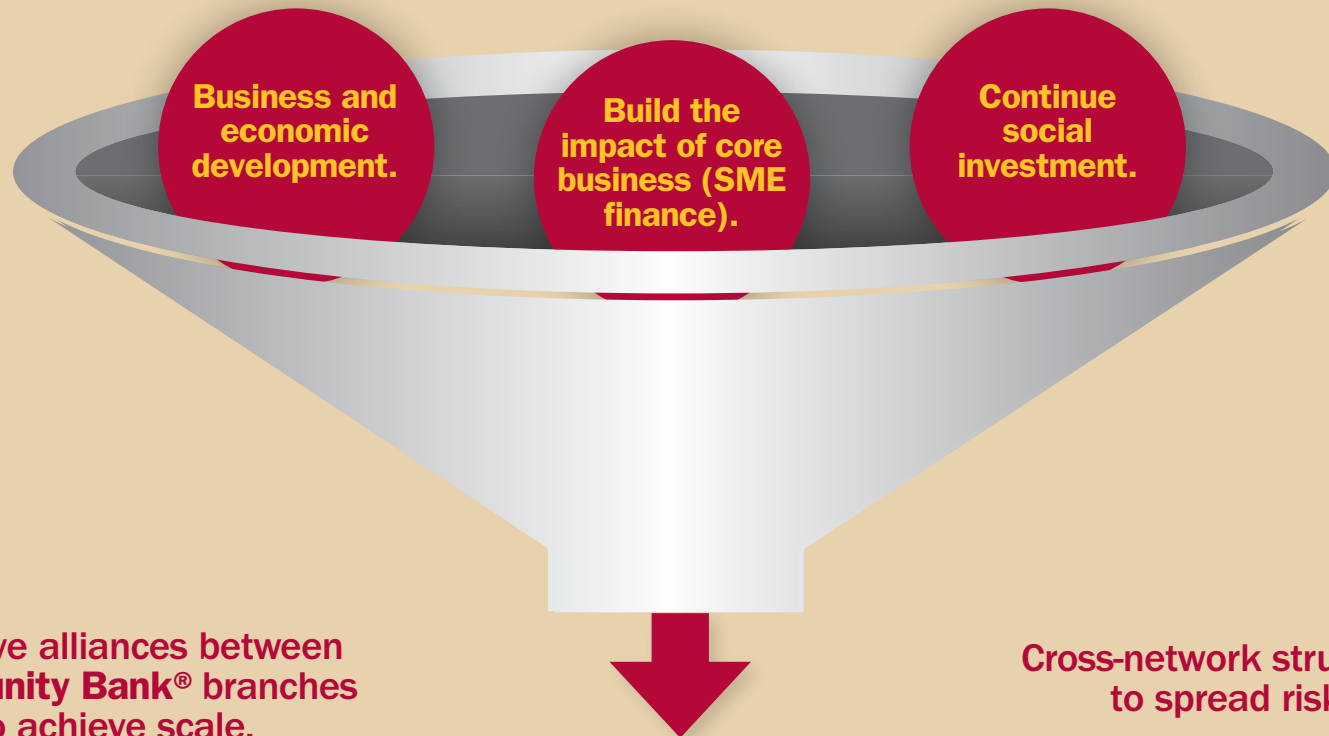
Source of revenue, plus **leadership
and innovation.**

A future community investment portfolio approach.

A focus on crucial local change drivers.

Community trust, confidence and engagement.

A future vision for the community and economy.



Business and economic development.

Build the impact of core business (SME finance).

Continue social investment.

Initiative alliances between **Community Bank®** branches to achieve scale.

Cross-network structures to spread risk.

Transformational local impact.

Eyre Peninsula district rallies behind bank to a long list of benefits

Community bank saves town

By LES PEARSON

WITH the prospect of Bendigo Bank opening in the Riverland and Mallee, locals can only hope to emulate the success experienced by the West Coast community.

It is about seven years since the Eyre Peninsula community of Cummins lost its bank services, three branches closing within 12 months of one another.

Facing the complete loss of banking services and a 65-kilometer drive to their nearest branch, several locals began research into the Bendigo Bank community banks.

The group established a steering committee, raised the capital, purchased the premises, installed fixtures and fittings and employed

staff in a swift collaborative move. Chief executive officer of the Southern Eyre Peninsula Council Rod Pearson said having the com-

It's one of the best things that has happened to our community.



munity bank has not only been a fantastic facility for the district but has also delivered outstanding financial support and strength back to the community.

"It's been really successful," he said.

Recent contributions from the bank include \$50,000 to upgrade the local pool, \$35,000 to assist with building a child care centre and a further \$50,000 upgrading local footballing facilities.

Mr Pearson estimates the bank contributes about \$200,000 a year in local funding and the impact the bank has had on a district with only 3500 people has been incredible.

"These projects wouldn't have been possible without it," he said.

The community bank handles about 30 per cent of local banking, which Mr Pearson considers to be a substantial amount considering the costs and time associated with changing banks.

With all the benefits of having

a community bank aside, Mr Pearson said the support has to be there for the bank to be successful.

"The input from the community has been fantastic and can't be underestimated."

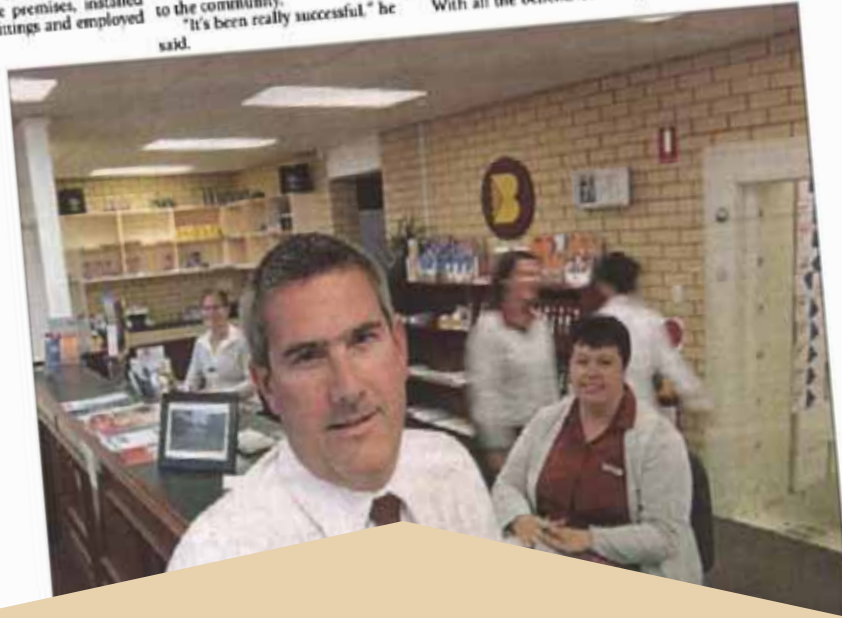
He also believes it has an excellent viability in both the Riverland and Mallee.

"Absolutely, you just need to get those motivated and driven people to get it up and going," he said.

"The sooner they do, the better."

"It's one of the best things that has happened to our community."

"I can't imagine anything better."

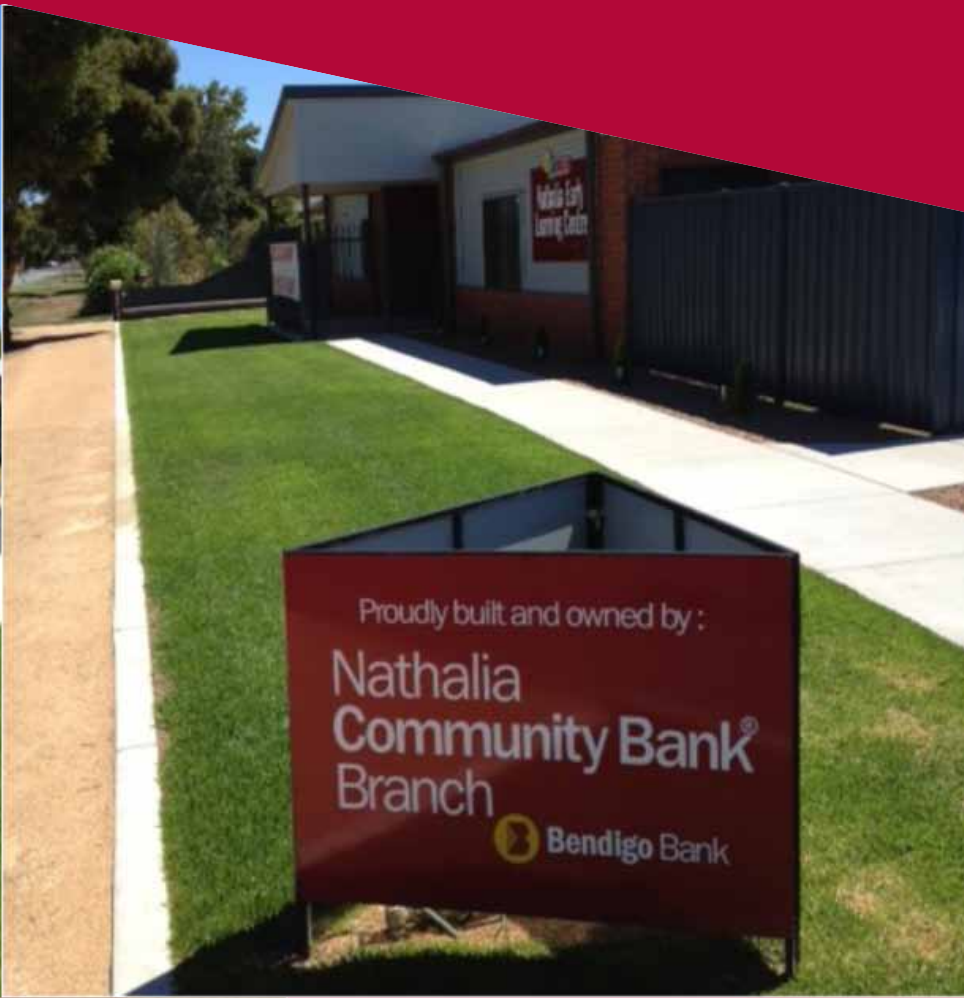


Highett (Melbourne) hydro-therapy pool.

Wouldn't have happened without the local Community Bank® branch.



Nathalia childcare centre.



Doug Lindsay Reserve Creswick.



New medical centre.

The Plantagenet Community Medical Centre has been made possible by the generous support from:

-  Australian Government
Department of Infrastructure, Transport, Regional Development and Local Government
-  Government of Western Australia
Department of Regional Development and Lands
-  Shire of Plantagenet
-  Mount Barker Community Bank Branch
 Bendigo Bank



The Henty story.

Our third **Community Bank**[®] branch.

In a town of just 1,100 people.

\$150,000 per year profit.

Community vision.

Leveraged funding.

**Of all the things
I have achieved
in my life, doing
this for my
community is
the greatest
thing that has
happened to me.**

Milton Taylor



Leveraging investments to attract new capital to the community.

Community Bank[®]
first dollar down.

Local government
contribution.

**Bigger
investment
and better
outcomes.**

State government
contribution.

Federal government
contribution.



Warrandyte
Community Bank Branch Bendigo Bank





[bendigobank.com.au](https://www.bendigobank.com.au)



The Portland Experience

A 40-year Journey Toward Stronger Community Governance

Portland, Oregon – Description

Location:	USA, West Coast, Oregon State
Population:	603,650 (city); 2.3 million (metro region)
Demographics:	White (75%), Asian/Pacific Islander (7.6%), African American (6.3%), Latino (9.4%), Native American (1%)
Known for:	Land use planning, light rail, community involvement, sustainability
Economics:	Major port, high tech, timber/agriculture, athletic apparel, tourism, creative industries, food, craft beer!
City Government:	
• Government Form:	“Commission” —combined legislative and administrative roles
• Responsibilities:	Land use planning and development, streets, water, sewer, police, fire, parks, etc.
• Budget:	\$3.6 billion (USD) (2014-15)
• Revenue Sources:	Property taxes (40%), utility license fees (16%), business licenses (15.5%)

Community Governance/Strong Democracy

Elements of “Strong Democracy”:

- Breadth: Ensure that a broad diversity of people and perspectives are involved and heard
- Depth: Community members have a real opportunity to affect outcomes

Governance Shift:

- Traditional: Top-down/expert-driven (“adult/child”)
- Community Governance: Community and local government partnership (“adult/adult”)

Why is Community Involvement Important?:

- Ensures better local government decisions that more effectively respond to the needs and priorities of the community
- Engages community members and community resources as part of the solution
- Engages the broader diversity of the community—especially people who have not been engaged in the past
- Increases public understanding of and support for public policies and programs
- Increases the legitimacy and accountability of local government actions

Portland's 40-year Experiment with Community Governance

1970s: City Council creates community and neighborhood involvement system—the core is Portland's geographic neighborhood system

1980s: Neighborhood system expands and is institutionalized

1990s: System declines—some key programs end; funding stagnates; increased calls to broaden participation

Early 2000s: Increased conflict between City Council and community

Mid to late 2000s: New populist mayor elected who reengages local government with the community; major expansion of system to recognize and support non-geographic communities; new small grants program

2010s: Continued work to strengthen community capacity; major focus on improving local government community involvement; new strong focus on equity

Portland's Neighborhood Association System

Local and District Neighborhood Organizations:

- 95 neighborhood associations—self defined; independent
 - Must meet basic requirements to be formally recognized by city government
- 7 neighborhood districts—governed by the community; funded by the city government to provide support to neighborhood associations
 - Communications/outreach, leadership training, organizational management, strategic planning, information and referral, fund raising, dispute resolution, community organizing, and policy advocacy

City Office of Neighborhood Involvement:

- Funding for community partner organizations; strategic planning, advice to local government agencies.

City Agencies:

- Formal notification to neighborhoods
- Budget advisory committees
- Neighborhood needs process
- Outreach and community involvement strategies
- Project advisory committees
- Local government boards and commissions

Recent Recognition of Non-geographic Communities

- People define their “community” in different ways:
 - geographic (e.g. neighborhoods)
 - shared identity (e.g. ethnicity, age, disability, etc.)
 - shared issues/interests (e.g. environment, arts, sports, housing, transportation, etc.)
- Identify and support different types of community:
 - Support people in organizing with others with whom they feel connected
 - Encourage more people in these communities to be involved in civic life and activities
 - Build skilled leaders and strong community organizations and help groups connect with other community organizations
 - Help groups have an impact on local government decisions that affect their community

Office of Neighborhood Involvement— Current Mission and Goals

Mission: Promote a culture of civic engagement by connecting and supporting all Portlanders working together and with [local] government to build inclusive, safe and livable neighborhoods and communities

Goals:

- **Community Involvement**: Increase the number and diversity of people who are involved and volunteer in their communities and neighborhoods
- **Community Capacity Building**: Strengthen neighborhood and community capacity to build identity, skills, relationships and partnerships
- **Public Impact**: Increase community and neighborhood impact on public decisions

City of Portland Public Involvement Principles

- **Partnership**
- **Early Involvement**
- **Building Relationships and Community Capacity**
- **Inclusiveness and Equity**
- **Good Quality Process Design and Implementation**
- **Transparency**
- **Accountability**

Strategy for Building Local Government Capacity to Partner with the Community

Policy/structures: Review existing policies and opportunities for improving and embedding effective public involvement practices in the structures and culture of local government

Best Practices/Guidelines/Toolkits: Research specific practices and develop “how-to” guides and tool kits:

- Outreach strategies for specific communities
- Toolkits: Process design, Meeting facilitation, Communications, Outreach strategies, Digital/online engagement, Surveys, Interpretation/translation, ADA accessibility, etc.
- Participatory budgeting processes
- Neighborhood/community visioning/planning processes
- Capital project planning processes

Training/Outreach: Raise awareness of public involvement values and practices among local government staff; offer trainings to build their capacity; encourage peer support

Evaluation/Research: Evaluate community involvement processes and projects and identify and share lessons learned

Technical Assistance/Consulting: Advise local government agencies on process design and help them evaluate and improve their community involvement policies, processes, and practices

Different Stages on the Journey to Community Governance

- Traditional governance—little or no community involvement
- Formal public notice and public hearings
- Use of community outreach and involvement techniques for the development of policies, programs, and projects
- Creation and support of a formal city-wide neighborhood system
- Creation of a broader system that recognizes and supports involvement by many types of communities (geographic, identity-based, and interest-based)
- Development of a broad strategy that builds capacity in the community and in local government to work together as true community governance partners

Some Lessons Learned

- Use a bottom-up approach
- Build relationships and trust on many levels
- Be willing to let your language evolve
- Use a multipronged approach—build capacity in the community and in city government
- A strong political champion is essential
- Seed money is vital for building community capacity
- Stay the course
- This all takes time
- Tell the story to build broad support for community involvement

To learn more about Portland's experience:

City of Portland Office of Neighborhood Involvement:
www.portlandoregon.gov/oni

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