Regionalism and Inter-Local Cooperation in Canada
SPPI Conference – Growing Strong 2014

Zachary Spicer, PhD
Strategies for Linking Regions

- Policy-makers have a number of options at their disposal
  - Single-Tier
  - Two-Tier
  - Special Purpose Districts
  - Inter-Municipal Cooperation
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Strategies for Linking Regions

• How do we best govern ourselves?
• How do we put the best institutions in place to address growth and development?
• Which institutions best promote sustainability?
• How can municipalities cooperate?
Outline

• Overview of Cooperation
• Why Cooperate?
• Why Not Cooperate?
• State of Inter-Local Cooperation in Canada
• Impact on Planning
• Urban and Rural Cooperation
• Cooperation with First Nations
• What leads to good relationships?
The Tools of Inter-Local Cooperation

Easiest
- Informal Cooperation
- Inter-Local Service Agreements
- Joint Powers Agreements
- Contracting

Middling
- Extraterritorial Powers
- Planning and Development Districts
- Local Special Districts

Hardest
- Annexation
- Consolidation and Restructuring
Motivations and Incentives

- Fiscal Incentives
- Control Externalities
- Fill Service Gaps
- Mandated Integration
## Conditions for Effective Inter-Local Cooperation

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Willingness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resources, Institutions, Leadership</strong></td>
<td><strong>Needs, Desires, Benefits, Incentives</strong></td>
</tr>
<tr>
<td>How constrained are leaders?</td>
<td>Is there a need to cooperate?</td>
</tr>
<tr>
<td>How constrained are institutions?</td>
<td>Are there political benefits?</td>
</tr>
<tr>
<td>How significant is the commitment?</td>
<td>Are there fiscal benefits?</td>
</tr>
<tr>
<td>What is the term of the commitment?</td>
<td>Is there a history of cooperation?</td>
</tr>
<tr>
<td>Multi-level involvement?</td>
<td>Is there consistent communication?</td>
</tr>
<tr>
<td>Multi-level influence?</td>
<td>Are the transaction costs low/high?</td>
</tr>
<tr>
<td>Can Partners fulfill terms?</td>
<td>Is there community support?</td>
</tr>
</tbody>
</table>

- How constrained are leaders?
- How constrained are institutions?
- How significant is the commitment?
- What is the term of the commitment?
- Multi-level involvement?
- Multi-level influence?
- Can Partners fulfill terms?
## Transaction Costs

<table>
<thead>
<tr>
<th>Transaction Cost</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information and Coordination Costs</td>
<td>Information on the preferences of all participants over possible outcomes and their resources must be common knowledge</td>
</tr>
<tr>
<td>Negotiation/Division Costs</td>
<td>The parties must be able to agree on a division of their mutual gains</td>
</tr>
<tr>
<td>Enforcement/Monitoring Costs</td>
<td>There can be at most low costs associated with monitoring and enforcing the agreement</td>
</tr>
<tr>
<td>Agency Costs</td>
<td>The bargaining agents must well represent the interests of their constituents</td>
</tr>
</tbody>
</table>
# Types of Agreements

<table>
<thead>
<tr>
<th>Adaptive Agreements</th>
<th>Restrictive Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memoranda of Understanding</td>
<td>Contracts</td>
</tr>
<tr>
<td>Mutual Aid Agreements</td>
<td>Special Authority Agreements</td>
</tr>
<tr>
<td>Informal Agreements</td>
<td></td>
</tr>
</tbody>
</table>

- **Lower/Easier**: Memoranda of Understanding, Mutual Aid Agreements, Informal Agreements
- **Higher/Harder**: Contracts, Special Authority Agreements
State of Inter-Local Agreement Use
State of Inter-Local Agreement Use
State of Inter-Local Agreement Use

- Toronto
  - 27 governing units
  - 5,583,064 population
- 130 Agreements
- Most common areas:
  - Emergency Services, Transportation, Water/Sewage
State of Inter-Local Agreement Use

![Agreements by Policy Area Graph]

- Water/Sewage
- Waste
- Transportation
- Social Services
- Recreation
- Planning
- Emergency Services
- Economic Development
- Boundary Changes
- Animal Control
- Administrative

The graph shows the number of agreements by policy area, with Emergency Services having the highest number, followed by Administrative and Water/Sewage.
Why So Little Cooperation in GTA?

- Toronto has undergone 21 annexation
- Introduction of Metropolitan Toronto
- Introduction of Regional Government in broader GTA
Why So Little Cooperation in GTA?

• Part of the reason we see so few agreements is provincial control and approval of boundary expansion

“[inter-local agreements] can be time-consuming to negotiate, can foster inter-governmental dispute, and can create confusion about accountability...further, these agreements create uncertainty about lines of policy-making responsibility” – Government of Ontario (Patterns For the Future)
Cooperation and Planning Politics
Cooperation and Planning Politics
Urban-Rural Divisions
# Urban-Rural Divisions

<table>
<thead>
<tr>
<th>Region</th>
<th>County Request</th>
<th>City Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wellington/Guelph</td>
<td>Actual Cost</td>
<td>Weighted Assessment</td>
</tr>
<tr>
<td>Frontenac/Kingston</td>
<td>Case Load/Population</td>
<td>Weighted Assessment</td>
</tr>
<tr>
<td>Renfrew/Pembroke</td>
<td>Case Load</td>
<td>Weighted Assessment</td>
</tr>
<tr>
<td>Essex/Windsor</td>
<td>Actual Cost</td>
<td>Weighted Assessment</td>
</tr>
</tbody>
</table>
Planning Collectives
Planning Collectives

• St. Thomas has always had some say on planning outside its borders
• 1966 → Elgin County Planning Area
• 1969 → Central Elgin Planning Board
  – St. Thomas, Yarmouth, Port Stanley, Belmont, Southwold
• 1983 Planning Act dissolved these arrangements
Planning Collectives

- 1983 → Central Elgin Planning Advisory Committee
- Planning staff became employees of St. Thomas
- Amalgamation left 3 members
- 2006 → Southwold withdrew
Cooperation with First Nations
Cooperation with First Nations
Cooperation with First Nations

• Self-Governance Agreement
  – Capacity Issues
• No Self-Governance Agreement
  – New multi-level relationships
• History, Capacity, Legal Status
What Leads to Positive Relationships?

• Good communication
• Smaller, more homogenous groups
• Strong political and policy leadership
• Transparency
• Speak the same financial language
• Common planning vision
Good Communication

• Constant Communication +
• Poor Communication –
• People like to work with those they trust
Smaller Groups

- Smaller groups easier to work with
- Easier to make changes to arrangement
- Easier to understand preferences of partners
- Homogenous groups cooperate more
Political and Policy Leadership

- Cooperation needs a local “champion”
- Political or Staff
Transparency

• Many agreements are not public
• The policy preferences of each partner must be well known
• Have to understand current arrangements before moving forward
Speak the Same Fiscal Language

• Must have similar costing
• Must have same financial goals
• Commonality in fiscal health
Shared Vision

• Must share a regional vision
• Similar goals and aims
• Especially in rural and urban areas