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Report to Policy and Finance Committee
from Stuart Macaskill, Chairman

Report on Study Tour of Great Britain, Berlin and Italy

1. Purpose

To formally report on the findings of the Study Tour undertaken by Mr Maguire and myself in September/October 2000.

2. Background

- (1) On 30 May 2000, the Council approved my undertaking a study tour relating to Regional Government in the UK and two European centres. Approval was given by the General Manager for Mr Maguire to accompany me.

Specifically, the purpose of the study tour was to look at a number of developments that were relevant to thinking here. These included:

- a) The different approaches to Regional Assemblies in London, Scotland and Wales
- b) The relationship of Regional Government with Central Government and Local Authorities.
- c) UK experience from a political perspective, in managing water both in an environment of private ownership (England and Wales) and continuing public ownership (Scotland).
- d) The importance of regional economic development as a key role of Local Government in the UK.
- e) Transport as it undergoes continuing change with integration as a key driver.
- f) The different models of Local Government now being applied in England, Scotland and Wales. Of particular interest was the new Greater London Authority, which was elected in May 2000.

- (2) The study tour was undertaken in September/October 2000, with considerable assistance from the British Government, through the British High Commission in Wellington, in arranging the study programme undertaken in England. That assistance was invaluable and greatly appreciated.

3. **Comment**

- (1) A copy of the Report on the Study Tour is **tabled**.

In addition, Mr Maguire holds a considerable volume of documents gathered during the course of the Study Tour.

- (2) The magnitude of many of the problems facing communities in the UK make those being addressed by local government in New Zealand almost seem insignificant in terms of scale. We don't have the massive problems of population, congestion and pollution of the northern hemisphere. Yet, in many cases, the underlying issues are very much the same and there are worthwhile lessons that are equally applicable here in New Zealand.
- (3) That report provides, of what were to us, some interesting commentary on what is happening in various aspects of economic and governmental development in the places we visited. For New Zealand, there are some conclusions to be drawn which, overall, certainly provide us with some comfort that this Council are moving in the right direction.

The key conclusions are:

- That preoccupation with economic models based on markets and contestability has faded significantly in the UK, particularly in relation to natural monopolies, and never was in the ascendancy in Germany and Italy. After a period of application to the public sector in the UK, the approach has proved that it is not appropriate in all circumstances, rather that good sound future planning has a proper place, in fostering good community outcomes. There can be areas for very effective public/private partnerships, or when there can be affective competition but, in short, the focus is now on problem solving rather than reliance on market models.
- The integration of plans to incorporate economic, social and environmental outcomes is now clearly recognised as the means of working towards a goal of sustainable development. This seems to very much underpin our Council's current LTFS with its focus on community wellbeing, based on the above three areas. It is therefore comforting that others have reached similar conclusions to ourselves.
- Regionalism, and all that it entails, is re-emerging as a significant player in communities endeavours to cope with a much more complex and inter-related society. The reincarnation of the Greater London Council in its current form of the Mayor of London and the Greater London Assembly is a clear example of the need to have a much higher level of direction-setting than by local individual Councils, individually or co-operatively, particularly within the metropolitan areas. The fact that the newly

constituted GLA has some teeth and can override London Boroughs in the interests of a greater London outcome is evidence of this new focus.

- At the Central Government level, the constitution of new ministries such as that of the Department of Environment, Transport and the Regions clearly indicates that Central Government is organising itself to move from a series of silos in its administrative structure to a more holistic approach embracing activities which will be the key drivers of community outcomes.
- In all areas visited there is a clear desire for close working relationships between central and local Government. To some extent, perhaps, the Local Government Forum established in New Zealand is an embryonic representation of similar direction.
- It is also clear that Government links and co-operative programmes with business are recognised as being fundamental to a successful mix of social and economic outcomes. Co-operation between Government and business is on the rise and there are likely to be more public/private partnerships developing in key utility areas.
- In the area of transport, the multi-modal planning focus is clearly the order of the day. In this regard, it recognises both safety and environmental issues as being an integral part of long term transport strategies. This is particularly true for a complex society such as the Greater London area.

Again, our Long Term Strategy is consistent with overseas direction and recent moves to develop a New Zealand transport strategy also seems to reflect a more integrated approach rather than the market driven content of previous policies.

- Throughout populated areas, it is very clear that the transport network is a key driver for the developmental form and social balance of the communities. Decisions made in transport strategies have the potential to determine both the economic wellbeing and social nature of communities over time. This suggests to us that we need to look seriously at the relationships between Local Government planning frameworks and their currently parallel and largely independent transport planning strategies.
- Whatever we may feel about local body politics in New Zealand, we are very fortunate in having local authorities with a manageable number of members. On the other hand, the directly elected executive Mayor model even with scrutiny by an Assembly in my view goes too far in concentrating power in one person.
- In the area of water utilities, it is clear that a whole industry has developed around trying to regulate privately owned water utilities which, in turn, spend significant resources trying to beat the regulator, who in turn seems to be looking for a worthwhile role. There is significant, and growing discontent, with the privatisation programme in the water area and clearly, issues of non domestic ownership are causing concern in the United Kingdom. Significantly, user pays charging has made little progress over rates based charges for residential consumers, even where supply is by the private sector.

Given community views in New Zealand, we do not believe we have the same exposure to privatisation in the water area but other utilities or essential services are clearly raising similar concerns in New Zealand to those identified in Europe.

- The “price harmonisation” approach across regions has provided smaller communities with high standards and affordable drinking water and waste water systems.
- Local Government in New Zealand has enjoyed much greater autonomy than its UK counterparts. This is particularly true of funding where rating tax levels remain tightly controlled by Central Government in the UK, although, it must be noted that their system discriminates in favour of poorer communities. However, recent community wellbeing legislation in the UK empowers local authorities to take the lead role in developing community solutions for community problems.
- Finally, both Mr Maguire and I were greatly comforted that the visit overall represented a confirmation that our thinking in New Zealand and particularly at the Wellington Regional Council is taking into consideration both the positive and negative aspects of European development over the last few years. We believe that our LTFS and its directional move to a holistic approach to the future under a general framework of local Agenda 21 is correct. The particular issues of how we integrate transport strategies with urban planning, environmental objectives, community participation and governmental co-operation are the challenges before us. We believe the WRC are well placed to deal with those challenges into the future.

4. **Communications**

I will be providing copies of the Report to a number of people such as regional Members of Parliament that I believe will find the conclusions of interest.

A copy has also been provided to the *Evening Post* Civic Reporter.

5. **Recommendation**

That Policy and Finance Committee:

- *Recommend that the Council receives the Report.*
- *Note our grateful appreciation of this very worthwhile opportunity to study comparable arrangements overseas.*

STUART MACASKILL
Chairman

Tabled Document

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