



AJUNTAMENT DE VALENCIA



CENTRO DE ESTRATEGIAS
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STRATEGIC CITY PLAN

LOCAL ANALYSIS METHODOLOGY

Stream Cities Project Work Package 2

INTRODUCTION

The following document and its three annexes are within the framework of the Work Package 2 (WP2) of the Stream Cities project. They have been developed as a methodology in order to help the MEDA partners in their previous local analysis necessary to create a sustainable strategic plan for their cities that is the main aim of the project. According to the Stream Cities project this Working Package will provide support and assistance to MEDA project partners in the analysis of local needs, potentialities and bottlenecks for a future urban strategic plan.

Valencia, as the WP2 responsible partner, provides support to the MEDA partners through this practical methodology already finished for the identification of the needs and potentialities for the local analysis and for the definition and formulation of local development strategies. The next step consists in putting in practice this methodology by the MEDA partner in their cities under the supervision of the rest of the partners.

The main document also includes not only the local analysis methodology but also the following phases or steps of a strategic city plan development.

The methodology is described in the text of main document and three annexes:

- Annex I: Questionnaire,
- Annex II: Delphi analysis
- Annex III: SWOT analysis

These three annexes will help to identify and analyse the factors that determine the current situation of the city (internal analysis) and the elements or tendencies of the environment (external analysis) which are able to affect its evolution

As the result of the performance of these documents, MEDA partners will draw the final outputs that are a report identifying the main challenges to be addressed for a sustainable urban development and a launch meeting organized by MEDA partners to present to the local partnership the Report describing the main urban challenges selected.

The methodology that we provide in these documents (main document and 3 annexes) has to be considered as a suggestion in the sense that the MEDA partners can adapt them to their peculiarities, areas of their cities or economic sectors.

STRATEGIC CITY PLAN¹

The development of a Strategic Plan involves covering three objectives ²:

- Providing an urban strategy shared among the main actors.
- Promoting or strengthening private and public cooperation in urban strategic development.
- Developing city's strategy through citizen participation

Strategic plans use to create Associations or Foundations, which are the agencies responsible for developing the plan, prompting and following the urban strategy. These organisations, usually formed by representatives of the main institutions and by private actors, are a good platform from which to prompt the strategic management and the government of the city.

There are three clear reasons why this type of organisation is a good platform for strategic management:

- A city strategy needs a clear related base.
- The presence of the city's main actors and the usefulness of the cooperative works that are developed provide legitimacy or authority to the city council's leadership of the urban strategy.
- Without an organisation independent of the City Council one needs the strong support of the municipal government to initiate a new management of the city, since the force of inertia, the power of interests and bureaucratic-administrative processes can easily overwhelm any emerging process of change that is originated internally unless it has the total and continuous support and conviction of the main council actors.

For this organisation to initiate the process of strategic management with success, it also needs to fulfil these four requirements:

- The City Council must lead the organisation and the council managers must be clearly identified with the organisation's decisions. This is the only way to assure that the City Council supports and forms part of the urban strategy.
- The main urban actors must participate, that is, those who have the capacity to transform the city through their investment power, citizen mobilization and intellectual or moral authority.
- The organisation must carefully define those who take strategic and project development decisions, (which should coincide with the main public and private urban actors of the citizen participation), whose principal role in the organisation is know and report on the demands and expectations of citizen groups, which are the basic reference points of the decision making process.
- To organise the process of innovation and permanent reprogramming of the city strategy, especially regarding key or structural urban projects.

In the case of the Stream Cities project, we have considered the whole methodology in a flexible way. It is a suggestion for MEDA partners because they can use different ways for the development of the strategic analysis according to their peculiarities.

¹ REPORT DEVELOPED BY THE CEyD TECHNICAL TEAM directed by Jose M^a Pascual.

José M^a Pascual. "El Plan Estratégico como inicio de la nueva gestión urbana" (2002): La gestión estratégica de las ciudades. Un instrumento para gobernar las ciudades en la era info-global. Ed. Junta de Andalucía.

² See Pascual, J.M. La estrategia de las ciudades. (Ob.cit.)

For example, they can use the staff (officers, experts, etc) of the City Councils. So for this project it is not compulsory to create an Agency "ad hoc".

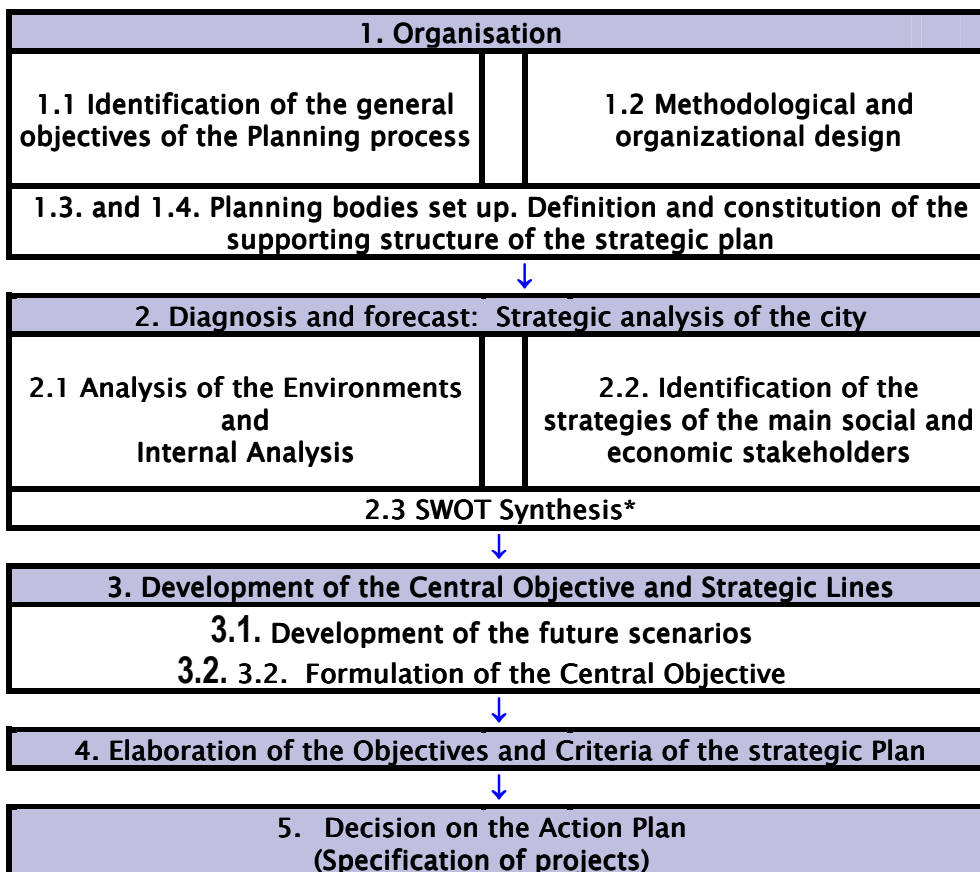
In the following pages the process of developing a Strategic Plan is presented as well as the main criteria in each phase.

DEVELOPMENT PROCESS OF A STRATEGIC PLAN³

The process of strategic planning has generally five phases:

- ☑ Organisation.
- ☑ Diagnosis and Forecast
- ☑ Development of the Central Objective and Strategic Lines.
- ☑ Development of the Objectives and the Action Criteria.
- ☑ Concretion of the Action Plan.

The process general outline is the following:



* SWOT: Strengths, weaknesses, opportunities and threats

³ For an in-depth information about the process methodology for strategic planning, see Pascual Esteve, J.M. La estrategia de las ciudades. Los planes estratégicos como instrumento: métodos, técnicas y buenas prácticas. Barcelona, Diputación de Barcelona, 2000.

FIRST PHASE: ORGANISATION

During this first phase it will be necessary to set the general objectives of the planning process, identifying the main challenges that the city has to face and the critical elements to which the planning process should answer.

This analysis will allow to set up the necessary coordinate data where it will be necessary to locate the planning process and especially the fields in which it would be necessary to go deeper into the strategic analysis.

This first analysis permits to specify the characteristics and general approaches of the process and the mechanisms and structures of participation of the process; the design and organization.

From the reflections of the technical heads and politicians of the plan, it will be design the organizative proposal that has to articulate the participation of the social and economic stakeholders in the plan development..

It is advisable to subdivide this phase in the following phases:

a) Identification of the general objectives of the planning process.

From qualitative interviews with the main promoters of this project it will be fixed the key topics that guide the planning process and specifically the diagnosis.

This information establishes an initial description of the cultural, economic, social, etc situation of the city and overall, the detection of the critical subjects, to which the planning process will answer and therefore those will be essential in the strategic or diagnostic analysis.

b) Organizational design of the planning process

In this phase, from the plan politicians and technical heads reflections it will be developed the design and the organizational proposal that has to organise the participation of the social and economic stakeholders in the development of the Plan.

In general, when designing the participation process in the development of the Plan it is necessary to keep in mind two basic principles:

- The principal actors with action and decision power in the territory must be fully included in the planning process. In the strategic analysis, in the approval future model and in the strategies definition.
- The planning process should incorporate the views, perspectives and interests of all the key actors or critics for the internal and external development of the city and it has to be oriented toward making a consensus.

These principles are specified in the methodological and organizational design which includes:

1. The organizational structure of the Plan: the creation of formal frameworks of analysis, reflection and decision, and the identification of the economic and social stakeholders that has to form part of it.
2. The specification of the techniques of qualitative analysis (interviews, specific groups – businessmen...)
3. The creation of a Communication Plan.

c) Constitution of the participating bodies in the process of the plan development.

This phase advances in the preparation of the planning bodies constitution, specifically:

- Defining the promoting role and the relations that will have to be established for the constitution of the participating bodies of the Plan.
- Selection of the organisations, institutions and levels of responsibility of the people that will form part of it.
- Set up and management process of the participating bodies of the Plan.

This phase also should identify the criteria, the methodology and the work guidelines that will guarantee the proper working system of the different participating bodies of the Plan.

A consensus will be reached with the people in charge of the Plan regarding the composition, functions and organization of the structures that will articulate the participation in the development process of the Plan and will advice and facilitate the technical aid in the constitution process.

SECOND PHASE: THE DIAGNOSIS

A basic premise of any planning process is the necessity to identify and to analyse the factors that determine the current situation of the city (internal analysis) and the elements or tendencies of the environment (external analysis) which are able to affect its evolution.

The development of this analysis will be carried out by the combination of two perspectives: the objective analysis of reality (from quantitative information – secondary sources) and the qualitative analysis of this reality, (from in depth interviews), to decide the vision that the actors with capacity of action and influence have regarding the city and its future.

The conclusions will be systematized in a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) according to the strategic planning methodology. Although the rigour in the analysis is the main factor in this phase, it is necessary to point out that the creation of the compromise on the Plan is just initiated with the consensus on the strategic analysis.

In this sense, the incorporation of the vision of the stakeholders themselves in the analysis, through the performance of in depth interviews and the presentation and approval of the diagnosis in the different bodies of the Plan, constitute the basic elements of this phase.

Likewise, it is fundamental to spread and make known in the city the key elements of the strategic study, as the key element in order to create a common culture on the challenges to face.

a) Analysis of the environments and internal analysis: Factors that determine the quality of life of the municipality: Economic competitiveness, social cohesion, territorial and urban vertebration. (ANNEX I)

It is advisable to devise a study of the **main factors that determine the social and economic development of the city** locating it in its regional environment, and comparing it with other municipalities of similar characteristics.

The main elements to emphasized that are common to any city from a double perspective of diagnosis and forecast are:

Society, work and training:

- Population and its evolution.
- Training and educational system.
- Human Resources: Evaluation and adaptation to market needs.

Infrastructures:

- Mobility and accessibility.
- Telecommunications.
- Territorial and town-planning Approach: urban policy.
- Policies
- Town-planning strategy.
- Industrial Land.
- Housing.

Economic infrastructures:

- Education and citizen awareness
- General policies.
- Land: green zones and beaches.
- Hydrologic system.
- Sea water quality.
- Air and acoustic quality
- Urban and industrial waste.

Economic structure:

- Agriculture and fishing.
- Industry.
- Analysis.
- Investment.
- Technological innovation.
- Fairground
- Main industrial sectors.
- Foreseeable evolution of sectors.

Services:

- Foreign trade.
- Domestic trade.
- Tourism.
- Services to businesses.

Creation:

- Social cohesion.
- Situation of the city. Social Dynamic.

Equipments:

- Social services.
- Health.
- Culture.
- Sports.

Environmental sustainability:

- Density of population, open spaces and green areas.
- Diversity of uses in the urban space and land use.
- Consumption of resources
- Air and noise pollution.
- Integral water cycle
- Cycle of solid residues.
- Sustainable architecture
- Mobility system and sustainable transport.

This list is not a compulsory or close enumeration, each MEDA partner can choose or add the factors they consider more useful for their peculiarities.

b) Identification of the strategies of the social and economic actors of the city (qualitative analysis). (ANNEX II)

It is advisable that the previous analysis might be complemented with the analysis of the vision and main strategies of the social, economic and institutional actors of the city and its environment.

It is recommended that this analysis is carried out through in depth interviews with the most representative people of the economic, social and institutional sectors, on the basis of the Delphi⁴ method, which permits to study in depth the reality, the extension of key elements of consensus and the reduction of disagreements.

The people to be interviewed are selected through a process of deliberation of the people in charge of the project. As general recommendation, they can be: the municipal government team, the most representative people of the economic and social sectors and, in general, those people that have a high leadership position, that have the power to take decisions regarding economic resources or that have an extensive knowledge of the reality of the city.

From these interviews a report is made that synthesizes the main stakeholders' opinion regarding the city and its future, and which has great importance for the following reasons:

- Identifies how the social stakeholders interpret the reality, and reveals their strategies for the future.
- Allows making not only projections, but also forecasts.
- Identifies the most outstanding aspects on there is consensus. This method helps in constructing the consensus.
- Enables the design of coordinated action policies among the different stakeholders to produce and to take advantage of the synergy effects.

The questions included in the Delphi analysis are not a compulsory or close enumeration, each MEDA partner can choose or add the questions they consider more useful for their peculiarities.

Moreover the format to carry out the Delphi analysis can change. It can be develop through different methods: single interviews, workshops that gather together the different stakeholders of the city, etc.

c) SWOT Analysis (Strengths, weaknesses, opportunities and threats.) Primary strategies to consider. (ANNEX III)

The previous analysis allows the development of the conclusions of the diagnosis-forecast. The conclusions will be presented in a SWOT ANALYSIS, in which will be included:

- Tendencies and determining factors of the environment.

⁴ The Delphi method is usually used as a system to obtain information about the future. It consists in the organisation of a group communication process that is very useful in order to permit that a group of people as a whole deals with a complex problem. It works through the interrogation to some experts with the help of successive anonymous questionnaires. The objective is to arrive to a consensus. The different phases of the Delphi method are the following: Formulation of the problem, selection of experts, development and launch of the questionnaires, practical development and results exploitation

- Strengths and weaknesses.
- Opportunities and threats
- The main strategies for the future, in the different areas (economic, social, cultural, etc.).

Institutional and participation system

It is recommended that the diagnosis be synthesized in a document, in which the conclusions of the strategic analysis of the city are collected.

This document can be the deliberation base of the bodies of the Plan.

The document of synthesis is a good tool for developing citizen participation, through the creation of diagnosis round tables in which the document is debated and after the necessary modifications it allows a wide consensus on it.

The organization and composition of the round tables is decided in the previous phase and is reprogrammed depending on the know-how acquired in the previous phases.

Communication system

In this phase the actions of the Communication Plan are addressed to spread those key topics that are the axis of the strategic analysis. The purpose is to create a culture for the city, its future and the key aspects for its development.

The three instruments that we propose (questionnaire)

THIRD PHASE: FUTURE SCENARIOS, DEFINITION OF THE CENTRAL OBJECTIVE OF THE PLAN AND STRATEGIC LINES

The strategic analysis carried out permits the initiation of a reflection process to decide the model of a desirable and possible municipality as well as the strategic lines to achieve it.

From the consensus on the desirable and possible future model – that synthesizes the central objective of the Plan– the process of defining the strategic plan is initiated in strict sense: The specification of the action axes that are considered necessary to obtain this model – the strategic lines – and the proposal and prioritisation of the objectives of the Plan, from a process of orderly participation.

a) Development of the future scenarios

The scenarios are built choosing the fundamental variables that have impact on the territory and they are combined among themselves generating different future scenarios.

The result is a very wide and formal group of scenarios, that is useful for the strategic plan. For a plan it is necessary to define which is the principal factor or variable that decide the future of a city or municipality and it is necessary to choose depending on of general objectives and the diagnosis, and obviously it is necessary that it is adjusted to the expectations of the stakeholders brought together around the steering nucleus and the sectorial commissions.

This selected factor or variable will have different realities depending on the tendencies that will be really carried out and the strategies adopted by the urban stakeholders.

From the principal variable that agree on the city level, 10–15 important variables are identified that complement the model and that can even create sub-models or sub scenarios.

The scenarios must be completed describing a variable or key factor:

- The tendencies of the environment that favour each scenario. It is evident that there are tendencies and co-tendencies, some will favour events in one scenario and others in another.
- Concerning the external tendencies, some of them are considered more likely than the others in a concrete time and period[. But the same tendencies cause different scenarios.

The external elements are linked to the internal dynamic, so the degree of confirmation of every element also depends of the internal urban strategies. It is necessary to take into account that the conditioning factor that can be made from the inside regarding the outside environment depends on the economic and social importance of the city and its role in the world and European system of cities. .]

- Another different section is the description of the future situation of every variable because they will create the possible future scenarios These descriptions are basic in order to choose the desirable future project. The external tendencies define the probable situation and the description of the possible realities of the city allows the selection of the future situation.
- Finally the scenario has to conclude with the description of the strategies of the social and economic stakeholders, and the institutions have to develop and to be coherent so that all the specifications of each of the key factors in each scenario can be carried out. That is, it is necessary to identify the coherent internal strategies with the different scenarios..

This subject clarify the situation because it is usual that depending on the description of the future project, the urban actors choose a scenario, but its strategies belongs to another. From the debate carried out in the steering group and the sectorial commissions, an adaptation of the strategies with options for the future is created..

It is necessary to keep in mind that to choose one scenario or another means a commitment of adapting the strategies in order to favour the future project.

The debates of the scenarios must be preceded by a tradition of consensus inside the bodies of the Plan in order to facilitate the debate and to make a qualitative leap in the cooperation degree of the different actors of the steering group that participate in the sectorial commissions.

b) Formulation of the Central Objective and the Strategic Lines.

The definition of the objective of the plan is a thrilling synthesis of the chosen scenario or a coherent combination of the different scenarios, but always from the preponderance of one of them. It is necessary to keep in mind that the scenario is a theoretical composition of ideal type, that is, describes in "pure" way the tendencies, the degree of achievement in the temporary horizon of the plan, and the internal strategies of the social, economic stakeholders and the institutions.

It is necessary, as we have indicated, that the central objective of the plan is written in a stimulating way because this will help to mobilize the city to win

the future. Therefore, the central objective will be a formulation, scientifically based on the technique of the scenarios and on the commitment of the social economic stakeholders, under a "marketing" objective. The central objective must be basically communicable.

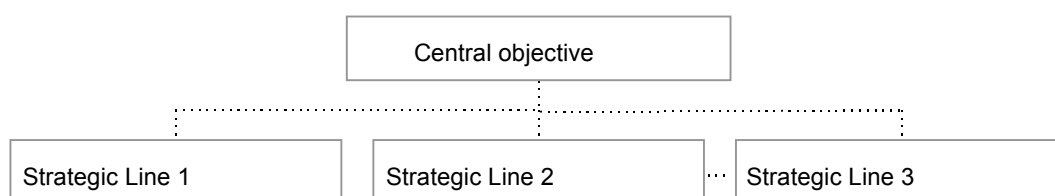
A central objective without debate of scenarios has a great danger of becoming a generic objective, composed of pretty words but without a strategic meaning. The central objective is confused with the general objectives necessary formulated during the first phase of the plan..

An objective of this type leaves the diagnosis analysis meaningless (in the case that it has been directed correctly) and from it, it will be difficult to specify specific strategic and objective lines. Disillusionment is a constant threat for a central object that does not clarify a clear project of the city.

Strategic lines

The strategic lines are the main topics to obtain the achievement of the central objective.

The operation outline is the following one:



The development of strategic lines lies on taking advantage of the most important external opportunities and, at the same time, reducing the most serious threats taking into account the own strong and weak points.

The strategic lines cannot be numerous but it is necessary that they are fundamental. For this reason we find the difficulty of choosing among different ways. In choosing a strategic line it is important to keep in mind some selection criteria. The selection criteria can vary among the different plans, but this allow us to suggest the following, which are general in every planning process.

- Impact of the city project defined in the central objective.
- To take advantage of environment tendencies.
- Acceptance by the economic, social and institutional actors.
- Synergy of the lines with other key factors of social and economic development.

FOURTH PHASE: DEVELOPMENT OF THE OBJECTIVES.

Once the central objective and the strategic lines, are defined, it is necessary to develop the objective of each line.

In formulating the objectives of the plans the following characteristics should be obtained:

- a) **The objectives must be those necessary and sufficient to guarantee the performance of the plan.** This interrogation must always be proposed, since not

completing a necessary objective will bring us to the development of an incomplete strategy. Incomplete strategies will impede the execution of the strategic plan and they are the starting point of future weaknesses since they do not guarantee the continuity of the strengths obtained before.

On the other hand, a line that contains more objectives than necessary implies that organisational, economic, and human efforts will be wasted, as these are directed to objectives of little importance, and would complicate the implementation of the plan.

To assure that sufficient and necessary objectives are covered it is advisable to specify the factors of success of each one of the chosen lines. Secondly, to define the elements in which the cities and their actors can intervene to dominate the factor of success and, subsequently, systematize the city's strong and weak points with regarding to all the key factors. Finally, to define the objectives in order to develop the strong points and to reduce the weak points

For a good operational capacity, it is also advisable to design a chart with the four indicated sections.

b) A complete strategic line will include three types of objectives: Competitive objectives, Supporting objectives, and Structural objectives.

Competitive objectives.

Competitive objective are those that allow a city to enjoy a GDP growth or a redistribution of income, or an environment quality superior to that maintained during the last years, or to the cities of its economic and geographical environment.

Competitive objectives are also those which permit substantial improvement of the attractiveness and projection of the city and, especially, the quality of life.

Supporting objectives

Supporting objective are those which ensure the good, regular city operation regarding environmental, cultural, social, and economic aspects, and which constitute the base from which the city can launch itself to the competitive objectives.

Supporting objectives are those that are directed toward obtaining or maintaining new strong points and reducing or eliminating weak points.

Structural objectives

In a city, these objectives are those which refer to the competencies, organisation and coordination between the economic, social and institutional stakeholders. Especially, it is the structure that will enable the organisation of the strategic and supporting objectives.

Of the three types of objectives, the most difficult one to identify is the last one

c) The objectives also have to answer to another classification: Objectives of rupture and of continuity.

The objectives of rupture

The objectives of rupture are those that mean a change in the actions of the city actors, and that want to modify future tendencies that plan the city development from the past into the present.

The development process in a strategic plan break with the “tough” action policies addressed to solve the immediate problems because of the coherent vision that gives to the different foreseen scenarios for the city, This means that a lot of rupture and innovative objectives with regard to previous policies will turn up in a strategic plan.

Objectives of continuity

Contrary to the objectives of rupture, those of continuity are written in the logic of action currently developed by the urban social agents.

It is a misunderstanding vision to consider that a strategic plan will only contribute or worry about the implementation of the rupture objectives. The knowledge of the city by the economic, social and institutional actors that take part in the city causes that the majority of their projects are key factors in order to direct the city towards a future desirable situation. So, a plan will be composed by a well-balanced and coherent combination of rupture and continuity objectives.

As a coherent combination, the plan will take care of the implementation of all the objectives. Even so, and due to the fact that the objectives of rupture are not inserted in the logic of action, it will be necessary that the organization take special care so that the innovation can be assumed by the urban stakeholders.

d) Viability of objectives

The line objectives have one final consideration: their own viability. In an action plan its objectives can be carried through practice in a specific period of time. For this reason and after the analysis of the needs mentioned above, it is necessary to introduce a new criteria of viability and to seek again the balance and coherence of the line objectives with regard to the central objective of the plan and the strategic line..

Before starting a process of development of the line objectives based on the participation of the social and economic city stakeholders, it is important that the technical expert team develop for each strategic line as a minimum, a listing of the enough and necessary objectives in order to ensure the technical quality of the process. The recommendation to do it before the beginning of the process is based on the fact that the organization of the participation process is quite complex and laborious. For this reason it is more difficult to organize in a parallel way a technical development of the objectives.

The objectives of the strategic lines must cover a double perspective:

Pre-active (acting today to be prepared for predicted changes) and
Pro-active (acting to cause the change in the desired direction).

The main source for the development of the objectives of the Plan are without a doubt the demands and interests of the different factors of the citizenship. Because of this, in this phase it is essential that a process of citizen participation is promoted. Therefore it is essential to channel the most important and significant organisations, associations, institutions and experts through commissions or round tables that with an easy and intelligible methodology can make possible the identification of the main expectations of the economic, social, cultural, educational and neighbourhood sectors of the city.

FIFTH PHASE: CREATION OF THE ACTION PLAN.

Defining the strategic plan as an action plan requires specifying projects, costs and responsibilities.

The definition of the strategic plan as a plan of action also requires to specify a plan of intervention, establishing priorities and specifying projects, prices and responsibilities.

The conception of the Plan itself as a plan of cooperation set the fundamental characteristics of its performance process. The organisation of the plan does not replace the executive responsibilities of the institutions and companies that will assume the implementation of the projects, but rather it incentives and puts pressure with the legitimacy that the participation process and obtained commitment grants them.

The organization of the Plan has to be constituted as a viable framework of coordination and joint work that guides, facilitates and promotes the assumption of commitments by the actors with decision-making and action capacity..

The specification of the joint action Plan implies:

a) Selection of the projects that will constitute the Action Plan: Decision of the criteria and the prioritisation process.

From the group of received proposals in the working commissions, it is necessary to make the final selection of the objectives through a questionnaire of evaluation and prioritisation, based on different criteria (Evaluation, impact, importance.....).

The final result of this phase must be summarized in the Objectives of the Strategic Plan document.

b) Study of the priority projects.

Each one of the identified objectives must be specified, in terms of project, containing at least the following elements:

- Description and justification: What it is proposed, why it is proposed depending on the analysis of the current situation and the predictable evolution.
- Current situation.
- Competent institutions / Involved actors in the development of the project
- Activities that need to be carried out in order to support its performance.
- Estimated budget / Foreseen financing (Cost of the project and identification of possible sources of financing.)