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New Plymouth District Council

Independent assessment report | February 2019*

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Te Kaunihera-a-Rohe o Ngāmotu

New Plymouth
District Council



A measure
for better
community value.

* Period of assessment: November 2018

Assessment Summary

AT A GLANCE



Te Kaunihera-ā-Rohe o Ngāmotu

**New Plymouth
District Council**

The New Plymouth district is situated on the west coast of the North Island. It encompasses New Plymouth city and a number of towns, such as Inglewood, Oakura and Waitara.

LARGE METRO

**SMALL METRO
AND LARGE
PROVINCIAL**



SMALL PROVINCIAL AND RURAL

REGIONAL



The current situation

New Plymouth District Council is the second largest provincial council in New Zealand by population, with a strong economy and steady population growth. For over 40 years it has been regarded as the energy capital of New Zealand. The Taranaki oil and gas fields provide over 7,000 local jobs, deliver 35 per cent of domestic oil needs and generate more than 20 per cent of national electricity needs. The Government's decision to stop offshore petroleum exploration, however, has presented the district with significant challenges, including how to:

- > Sustain its strong economy as it transitions to alternative business opportunities in the future;
- > Maintain the affordability of Council's currently high service levels if there is any decline in its ratepayer base; and
- > Attract and retain a skilled workforce to preserve the vibrancy and attractiveness of New Plymouth as "*a lifestyle place of choice*" for residents and visitors alike.

Period of assessment

The assessment took place on 26 and 27 November 2018.



\$5.9b

GROSS DOMESTIC
PRODUCT¹

SERVES

81,900

PEOPLE², A MIX OF
86.7% EUROPEAN/PAKEHA
15.7% MĀORI
1.8% PASIFIKA
4.0% ASIAN



POPULATION TREND
GROWTH

MAKES UP

0.82%

OF NEW ZEALAND'S TOTAL LAND
AREA³, REPRESENTING NEW PLYMOUTH
DISTRICT ON THE WEST COAST OF THE
NORTH ISLAND OF NEW ZEALAND:
AN AREA OF

2,205 km²

RESPONSIBLE FOR

1,288 km

ROADS⁴



Key learnings

New Plymouth compares very favourably to many provincial destinations in New Zealand. It enjoys good median incomes compared to the national average, has frequent flight connections, and a growing visitor population. The relative prosperity and growth in the district has enabled the Council to deliver a high level of service to its residents. It has a wide variety of good quality community facilities, and its roading and three waters networks are largely in good condition. However, the impact of the declining role of the petroleum industry on the local economy may require the Council to significantly reassess which services it delivers, and how, to the community in the medium to long term. Some of the actions that the Council will need to consider are:

- > The role of the Council, and elected members in particular, in managing the transition from the current dependence of the district on the petroleum industry;
- > Whether Council's current service levels are sustainable, and the scope of Council services to be provided across the district; and
- > Opportunities for improving financial management and, in particular, opportunities for greater cost efficiency across all council services.

¹ MBIE

² Stats NZ Census 2013

³ DIA 2013

⁴ Ministry of Transport 2013/14

Assessment Summary

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OVERVIEW

New Plymouth District Council has a challenge which is possibly unique in New Zealand local government; how to remain a highly attractive destination for locals and visitors, and sustain the affordability of the high level of services and facilities it provides, while significant economic change occurs around them. The Council, and the Mayor in particular, recognise this challenge and are working closely with central government, local business and other stakeholders to map a new future for the district.

RATING



Findings

1.

THE COUNCIL IS RESPONSIVE TO THE NEED FOR CHANGE, AND TO WORK COLLABORATIVELY WITH OTHER PARTIES;

2.

COUNCIL STAFF ARE DELIVERING A HIGH LEVEL OF SERVICE TO THE LOCAL COMMUNITY;

3.

COUNCIL MANAGEMENT MUST GIVE CAREFUL CONSIDERATION TO WHETHER CURRENT SERVICES CAN BE DELIVERED BY ALTERNATIVE MEANS OR WITH GREATER EFFICIENCY, IF CURRENT RATING LEVELS ARE TO REMAIN SUSTAINABLE.

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	Better than competent	Competent	Performing well

STRENGTHS

There has been an effective political response by elected members to address the external strategic risks it is facing, particularly those which relate to a zero-carbon economy.

There is strong strategic financial management, including good practice management of an investment fund.

Operational services are delivered to a high standard.

There is extensive communication and engagement with the community.

AREAS OF IMPROVEMENT

The number of focus areas, priorities and goals should be reduced to a more practically manageable number.

Better analysis of rating effects on affordability in light of the economic changes is required, as well as exploring budget resilience.

The value for money and financial sustainability of operational services could be better demonstrated, particularly community facilities.

Integration of the many plans and strategies communicated to the residents into a single, simplified document is desirable.

The political responses of elected members to the potential impact on the petroleum industry needs to be complemented by operational scenario planning for those impacts which assess the possible implications for the Council's finances and service levels.

Leading locally

Governance, leadership and strategy

The elected members and management exhibit a strong sense of purpose, with overlapping responsibilities and a sense of shared challenge and trust.

Priority grading

Better than competent

< Underlying all discussions with Council or staff is a sense that New Plymouth seeks to build a lifestyle capital. >

Setting the direction for the community

The sense of shared challenge and trust is not assisted, however, by the planning documents. The Council has an array of visions and goals. First, it has a 30-year blueprint listing eight key directions. The LTP overlays these eight directions with a further three areas based around people, place and prosperity. Subsequently, a white-boarding exercise run by the Mayor, with councillors, added a further ten focus areas. These focus areas arose through the election process.

These focus areas were consulted on, with 3,800 responses received. Subsequently, four of these areas of concern have come to dominate, those being zero waste, three waters, the Central Business District (CBD) and the Walkway.

Subsequently, the Government's decision to restrict oil and gas exploration to onshore Taranaki has led to a "call-to-arms" for the Council and its neighbours. The average income of \$71,000 is dependent on an economy based on oil and gas, and the dairy industry, both of which face negative regulatory outlooks. The Mayor in particular has been active in soliciting Government support to allow the local and regional economy to transition to a zero carbon world.

The Council executive feels that this plethora of goals needs to change and seeks greater clarity around, say, five goals. However, underlying all discussions with Council or staff is a sense that New Plymouth seeks to build a lifestyle capital.

Creating confident councillors

The Council believes that it has been lucky in attracting quality councillors with business and professional advisory experience. There is an independent businessman, a former port CEO and a political advisor, among others.

There is a supportive environment for training and mentoring of councillors. There is a commitment and budget for training. The training opportunities are taken; councillors spoke well of LGNZ training support and one councillor noted positively the Young Elected Members Hui. The Mayor encourages Institute of Directors membership and participation. New councillors speak of the supportive environment created by other councillors, and that support from staff has been as important as inductions. This positive attitude to training could be strengthened by more formal councillor appraisals and more targeted training.

There has not been much training around infrastructure, however, although nine workshops are scheduled over nine months for consideration of the investments in the three waters, to better align councillors along with the executive.

The Mayor has led a review of his performance and has taken on board the feedback. The main positives, that he is a strong and positive leader on strategic regional issues, will stand him in good stead at this point in Taranaki's development.

Effective working relationships

Councillors report that they are happy to receive frank feedback from the CEO, who has only been in place for 12 months, and that he is happy to give it. There has recently been a CEO appraisal meeting, which reported that the CEO and councillors' relationship is "strong and building". The appraisal committee has considered, but not acted on, a 360 degree feedback loop.

There is a regular, independent culture survey. Results have been disappointing and the executive has taken a number of steps in response, for instance:

- > Using a cross-organisation culture project, called the Basement Project, to bring together Council thinking and a space to work together.
- > Formally recognising cross-organisation team performance.

- > Implementing a formal briefing on what is happening in the Council.

Opportunities for growing regional collaboration

There is a reasonable list of activities where the councils in the region work together, but nothing of particular significance. For instance, they all still run separate roading contracts. Collaboration has improved with the changing regional economy, and this collaboration may become more than it currently is.

Upping risk management

Reporting on Health and Safety is thorough and is provided to the Council's Performance Committee and then through to the full Council. The operating groups "own" the health and safety register, and the interface with Audit and Risk is through the risk manager's joint membership of the two committees.

Managing the organisation

The councillors share the load by taking responsibility for four focus areas and, amongst other things, running a Performance Committee and an Audit and Risk Committee. Councillors are less active in governing the three waters and roading businesses. However, community feedback on three waters allowed the Council to progress its investment well beyond what was thought to be possible previously. This organisation into strategic and operational issues appears to be working at the moment, but should be closer as the executive moves to implement a substantial investment plan in three waters.

Extending the audit and risk role

There is an Audit and Risk Committee that meets at regular quarterly intervals. The Committee includes a well-regarded independent member whose independence and experience is sought and respected. The Audit and Risk Committee has been in place since 2014, although the independent member was appointed only in the last year.

There are clear terms of reference for the Committee, although the terms of reference could be extended to interface better with the health and safety issues that Council faces. There is regular reporting back to the full Council. The Committee is extending itself into pre and post project evaluation. In the week prior to the review, the Committee had met with the airport board to discuss the risks and key assumptions in its business plan.

Reporting

Councillors are less happy with the reports they receive than might be indicated by a reasonable, external policy score rating. In particular, councillors noted that papers were of inconsistent

quality, oftentimes expressing opinions rather than evidence. Councillors indicated that they seek to be data driven and may change the meeting schedule to allow for better reviews in future.

Strengths

There is an open and frank relationship between the councillors and the executive.

The Mayor has sought and received feedback on his performance.

The Mayor has been agile in taking leadership as a change in Government policy impacts on the district.

Capturing election issues has translated into organisation priorities and Council investment.

Councillors have a well-developed sense of the strategic risks that the district faces.

The Audit and Risk Committee has a broader than usual view of risk.

Areas for improvement

Integrate and reduce the number of priorities (21 and focus groups) into a much smaller number of durable, relevant goals.

Health and Safety monitoring could be better integrated with risk reporting and assessment, including reporting through the Audit and Risk Committee.

Councillors need to become much more aware of the need to take a role in governing three waters and roading activities.

The current relevance of the committee structures could be reviewed to prevent overlaps and duplication from occurring.

Future Annual Plans will need to more directly address the strategic, financial and operational implications of possible changes to the petroleum sector in the district.

Investing money well

Financial decision-making and transparency

The Council is in good order financially and has a clear view of its forward spending commitments and debt. The investment fund gives the Council some resilience to future shocks as well as taking some of the sting off an increasing debt level.

Priority grading

Better than competent

< The Council’s financial strategy is a clear, well set out document published as part of the Long Term Plan.>

The strategy and its antecedents are very clear. The Council has been through a period of retrenchment with deferred asset renewals. A lack of resilience in the network came to a head with a recent three day water outage. The strategy sets out a sharp up-kick in investment in water assets, meaning the Council will breach its recommended rates affordability limit. This “up-kick” adds to an approximate five per cent increase in rates (seven per cent in year one). Debt levels will climb to be close to the interest ceiling in 2023 as debt is taken on to help fund reinvestment.

The issues around replacing the stadium are not addressed in the financial strategy and could mean a further rates increase of five per cent. There is also investment needed in a new terminal at the airport; it was not clear that there was full consideration of the options, for example, postponing this expenditure line while three waters investment is in catch-up.

Despite these substantial rates increases, there has not been much work identified on rate distress into the future. However, the Council does closely monitor rate distress and ensures uptake of an approximately \$600 rates rebate for those under pressure.

The Council has an investment fund which it operates through a council controlled organisation called New Plymouth PIF Guardians Limited. The fund was established in two steps; first by

sale of a shareholding in the Council’s lines company and then by reinvestment and sale of dairy farms, principally in Tasmania.

The investment fund now functions as an independent operation with the objective of being “a sustainable perpetual investment fund in the long-term”. A strategic asset management process has been in place for three years. In the past, the take from this fund has been too large to sustain the fund in the long-term. Now, the fund operates under close supervision, with outsourced fund management, and with a spending rule in place that mirrors good practice endowment funds. Councillors should thoroughly understand the strategic allocation mechanism and the spending rule.

New Plymouth District Council has a Standard and Poors rating of “AA” long-term foreign currency and local currency ratings and “A-1+” short-term rating. These are very good ratings. The Council has substantial liquidity and can call on \$32 million, as at the time of this review.

The audit is unqualified.

Ninety nine per cent of rates are collected, as are most arrears. However, it might be worth exploring collection assumptions for the future with the proposed rate increases, particularly if the stadium is as costly as it might seem to be.

Planning and evaluating financial goals

The Council budgets are refreshed each year. The main area of budgeting concern is regarding the three waters, where there is not enough information about the state of the assets to fully understand the capital programme that might be needed. Budgets are balanced with small surpluses, although this approach is partly supported by what appears to be a consistent under-run on capital spending.

There is a clear statement of assumptions in the Annual Plan, including assumptions around cost escalation, borrowing rates, and investment revenues, amongst others. There is a measure of uncertainty on those assumptions, but also a need to better

understand their sensitivity to changes. For instance, there is an assumption that the cost of replacing infrastructure assets will move in line with inflation. Consideration should be given to other possibilities, e.g. what if the cost index were to follow a construction cost index?

Assessing financial data

The Council is well organised in terms of financial management support and operates a Technology One financial management system. The Council is looking to move to a new version of Technology One which will be better able to support connectivity with Council's other systems. Monthly financial reporting is available three days after the end of the month.

There is a consistent under-run on capital spending and this is currently running at 14 to 15 per cent of budget. There should be some reporting of forward commitments and whether they have been contracted to better determine completion of capital budgets.

The Annual Report's statement on variances against budget is poor. There is recognition that business case writing and analysis needs to improve. A new infrastructure procurement strategy has been developed as part of that scrutiny; the plan will reinforce sustainability as well as requiring full life cycle costings.

Being clear and transparent

There is a clear statement of funding split for rates in the revenue and financing policy. Justification of public and private choice could be improved. For instance, there could be more discussion around public and private shares, and of the unifying principles with the district's vision.

Strengths

Council has a strong credit rating.

Good practice management of the investment fund is apparent, including arm's length oversight, outsource management, and a clear spending rule.

A very clear statement of the basis of rating is provided.

The Council provides competent and timely reporting.

Areas for improvement

The Council is not clear on the risk profile that the investment fund has adopted and this should be revisited.

There could be more work done on resilience, including testing some of the longer-term assumptions such as the possibility of another severe weather event, the impact of a volcanic event, sensitivity to capital cost increases, and rating sustainability of the regional economy were it to back-peddle.

The financial management system needs to provide stronger connectivity with other systems.

More transparent external reporting of capital overruns could be provided.

Delivering what's important

Service delivery and asset management

The Council's greatest operational strength is in its management of its most significant assets – the roading and three waters networks – with assets well planned and monitored. However, delivery of all day-to-day services could be enhanced by more demanding and relevant performance measures and, in the case of community facilities, a clearer strategy for the future. The Council is also making positive strides toward developing a stronger organisational culture.

Priority grading

Competent

< At a strategic planning level, the Council's operations are generally well thought out. The financial and infrastructure strategies "talk" to the others well, with costs well planned across the life of the infrastructure strategy, and the financial strategy clearly highlighting the significance of infrastructure issues.>

Monitoring and assessing service levels

Despite near-unanimous agreement from operational staff that the annual residents' survey provides few useful insights, survey satisfaction results and mandatory Department of Internal Affairs performance measures comprise the primary measures of the Council's performance. The survey results are not analysed in any

substantive manner, and no actions arising from the results are fed back to residents through the Annual Report or other documents.

Given that there are several areas in which the Council is very active and can highlight some good achievements, this not only provides inadequate accountability, it is also a lost opportunity for the Council to demonstrate value for money.

More generally, and given the high quality of the Council's communication, the Annual Report is a relatively poor document in terms of providing good accountability to ratepayers. Aside from the key performance indicators being based on largely subjectively based survey results, there is very little linking between what was promised in the LTP or Annual Plan, and what has in fact been delivered (and not delivered) in the Annual Report.

Assessing capability and capacity

The Council is well resourced, with between 526 and 578 full-time equivalent staff, depending on seasonal variations. This is a large complement when compared to similarly-sized provincial councils. The Council should conduct a whole-of-organisation assessment of resource demands and priorities to establish that this demonstrates clear value for money.

Past surveys highlighted perceptions of a negative organisational culture. The subsequent organisational "realignment" resulted in a small number of redundancies and a higher than normal level of staff turnover (20 per cent), with some of the biggest changes occurring at a senior management level. Recent staff survey results indicate that positive changes are happening and senior managers subjectively scored the culture as having moved to "a 6

or 7 out of 10” which was a view supported by staff feedback. The latter considered that the Council is becoming more collaborative, that senior management are more open to new ideas from staff, that they are engaging better with the community, and that there is an organisational commitment to training and development.

While the Council has conducted some service delivery reviews under s.17A of the Local Government Act for the council controlled organisations, staff acknowledged that there had not been any proper s.17A reviews done of internal services or contracts. This may have worked satisfactorily during the “golden era” of local economic growth off the back of the petroleum industry, however the recent changes, and the regional work done on economic development, highlight the need for the Council to think differently about the delivery of its services in the future. More shared services, selective contracting out, and other options should be rigorously examined.

Service delivery quality

At a strategic planning level, the Council’s operations are generally well thought out. The financial and infrastructure strategies “talk” to the others well, with costs well planned across the life of the infrastructure strategy, and the financial strategy clearly highlights the significance of infrastructure issues, with intergenerational equity being at the forefront of Council’s thinking.

Council services are also tied together by the “District Blueprint Plan – Key Directions.” The Plan provides an integrated strategic framework for planning all aspects of the district, and is underpinned by the principles of “supporting, nurturing, and respecting our people, our land and our district.” These are then supported by greater details under themes such as enhancing the environment, strengthening local communities, growing the economy and engaging with citizens. While it presupposes that the development of specific initiatives will ensure that the goals and principles of the Blueprint are actually observed and given effect to, it has the potential to reduce the frequency of ad hoc or expedient decisions in favour of a more consistent and integrated approach to decision-making for operational services.

The Council also has a very good overall Asset Management Strategy (AMS) which identifies key outcomes such as effective investing at the right time of an asset’s lifecycle; integrated planning for growth, maintenance and replacement of assets; having independent asset valuations to influence key investment decisions; and having a regularly updated AMS to ensure that the capital investment in the infrastructure strategy is well informed. The policy provides a very good foundation and some level of accountability. It also outlines in some detail the content and structure required of the AMS so that the information in it is consistent and comprehensive. In particular, it highlights the need

for asset data to be analysed to better inform operational and capital decisions. Not only is it a good document in terms of clarity of structure and layout, it logically progresses through “big picture issues” such as levels of service, description of assets and expected future demand, to the more detailed operational matters such as individual asset conditions and priorities for maintenance and renewal.

Roading

The roading assets are in good condition – at the higher end of their peer group – and they have a high level of confidence in the asset data, which is regularly inspected. The effectiveness of the network in ONRC (One Network Road Classification) terms is relatively hard to assess because distances are small, journey times relatively reliable, and roading condition high. It was described by staff as “a network not under much stress.” The only transport issues of any significance are the need to make safety improvements in a small number of trouble spots, and bringing greater innovation to the network, e.g. through initiatives such as using recyclable plastics as part of the asphalt resurfacing as a cost-effective means of reducing plastic waste.

Staff acknowledged that the transport strategy is out of date, particularly in relation to the public transport strategy which they said needs to “modernize and update” current information. The strategy lacks the right mechanisms/incentives for people to make more use of public transport (e.g. better prices and convenient bus schedules) and disincentives to discourage car use (e.g. higher public parking charges). Similarly, the cycling strategy is significantly out of date (2007) although the principles underlying it are sound. The strategy has a host of actions and initiatives contained within it, but does not have progress reporting in the Annual Report or elsewhere. This is a significant lost opportunity for a relatively compact and flat district.

Three waters

While water supply capacity is not an immediate issue, the Council estimates it has 10 to 15 years before there are issues with peak capacity, and it is currently enforcing supply restraints over the summer period. Water metering is currently voluntary but users are incentivised to pay less if consumption is lower than the daily allocated average. To date this has had limited success (only 200 properties) and there is a clear need to develop a business case for universal metering, as it is estimated that it could defer capital investment in upgrading the network by 10 to 15 years. Although this is viewed as politically challenging, the current LTP proposes addressing the issue in 2022-2025.

Water quality is good, with every scheme compliant with drinking water standards. The recommendations of the Havelock North Drinking Water Inquiry have been analysed, with approximately 20 improvement issues identified and prioritised.

The asset data is old and of average quality, and so the Council is carrying out sampling of the asbestos cement pipes to obtain a clearer picture of the asset quality. Although public satisfaction with water supply is measured, staff view water quality and safety as their key KPI, and prioritise ensuring that plant is functioning properly.

Capital expenditure on water has been lower than budgeted due to issues with obtaining access to land for a new reservoir. The capital project completion rate has dropped as low as 54 per cent, but has risen to 77 per cent. The current target is 85 per cent, rising to 88 per cent, a target which would be more meaningful if it was incorporated into the annual performance reporting.

While the LTP alludes to greater initiatives with environmental management of stormwater run-off, the Council has yet to achieve anything significant. A few private developers have installed rain gardens (“green infrastructure”) for managing run-off and discussions have started with iwi as to how the Council can do more in this area. Stormwater is a particular area where the elected members could demonstrate greater commitment to community outcomes and generate greater credibility with stakeholders such as local iwi, by developing initiatives with stormwater that address the stated commitment to “protecting and caring for our natural resources.”

The Council is well placed in terms of discharge consents for wastewater, with a 30 year consent not expiring until 2046. The plant and pipe network is generally operating well, with no abatement notices and relatively few overflows or complaints. Like most councils, there are issues with inflow and infiltration of stormwater into the network, particularly in Waitara and Inglewood. As with stormwater, greater environmental commitment, particularly to iwi, could be demonstrated by prioritising a more environmentally sensitive solution to the current discharge of wastewater into the sea.

Community facilities

The Council offers a wide variety of community facilities with generally high levels of service. Council facilities include the Govett-Brewster Art Gallery, the Len Lye Centre, Puke Ariki (library, museum, and i-SITE), five community libraries, three substantial events venues (TSB Bowl of Brooklands, TSB Stadium, and TSB Showplace), as well as a significant number of parks, open spaces and gardens. In addition, Council operates Yarrow Stadium on behalf of the Taranaki Regional Council, which owns the venue.

Despite having all of these facilities, there is no clearly articulated strategy for how they should be developed in the future and whether additional, or different, facilities may be needed. Nor has the Council accurately determined the extent to which the community values them in terms of level of use.

All of the venues are owned and operated by the Council, and no s.17A reports have been done to identify possible alternative operating models, including the open space management.

While there is an impressive number of facilities, which appear to be very highly rated based on residents’ satisfaction surveys, there is little other empirical data to assess how well the facilities are being managed, promoted and used. There are no cost efficiency or value for money measures, for example.

Addressing regulation

The Council has few regulatory issues, based on stakeholder feedback and annual reporting. The one notable exception appears to be in consenting. Both building and resource consent processing is substantially compliant with statutory timelines, at 98.4 per cent and 98 per cent respectively, but satisfaction surveys for resource consenting scored them at a low 53 per cent satisfaction. Staff considered that “we’re very pragmatic” in dealing with consenting issues – a view not borne out by the survey rating, or anecdotal stakeholder feedback. The perception is that rules are inconsistently applied and that staff had a habit of “backtracking” on initial advice or comments. The view was “everything is up for negotiation” and that the default position of staff is aversion to any kind of risk.

The Council recognises that the absence of a strategic chapter in the current District Plan is a significant omission which needs to be addressed. The overarching strategic goals are to manage cohesive growth, address the risks of coastal erosion from climate change, enable appropriate industry growth, and to better define the CBD to enable more concentrated growth. The latter appears to be the greatest challenge, given the absence of a central city masterplan and costings for regeneration in the LTP.

Capital investment decisions and delivery

The staff acknowledged that this is an area for improvement. They are not currently doing business cases, and do not have staff who are trained in Better Business Case (BBC) or other recognised business case methodologies. Staff also acknowledged that they do not have a programme for prioritising capital projects or monitoring them and that “our capital programme needs to be listed against investment objectives and aligned to community outcomes. At the moment it is just a random collection of projects.” To their credit, they have a strong desire to better understand the economic value of investing in key projects rather than simply reviewing a financial cost assessment of options.

The current processes for scoping, monitoring and reporting capital projects are not as robust as they could be, although the infrastructure team is endeavouring to do more work on up-front scoping of projects, so that they can better estimate both the

timing and cost of the project, and thereby achieve a rate of completion that is closer to that budgeted in LTPs and Annual Plans. They recognise the need to have improved project reviews which include the project evaluation and benefits realisation processes set out in the BBC methodology.

Strengths

A comprehensive and well articulated “District Blueprint” is present.

The Council has high quality AMPs and an overarching asset management strategy.

There is very sound planning, monitoring and management of infrastructure.

The Council maintains high levels of community satisfaction with all operational services.

A genuine commitment to addressing legacy organisational culture issues is apparent, with a very visible and accountable process for improvement.

Areas for improvement

Demonstration that current resource levels are proportionate and good value for money relative to demands is desirable.

The public transport and cycling strategies need to be updated, and better linked to the overall transport strategy.

The medium-term issue of volumetric water charging to defer significant capital commitments needs to be addressed.

Concerns over environmental aspects of wastewater and stormwater management need to be assessed and a plan formulated to address these concerns .

An overall strategy for community facilities and property should be established.

The programming of capital expenditure could be improved by linking projects to key community outcomes, and improving prioritisation and scoping.

The Council’s capability in project monitoring and reporting could be improved.

Business cases should be developed at all levels – programmes, outline, detailed and implementation.

The reliance on community surveys as the primary measure of performance could be replaced by a more balanced performance framework, using more objective and value for money measures to drive better performance.

Appropriate use of s.17A reviews, particularly for current activities which could be readily tested for cost efficiency and quality should be considered, e.g. in-house open space management and venue management.

The council recognises that the absence of a strategic chapter in the current District Plan is a significant omission, in light of changes within the local economy, which needs to be addressed.

Listening and responding

Communicating and engaging with the public and businesses

The quality of the Council's communications, and efforts at community engagement is strong. They are strategic in managing their reputation and are ably led by a Mayor who has a strong and generally positive profile within the community.

Priority grading

Performing well

< Elected members and staff both place a high priority on good quality engagement and communication, and this area enjoys significant resourcing by the Council.>

The Council's dominant role across the wider Taranaki region creates some challenges in terms of being perceived as a good listener as well as communicator and, in this regard, equal and effective collaboration with iwi and the business community will be important to the district's overall success.

Planning effective engagement

The Council has a very strong and consistent message across all of its documents that the district is about "people, place and prosperity – putting people first, caring for our place and supporting a prosperous community." Staff and elected members consistently reference these messages as part of their work.

The reputation strategy sets out key messages that the Council wants to communicate, i.e. that it is an integral part of the community, providing diverse services; it wants to be financially responsible, support the people of the district, and promote economic growth.

The Council has analysed its different audiences well and has identified a multitude of channels through which it needs to

communicate to its various audiences. In addition to monitoring feedback from the residents' survey, media monitoring and public submissions, the Council engages a community panel of 200 residents to provide feedback on individual issues.

The various communication documents are very well presented, visually appealing and informative. However, the Annual Report, although detailed in content, suffers from a lack of well-presented graphics, charts etc. The tone and language of the non-statutory documents is significantly better – free of jargon and written in a straightforward and plain English style.

Engagement on the last Long Term Plan was particularly effective. Driven by the Mayor, it was a very direct campaign to get the residents engaged on the big issues affecting the district. The volume of submissions (approximately 4,000) was well above the response levels that most councils achieve through public consultation processes.

Communicating through the media

The Council has an up to date and thorough media policy. It clearly defines "what's in and what's out" of scope with media dealings, but does not outline a "strategy" as such. Staff acknowledge that integration of the media policy with the reputation strategy would help enable a clearer and more consistent message to the community.

The Council actively monitors and responds to issues raised in any form of media. The effectiveness of this work is reflected in the generally positive manner in which the Council is regarded within the media and the wider community.

Digital engagement

The Council's digital communication is extensive and sophisticated. The digital strategy is consistent in its messaging around "people, place and prosperity", and the actions within the

strategy are tied to reinforcing the wider communication objectives.

Council's digital/social media channels are extensive, although possibly too varied, with 19 Facebook pages, five Instagram accounts, 13 websites, two Twitter accounts, and three apps. This may create some confusion as to the "faces" of the Council, however, the approach appears to have created a high level of community engagement. Whereas 70 to 80 per cent of residents in many other councils continue to use newspapers or radio as their primary source of council information, the New Plymouth District Council has reduced this to 41 per cent, and use of social media and the websites as the primary source is an impressive 36 per cent - considerably higher than most other councils.

Although in its infancy, the Council's work on mobile apps is a very positive initiative, with one app providing general information about the district, including things such as weather and surf conditions, and another providing up to date information on rubbish and recycling collections, and enabling residents to set reminders and receive alerts.

Reputation

The Council extensively monitors its reputation. It conducts the annual NRB Residents' Survey and the results are consistently positive, with satisfaction for helpfulness rated at 90 per cent - significantly higher than peer group councils. It is acknowledged, however, that an annual survey is decreasingly relevant as a measurement tool in that the results do not materially change from year to year and provide less timely and specific feedback.

In contrast, media reports are analysed weekly and quarterly, and issues highlighted to determine whether the Council is being portrayed in a positive, negative or neutral light. The media analysis is complemented by a "reputation radar" which monitors upcoming Council issues and events that may have a positive or negative effect on residents' views of the Council. Both initiatives allow the Council to actively manage community issues, rather than being seen to defensively react to a story after the event.

Engaging with iwi

Although there are several hapu/iwi across the district, Te Atiawa is numerically and geographically the largest group. While iwi acknowledge that the relationship with the Council is improving, they see scope for significantly more to be achieved, which some within the Council appear to appreciate. The Mayor is acknowledged for his efforts, and there is a desire to see the Chief Executive assume a more prominent and influential role in iwi relationships.

Several positive initial steps have been achieved with iwi, including the establishment of the Te Huinga Taumatua Committee, but

there is a desire for more substantive change, such as giving the Committee a larger role than its present scope of naming roads and making marae grants. There is no desire for exclusive decision-making authority, but rather a partnership arrangement whereby major issues of concern or relevance to iwi are reviewed by this Committee, with the right to comment on them to the full Council.

There appear to be unresolved issues at an operational level, including a relative lack of iwi perspective at a senior management level and engagement not occurring early enough. Infrastructure is a particular issue, with a desire by iwi to see more innovative approaches, particularly relating to three waters management. The continued discharge of wastewater (albeit treated) into the sea is an example, as this prevents the collection of kaimoana in the district.

Building relationships with business

The relationship with the business community is generally good, with key stakeholder groups acknowledging that the Council is "moving in the right direction" and the relationship is "the best it's ever been" after a legacy of being bureaucratic and arrogant. As with other stakeholder groups, the Mayor was singled out as being a strong leader, who listened to the community and was very approachable. In contrast, some reservations were expressed about a lack of consistency and united view amongst staff. Personal relationships were generally viewed as good, but there was a desire to see the staff be more action-oriented and have a bigger appetite for taking risks.

Being the significantly dominant council in terms of scale compared to the other councils in the region, there is some feeling that New Plymouth has been insular in its view on regional issues. However, recent work on the economic development strategy, along with Government policy decisions on oil and gas, is resulting in a change to being seen as more collaborative with business and other local authorities.

Strengths

The Council has high quality communication documents.

Frequent and informative messages to the community on issues of relevance to them and the Council are provided.

Management of important reputational issues is timely and active.

There is considerable breadth and diversity of groups with which the Council engages.

Recent efforts to collaborate more effectively with business interests and other councils in the region have been noted.

Areas for improvement

More concerted efforts could be made to engage earlier and more substantively on issues of concern to iwi.

An additional, more succinct, annual summary could be provided to residents.

Integration of the various communications and engagement policies and strategies into a single, more coherent, document would be desirable .

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