Making it happen

A roadmap for cities and local public services to achieve outcomes.

A PwC Public Sector Research Centre publication.
Foreword

Cities and local governments facing multiple challenges, which were intensified by the financial crisis, have urgently to implement strategies that allow them to compete for business investment, retain talent and attract visitors.

Last year’s report on cities and the global financial crisis (‘Seizing the day’) highlighted the importance of strategy execution in the context of rising public sector debt, public spending cuts and the challenge arising of doing more for less in many countries. But how can city managers best execute the city’s strategy and deliver their vision in this new era? Will they be able to deliver their desired outcomes? And can they overcome budget cuts and still develop and improve their local economies?

As the world emerges from recession, this report focuses on how cities can make things happen by identifying the success factors that are essential for the execution of a city’s strategy and making progress towards realising its vision.

Leadership is not enough

Leadership is critical to the development and execution of an organisation’s strategy – top level sponsorship is an absolute requirement, as this year’s survey again highlights. But leadership on its own is also not a panacea. Outcomes are no longer dependent on the one, but the many, both within and across organisations. With a proliferation of public, private and voluntary sector organisations working together in collaborative partnership to deliver public services, all stakeholders – internally and externally – need to be aligned in order to maximise the chances of success. And in an era of fiscal austerity for many local governments, now is a time to prioritise and focus, both on outcomes and on the challenges of financing their delivery.

Our goals in publishing this report are to outline the agenda for action for local government leaders in addressing this new world. We set out our views on how cities and local governments can deliver the outcomes that their stakeholders – both residents and businesses – need and want through effective implementation of their strategies, supported by examples of success and good practice.

The research builds on the insights from PwC’s Global Cities and Local Government Network’s publication ‘Cities of the Future’ and subsequent toolkit, last year’s report on the impact of the global financial crisis (‘Seizing the day’) and drawing on our experiences in working with cities and local governments around the world.

We appreciate the time taken by the local government leaders who responded to our survey. In order to provide a geographically balanced spread this report focuses on 64 of the 108 responses we received for the global survey. The results are also split by Developed Countries (34 responses) and Developing Countries (30 responses), in cities comprising a total population of over 120 million people. We have also commissioned country specific reports for Middle East, The Netherlands and South Africa. The details of our sample and our methodology for this global report are set out in the Appendix.

This report would not have been possible without the active participation of all the contributing cities and local authorities. We would like to thank all respondents for their contributions and whose views form the basis for this report.
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A strategy is only as good as its execution. The starting point for any city is to formulate a clear vision which captures its strategic ambition. It is therefore encouraging to see in our survey that most respondents (over two thirds, 69%) have a strategic vision and for almost half of our respondents (48%) this vision is being implemented, having an impact and is regularly kept up to date. And even where this vision is not in place, the need for it is recognised and in the vast majority of cases it is in development.

In order to channel all resources towards accomplishing the vision, a city’s management also has to develop multiple internal capabilities: an inspirational leadership, a resilient city brand and an ability to learn from other cities through social intelligence. It needs to manage its finances effectively. And it needs to have the capability to manage the city’s key programmes and projects, its performance risks and its assets including the human capital employed in performing any city’s functions.

Of course, all of this must also be done in a way that is sustainable and through collaboration and partnering with citizens, the private sector, academia and Non-Governmental Organisations (NGOs). Our survey shows that local governments do appear to be reaching out to their external stakeholders when designing their visions and implementing their strategies. For example, most local governments in our survey reported the need to partner collaboratively with private (87%), public (82%) and voluntary (77%) sector organisations to deliver their strategies. A similar picture emerged when we asked about service delivery where three quarters of our survey respondents are currently using public-public and public-private partnerships as well as public-voluntary partnerships (50%).

It appears from our survey, however, that there is one standout internal capability driving strategy implementation: leadership. This is far and away the most important factor seen by our survey respondents as enabling strategy implementation with over three quarters (78%) emphasising it. Furthermore, 80% of respondents believe that there has been a positive impact of leadership on the implementation and delivery of outcomes from their strategies, rising to 88% in Developed Countries.

Whilst we agree that leadership is crucial to strategy implementation and making things happen, in our view leadership on its own is not enough. Our survey reveals that, of the other internal management capabilities needed to accomplish a city’s vision, local governments are falling short of the necessary requirements in four key areas:

- **Financing:** this is seen as the biggest barrier to implementing strategies, according to two thirds (67%) of our survey respondents. There also appears to be a lack of capability to make plans resilient to the financial challenges: only a quarter (28%) of the survey respondents have a strategic plan underpinned by a financial plan, with key risks properly assessed and mitigated. For the rest, some or all of their financing is at risk. There is an associated lack of capacity in-house to manage and develop new forms of finance to enable the continuing delivery of services and outcomes to citizens: indeed, only 14% of our survey respondents reported that their organisations have a very strong capacity in this regard. The results are even more disappointing for Developing Country local governments where half (50%) of respondents report limited or no capacity.
• **Simplifying, standardising and streamlining**: large size can assist branding, but when we analysed our survey responses by size of organisation (measured by employee), we found that size may constrain agility and the ability to get things done quickly. In particular, organisations with less than 3,000 employees seem more likely to involve all levels more in a highly collaborative process (37% compared to 15%) and have a less negative impact on strategy implementation arising from the number of decision-making levels (21% compared to 38%) and complexity in their organisations (20% compared to 53%).

• **Implementation planning**: only one in five (19%) of respondents have a comprehensive implementation plan, with accountabilities and responsibilities in place together with frequent monitoring, updating and risk mitigation. Indeed, one in five (22%) reported that they had no plan in place at all: no strategy can be implemented in such circumstances. This is a particular issue for Developing Countries where a higher proportion, two in five (40%), of respondents have no plan in place.

• **Supporting frameworks and tracking systems**: given that we found that the greatest challenges to service delivery are outcome assessment (for 43% of our survey respondents) along with performance monitoring (41%) and needs assessment (40%), it is also of concern that the supporting tracking and information systems appear to be lacking. Only one in ten (11%) survey respondents has in place a comprehensive performance management framework, which is fully aligned to the organisation’s strategic objectives and supported by transparent reporting of performance to the public. Similarly, only one in six respondents (16%) has a comprehensive risk management framework in place and implemented throughout the organisation. This is of particular importance given the trend towards increasing use of partnering including more sophisticated approaches to payment by results/outcomes: where our respondents were making use of partnerships, 39% viewed payment by results as extremely effective. These trends require effective systems to be in place in order to measure, monitor and evaluate performance.

So, what needs to be done? In our view, there is an urgent need for cities and local governments to prioritise their activities and develop a road map to ensure that their organisations have in place the internal capabilities and external relationships to implement efficiently and effectively their strategies and ultimately result in better outcomes for residents and businesses.

Local governments face a challenging agenda for action to make things happen including:

• Investing in their capabilities around financing given that this is the biggest single perceived barrier to the implementation of strategies and delivery of outcomes.

• Re-designing their organisations to enable more effective collaboration with their primary stakeholders e.g. setting joint outcome targets, building new partnering competencies and professionalising performance monitoring and management.

• Assessing the impact of their size and scale and seeking out opportunities to standardise, simplify and streamline their operations.

• Developing clear, well documented implementation plans which make clear the roles, responsibilities and timetables for actions.

• Prioritising and managing programmes and projects more effectively by putting in place systems to measure outcomes (social as well as financial) and value for money.

With the mantra to do the same with less firmly established in most countries, a focus on outcomes is critical and should be the touchstone for local governments seeking to make things happen, and quickly.
Introduction and context

Today, cities around the world are seen as the engines for sustainable economic growth. And more than ever before the growth that cities can achieve is strongly linked to their power to address social, environmental and economic issues in a holistic manner, whilst making the most of future opportunities. But the most pressing challenge for many cities, which we address in this report, is how to make this happen and turn city visions into reality.

Cities of the Future

The management of cities is a complex affair. In the publication ‘Cities of the future’; we looked at the ways to achieve the future development of a sustainable and competitive city. We advocated developing an integrated strategic approach, an approach which has now been tested with cities of varying sizes and degrees of development across the world as set out in Figure 1.

Figure 1 – A holistic approach

This is a particular challenge against the background of cuts in city budgets in some countries of up to 25%-30%. As we argued last year in ‘Seizing the day’: ‘With clear thinking, and careful planning, these [kind of] cuts need not decimate services. By reviewing discretionary services, working at early intervention and prevention, focusing on commissioning and being really serious about forming effective local partnerships, leading cities and local government teams are showing the way.’

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5 ‘Cities of the future – global competition, local leadership’, PwC, 2005
The starting point for a city is formulating a clear vision which captures its strategic ambition. In order to channel all resources towards accomplishing the vision, the city’s management has to develop multiple internal capabilities: an inspirational leadership, a resilient city brand and an ability to learn from other cities through social intelligence. It needs to manage its finances effectively. And it needs to have the capability to manage the city’s key programmes and projects, its performance risks and its assets including the human capital employed in performing any city’s functions. Of course, all of this must also be done in a way that is sustainable and through collaboration and partnering with citizens, the private sector, academia and Non-Governmental Organisations (NGOs).

Of course, cities vary in the extent to which their policies and performance are matching up to our vision of a city of the future (see Figure 2). Some of the key lessons we have learnt in applying our holistic framework with city governments include:

- The necessity of a vision and strategic plan – whilst the existence of these may be mainstream now, this was not always the case and is still absent in those cities with most to catch up.
- A good vision needs to be ambitious but also realistic, with clear goals and practical steps towards them.
- Vision-building and planning should include wider stakeholders – cross-boundary collaboration is needed along with a compelling and engaging vision.
- A holistic approach is needed to planning going from intelligence on socio-economic development to execution of the strategy.
- The need to drill down and prioritise within this overall approach, developing a road map to the future and, for new administrations, a 100 day plan to achieve fast lift-off.
Cities of Opportunity
The focus on the importance of a holistic, balanced approach to city development is a theme which has been further developed in PwC’s four annual reports on ‘Cities of Opportunity’ with the Partnership for New York City. As stated in the 2010 edition, "The more well-balanced a city is for both businesses and residents, the better it will fare."6

These reports have sought to identify the position of selected cities across a variety of key factors including: intellectual capital and innovation; technology readiness; transportation and infrastructure; health, safety and security; sustainability; economic ‘clout’; ease of doing business; cost; demographics and livability; and lifestyle assets.

The most recent report published in May 2011 stated that 'Holistic balance characterizes the top 10 cities in our rankings: all are well established centers of economic energy and intellectual vitality. Although dispersed among four continents, their common bond is depth: of economic infrastructure and networks; of law and jurisprudence; of commercial protection; of educational systems and cultural foundations; of civic organizations; and of social security.'7

Cities in crisis
Whilst our reports have always sought to strike an optimistic tone, this has been more challenging in the last couple of years, when the multiple challenges faced by cities were intensified by the financial crisis. In the depth of the ‘Great Recession’, out of all the capabilities required by a city’s management, the effective management of finances became an extremely essential enabler for many, particularly in the developed economies most impacted. Other key enablers identified were managing the city’s projects, performance risks, partnerships, assets and human capital.

Indeed, in ‘Seizing the Day’ we emphasised the importance of execution and implementation of strategy at a time of financial crisis (less resources) whilst also needing to address issues such as sustainability and engage with stakeholders.

It looked at how the financial crisis has impacted cities around the world and demonstrated that for cities to remain engines for growth, they will need to effectively and efficiently execute their strategies. This will allow them to compete for business investment, retain talent and attract visitors as the private sector stages its recovery at different speeds across different continents.

Making things happen
But how can city managers best execute their strategy and deliver their vision? Will they be able to deliver their desired outcomes? And will citizens be satisfied with the results?

To see how cities can best respond, we have conducted further research aimed at obtaining practical insights into the capabilities needed to implement a city’s strategy. Between setting the vision and strategy for cities and transforming performance lies a set of key success factors. These need definition, investment and nurturing in the context of doing more for less, the changing role of local government internationally and the need to collaborate on delivery with a wide range of stakeholders (private sector, citizens and NGOs).
Findings

In this section, we set out the findings from our survey of cities and local governments on the key management capabilities needed to turn strategies into action, along with a range of case studies demonstrating good practice across the capabilities needed to make things happen.

A lack of integration: vision, strategy and stakeholders

The starting point for any city and local government is to have a strategic vision, formulated in collaboration with both internal and external stakeholders and setting out its chosen path of development.

It is encouraging to see in our survey that most of the respondents (over two thirds, 69%) have a strategic vision, and for almost half of our respondents (48%) this vision is being implemented, having an impact and is regularly kept up to date (see Figure 3). And even where this vision is not in place, the need for it is recognised and in the vast majority of cases it is in development. This is a positive starting point for the cities that we have surveyed.

But this is only part of the story – a vision on its own is not enough. It needs to be aligned and integrated with the strategies of local government organisations and involve key internal and external stakeholders.

In our survey, almost two in five (36%) of our respondents reported that their organisation’s strategy was ‘completely integrated with the strategic vision’. For the majority of respondents, however, the level of integration is not complete with gaps and a lack of full integration. Developing Countries, in particular, appear to be at an earlier stage of development: only about a quarter (23%) of our respondents in these countries have completely integrated their local government’s strategy with the city’s vision.

This picture of some but not full integration also appears to be the case for the level of internal and external stakeholder involvement as well:

- Internally: whilst senior management (unsurprisingly) is especially involved in the development of local governments’ strategies, the extent of the involvement of other levels varies. Over half (53%) of respondents involve all levels internally but only a quarter (25%) do so in a highly collaborative way (and even less – 17% – in Developing Countries).

- Externally: over half (56%) of survey respondents say that external stakeholders e.g. residents, public and private sector bodies and Non-Governmental Organisations (NGOs) are very involved through formal consultations and/or are key contributors ‘in a collaborative formulation process’ of the local government’s strategy. There is an important difference between the results for Developed and Developing Country respondents: only 17% of respondents from Developing Countries felt external stakeholders are very involved, although a further 20% believed that they are key contributors.

A vision for restoring lustre to the ‘Pearl of the Orient’

The image of idyllic beaches, temples and mosques, coupled with world-class schools and infrastructure, made the island of Penang an attractive destination for major multinationals from the 1970s. The listing of George Town as a UNESCO World Heritage Site in 2008 further boosted Penang’s tourism industry, which makes up 70% of Malaysia’s tourism receipts. However, growth in manufacturing and tourism is decelerating, with intensifying regional competition.

As a secondary city in Malaysia, Penang needs to be globally connected, regionally oriented and locally centred in order to escape the middle-income trap and become an advanced economy by 2020. Penang is transforming itself into a knowledge-centric, skills-intensive economy in niche areas including:

- repositioning Penang as the business hub for the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) and northern ASEAN regions;
- strengthening and optimising existing growth areas like manufacturing of medical devices and medical tourism;
- promoting growth in new areas like agribusiness (modern farming and supply-chain management); and
- branding the new Penang by turning it into a ‘sticky place’ for retaining local talent and attracting global ones.

Sources: Cities, People & The Economy – A Study on Positioning Penang (2010), Khazanah Nasional Berhad and The World Bank; Penang – A Portrait of Progress by The Edge Malaysia (2011)

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**Making it happen: A roadmap for cities and local public services to achieve outcomes**
PwC’s View

In our view, city managers need:

• a clear and deliverable strategy setting out the focus for the organisation, what’s driving it and what it does best and why;
• the ability to respond to a constantly changing environment through sensitivity to market forces and having visibility of the future impact; and
• a clear mandate for change which is driven through the organisation.

One of the key challenges for local governments is to develop a strategy which is integrated with the vision of the city and involves the key stakeholders in its development such that it is ‘owned’ by those who need to play a role in its execution. Particularly in a downturn, there is an even greater need for local government managers to make sure that they understand their stakeholders’ agendas (both within and outside the organisations) and maintain a regular and open dialogue in order to manage stakeholder expectations and win their support for change.

In our experience, stakeholders are often asked for input (traditional consultation) but there is a difference between this approach and an open, collaborative planning process with feedback. There is, therefore, a difference between consultation and real collaboration which can vary according to the culture and legislative processes of the relevant country. There is also an issue around how communications are managed both internally and externally to get the most out of stakeholders and gather ‘the wisdom of the people’ in a way which helps most with strategy execution.

Leadership stands out

Leadership and organisation can have a critical impact on the execution of strategy and the delivery of outcomes. And leadership does not stop with the person at the very top – it cascades down the levels of the organisation, from the Board to local team leaders.

The results of our survey suggest that in this area there are many factors that can, and do, help make things happen. Leadership is the feature that stands out (see Figure 4): 80% of respondents believe that there has been a positive impact of leadership on the implementation and delivery of outcomes from their strategies, rising to 88% in Developed Countries. In this context, it is interesting to note that leadership development does not, however, appear to have a high priority: only 27% of respondents reported that they had a training and development programme in place with leadership development as a major component.

Other factors that also appear to be having a positive or very positive impact include employee engagement, the quality of internal and external communication, alignment of the organisation with the strategy and effective coordination with external providers (70% or more), culture and attitudes (64%) and alignment of staff performance measures with the strategy (59%). Most of our respondents also appear to have recognised the need to invest in training and development to support the implementation of their strategies, although for only about a third (31%) is staff development a major component of this investment.

Sendai – A Disaster-proof City

The news of the magnitude 9.0 earthquake that hit the northeast area of Japan on March 11th should be fresh in our memory. The largest city in the devastated area is Sendai City. With more than a million inhabitants, it is the centre of the area’s industry and culture. Although Sendai suffered badly from the earthquake and the following tsunami, many areas in the city were saved from serious destruction and city’s core function was sustained.

Restoration from the disaster started soon after the catastrophe. This rapid recovery and reconstruction was closely tied to Sendai City’s pre-disaster planning and preparedness. Now, Sendai is trying to get over this tragedy and aiming to establish a disaster-proof city model with its expertise concerning disaster prevention which could be a good reference to all other cities in the world.

While local leadership was an important factor in getting over the initial impact of disaster, developing the required execution and monitoring capabilities will be essential to achieving the desired reconstruction impact.
PwC’s View

Behaviour is key to making a strategy happen. Leadership is the stand-out feature but leadership on its own is not enough. The delivery of positive outcomes from strategies can also only happen if employees and external stakeholders are engaged and, as we will see later, if everyone knows their respective roles and responsibilities for implementing the strategy (documented in a comprehensive implementation plan).

It appears from our survey that this is easier in smaller, less complex organisations where there are less levels involved in decision-making. This does not mean that only small is beautiful or indeed that strategy is necessarily easier to execute: it does mean, however, that the larger the organisation the more attention that needs to be paid to effective line management, excellence in communication and true alignment across and within functions and with other organisations.

To achieve this, attention needs to be given to an appropriate level of delegated powers within the organisation. But in addition we believe that local government needs to mandate more simplified and standardised processes and ways of working across an organisation, using technology as an enabler. Culture and existing attitudes will need to change in response, but the alternative is fragmented and duplicated processes which add more to the cost of an organisation and reduce its potential to make things happen and deliver the outcomes its citizens deserve.

As we discuss in more detail later, size also may be playing a role here. Respondents in organisations with less than 3000 employees appear to have a less negative impact on strategy implementation arising from the number of decision-making levels (21% compared to 38% of respondents of larger organisations) and complexity in their organisations (20% compared to 53%).

Finance at risk

A key message from ‘Seizing the day’ was the critical need for effective financial planning, both to survive the current financial crisis but more generally to achieve a city’s future vision by providing the necessary financial underpinning.
Making it happen: A roadmap for cities and local public services to achieve outcomes

The need for this is clearly recognised by the respondents in our current survey (see Figure 5). But only a quarter (28%) have a strategic plan underpinned by a financial plan with key risks properly assessed and mitigated. For the rest, some or all of their financing is at risk. The linkages are also not as strong as they should be between strategy and financial plans (although this may be partly an issue of different timing of cycles in different parts and levels of government).

In addition, over a third (38%) of our survey respondents face some, or in a small number of cases significant, overspending. Looking at this another way, only about a quarter (27%) of respondents reported having ‘an established track record of ongoing strong financial management’.

In this context, it is worrying that there is also a reported lack of capacity to manage new forms of finance, as shown in Figure 6: only 14% of respondents have a very strong capacity, with even more disappointing results for Developing Countries where half (50%) of respondents report limited or no capacity.

The Johannesburg Growth and Development Strategy (GDS) – Integration at work

The GDS presents a clear statement of the long-term future development path for the City of Johannesburg and identifies some of the major strategic decisions that need to be made to move forward rapidly along the city’s chosen development path. The programmes of action that the City implements to action its GDS are presented in detail in the 5-year Integrated Development Plan (IDP). Together, the GDS and IDP frame the ongoing operational activities of Departments and Municipal Owned Entities. These are outlined in detailed Business Plans that in turn are consolidated into an annual Service Delivery and Budget Implementation Plan. The process by which the GDS is revised becomes an integral step in a clear cycle that links long-term strategy, medium-term integrated development planning, annual business planning and budgeting. Before the start of every new five year term of office, the City: does a five-year review of the previous term; assesses and re-orientates the GDS; and charts the course forward for the next term through the formulation of the IDP.
**Doha and the World Cup**

The decision by FIFA to host the 2022 World Cup in Qatar has been met with controversy and debate. Unquestionable, however, is the impact that hosting the Cup will have on Qatar’s growth and plans for the development of its cities.

The Qatar National Development Strategy 2011 – 2016 recognises the importance and impact of the World Cup on Qatar’s economic, physical, social and environmental development. The government has used this international competition to improve its national and city brand and raise national pride amongst its youth. Importantly, the Government has also recognised the socio-economic advantages and direct linkage with soft power, international standing and Qatari economic diversification plans – most particularly in the areas of tourism and trade. The building of the new Doha airport, to coincide with over $65 billion in infrastructure spending through 2016, as well as a recent decision to allow 100% foreign ownership in services, illustrates the anticipated scale and magnitude of this event.

The concepts and designs of the stadiums for this mega-event highlight Qatar’s comprehensive approach to local city planning and growth. Stadium designs mesh with the overall “feel” of the city in which they are based (most notable of which is the seashell stadium on the Creek), and take into account the potential for solar energy usage.

**PwC’s View**

In ‘Seizing the day’, we commented that ‘many local government leaders may be underestimating the size of the challenge they face and may not be considering the true extent of the range of strategic responses they will need to adapt to their new environment’. In particular, we found that seven in ten (72%) were confident or very confident that they will be able to achieve their socio-economic development targets in the next five years and that over half of the local government leaders believed that they had the tools to control spending, are empowered to make decisions and have control and flexibility over the management of local resources.

The survey for this report reveals that financing continues to be seen as a major issue, but few appear to be in the position of being able to explore, manage and use new forms of finance as there is a lack of capability in-house. This clearly puts more pressure on spending cuts as a necessary tool, and takes away other options to look to other ways to help manage the transition to a lower level of budget.

We believe that there is an urgent need for local governments to put finance at the top of their agenda and improve the talent in the finance function so that Finance can give local governments real business insight, in addition to the traditional roles of compliance and control. In the light of the lack of apparent capability to manage new forms of finance, local governments need to attract and develop a new generation of finance managers capable of stepping up to this new challenge.
**The Partnership for New York City (www.pfnyc.org)**

The Partnership is a nonprofit membership organisation with a mission to maintain the city’s preeminence as a global centre of commerce, finance and innovation. Partnership members are international business leaders who share a commitment to New York and are personally engaged in helping the city and state maintain a strong economy, a quality education system and first class infrastructure.

The Partnership was founded in 1979, during a period of urban crisis, by David Rockefeller and other corporate leaders who understood the importance of great world cities as the platform for international business in a globalising economy. Over three decades, it became the primary vehicle through which the New York business community contributed their expertise and other resources to help government tackle the biggest challenges facing the city and state.

**The power of the brand**

Brand is important to executing the strategy: where cities are able to stand out from the crowd, they are better able to attract the people, businesses and events that together help create a prosperous future.

It was therefore noticeable in our survey that city brands are not well defined: less than half (44%) of respondents felt that their cities have a well defined brand ‘to a significant extent’. This is perhaps because there are more ‘bread and butter’ issues to be dealt with for many city managers at a time of fiscal austerity.

Strong implementation is, however, perceived to be helped by a strong brand and vice versa: 70% of survey respondents agreed or strongly agreed that ‘the city’s brand assists executing the organisation’s strategy’ (Figure 7).

**Figure 7: Brands and cities**

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Base: 64 responses

Q: How strongly would you agree or disagree with the statement ‘the city’s brand assists executing the organisation’s strategy’?
PwC’s View
Cities compete daily for positioning and attractiveness through their brands. Every city needs to find ways to be unique, be differentiated and so maximise the attention of people and businesses.

This requires strategic thinking on all levels and in all dimensions. Without well defined brands, it becomes harder for city managers to pull in the capital – people and finance – to succeed and becomes more difficult to develop and execute strategies to maximise the value of the city’s brand.

Intelligence – anecdotal or evidence-based?
A systematic approach to gathering intelligence i.e. information about future social, economic and environmental challenges, helps local governments both to frame and develop their strategic vision and also to respond to new trends and the impact of external events.

In this context, the fact that almost half (48%) of respondents to our survey say they have good awareness and intelligence supported by formal mechanisms and consultation and engagement mechanisms is positive news, with a further 25% having excellent awareness (see Figure 8).

It is important to note, however, that this picture is less positive for Developing Country respondents, of whom only half (50%) appear to have such excellent or good awareness.

Resident engagement in Harrow
Harrow Council in the UK recently won a Municipal Journal award for delivering ‘sustained and embedded change, using a modern approach to doing business but never losing sight of its priorities, namely its residents.’ The Council’s groundbreaking resident engagement programme, ‘Let’s Talk – A New Conversation for Harrow’, featured strongly. Through this mechanism, combining road shows, open days, and online surveys and conversations, Harrow is involving residents in an open conversation about the future of council services, listening to their views and giving them real influence in the decisions being made.

The authority has used this to help deliver an ambitious transformation programme. Services are being redesigned to deliver savings whilst improving performance and protecting front line services, as the Council makes £62m of savings over the next four years, with £45m of savings already delivered over the last three years.
Indeed, probing further we asked our respondents if there are formal systems in place to gather, analyse and use the intelligence that they need. The responses indicated that less than a quarter (22%) had a well established system ‘fully enabling the organisation to prepare and respond to future challenges’. In fact, the majority (61%) do not currently have a formal system in place, with a quarter (23%) of Developing Country respondents having no system at all in place.

**PwC’s View**

Our survey reveals that whilst most local governments would claim to have a reasonable knowledge and awareness of the issues and trends in their communities, in practice this may be more anecdotal than evidence based.

The risk of a lack of formal systems is that the landscape of social, economic and environmental challenges is not being sufficiently well monitored and the impacts of key changes evaluated and assessed for their implications on the city vision and the local government strategy.

We believe that horizon scanning mechanisms need to be in place to give local governments the best chance of implementing strategies in time to lead and respond to anticipated events, rather than be driven by them. Otherwise, local government leaders could be accused of steering by gut instinct, not the facts.

**A lack of implementation planning**

When time and money is in limited supply, it is essential for local governments to prioritise and plan effectively in order to deliver their strategies and the associated outcomes.

It is therefore of concern that only 14% of our respondents have an ‘inclusive mechanism for defining priorities with a clear order of action and specified targets agreed by relevant external stakeholders, customers and partnership organisations’. However, a further 41% of respondents do have ‘priorities defined internally with a clear order of action and specified targets’.

Of even greater concern is that only one in five (19%) of respondents have a comprehensive implementation plan, with accountabilities, responsibilities, frequent monitoring and updating and risk mitigation (Figure 9). Indeed, a further one in five (22%) appeared to have no plan in place at all: no strategy can be implemented in such circumstances. This appears to be more often the case in less mature Developing Countries where two in five (40%) of respondents have no plan in place.

**Figure 9: Implementation plans**

- No plan: 10.9%
- No plan, but one is being formulated: 10.9%
- Plan in place but deliverables, accountability and responsibility for delivery not well defined: 23.4%
- Implementation plan in place supported by clear accountabilities and responsibilities for delivery: 34.4%
- Comprehensive plan in place, with accountabilities, responsibilities, frequent monitoring, updating and risk mitigation in place: 18.8%
- Don’t know / Not applicable: 1.6%

Base: 64 responses

Q: Is there an implementation plan with clear deliverables, and appropriate resources, methodologies and tools supporting the execution of the organisation’s strategy?
**PwC’s View**

Whilst priority setting is challenging, given the necessary trade-offs, no local government has an unlimited budget. And even if it did, execution is doomed to failure without an implementation plan in place with clear deliverables, and appropriate resources, methodologies and tools supporting the execution of the organisation’s strategy.

In our view, prioritisation and planning, supported by good programme and project management to drive execution and comprehensive performance and risk measurement to keep plans on track, are critical to effectively implementing strategies.

**Figure 10: Critical success factors for partnering**

<table>
<thead>
<tr>
<th>Factor</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal consensus</td>
<td>73.4</td>
</tr>
<tr>
<td>Clear contracts</td>
<td>43.8</td>
</tr>
<tr>
<td>Trust</td>
<td>53.1</td>
</tr>
<tr>
<td>Effective management systems</td>
<td>46.9</td>
</tr>
<tr>
<td>Interdependencies effectively managed</td>
<td>48.4</td>
</tr>
<tr>
<td>Need for network competencies recognised</td>
<td>17.2</td>
</tr>
<tr>
<td>Limited number of participants to enable effective relationship development</td>
<td>3.0</td>
</tr>
<tr>
<td>Other</td>
<td>4.7</td>
</tr>
<tr>
<td>Don’t know / Not applicable</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Base: 64 responses

Q: What are the three most important critical success factors for working with external partners to deliver the strategy?

**Utrecht Development Board**

As an independent advisory board, the UDB (Utrecht Development Board) supports the city of Utrecht in realising its potential. To achieve this, cooperation between local leaders, citizens and businesses is crucial for its success.

The UDB has succeeded over the last year in working together with the municipality (setting up a strategy) and executing the strategy by connecting various stakeholders of the City of Utrecht. In particular, UDB has created partnerships between various stakeholders within, and also outside, the city of Utrecht including:

- ‘Stadslabs’ – working together (education, business communities, government organisations) on different challenges e.g. local labour market, broadband, civil society and new ways of working.
- An annual encouragement award for the local economy, initiated by the UDB and the municipality.
- A permanent lobby to encourage the participation of industries within the city’s Strategic Agenda.
- Creating a new connection between the Trade area and the municipality.

Because of its active role, the UDB has also brought significant contributions to the visibility and more powerful positioning of the city of Utrecht.

**Partnering: the need for goal consensus**

Our previous research in ‘Seizing the day’ indicated that, notwithstanding the financial crisis, frequent use was being made of public-private partnerships, public-voluntary partnerships as well as outsourcing and shared services to deliver the outcomes desired by local governments. But to what extent is partnering effective in helping or hindering the execution of local government strategies?

According to our survey respondents, goal consensus stands out as the most important critical success factor for local governments working with external partners, with almost three quarters of our survey respondents (73%) highlighting this factor (Figure 10). There appear, however, to be some differences between Developed and Developing Countries for the other success factors. Developed Country respondents seem to emphasise trust and managing interdependencies effectively whereas the focus for Developing Country respondents is on clear contracts and effective management systems.

It is also worth noting that the main motivation for partnering is said by our respondents to be gaining external experience and expertise (77%), with cost important but less of a driver (50%). If anything, Developing Countries are even keener on external experience and expertise, with 83% of respondents in these countries saying this is their main motivation.
**Dublin Innovation Festival**

Now in its third year, Innovation Dublin is an annual festival that celebrates and encourages the innovative, entrepreneurial spirit of the city of Dublin.

The month long festival was established to raise public awareness of the innovation and creativity that is happening on a daily basis in the city. The festival is organised by the Creative Dublin Alliance, a collaboration between Dublin local authorities, universities, state agencies, businesses and the not-for-profit sector and coordinated by Dublin City Council.

As part of the Government’s objective for Ireland to become an ‘Innovation Island’ this festival provides opportunities to promote enterprise, to learn and find out how things work, to network and collaborate and to connect ideas with opportunities. People can participate in events ranging from business seminars and science demonstrations to storytelling, workshops, music and virtual games.

Events that took place during last year’s festival included the inaugural International Life Sciences Summit and Globe Forum 2010.

**PwC’s View**

Collaboration across agencies, private and voluntary sectors, and also spatially, across geographies is critical to the success of local governments, particularly in an environment of fiscal austerity where more needs to be done for less.

Whilst goal consensus is clearly needed to deliver effective outcomes, on its own our view is that this is not enough. External partners need to support this consensus with formal systems which support and reinforce, although not replace, trust.

In addition, the trend for public services to be opened up to a diversity of suppliers means that local governments also need to develop a stronger capability to manage across increasingly complicated and extended delivery chains spanning public, private and voluntary sector providers. This ‘intelligent’ networking function will be increasingly essential to ensure that all parties are clear on their relative roles and responsibilities when making things happen.

**More innovation needed in finance?**

We know that local government leaders see innovation as very important to their city/town’s future growth and development from our previous research in ‘Seizing the day’. Innovation is also important to the implementation of strategy.

Our survey respondents indicated that innovation is being encouraged particularly through identifying new ways of delivering existing services – 64% of respondents see this to quite or a significant extent. In contrast, new ways of financing are only being encouraged to a quite or significant extent by just over a third (35%) of survey respondents (Figure 11).

We also looked at the drivers of innovation in strategy implementation (Figure 12). Across a range of factors, the factors most helpful to strategy implementation were supportive leadership – 83% of respondents judged this to have a positive or strongly positive impact – external stakeholder consultation and engagement (72%) and exposure to new technologies (66%). Regulation, however, appears to be an inhibitor, with a negative or neutral impact reported by 59% of respondents.

**Figure 11: Drivers of innovation in strategy implementation**

<table>
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<tr>
<th>Identification</th>
<th>To quite an extent</th>
<th>To a significant extent</th>
<th>To a limited extent</th>
<th>To some extent</th>
<th>To a extent</th>
<th>Not at all</th>
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<td>22</td>
<td>25</td>
<td>39</td>
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<td>2</td>
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<td>Introducing new services</td>
<td>3</td>
<td>17</td>
<td>33</td>
<td>22</td>
<td>23</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Commissioning other organisations e.g. public, private and/or voluntary sector, to provide existing services</td>
<td>5</td>
<td>19</td>
<td>23</td>
<td>31</td>
<td>17</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>New ways of financing</td>
<td>5</td>
<td>22</td>
<td>31</td>
<td>19</td>
<td>16</td>
<td>8</td>
<td>5</td>
</tr>
</tbody>
</table>

Base: 64 responses
Q: To what extent is innovation being encouraged as an integral part of the implementation of the strategy through.
**PwC’s View**

Good intentions are being expressed but local governments are falling short on execution. Local government leaders know that financing is important as are new ways of delivering services but they do not appear to know how to achieve either. This is despite the financial challenges facing many in local government. Whilst there may well be limits in different countries on the extent of private sector finance that can be leveraged as well as limits on budget flexibility and virement, we believe Finance can do more.

In our view, the root cause can be traced back to the lack of finance capacity and capability in many local governments. Without a finance function with sufficient capability and business insight expertise, it is difficult for local governments to source the new forms of finance needed to help invest in new services and ways of doing things. This is not to see this as a reason for failure, rather a wake-up call to the need to upskill and resource effectively local government finance functions.

**Performance and risk: a strategic gap**

The ability to implement strategy is dependent on having in place adequate systems to measure and monitor performance – as the old saying goes, what gets measured gets done!

As such, it is again of concern that only one in ten (11%) survey respondents has in place a comprehensive performance management framework, which is fully aligned to the organisation’s strategic objectives and supported by transparent reporting of performance to the public (see Figure 13). Similarly, only one in six respondents (16%) has a comprehensive risk management framework in place and implemented throughout the organisation.
Making it happen: A roadmap for cities and local public services to achieve outcomes

**PwC’s View**

Whilst local governments may have a clear vision and supporting plans, if they lack adequate supporting systems to measure progress or manage risk then it is difficult to see how they can successfully implement their strategies and deliver outcomes.

Indeed, the importance of such systems becomes even more important with the increasing complexity of public service supply chains, with a variety of partners working to deliver common outcomes, and developments such as payment by results, which is clearly the desired direction of travel (see later). However, such approaches to value for money can only succeed if there is a sophisticated enough system to enable measurement of the desired results and outcomes, particularly where external partners play a key role in their delivery.

**Service delivery: the challenge of assessing outcomes**

In ‘Seizing the Day’ we found that local government leaders faced major challenges not just financially but in terms of building the brands of their localities, engaging and providing leadership for their communities and working collaboratively with an ever growing network of partners, across sectors and geographies, both nationally and internationally. We argued that, as seen in Figure 14, there is a new operating model emerging where the decision is taken to buy rather than provide in-house, and so the role of local government as a strategic commissioner becomes of paramount concern.

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**Figure 14: A new operating model**

[Diagram illustrating the new operating model with arrows and labels such as Leadership, Service delivery, Community and democratic engagement, Security, etc.]
In our research this time, we looked more closely at the service delivery cycle to understand the key challenges being faced by local governments in the shift to this new model (Figure 15). According to our survey respondents, outcome assessment (for 43% of our survey respondents) along with performance monitoring (41%) and needs assessment (40%) pose the greatest challenges. This picture is similar for Developed and Developing Countries.

We were particularly interested to identify who gets involved in the design of service delivery (Figure 16). Whilst unsurprisingly city officials are critical for four out of five (79%) of respondents, around half of our respondents also engage residents (48%) and businesses (49%) and (to a slightly lesser extent, 41%) NGOs in service design. For Developing Countries, there appears to be less involvement of external stakeholders in service design, particularly NGOs – 23% of respondents had involved NGOs in service design compared to 58% in Developed Countries.

Commissioning/buying external service provision was seen as important or very important for over half of our respondents when it comes to: transportation and infrastructure (85%), economic development and investment (73%), tourism and cultural promotion (73%), sanitation and waste management (72%), security and safety (65%), e-government services (61%), housing (60%) and social care (60%).
Turning to delivery (Figure 17), respondents in our survey appear to need to partner collaboratively with private (87%), public (82%) and voluntary (77%) sector providers to deliver their strategies effectively. By contrast, only one in five (18%) of our survey respondents strongly agrees that outsourcing is needed.

A similar picture emerged when we asked about service delivery where three quarters of survey respondents are currently using public-public and public-private partnerships, as well as public-voluntary partnerships (50%). In contrast only two in five (44%) of our respondents are currently outsourcing their shared services, although (26%) expect to do so in the near future.

When partnering with third parties, it is critical to put in place the most appropriate financing arrangements. Where our respondents were making use of partnerships, 39% viewed payment by results as extremely effective, whilst over half (59%) believed that fixed price payments are somewhat or extremely effective methods of financing, with 55% thinking likewise for project finance.

It is also worth noting, however, that high proportions of respondents in each case either did not know or did not believe the relevant method of financing was relevant. This may reflect our early findings of a lack of capacity to manage new forms of finance which may be limiting an informed view of the most appropriate forms of finance.
Auckland – Increasing Organisational Effectiveness with Shared Services

The global financial crisis has catalysed a renewed interest in public sector shared services opportunities. The combined effects of fiscal restraint and reduced revenues are impacting on Councils' abilities to maintain and invest in services and infrastructure.

Local government in New Zealand is generally regarded as collaborative and has traditionally shared a variety of activities ranging from policy and information, through to hard infrastructure such as water treatment plants and landfills. A 2009 Government report highlighted the top four areas that respondent Councils were targeting for more collaboration: Geospatial information; Procurement; Field services; and Water management. This study also found that the top two barriers to successfully implementing shared service to be:

- Council leadership not supporting or promoting collaboration.
- Councils operating in an insular way and taking a parochial approach.

Experience to date has also found that the more successful initiatives are driven regionally, where local Councils are more readily accessible to each other and are more likely to have common goals. The success of these ‘clusters’ have been found to contain five key elements:

- Broad based management support.
- Dedicated project management.
- Wider organisation commitment.
- Fully functional and committed project teams.
- Robust business cases.

These experiences reinforce the view that shared services will continue to grow across the New Zealand local government sector not only in size and scale, but also with increased sophistication.
PwC’s View

The skills and capability to procure are not the same as those to commission. The latter requires the ability not only to set up and monitor contracts but to:

• undertake a robust assessment of needs;
• shape and develop the market of providers to supply the services, particularly if this is under-developed in a locality; and
• manage relationships with suppliers to ensure quality is delivered and value for money achieved.

In addition, increasingly sophisticated systems are needed to assess outcomes and measure and manage performance. In this respect, the importance attributed to payment by results in our survey is in tension with the reported result that outcome assessment is one of the greatest challenges for our respondents.

Payment by results and outcomes is, in our view, the direction of travel where services are delivered by outside providers. But local governments will only really know if they have delivered value for money if they have the systems in place to measure outcomes and measure progress towards key milestones. This is one of the key challenges facing service delivery in local government in the next few years, especially as budgets continue to be tight.
Key success factors

Whilst all of the management capabilities are important in Figure 18, it is likely that some will be more important at any one time than others and that local governments will have different patterns of strengths and areas for development. In this final section, we take a look at the views of our survey respondents with respect to their key success factors.

Figure 18: Capabilities to execute strategy

External stakeholders

Clear, ambitious and widely shared vision

Internal stakeholders

Capabilities to make it happen

- Inspirational Leadership
- Resilient City Brand
- Social intelligence
- Innovation
- Financing and Financial Management capability
- Collaborative Partnering
- Prioritisation and implementation Planning
- Programme & Project Management
- Comprehensive Performance Measurement & Risk Management
- Simplified and streamlined organisation

Successful execution of strategy

Delivery of outcomes

How successful is strategy implementation?

Only one in four (22%) of our respondents strongly agree, and a further half of our respondents (51%) agree, that they have been successful in implementing their strategies (Figure 19). This is not as strongly positive a result as we would have perhaps expected. Indeed, over a fifth (22%) are either neutral or disagree. This picture is less positive for Developing Countries, where only 23% strongly agree, with a third (37%) agreeing: in contrast, 30% either disagree or are neutral whilst a further 10% don’t know.

**Figure 19: Strategy implementation**

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>0.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>3.2</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>19.0</td>
</tr>
<tr>
<td>Agree</td>
<td>50.8</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>22.2</td>
</tr>
<tr>
<td>Don’t know / Not applicable</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Base: 63 responses

Q: Overall, would you say that your organisation has been successful in implementing its strategy?
### What are the key enablers?

Leadership is far and away the most important factor enabling strategy implementation in our survey with over three quarters (78%) emphasising this (Figure 20). Project and Programme Management (PPM) and partnerships come distant secondary factors, although for Developed Countries partnerships are seen as important by close to half of respondents (49%).

### What are the major barriers?

There are some strong barriers facing the implementation of strategy. The key barrier is seen by respondents to be finance – two thirds (67%) view this as the most important obstacle (Figure 20). This comes as no surprise, in the light of our research for ‘Seizing the Day’ last year which found that a majority of local government leaders surveyed believed that the global financial crisis had a significant or very significant impact on their organisations.

In the light of this factor, it is also perhaps unsurprising that over two in five of our respondents (41%) see prioritisation as the next main obstacle. When budgets are tight or being cut, prioritisation becomes a key activity but is challenging given the competing demands on local government services from citizens who may also be going through tough times. For Developed Countries, organisation is also cited by over half (52%) of respondents as a major obstacle.
Does size matter?

It appears from our survey that the relatively smaller organisations (defined here as less than 3000 employees) are more cohesive: they seem more likely to involve all levels more in a highly collaborative process (37% compared to 15%) and have a less negative impact on strategy implementation arising from the number of decision-making levels (21% compared to 38%) and complexity in their organisations (20% compared to 53%).

The relatively smaller organisations also report that they:

- feel more successful in strategy implementation: nearly one third (30%) strongly agree compared to 15% for relatively larger organisations;
- are more positively impacted on the successful implementation and delivery of outcomes of their strategy by leadership (52% very positive impact compared to 29%) and effective coordination with external providers (43% report a very positive impact compared to 15%); other factors such as internal communication and alignment of the organisation with the strategy also receive relatively high scores;
- have stronger financial management, with less overspends (27% of smaller respondents have some or significant overspends compared with 47% for larger local government respondents);
- have invested in staff training and development as a major component to support strategy implementation: almost half (47%) compared to 18% of larger organisations; and
- rely more on effective management systems to deliver strategy when working with partners (60% compared to 35%).

But smaller organisations also appear to have a higher number of respondents with no framework to manage the risks associated with strategy implementation (33% compared to 12%) and see finance as by far the biggest obstacle to implementing their strategies (80% compared to 55%). In addition, more of the respondents from relatively smaller local governments believe that performance monitoring is the biggest challenge in the service delivery cycle (50%) whereas larger local government respondents believe it is outcome assessment (46%).

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8 The small sample size restricted our ability to test for statistical significance.
Leadership sets the tone for the organisation, creates the framework within which others things can flourish and enables more effective setting of priorities. As such, we agree that leadership is crucial to strategy implementation and making things happen, but leadership on its own is not enough – it is not a panacea.

Particularly at a time when most budgets are under pressure, financing also needs to be in place. This in turn requires the capacity in-house to manage and develop new forms of finance to enable the continuing delivery of services and outcomes to citizens. In addition, with the trend towards more partnering and payment by results and outcomes, the need for effective systems to measure, monitor and evaluate performance becomes essential.

There is also clearly a need for a comprehensive implementation plan with responsibilities, risk mitigation and measurement in place. Without this, supported by Project and Programme Management expertise, the risk of failure is increased significantly.

Without these other enablers in place to a sufficient degree, leadership will struggle to deliver on its promises.

Agenda for action

Based on the results of our survey, local governments face a challenging agenda to improve their ability to implement their strategies and deliver their city visions including:

- Investing in their capabilities around financing given that this is the biggest single perceived barrier to the implementation of strategies and delivery of outcomes.
- Re-designing their organisations to enable more effective collaboration with their primary stakeholders e.g. setting joint outcome targets, building new partnering competencies and professionalising performance monitoring and management.
- Assessing the impact of their size and scale and seeking out opportunities to standardise, simplify and streamline their operations.
- Developing clear, well documented implementation plans which make clear the roles, responsibilities and timetables for actions.
- Prioritising and managing programmes and projects more effectively by putting in place systems to measure outcomes (social as well as financial) and value for money.

Now is a time for local government leadership teams to take stock and to ensure that the enablers are in place to help, rather than hinder, the implementation of their strategies.
### Road to the future: Ten questions for a ‘100 day’ plan

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<th></th>
<th>Question</th>
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<tbody>
<tr>
<td>1</td>
<td>To what extent are the outcomes desired by residents and businesses being delivered?</td>
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<tr>
<td>2</td>
<td>Are the current levels of service performance adequate?</td>
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<td>3</td>
<td>What projects and programmes are under way?</td>
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<td>4</td>
<td>How well are they progressing?</td>
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<td>5</td>
<td>Can/should any be stopped/changed/renegotiated?</td>
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<td>6</td>
<td>What is the quality of the local government’s key assets – people and key infrastructure?</td>
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<td>7</td>
<td>Are the supporting systems producing the management and financial information needed to assess needs and outcomes and measure and track performance?</td>
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<tr>
<td>8</td>
<td>Are all key policies and procedures in place and working well?</td>
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<tr>
<td>9</td>
<td>What quick wins can be delivered?</td>
</tr>
<tr>
<td>10</td>
<td>Are the foundations in place to transform delivery?</td>
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</tbody>
</table>
Appendix: Approach

Method
The research was undertaken by PricewaterhouseCoopers LLP. It covered the UK, Europe, Middle East, Asia, Australasia, Africa, South and North America. An e-survey was sent to leaders in cities and local governments. The survey ran from March 2011 to the end of August 2011. The findings for this report are based on 64 completed surveys (drawn from the 108 respondents) listed in Figure A1. Quotas of five responses per country were set to avoid any one country biasing the results. The high number of respondents from cities and local governments in South Africa, The Netherlands and the Middle East will enable us to produce separate reports for these countries/regions.

Analysis
As well as reporting on the full results for the cities survey, we also tested the results further for differences by:

- Developed Countries (34 responses) and Developing Countries (30 responses).
- Size of organisation (by employee numbers).

In the report, we highlight by exception the differences that appear in the results according to these additional cuts of the analysis.
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**Sample characteristics**

The following charts set out the structure of our sample by size (measured by both value and employees) as well as the range of services provided.

---

**Figure A2: Size by employees**

<table>
<thead>
<tr>
<th>Employees Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 500</td>
<td>21.9%</td>
</tr>
<tr>
<td>500 – 1500</td>
<td>15.6%</td>
</tr>
<tr>
<td>1500 – 3000</td>
<td>9.4%</td>
</tr>
<tr>
<td>Above 3000</td>
<td>53.1%</td>
</tr>
</tbody>
</table>

*Base: 64 responses*

---

**Figure A3: Size by budget (Annual budget for 2011 or 2011/12)**

<table>
<thead>
<tr>
<th>Budget Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than USD 500 million</td>
<td>42.2%</td>
</tr>
<tr>
<td>USD 500 million – USD 1.5 billion</td>
<td>21.9%</td>
</tr>
<tr>
<td>USD 1.5 billion – USD 3 billion</td>
<td>14.1%</td>
</tr>
<tr>
<td>Above USD 3 billion</td>
<td>42.2%</td>
</tr>
</tbody>
</table>

*Base: 64 responses*

---

**Figure A4: Services provided by the organisation (Respondents were allowed to choose multiple responses)**

<table>
<thead>
<tr>
<th>Service Provided</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation &amp; Infrastructure</td>
<td>71.9%</td>
</tr>
<tr>
<td>Water / Electricity</td>
<td>42.2%</td>
</tr>
<tr>
<td>Housing</td>
<td>48.4%</td>
</tr>
<tr>
<td>Managing public space</td>
<td>71.9%</td>
</tr>
<tr>
<td>Education</td>
<td>42.2%</td>
</tr>
<tr>
<td>Health / Emergency Services</td>
<td>50.0%</td>
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<tr>
<td>Social care</td>
<td>54.7%</td>
</tr>
<tr>
<td>Security / Safety</td>
<td>43.8%</td>
</tr>
<tr>
<td>Sanitation / Waste Management</td>
<td>70.3%</td>
</tr>
<tr>
<td>Environmental Planning &amp; Monitoring</td>
<td>70.3%</td>
</tr>
<tr>
<td>Community &amp; Recreational Facilities / Services</td>
<td>71.9%</td>
</tr>
<tr>
<td>Economic Development / Investment Promotion</td>
<td>75.0%</td>
</tr>
<tr>
<td>Tourism / Cultural Promotion</td>
<td>65.6%</td>
</tr>
<tr>
<td>e-government services</td>
<td>64.1%</td>
</tr>
<tr>
<td>Other</td>
<td>21.9%</td>
</tr>
</tbody>
</table>

*Base: 64 responses*
Acknowledgements

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