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**Making our  
communities better**

**Greater Wellington Regional Council**

**Independent assessment report | March 2018\***

An independent assessment report issued by the Independent Assessment Board for the CouncilMARK<sup>™</sup> local government excellence programme. For more information visit [www.councilmark.co.nz](http://www.councilmark.co.nz)



A measure  
for better  
community value.

\* Period of assessment: November 2017



# Assessment Summary

## AT A GLANCE

greater WELLINGTON  
REGIONAL COUNCIL  
Te Pane Matua Taiao



The region occupies the southern tip of the North Island, bounded to the west by the Tasman Sea, and to the east by the Pacific Ocean. The region extends north to Otaki and Mt Bruce, and to Castlepoint in the east.

LARGE METRO

SMALL METRO AND LARGE PROVINCIAL

SMALL PROVINCIAL AND RURAL

REGIONAL



## The current situation

Greater Wellington Regional Council (GWRC) is the regional council for a region that includes eight territorial authorities and spans a diverse range of urban and rural communities, each with discrete needs.

The sometimes-divisive debate in 2015 on amalgamation for the region was advocated for strongly by the previous chair of the Regional Council. The decision not to amalgamate left something of a vacuum regarding the role of regional politics, and a lot of work has gone into clarifying roles and re-establishing relationships amongst the local authorities.

### Period of assessment

The assessment took place on 13 and 14 November 2017.



**\$67,888**

GROSS DOMESTIC  
PRODUCT PER CAPITA<sup>1</sup>

SERVES

**471,315**

PEOPLE<sup>2</sup>, A MIX OF  
77% EUROPEAN/PAKEHA  
13% MĀORI  
8% PASIFIKA  
10.5% ASIAN



POPULATION TREND  
GROWTH

MAKES UP

**3%**

OF NEW ZEALAND'S TOTAL LAND  
AREA<sup>3</sup>,  
REPRESENTING THE WELLINGTON  
REGION FROM WELLINGTON CITY IN  
THE SOUTH TO OTAKI ON THE WEST  
COAST AND CASTLEPOINT IN THE EAST:  
AN AREA OF

**8,049 m<sup>2</sup>**

RESPONSIBLE FOR

**320km**

RIVERS<sup>4</sup> AND

**280km**

STOPBANKS



## Key learnings

The council has shifted their strategic focus admirably after the non-amalgamation of the region, with a clearly articulated plan for the region and taking a regional leadership role which complements, rather than competes with, other local authorities. There are some additional steps which need to be taken to further progress their recent achievement.

- > Following non-amalgamation in the region, further clarity is needed between the respective governance and management roles of Elected Members and management, and the means of most efficiently managing Council processes.
- > The quality of the Council's internal reporting needs to be reflected in its external reporting. The latter needs to more concisely, clearly and consistently report to the public on its progress towards its community outcomes and strategic goals, as well as provide clearer value for money measures.
- > Although it has skilled and dedicated staff, the Council will need to consider whether its internal capability and capacity will match future demands and timeframes for delivery, and expectations of staff.

<sup>1</sup> MBIE 2016

<sup>2</sup> Stats NZ Census 2013

<sup>3</sup> DIA 2013

<sup>4</sup> Greater Wellington About the region

# Assessment Summary

continued...

## OVERVIEW

The Council has undergone a significant internal and external transformation to position itself as a highly competent and collaborative partner in the Wellington region. The Council is increasingly winning the trust and confidence of both its community and the other local authorities within the region. It is well placed to take a strong leadership role in enhancing the region’s infrastructure, environment and economy.

## RATING



## Findings

### 1.

THERE IS NEAR-UNIVERSAL ACKNOWLEDGEMENT FROM OTHER COUNCILS AND COMMUNITY STAKEHOLDERS THAT THE COUNCIL IS NOW OPERATING AS A HIGHLY COLLABORATIVE PARTNER.

It is seeking to advance some key infrastructure issues essential to the growth of the region.

### 2.

STRONG FINANCIAL MANAGEMENT IN RECENT YEARS HAS ENABLED THE COUNCIL TO MAINTAIN AN EFFECTIVE BALANCE BETWEEN RATES AFFORDABILITY AND ESSENTIAL LEVELS OF INFRASTRUCTURE INVESTMENT.

### 3.

THE CHIEF EXECUTIVE HAS DEVELOPED A COMPLEMENT OF HIGHLY CAPABLE PEOPLE AT ALL LEVELS OF THE ORGANISATION, WHO ARE NOW HUNGRY FOR FURTHER OPPORTUNITIES TO INNOVATE AND TAKE LEADERSHIP ROLES.

The Council also demonstrates a very strong commitment to engaging regularly and openly with its community. It works constructively with all of its individual stakeholder groups.

## Commonly used terms

Term	Definition
Asset Management Plan	A tactical plan for managing a council’s infrastructure and other assets to deliver an agreed standard of service.
Infrastructure	Local and regional roads, pathways and cycleways, drinking water, wastewater and stormwater assets, sports and recreation facilities (parks, sportsgrounds, green spaces etc), community and tourism facilities (playgrounds, public toilets, libraries, museums, galleries and public art etc), town centres, and other facilities.
Local Government Act 2002	The legislation that provides a framework and powers for councils to decide which activities they undertake and the manner in which they will undertake them.
Long Term Plan	The document required under the Local Government Act that sets out a council’s priorities in the medium to long-term.



Governance, leadership and strategy	Financial decision-making and transparency	Service delivery and asset management	Communicating and engaging with the public and business
Better than competent	Stand out	Performing well	Stand out

#### STRENGTHS

There is a highly professional and constructive working relationships between Elected Members and staff, exemplified by a very cohesive partnership between the Chair and Chief Executive.

The Council has a well-reasoned and articulated financial strategy based on sound principles.

A strong focus and commitment to the infrastructure issues of public transport and water management (supply and quality) that will most significantly provide the region with economic growth and resilience.

A sophisticated approach to communications for both traditional and social media.

#### AREAS OF IMPROVEMENT

The Council should ensure consistency and alignment between new strategies, projects and outcomes.

The Council should provide greater transparency and justification of its rating levels and allocation to demonstrate value for money and to support potential rate increases.

The Council should be providing financial and operational performance information in a more readable and accessible manner for the general public.

Develop Key Performance Indicators (KPIs) for measuring their success with implementing the Community Engagement Strategy.

# Leading locally

## Governance, leadership and strategy

The Council is successfully emerging from the regional amalgamation debate with its reputation enhanced as a more collaborative partner with responsibility in providing leadership across territorial boundaries on issues that affect the entire region. While further progress is needed, Elected Members and staff are working constructively to better define their collective and individual roles.

### Priority grading

Better than competent

< The decision not to proceed with regional amalgamation has left the Council with a challenge; to re-establish relationships with territorial authorities and to clearly define its role in local government and with its community. The challenge has required changes to the way it operates both internally and externally.>

GRWC is re-emerging after the decision not to proceed with merging the region's territorial authorities in 2015. Council staff understand the need to fully restore relationships across the regions with the territorial authorities, contractors and broader stakeholder groups. They need to rebuild an environment of transparency, collaboration and trust.

### Setting the direction for the community

GWRC's vision of, "An Extraordinary Region: Connected, Thriving, Resilient" is an externally facing future outcome for the region. It was developed following a facilitated workshop session and public feedback from multiple engagement processes. While catchy and evocative, it is not yet used as the benchmark against which strategic decisions are made. The vision captures the three main strategies of transport (connected); thriving (strong infrastructure/economy); and, resilient (environmentally robust).

The 'GW way', an internally focused organisational culture programme, emerged from the internal challenges left behind from the failed amalgamation strategy. This necessitated rebuilding the Council's culture.

Some confusion exists over non-alignment of strategic documents that identify either four or five themes or strategies for the key work programmes. The Annual Plan identifies these as:

1. Strong economy – infrastructure
2. Connected community – transport
3. Resilient community – emergencies
4. Healthy environment – environment
5. Engaged community – civic pride

Elected Members described their role as now needing to "stick to their knitting", and providing regional leadership without usurping the role of territorial authorities. They acknowledged that they have not yet found the right language to get the degree of alignment desired. The new Long Term Plan (LTP) in 2018 will provide the Council with an opportunity to highlight clearly their role. It will also require on-going refinement of other documentation. This is particularly true of integrating the strategy with projects that require funding.

## Creating confident Councillors

GRWC has a well-structured and very comprehensive induction process, including a candidate awareness and information process. The backgrounds of Elected Members are varied, but with more distinct party-political representation than exists in many councils. This appears, on occasions, to present greater challenges to achieving a consensus on strategic issues. However, they were complimentary of the staff, describing them as “extraordinarily responsive” which had helped build a relationship of mutual trust and respect. The organisation responds effectively to the ability of Elected Members by providing intensive workshops on matters requiring development.

GWRC would now benefit from an annual self-assessment process at individual, collective and Council level, as well as reviewing the decision-making processes. Elected Members expressed some frustration at the volume of “for noting” reports that are provided, although they also recognised that these were declining.

Staff noted the frequency of using Council workshops to discuss issues, with the same issues often discussed again at formal Council meetings. There appears to be an expectation that contentious issues will be resolved by voting rather than working towards consensus among members, notwithstanding the use of workshops.

## Effective working relationships

The GWRC is ably led by the Chair (former deputy chair), and Chief Executive. Both are relatively new in their roles, but have formed a very effective working partnership. The Chief Executive provides open access for the Elected Members to his tier-three managers. His performance agreement is assessed against 10 KPIs that are well aligned with the Council strategy and vision, but with a strong (six out of 10) focus on internal goals.

## Strengthening risk management

GRWC has a particularly strong risk management discipline and a strong health and safety (H&S) culture. The risk documentation (including terms of reference for the risk committee, risk reporting and risk policies) is both comprehensive and to the highest standard, providing the Elected Members and Chief Executive with the right level of focus on strategic risk issues. Risks are anticipated and documented with well-prescribed processes for risk management and risk mitigation.

The Health and Safety documentation is similarly comprehensive and complemented by a vision for workplace H&S, “Being safer and healthier together: *Kōtahi te hauora me te haumarū*. Quarterly reporting includes both lead and lag H&S indicators. This provides a forward-looking view of future risks as well as highlighting current risks.

## Management

The Chief Executive demonstrates a strong personal commitment to continuous improvement and is actively involved in the launch and delivery of the organisational culture workshops. Awareness of expected standards of behaviour is high, with organisation-wide adherence to operating individually and collectively according to ‘the GW Way.’

The Council spends considerable effort on developing a strong and supportive internal culture, for which the organisation should be commended. However, this effort is expected to have come at the cost of some external engagement and service delivery.

### Strengths

A strategy that is well-focused on the criticality of infrastructure to achieving their vision of a resilient and economically prosperous region.

Highly professional and constructive working relationships between Elected Members and staff, exemplified by a very cohesive partnership between the Chair and Chief Executive.

Risk management and reporting, including health and safety, which sets a very high benchmark for other councils.

A strong internal culture that promotes internal and external collaboration.

### Areas for improvement

The Council should ensure consistency and alignment between new strategies, projects and outcomes.

Developing effective self-review processes, including consideration of more efficient ways to deliberate and resolve contentious issues.

Maintaining unanimity after Council decision-making.

# Investing money well

## Financial decision-making and transparency

GWRC has managed its finances conservatively, but in a highly effective manner, so the Council is positioned well to fund the large-scale investment in infrastructure that will be required in the coming years. The quality of the financial reporting would be enhanced if the annual plans and reports were produced in a more “reader-friendly” form, comparable to that provided internally.

### Priority grading

Stand out

<The Council has a very competent finance team who produce high quality financial and risk reports.>

GWRC recognises that it needs to finance several large, essential infrastructure projects and programmes in the next 10 years.

### Planning and evaluating financial goals

The Council does not avoid the reality of its project costs or the implications for rates that these costs have. However, it recognises the projects need to be put in the context of balancing affordability with community expectations, and in ensuring there is equity in determining who will meet these costs.

Flood control and management is an example of the consideration of whether funding of 50 per cent from general rates fairly reflects the regional versus local benefits, or whether the costs need to be specifically allocated to those who benefit from the work.

In assessing these trade-offs, the Financial Strategy highlights five principles against which all decisions are assessed; financial prudence; value for money; inter-generational equity; legislative compliance; and transparency. While these are sound principles, the annual planning would benefit from more explicitly referencing the major funding decisions in the coming year.

### Assessing the financial data

GWRC has a very competent finance team whose clear financial strategy is complemented with very effective day to day financial management. GWRC has well-developed monthly, quarterly and annual reporting processes. The latter results in over 60 pages of dense and technical information, presented in a dated reporting format. While there is a single-page of the GWRCs finances in the introduction, the numbers provided (revenue, expenditure, capital expenditure, debt etc) have little context to enable the average reader to draw any meaningful conclusions.

More trend analysis, graphs, and concise explanation would help interpretation and understanding. Staff point to the statutory reporting requirements as a barrier to more reader-friendly reporting, but acknowledge there is room for improvement by including non-statutory information.

GWRC achieved an operating surplus of \$1.0m (budgeted \$1.3 million) during the last financial year on revenue of \$296.5m. This suggests good financial management of operational budgets throughout the year. However, in recent years the capital budgets have been underspent by 30-35 per cent. Given the number and scale of infrastructure projects, this shortfall is a concern. It will be important that future capital budgeting is more accurately aligned to the capacity of GWRC to deliver projects and the relative importance and timing of those projects.

The Chief Executive and executive management team demonstrate a strong understanding of financial performance and the need to budget and report on outcomes, while managing budgeted projections across projects. GWRC has strong performance against its financial measures, all of which are reported against the 10 Year Plan 2015-25. For example, discrepancies over the timing of capital expenditure on Hutt Valley Riverlink Project property purchases and spending in the public transport area were appropriately disclosed.



Budgets are presented to Elected Members in a digestible, understandable, and succinct manner that highlights and focuses on the key issues while providing opportunity for more detailed, forensic discussion on specific matters, if desired.

## Being clear and transparent

Rates affordability will remain an issue during the Council's period of capital investment in infrastructure. While capital is debt funded, rates service interest costs. GWRC will need to carefully manage public expectations regarding low rates with capital expenditure priorities.

Having a large rating base provides GWRC with the luxury that its rates are lower per ratepayer than a territorial authority and thus less likely to provoke ratepayer complaint. However, this does not relieve it of its responsibility to be able to justify rating levels and provide value for money performance measures to support rates increases.

The finance team acknowledged that, while they did not see a need to "slash and burn" spending, they have scope to better assess cost-efficiency measures through greater use of technology and better assessment of spending priorities.

## Addressing financial risk

The Risk Policy is well written, articulate, and thorough. It displays a good understanding of the difference between modelling and managing risk. Key risks are identified, although, as the recent earthquake highlighted, there will be continual challenges in balancing risk likelihood with risk impact. GWRC has an active debt management process, maintaining a fair risk balance sheet.

Outstanding debts are appropriately managed, and independent audit reports are responded to quickly and efficiently. The risks of not taking a long-term approach to investing in infrastructure is well-understood, as is the need to manage that investment in a cost-effective and sustainable manner.

The Council does not have an independent member on its audit and risk committee and should consider appointing an independent chair as a matter of best practice.

## Meeting financial targets

GWRC is in a strong financial position and continues to maintain an AA credit rating. The statutory financial benchmarks also highlight its financial strength with significant financial "headroom" to take on more debt if required.

### Strengths

The Council displays high quality and accuracy in its budgeting and financial reporting.

A conservatively managed balance sheet that now enables the required additional investment in essential regional infrastructure.

An increasing focus on more equitable allocation of costs across the region, and opportunities for greater cost-efficiency.

A well-reasoned and articulated financial strategy based on sound principles.

### Areas for improvement

The Council should provide greater transparency and justification of its rating levels and allocation to demonstrate value for money and to support potential rate increases.

The Council should incorporate value for money Key Performance Indicators (KPIs) into the annual reporting.

The Council could develop a summary version of its annual finances that is more accountable and readily understandable by residents.

# Delivering what's important

## Service delivery and asset management

The Council has very strong internal capability, but it is tested by the diversity and complexity of its operational activities. It has particular strengths in policy development, environmental management and delivering public transport. Its operational strengths would benefit from more complete and coherent reporting of its operational goals and performance against those goals.

### Priority grading

Performing well

<The Council's responsibilities span a challenging array of policy development, regulatory control, operational service delivery, and commercial management activities.>

It necessitates employing a wide range of internal talent and ensuring that these activities are well integrated and aligned to meet the Council's community outcomes.

### Planning and evaluating service goals

Infrastructure issues are very much "front and centre" in the Council's LTP, with water supply, flood control, environmental management (including water quality), and public transport all being explicitly recognised in the Plan as essential to contributing to the Community Outcomes of a Strong Economy, a Healthy Environment, a Connected Community, and a Healthy Community. Investment in essential infrastructure (public transport, flood control), growing public transport, having resilient infrastructure in response to an emergency, and keeping the environment healthy, are, in turn, the key packages of work highlighted as requiring progress over the life of the LTP. The Infrastructure

Strategy is well linked to the LTP goals, identifying the issues facing the various infrastructure assets and the options for addressing these issues.

However, links to the asset management plans (AMPs) are not provided in the strategy, and the AMPs themselves are not readily searchable on the Council website (only the 2012 Water Supply AMP is available online). To some extent this issue is addressed by the level of information provided in the Infrastructure Strategy about their assets. For example, the information about the water assets (location, value, risks, and actions being taken) would satisfy most residents' level of inquiry. Nonetheless, the AMPs should form part of the Council's library of public information.

### Environmental monitoring and reporting

The Annual Report notes the number of monitoring activities undertaken, the levels of compliance, and the action taken to address issues of non-compliance. However, there are no historical trends against which these KPIs are shown. This makes it impossible to assess whether or not monitoring is improving the environmental outcomes.

The scale of non-compliance (ie whether the breaches are serious or minor) is not reported. This further limits the ability to assess Council performance. Although the most recent Annual Report notes enforcement action was taken over 100 times, including 18 charges being laid, there is no commentary on either the scale or trends in non-compliance to evaluate this.

On the other hand, the document library contains over 250 detailed reports on environmental monitoring activities on topics as varied as groundwater nitrate trends, coastal water quality and sediment levels in the rivers and harbours. These are highly informative, and technical documents but it would be valuable for a balance to be struck between them and the relatively sparse level of environmental reporting in the Annual Report.

## Assessing service quality

The Council uses a wide variety of ways to engage with the community to help determine levels of service, along with reviewing past plans and outcomes. They have developed a dedicated resource (a Customer Experience lead) to address public expectations for public transport services. The range and depth of their work on service standards is impressive. However, it would benefit from some transparency through annual planning and reporting processes as to how and why service levels were arrived at through the various forms of engagement.

The processes for determining the nature and standards of service levels could be clearer. However, the Council can point to some significant achievements with their various service levels, including the timeliness of, and public satisfaction with, bus and rail services (all above 90 per cent); compliance with drinking water standards (100 per cent), and issuing resource consents within statutory timelines (99.8 per cent)

## Service delivery models

The Council has undertaken an initial assessment of 83 services under the scope of s.17A of the LGA to identify opportunities for improving cost-effectiveness. While opportunities for financial and other operational improvements have been identified, no substantive changes have yet arisen from the review. Given the breadth of the Council's activities, and their proximity to other councils in the region, substantive initiatives for alternative, more cost-effective service delivery models should have been identified.

## Service delivery capacity and capability

While it might be assumed that the Council should be able to readily attract good talent in a city the size of Wellington and being the seat of central government, the energy and abilities of the staff participating in the review were nonetheless impressive. The Council employs staff with a wide range of professional and sector backgrounds, but all demonstrate a strong and common commitment to what the Council terms 'the GW Way.' This is a set of behaviours (incorporated into all job descriptions) that focus on improving relationships internal and externally, and includes taking personal responsibility and working as part of a team towards the Council goals.

The positive view of staff abilities was echoed by a number of external stakeholders, who described the senior staff as "strategic and collaborative," "they don't gloss over their challenges" and "they work well with their community." However, one stakeholder noted that, notwithstanding the talent, both their capacity and capability would likely require upscaling "urgently" to address the increasingly complex commercial areas they would be involved in, particularly with the public transport network.

The Council has placed considerable emphasis on growing organisational resilience through sophisticated human resource

processes. These include a focus on encouraging employee autonomy, and emphasising strong values and behaviours as much as performing their core tasks well. Staff spoke of a need for some senior managers to focus more on staff development and organisational culture ahead of their own day-to-day work priorities. Staff highlighted the lack of a central co-location as an inhibitor to a more cohesive and effective working environment. Nonetheless, there was general agreement that the Council was a good employer with a team environment of very competent staff.

## Service delivery quality

### *Flood control*

The Council is acutely aware of the significance of flood control in the region; and it features strongly in both the LTP and Annual Report, and it is linked to four of the five Community Outcomes. Their progress against stated goals (e.g. the percentage of flood prone land covered by a hazard map, and the percentage of catchments with flood management plans) exceeds the baselines set. The importance and scale of this activity is illustrated by the Hutt Valley Riverlink Project, which will provide 1:440 years flood protection to \$1b of property assets in Lower Hutt. The Council rightly recognises it as one of their most significant collaborative achievements (in conjunction with Hutt City Council and NZTA) in that it will not only provide significant flood protection, but also have a regenerative economic impact on the city.

The Council manages approximately \$386.3m in flood protection assets. It recognises the growing cost of flood management and mitigation relative to local affordability issues. They have highlighted the need to consider potentially more cost-effective solutions. These may include better planning and education to avoid development in flood-prone areas, such as the Porirua CBD. A second challenge to flood management facing the Council is the environmental sensitivities to more effectively manage flood control in rivers. While direct channel control of rivers, particularly the Hutt River, through earthworks represents one of the most cost-effective means, it is not popular with many residents.

### *Water Supply*

Through Wellington Water, the Council has responsibility for bulk water supply to the Porirua, Wellington, Upper Hutt and Hutt cities. Its primary responsibilities are to ensure drinking water standards are met, and to ensure that long-term supply resilience exists. At an operational level, it observes all its key performance measures such as continuity of supply, maintaining grading standards and regulatory compliance. At a strategic level, it faces significant issues in both protecting existing water catchments and developing greater future resilience by identifying additional water sources. Delays or deferrals to a number of projects, including the cross-harbour pipeline, will be of some concern to the Council, and it recognises that acceleration of several projects will be required.

### **Public transport**

The Council has responsibility for public transport planning, ownership of the rail assets, and contract management of the public transport providers. It considers that they are providing a “world class” public transport system, which is arguably borne out by the 90+ per cent public satisfaction, the high level of farebox recovery (the percentage of funding which comes directly from ticket fares and not subsidies), and their cost efficiency measures.

The Councils public transport procurement focuses not simply on price, but includes travel time reliability, service quality, and health and safety considerations. Their Regional Land Transport Plan reflects the statutory requirements, and also the public views and expectations gleaned from extensive consultation.

The outcome of the detailed annual customer survey endorses many of their internal views. The overall satisfaction of the entire public transport system at 86 per cent, 87 per cent likely to recommend the Wellington public transport to others; and 75 per cent considering it good value for money. Significantly, the majority of issues surveyed show the public transport network has maintained or improved these satisfaction levels since 2014.

Despite these achievements, the Council recognises that several public transport issues remain to be resolved, including integrated ticketing, acquiring new train stock, implementing improvements to the rail network, and increasing internal capacity in commercial skills and experience. The latter is an issue endorsed by external stakeholders. However, while acknowledging that they are in “a transformative stage” the Council has arguably helped develop New Zealand’s best public transport system. They are understandably proud that “we are no longer a passive writer of subsidies but are empowered purchasers” who have “taken ownership of our customers’ needs.”

### **Biodiversity, biosecurity and land management**

GWRC have worked effectively with farmers to manage a wide range of issues, including having three-quarters of erosion-prone hill country now under active management. In addition the Council has 446ha of trees planted, possum and rabbit numbers are under effective control; and they are ahead of their targeted progress on actively managing high-value biodiversity sites. The Council recognises the monitoring/KPIs for this activity are output rather than outcome driven “because successful results take a long time to see in these activities.” Farmers spoke positively of the partnership approach taken by the Council in these areas and noted that they were far more practical and constructive in their approach to environmental issues than central government.

## **Accountability reporting**

The Council produces relatively brief (18 pages) quarterly reports that summarise the latest progress towards key results areas, including a description of the activities undertaken in the quarter and progress against KPIs. The reports are very informative,

succinct, and visually appealing with an appropriate balance between text, tables and infographics. An example of effective reporting is the financial “waterfall” chart highlighting “unders and overs” against projected revenue and expenditure. It provides a complete financial snapshot of the Council’s operational finances on a single page. All significant projects are reported with milestones, budgets, risks and issues all being identified as being “on track,” or with “manageable issues” or “significant issues.”

While the internal reports are of a very high standard, the Annual Report conforms more to the traditional statutory documents, and does not fully convey the information that could be usefully provided to residents. The Report does include a reader-friendly introduction that provides a short summary of the key activities for the year against the community outcomes, as well as some useful statistics that give the reader some context as to the scope of the Council’s activities. However, a number of additional improvements could be made to the Report, including:

- trends of financial, KPI and operational performance over the past three to five years, rather than a single snapshot of the year’s activities;
- acknowledgement of the activities which have not been completed and areas for improvement;
- major project completion to time, scope and budget;
- charts and infographics similar to those already used in the quarterly reports.

## **Capital investment decisions and project management**

The Council does not routinely use a formal business case methodology for capital investment decisions, although it incorporates the Better Business Case (BBC) methodology into NZTA or other third party funded capital expenditure. One BBC business case was reviewed during the assessment and, although only involving a relatively modest capital investment (land purchase), the level of completeness and adherence to the methodology was considered to be at the bare minimum. Other capital decisions involve a prioritisation process assessed against five key criteria.

Once approved, a capital project is provided to the Council’s Project Management Office for reporting to the Chief Executive. The standard template for reporting is comprehensive, with most key areas (milestones, risks, financials) reported, although benefits management and realisation is a notable gap in the template. The PMO office is a relatively new development, and the staff acknowledge they were in the early stages of improving the management and reporting of projects within the organisation.



## Strengths

The Council has a strong focus and commitment to the infrastructure issues of public transport and water management (supply and quality) that will most significantly provide the region with economic growth and resilience.

There are highly capable staff with strong commitment to both the Council's goals and to collaborating with other local authorities and the community.

The Council effectively manages a highly efficient and well-supported public transport system.

The Council recognises the potential for cost-effective capital investment solutions, such as prioritising planning solutions over structural ones for flood management and mitigation.

The Council provides very informative and well-presented financial and operational performance reporting to management and Elected Members.

## Areas for improvement

Provide financial and operational performance information in a more readable and accessible manner for the general public.

The Council should strengthen its project management capability.

Provide better analysis of the nature and scale of environmental issues within the region, including the effectiveness of the Council in lifting environmental standards.

Co-location of staff in one building would improve the organisation's efficiency.

Adopt clearer guidelines for business case use and benefit delivery reporting.

# Listening and responding

## Communicating and engaging with the public and businesses

The Council's communication and engagement practices are led very strongly by the Chair and Chief Executive, and are complemented very ably by the corporate services and operational staff. All display a genuine commitment to being open, transparent and accountable to their community. Their actions are supported by comprehensive strategies and programmes for improving all forms of communication and engagement.

### Priority grading

Stand out

< The Wellington region covers extensive and diverse stakeholder interests that range from large urban populations to farming communities, multiple iwi, and a variety of ethnic and socio-economic groups.>

The level of effort and sophistication required to engage effectively with the diverse stakeholder group is considerable. It requires not only an understanding of the statutory obligations to consult and engage, but also a strong understanding of, and commitment to, the varied stakeholder interests and expectations within the region.

### Planning effective engagement

The Council has gone beyond the statutory requirements with its Significance and Engagement Policy. It has developed a Community Engagement Strategy, which aims to define standard approaches and tools for community engagement. This strategy enables a consistent and coordinated approach to community engagement across all staff and contractors. The strategy includes a number of important principles that add real substance to the otherwise process-driven requirements of a Significance and Engagement Policy. These include looking to change the traditional ways in which the community is involved in decision making, seeking to "connect with those hardest to reach," and avoiding unnecessarily bureaucratic processes.

Although the Strategy serves as an excellent model for other Councils, it lacks effective measures to determine the success or otherwise of the extent to which it is succeeding in actually engaging the community. Measures which report both the extent to which the community is engaging (eg the number of residents submitting or otherwise engaging on Council issues), and the quality of that engagement (ie the community satisfaction with the engagement experience), would enhance the overall strategy by enabling the Council to track its level of success.

### Engaging digitally

The Council does not have a formal digital strategy, but is developing one. Nonetheless, it makes extensive use of digital services including a comprehensive website, and other information feeds through social media channels such as

Facebook (with approx. 9,800 followers) and Twitter (with 11,000 Metlink and 6,700 GW followers), and an online forum of 2,000 residents, called the “Citizens’ Panel.” The website contains most of the services expected from a local authority website, including useful add-ons such as local webcams and a rates calculator. However, the website does not offer a number of online transactions such as lodging resource consents or booking campsites.

The Council is astute in recognising the need to communicate with the public through social media to ensure their key messages are direct and not filtered through traditional media. The strong public debate about the removal of trolley buses is an example of where the Council recognised the value of communicating directly with the 26,400 Metlink subscribers through email or Twitter in order to “*tell our side of the story directly.*”

## Building good relationships

The Council participates in the LGNZ Reputation Survey, the results of which highlight the significant challenges in raising public knowledge of the activities carried out by the Council. Only 40-60 per cent of residents are aware of the core functions carried out by the Council (such as pollution control, issuing resource consents, and managing the harbour).

While the survey highlights relatively low scores for local government generally, it is noteworthy that the Council scores significantly higher than the national average on likelihood of being spoken favourably about (5.1/10 vs 4.5/10 nationally). The Council is significantly less likely to be associated with negative attributes (eg wasteful, inflexible, incompetent) than is the case for the local government sector generally.

The survey highlights slow but measurable improvements from 2014 to 2016 in important areas such as providing good value (from 19 to 29 per cent), managing finances well (from 20 to 27 per cent), and partnering effectively with other councils (from 32 to 41 per cent).

## Communicating through the media

The Council has a policy of open communication with the news media and cooperates with members of the media on areas of concern or interest. Open media access is not only a necessity, but also an obligation. Although they increasingly make use of social media for direct community engagement, they recognise the media are part of “building supportive relationships” and enhancing their reputation with the public. It was apparent from discussions that both the Chair and Chief Executive are strongly committed to constructive media relationships. Both bring valuable experiences from previous roles to understanding that the relationship with the media is more than a transactional one. As part of this approach, the Council actively engages with the media with briefings prior to news releases. The media has a strong focus on consistently delivering key messages about the

Council’s goals (eg improving water quality and getting Wellington moving).

## Engagement with iwi

The Council has an extensive programme for engaging with iwi, which has at its core the Ara Tahi Partnership Forum. This is a partnership with six mana whenua of the region, and provides opportunities to discuss strategic issues of mutual interest. The forum is complemented with a range of initiatives (eg supporting iwi involvement in consenting and management plans, and participation on Council committees) and working groups such as the regional whaitua (catchment) committees. Coupled with the programme, Mātauranga Māori, for developing internal knowledge and understanding of Māori and iwi issues, the Council has a particularly strong and effective iwi engagement that befits the demographics of the region.

## Engagement with diverse communities

The geographic scope of the Wellington region means the Council has a community of considerable urban/rural, ethnic and socio-economic diversity, and the Council recognises this both through their Community Engagement Strategy and specific initiatives. These include the Citizens’ Panel and the Ara Tahi iwi forum, as well as community-focused engagement initiatives such as the Hutt Valley Riverlink project.

## Civil defence and crisis communications

The Council has developed two websites through its Wellington Regional Emergency Management Office (WREMO). The WREMO site provides local information when an emergency happens and is the corporate site for WREMO. The [getprepared.nz](http://getprepared.nz) site contains the information residents need to get prepared before any emergency occurs. The WREMO website is well-presented and informative; the kind of website that encourages a visitor to explore for practical information about the risks in the region and the steps which households, organisations and communities can take to prepare for an emergency.

The Council has been highly effective in engaging with its community on civil defence issues. While recent history has undoubtedly helped with community engagement, the fact that WREMO have one of the highest rates of social media engagement (over 69,000 Facebook followers) and have recently won an award for public information from Australia’s “Emergency Media and Public Affairs” highlights their effectiveness in this area.

## Engagement with business

The Council has particularly strong engagement with the rural business community, and is regarded as being willing to both engage with and listen to their stakeholders. One stakeholder described them as “highly respected and knowledgeable.” The regionally based staff are seen as a particular strength for the Council, and are considered, “part of our business and we see them as team players.”

A cautionary observation made by some stakeholders, however, was the occasional divergence in the messages given by the Elected Members and staff. One example was the concern within the rural business community that the more Wellington-centric Elected Members did not always understand the local rural issues and some frustration was expressed that, “They need to be in sync with each other internally”.

### Strengths

The Council has a sophisticated approach to communications for both traditional and social media.

There is a strong and genuine commitment to being open and accountable to the community, which is effectively led by the Chair and Chief Executive.

Staff are respected, particularly within the rural community, for their approachability and willingness to engage.

Staff are highly engaged with the community on emergency management and response issues.

### Areas for improvement

The Council could develop KPIs for measuring their success in implementing the Community Engagement Strategy.

Identify opportunities to further enhance their reputation with the community by addressing the key issues identified in their annual reputation survey.

The transactional functionality of the Council’s website could be improved.

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