



**WE
ARE.**

**Making our
communities better.**

**CouncilMARK™
Prospectus – Year 3**

March 2019



A measure
for better
community value.

councilmark.co.nz

< CouncilMARK™ rewards robust decision-making, promotes a more inclusive council culture, improved delivery of essential services and better communication and engagement. >

Toby Stevenson

Chair, Independent Assessment Board

Contents

- 1> Foreword – our promise p2
- 2> The programme p6
- 3> CouncilMARK™ governance p13
- 4> Registration of interest p17
- 5> Appendix p20





Foreword -

our promise



Thank you for reading the CouncilMARK™ local government excellence programme prospectus for 2019. This initiative is now in its third year and is building on a new era of local government sector performance designed to improve delivery of core infrastructure and services, and deliver value to our communities.

Drivers for change

Perceptions of low performance and reputation identified in the 2015 New Zealand Local Government Survey undermine confidence in councils. This showed there is low awareness of the wide range of services that councils deliver, and subsequently, these services tend to be undervalued. The sector needs to act across the board to provide better services and value to communities, and make them more aware of what the council does for them.

Excellent performance from councils means leadership and innovation to support communities and to contribute locally, regionally and nationally. The CouncilMARK™ programme is an important part of the change required to improve reputation.

- The CouncilMARK™ excellence programme establishes what matters to customers, where councils should focus, and how to keep the customer experience alive in all council decision-making and operations;
- CouncilMARK™ involves an independent assessment of a council's performance across four priority areas;
- Each participating council receives an overall CouncilMARK™ rating, a grade for each priority area, and commentary on how they are performing;
- CouncilMARK™ rewards robust decision-making, promotes a more inclusive council culture, improved delivery of essential services and better communication. It complements council plans and activities, and existing benchmarking initiatives;
- CouncilMARK™ identifies areas for future focus and is not about fault finding. It is voluntary for councils; and
- The programme encourages councils to share good practice with each other. Over time, CouncilMARK™ will provide information on council performance and shared learning will be available to participating councils.

< The CouncilMARK™ excellence programme provides guidance on where councils should focus, and how to ensure customer experience is accounted for in all council decision-making and operations.>

Programme driven by councils, for our communities

The independent assessment undertaken by a team of independent assessors reflects the unique circumstances facing each council and its communities. Each participating council then determines how it responds to the assessment results, including how it engages with its communities on the findings and what matters locally, and the actions it chooses to take to deliver essential services and value.

Progress towards excellence

I see the CouncilMARK™ programme driving a culture of excellence and continuous improvement in council performance.

I encourage councils to register their interest to become a participating council in 2019/20. You will have the opportunity to join other councils and together, lead the charge for lifting performance within the sector. The CouncilMARK™ local government excellence programme best determines the future of councils to support our communities. That is the change we all want, the highest reward of all.



Toby Stevenson

Chair, Independent Assessment Board

Key dates

Registration of interest for **Year 3** are now open and close on **12 April 2019**.

Year 3: The key milestones:

- Participating councils will be announced in **May 2019**;
- One-on-one sessions will be held with participating councils as they sign up from mid **June 2019**; and
- Assessment of participating councils undertaken between **May 2019 and March 2020**.

Leadership Endorsements



Rachel Reese, Mayor of Nelson City Council

< Nelson City Council signed up as a Foundation Member in 2016 and was the first unitary council to be assessed. The drive for excellence is an aspiration for us all and this programme provides us with the support to achieve this.

Our council was motivated to take part because it is important that the local government sector ensures it is well understood by residents, and the CouncilMARK™ programme helps us ensure we're communicating what we do and why we do it. >



David Ayers, Mayor of Waimakariri District Council

< CouncilMARK™ provides extremely valuable insight that can help councils with how they operate, what they're doing right and what they could put more effort and resources into. Furthermore, the programme gives communities the same information which provides them an independent opinion of the work their local council is doing. Councils need to consistently demonstrate and improve their performance.

CouncilMARK™ offers an excellent tool to communicate and share information about how councils can improve performance and value. By joining the CouncilMARK™ local government excellence programme, your council will be linking with other forward-looking councils to share and learn for the benefit of all. >



Alan Livingston, Chair of Waikato Regional Council

< It's challenging to put yourself forward for independent scrutiny and we were pleased to be the first regional council to do so. I would encourage other councils to do the same as the drive for excellence is important for us all. CouncilMARK™ provides the framework to take stock of where our council is at and acknowledge where we need to make changes in order to improve.

The CouncilMARK™ programme works across the whole council and, with the right attitude, councils can use it to deliver first class service across all activities and services to provide their communities with accessible and understandable performance information. >

< By joining CouncilMARK™ your council will be linking with other forward-looking councils to share and learn for the benefit of all. >

2 >

The Programme



Introduction

What is involved in the CouncilMARK™ local government excellence programme?

The CouncilMARK™ local government excellence programme incorporates an independent, robust and credible system of performance assessment.

LGNZ initially worked with Cameron Partners to develop the performance assessment system for CouncilMARK™. The system incorporates a set of performance measurement principles, an over-arching performance framework and underlying performance indicators that has been tailored for New Zealand councils.

The performance system and underlying indicators were consulted on with a number of stakeholders before being used by the four pilot councils in 2016.

Based on experience gained, refinements were made and have been applied to the assessment process.

CouncilMARK™ is best described as a “system” of performance assessment and continuous improvement that assists councils to deliver top service and value to their communities. The provision and communication of the performance assessment “rating” is not the end-game, rather the focus is on continuous improvement, and a long-term lift in sector outcomes, performance and reputation.

The key aspects of CouncilMARK™ are:

- 1> **A comprehensive, robust and independent performance system**
 - A performance assessment system, which assesses councils against the four priority areas of the programme, as identified by the 2015 New Zealand Local Government Survey.
 - Overseen by an Independent Assessment Board and supported by a small team of independent assessors.
- 2> **Independent assessment and public rating of a council's performance**
 - Councils undergo an assessment by a team of independent assessors, resulting in a formal assessment rating and commentary that is published.
- 3> **Assist with communication and engagement with the community**
 - The programme will provide support to councils on the overall communications framework, and internal and external communications of this programme and the resulting assessments.
- 4> **Support to lift performance**
 - The programme will share best practice and learnings to assist councils to lift performance.



Performance Assessment Framework

The CouncilMARK™ performance assessment framework focuses on four priority areas that were derived from public and business feedback in the 2015 New Zealand Local Government Survey.

The system:

- enables a current state and gap analysis assessment for councils;
- provides a grading for each priority area; and
- leads to an overall publicly available rating from AAA to C.

The four priority areas for CouncilMARK™ are:

1. **Leading locally** - Governance, leadership and strategy;
2. **Investing money well** - Financial decision-making and transparency;
3. **Delivering what's important** - Service delivery and asset management; and
4. **Listening and responding** - Communicating and engaging with the public and businesses.

The detailed indicators, an indicator of "what good looks like", and the Performance Assessment Framework were developed with detailed work from the Independent Assessment Board, the assessors, LGNZ and the pilot councils.

For each of the four priority areas, the underlying performance indicators guide the independent assessors in their evaluation of council performance.

The overall assessment rating, and the grades for each of the four priority areas, are recommended by the independent assessors and then confirmed by the IAB. These results, along with supporting commentary, provide an overview of council performance, providing independent insight for both the council and its community. There is no right of appeal but the IAB has developed a moderating process for particularly contentious situations.

Gradings and ratings

The communication of the performance assessment rating is not the end-game, rather the focus is on continuous improvement, and a long-term lift in sector outcomes, performance and reputation.

The council's overall rating across the priority areas is determined using a nine point scale from AAA to C:

Ratings	
AAA	Highest possible rating. Exemplary across all priority areas, a leader in the sector. Strongest capacity to meet its community's needs and expectations. Innovative and setting or exceeding best practice.
AA	Strong grades in most priority areas.
A	Some clearly identifiable areas of strength and leadership.
BBB	Some areas of strong performance and competent generally.
BB	Competent in all priority areas or alternatively, performing very well in some priority areas but underperforming in a number of other priorities. Good capacity to meet its community's needs. Balances short and long-term priorities.
B	Areas of improvement identified in one priority area.
CCC	Areas of improvement in two priority areas.
CC	Areas of improvement or underperforming in more than two priority areas.
C	Underperforming across the board. Council not well aligned with community's needs and expectations. Lack of coordination between elected members and staff, and misalignment across business units.

This approach was adopted to provide the public with a 'quick glance' rating system, where the community can quickly and easily understand how their council is performing. Similar approaches are used in a number of well-established assessment systems across multiple sectors, including credit rating agencies such as Moody's, Fitch, and Standard and Poor's. In addition, using a nine point scale provides sufficient opportunity for differentiation between councils' performance levels and improvements in individual performance over time.

Priority area gradings

The overall ratings, priority area gradings and commentary reports for each participating council are publicly available upon completion, providing the public with a comprehensive view of the council and its strengths and weaknesses. The reports are available on the CouncilMARK™ website and each council is encouraged to make the rating and supporting report available on their own website (and through other mediums), as part of their commitment to CouncilMARK™ and their communication with their communities.

The individual grades for each priority area are determined on the following scale:

Priority grading
Exemplary
Stand out
Performing well
Better than competent
Competent
Variable
Areas for improvement
Underperforming
Struggling

The performance indicators for CouncilMARK™ were developed as a guide for the independent assessors who undertake the assessments. There is a mixture of qualitative and quantitative indicators for each of the priority areas. The independent assessors make judgements on a council-by-council basis on the extent to which they would apply, as well as applying other qualitative and quantitative indicators as they find appropriate. The set of indicators are not a definitive list. Based on the recommendation of the assessors, the IAB may develop new indicators over time.

The team of independent assessors takes a methodical approach in determining a recommended overall rating for each council. The assessors take into account the grade for each of the four priority areas in determining an appropriate overall rating. The IAB makes the final determination.

Developing an Action Plan

As CouncilMARK has been designed to support your continuous improvement strategy we provide a debrief workshop as part of the programme. On release of your report we will work with you to arrange a workshop with one of the assessors who will provide you with further insight assisting you with your action planning.

Frequency of assessment

The assessment of a council's performance is undertaken on a three-yearly basis. This frequency aligns with the triennium of local authority elections, and takes into account the annual, biannual and less frequent reporting and planning activities required of councils.

It is anticipated that the initial rating process may take more time than subsequent assessments, as this first assessment will provide the baseline of council performance. The subsequent three-yearly assessments are anticipated to involve updating the existing indicators and assessment ratings. The time put into seeking the first ratings should therefore be considered as an investment into the programme.

Preparing for the assessment

Councils are responsible for adequately preparing for their assessment by ensuring that sufficient time is allocated, and staff and elected members are available for the assessment. The assessors rely on councils supplying them with the data and information required in a timely manner. In terms of financial information, this includes the latest year-end financial data, plus any (unaudited) financial information that councils have.

All participating councils will be provided with guidance on the level of information that should be made available prior to the assessment, and the key staff and elected members who are likely to be interviewed by the assessors. Councils also fill out the Performance Assessment Framework with their own perspective as a basis for discussion with the assessors.

New councils preparing for the assessment may also wish to seek advice from councils who have completed the first year of the programme.

It is recommended that each participating council provide a principal point of contact. This person will be responsible for managing CouncilMARK™ internally with staff, the senior leadership team, elected members, with LGNZ, the assessors, and the IAB.

Programme cost

As a general principle, the CouncilMARK™ programme will run on a cost-recovery basis, with participating councils paying a set fee for the independent assessment process and the resulting assessment report.

The cost of an assessment covers:

- the cost of the assessors' time undertaking pre-reading, confirming interview arrangements and the time on site at each individual council;
- the tasks involved with preparing each assessment report;
- a de-brief workshop with an assessor; and
- the necessary disbursements for assessors travelling to each participating council.

Table 1 sets out the indicative cost for an assessment, with the average cost expected to be in the range of \$16,500 to \$24,000 plus GST and disbursements.

There is a three day cap on the timeframe of an assessment. This will provide sufficient time for the independent assessors to cover the four priority areas of the Performance Assessment Framework and the set of performance indicators outlined in the Appendix. A set timeframe incentivises councils to be well prepared for the assessment, ensuring that all documentation is ready for the assessors and all elected members and staff are made available. Any assessor time spent over the three-day cap will be charged out at a per-day fee, established by the Independent Assessment Board.

For particularly large councils, or councils with specific circumstances that may require a longer or varied assessment process, the Independent Assessment Board will confirm the agreed approach (i.e. the number of assessors and days on site) and the assessment cost, prior to commencement of any work.

Additional moderation or review will incur any actual additional costs.

Table 1: Indicative costing of performance assessment

Type	Cost (excluding GST and disbursement)
Territorial Authority / Regional Council 2 Day	\$18,500
Territorial Authority / Regional Council 3 Day	\$26,000
Unitary Authority 3 Day	\$26,000

* Councils will receive a detailed estimate as part of the pre-assessment planning stage which will include a breakdown of the programme fee structure. During this consultative stage we will also advise council on the required length of the assessment that best meets your councils assessment needs.

** Disbursements will be in addition to this estimate provided.

Councils are grouped according to their population size and type. Unitary councils are grouped with the three territorial authority groups. This information helps the reader of the report understand the council's context and setting.

Table 2: Council groups

Type	Population size	Councils	Percentage of population ⁴
Large metro	100,000+	Auckland Council Christchurch City Council Dunedin City Council Hamilton City Council	Hutt City Council Tauranga City Council Wellington City Council 58%
Small metro and provincial	30,000 – 99,999	Ashburton District Council Far North District Council Gisborne District Council Hastings District Council Horowhenua District Council Invercargill City Council Kāpiti Coast District Council Marlborough District Council Matamata-Piako District Council Napier City Council Nelson City Council New Plymouth District Council Palmerston North City Council Porirua City Council Queenstown Lakes District Council	Rotorua Lakes Council Selwyn District Council Southland District Council Tasman District Council Taupō District Council Timaru District Council Upper Hutt City Council Waikato District Council Waimakariri District Council Waipa District Council Whanganui District Council Western Bay of Plenty District Council Whakatāne District Council Whangarei District Council 33%
Small provincial and rural	Less than 30,000	Buller District Council Carterton District Council Central Hawke's Bay District Council Central Otago District Council Chatham Islands Territory Council Clutha District Council Gore District Council Grey District Council Hauraki District Council Hurunui District Council Kaikōura District Council Kaipara District Council Kawerau District Council Mackenzie District Council Manawatu District Council Masterton District Council	Ōpōtiki District Council Otorohanga District Council Rangitikei District Council Ruapehu District Council South Taranaki District Council South Waikato District Council South Wairarapa District Council Stratford District Council Tararua District Council Thames-Coromandel District Council Waimate District Council Wairoa District Council Waitaki District Council Waitomo District Council Westland District Council 9%
Regional Councils	N/A (Excludes unitary councils)	Bay of Plenty Regional Council Environment Canterbury Environment Southland Greater Wellington Regional Council Hawke's Bay Regional Council Horizons Regional Council	Northland Regional Council Otago Regional Council Taranaki Regional Council Waikato Regional Council West Coast Regional Council

⁴ Based on 2015 estimated data from Statistics New Zealand
Councils in **bold** have opted into the programme.

Responding to the performance assessment

The awarding of a council's assessment rating is not the final outcome of the CouncilMARK™ local government excellence programme.

Rather, it is the beginning of a journey, where councils engage with their community on the results, develop an action plan to respond to the findings, and seek to lift and demonstrate performance over time.

Communicating the results

When councils receive their draft report, they have the opportunity to correct any factual errors in the report. The assessment rating and supporting report will then be finalised for release on the CouncilMARK™ website.

A key benefit of CouncilMARK™ and the assessment rating is that it helps to inform council customers and communities of the value being delivered by the council. Participating councils involved in CouncilMARK™ will be supported and encouraged to engage with the public on the assessment results. Engagement will work best when results are:

- Communicated proactively at an early stage;
- Explained as being independently assessed and valuable to the council, its customers and its communities;
- Placed in a context of transparency and being customer and community focused;
- Accompanied by the council's action plan in response to strengths and areas for improvement identified in the results;
- Discussed in terms of community and business input now and during a continuous improvement process;
- Briefed to all local media by elected members and executives;
- Briefed to local business and key stakeholders by elected members and executives; and
- Communicated in a wide range of media channels, including social media, council newsletters and websites.

Councils are encouraged to ensure that the release of CouncilMARK™ results also includes the council's next steps (with timetable) to engage the community and business.

Support for addressing the results and lifting performance

It is expected that each participating council, with support from LGNZ and external agencies, will develop an action plan or strategy to address the areas for improvement identified in their individual assessment report.

This plan is driven and owned by the individual council, and by their elected members, management and staff, and should be developed to complement any existing work or council initiatives underway to lift performance (i.e. section 17A service reviews or the SOGLM Operational and Management Effectiveness Programme). LGNZ recommends that the action plan receives full council and senior management direction and, once developed, the action plan is cascaded to staff.

Councils looking to lift their performance following the independent assessment have access to a wide range of existing professional development, training and consultancy services through organisations such as Equip (LGNZ's Centre of Excellence), SOLGM, and external consultancy agencies. Over the coming year, LGNZ will also be looking to develop further tools and services, where required, to help councils improve performance across the four priority areas.

CouncilMARK™ also promotes the sharing of good practice so that councils can be responsive to customer and community needs, sustaining a cycle of continuous improvement. LGNZ will be exploring existing and new ways that participating councils can capture and share learnings, and ways to ensure best practice from other sectors can be input into the programme.

3 >

CouncilMARK™

governance



Independent governance

Establishment of the Independent Assessment Board

To support a robust and credible assessment system, the programme has high calibre board members with strong governance skills who oversee the CouncilMARK™ programme and its assessment system.

The IAB has the following role:

- Responsibility for the independent assessment process for councils;
- Selection and oversight of the independent assessors;
- Review, oversight and release of assessment reports;
- The grades and overall rating;
- Any moderations, follow-up matters and any issues arising from editorial control;
- Finalised report content; and
- Any further process changes and refinements to the programme.

These tasks are supported by LGNZ's Programme Manager and administration.

The IAB refines and confirms the performance indicators in the system, oversees the independent assessors that undertake the assessments and is responsible for the awarding of assessment ratings and reports to councils.

The Independent Assessment Board works to the following set of guiding principles where it:

1. Ensures the assessments are based on accurate and understandable information from councils;
2. Ensures a robust, defensible, independent process driven by a comprehensive framework;
3. Provides information in a form that allows non-expert residents and businesses to readily and easily assess the performance of a local authority; and
4. Provides information that is factually accurate in the case of quantitative indicators, or is the genuinely held, reasonable and professional view of an assessor in the case of qualitative indicators, in order to provide a demonstrably objective and independent judgement of the performance of local authorities.

Skills of board members

- Have proven core governance experience;
- Are independent of councils and LGNZ;
- Have proven experience in the sector or related industries;
- Demonstrate independent and critical thinking; and
- Are familiar with assessment processes.

Independent Assessors

The Board has recruited a team of Independent Assessors who are experienced in the four priority areas to:

- Leadership, strategy and governance;
- Financial decision-making and reporting;
- Service delivery and asset management; and
- Communication and engagement.

Assessors have relevant expertise and experience and fulfil the following criteria:

- Undertake assessment of councils against the process determined by the independent assessment board;
- Recommend assessment ratings and commentary reports for participating councils to be reviewed and finalised by the IAB;
- Continue with the refinement of the performance indicators before they are finalised by the IAB; and
- They are completely independent from Council.

Assessors

Information about the assessors is available at councilmark.co.nz

Independent Assessment Board Members



Toby Stevenson, Independent Assessment Board chair

Mr Stevenson is the inaugural chair of IAB. He is a Consulting Director with economics consultancy Sapere where he focuses mainly on energy markets and infrastructure businesses.

Mr Stevenson is a Chartered Director and in his corporate career he established the electricity trading function at Contact Energy and previously worked in the banking sector.



Albert Brantley, Independent Assessment Board member

Mr Brantley has extensive worldwide experience in infrastructure development.

He is a former chief executive of both Genesis Energy and Ōtākaro Limited, the Crown-owned company tasked with delivering Christchurch's anchor projects.



Debbie Birch, Independent Assessment Board member

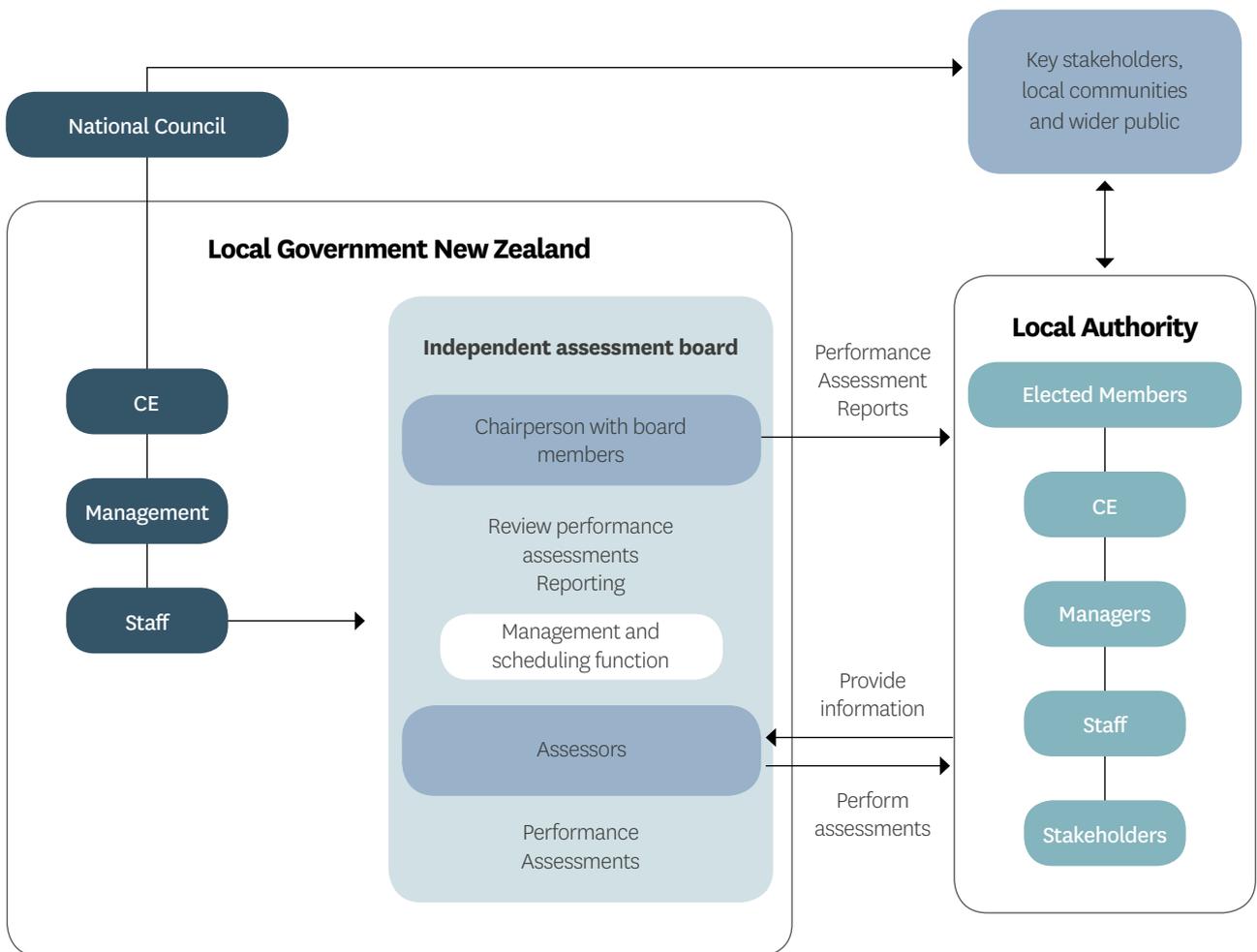
Debbie has been a director and trustee for the last eight years and is currently a board member of Tourism Holdings Ltd, Ruapehu Alpine Lifts Ltd, Crown Irrigation Investments Ltd, Ngāti Awa Group Holdings Ltd, LGNZ Independent Assessment Board, Taupō Moana Group Ltd and a Trustee of Wellington Free Ambulance, Lake Taupō Forest Trust and Raukawa ki Te Tonga.

She has significant financial, commercial and strategic experience gained in Asia, Australia and New Zealand over more than 30 years. working for large global banks. More recently she had been working in an executive role at Te Tumu Paeroa (the Māori Trustee) leading the organisation's strategy to optimise both its own assets as well as other Māori land and assets.

Roles of different parties

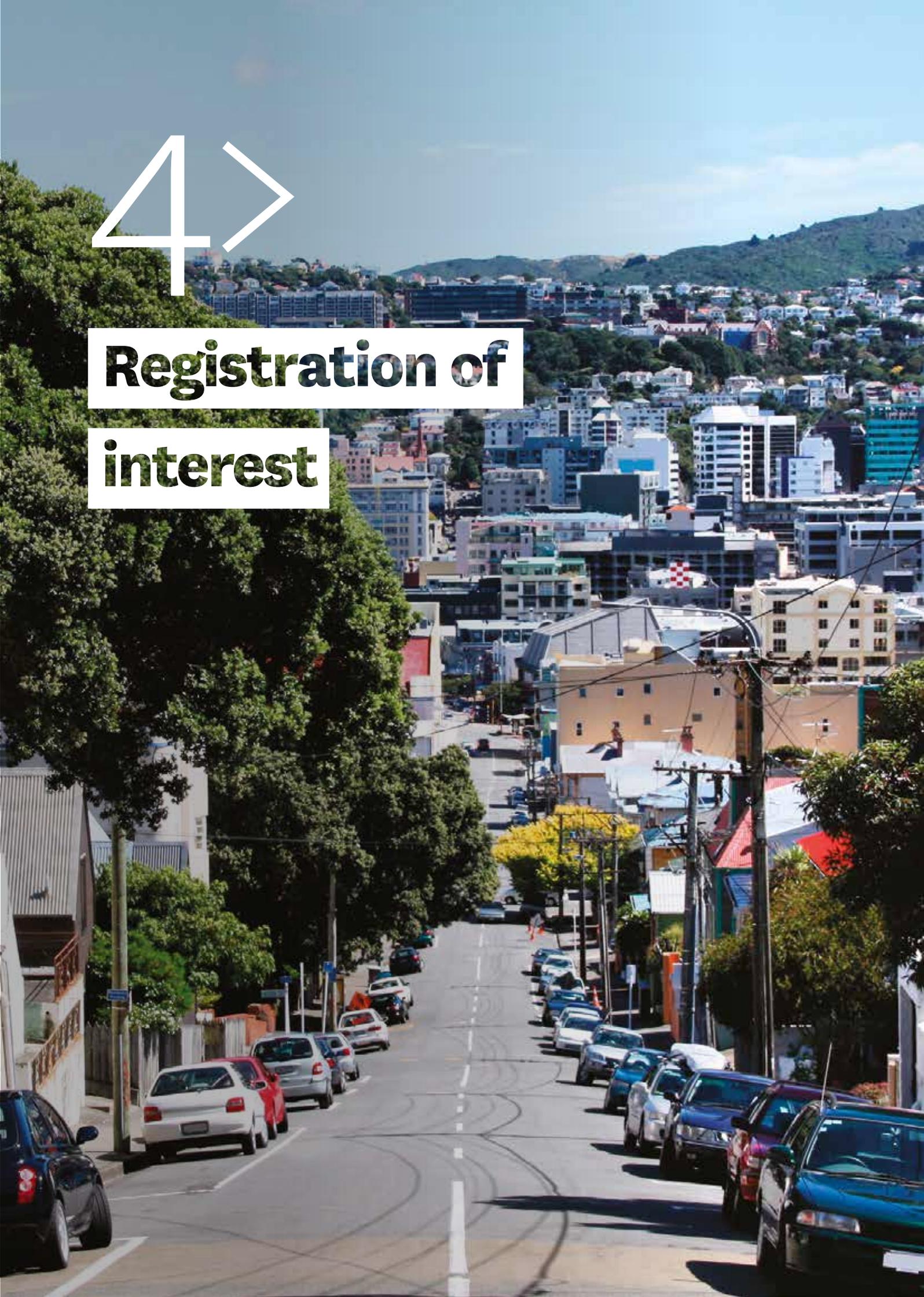
Figure 1 below sets out the roles of different parties within the CouncilMARK™ excellence programme.

Figure 1: Governance of the CouncilMARK™ excellence programme



4 >

Registration of interest



Registration of interest

Purpose

All councils interested in becoming a participating council for the CouncilMARK™ local government excellence programme are requested to fill out the registration of interest form enclosed in this prospectus.

Information provided on this form will be provided to the IAB who will assess all registrations of interest against the criteria outlined overleaf. If necessary, LGNZ will contact any council to seek further information or clarification after the registration of interest form is submitted.

All councils will be contacted by LGNZ to advise them of the selection panel's decision prior to the public announcement of the participating councils in April 2019.

Timeframe

All registrations of interest should be received by **5.00pm on 12 April 2019.**

Please send this form and any supporting information to either:

Post: Local Government New Zealand
PO Box 1214
Wellington 6140
New Zealand

Email: dan.henderson@lgnz.co.nz

We will acknowledge receipt of all submissions electronically.

Legal obligations

Completion of this form does not create a binding agreement between the council and LGNZ or the CouncilMARK™ independent assessment board.

However, prior to commencement of the programme, all successful participating councils will be required to sign a Memorandum of Participation that will set out the conditions for participating in the CouncilMARK™ local government excellence programme and the specific obligations for undertaking an independent assessment.

Once an assessment is made the decision to release it publicly lies with the IAB.

Confidentiality of information

Each council's registration of interest form and any supplementary information provided with this form will be used for the sole purpose of selecting participating councils and will be treated by LGNZ and the Independent Assessment Board as confidential information. LGNZ will seek approval from councils prior to publicly releasing any information on their involvement in the programme.

Selection of participating councils

The selection criteria are as follows:

- Full council support;
- Commitment to principle of openness and principle of full disclosure; and
- Commitment to make staff available as necessary.

It is recommended that interested councils provide a joint letter of support from the Mayor/Chair and Chief Executive with their registration of interest form (see overleaf). In this letter, or by way of supporting information, councils may also wish to include:

- A council resolution noting commitment to join CouncilMARK™;
- Information regarding CouncilMARK™ being prioritised in their council work plan for 2019 or 2020;
- Details around allocated or indicative budget for the programme;
- Any information on how CouncilMARK™ will be communicated to their staff and their community;
- Commitment to the induction and availability of elected members or staff with the appropriate knowledge in the four priority areas; and
- Details on the staff and elected members that will lead CouncilMARK™ within the council.



Registration of interest form

Name of council:

Contact person:

Contact details (phone and email):

Joint letter of support provided from Council Mayor/Chair and Chief Executive

Yes

No

Registration of interest signed off by:

Mayor/Chair

Chief Executive

Date:

Date:

Supporting evidence provided with registration of interest

Yes

No

List all supporting documents provided (see page 18 for examples):

Council resolution noting a commitment to join

Yes

No

Preferred quarter for assessment:

April - June 2019

October - December 2019

July - September 2019

January - March 2020

5 >

Appendix



Performance assessment framework (PAF) template.

These indicators are customised for territorial, regional and unitary councils.

Priority one: Governance, leadership and strategy

Vision, goals and strategy

1. Does the council have its vision and goals (for the community as a whole) clearly articulated and is this easily accessible by the public?
 - At least every three years?
 - Following major events?
2. What is the level of public and stakeholder involvement in setting the council's vision and goals (opportunities provided and actual involvement); and subsequently, how well aligned are the council's vision and goals with the community?
3. Does the council review its vision and goals:
 - At least every three years?
 - Following major events?
4. Do the council's vision, goals and strategies drive its priorities (including plans, projects and expenditure)?
5. Does the council's organisational structure (committee structure and internal organisational structure) support the council's vision, goals and strategies?
6. Are there formal governance and operational structures in place with territorial authorities in the region to support the vision, goals and strategies for the region?
7. Are the council's vision, goals and strategies:
 - Reflected in the Chief Executive's performance agreement?
 - Aligned with the council's reporting and decision-making processes?

What to look for?

- Council is proactive in the development of its vision, strategy, strategic goals and the Long Term Plan (LTP), and understands that it is the steward of the community's goals whilst in office.
- Council's vision, strategy and goals are clearly articulated and published.
- Council is united in its commitment to the pursuit of the vision, strategy, goals and LTP.
- Strategic priorities are regularly discussed at council committee and full council meetings.

- The vision, strategy and LTP are used as "core documents" to set the council's annual priorities and guide decision-making.
- Executive reports to council and council meeting agendas are demonstrably aligned with strategy and strategic priorities, as documented in the LTP.
- Regular, full council consultation with the community on strategic matters.
- Management proposals are actively challenged, especially for alignment with the vision, strategy and LTP.
- Council strategic documents, policies and operating documents reviewed annually.
- Council's decision-making is coherent and based on an assessment of available information and data.
- The council's organisational structure reflects the priorities established in the LTP (and other strategic documents), makes effective use of common capabilities and capacities within the organisation, and clearly delineates roles and responsibilities.
- Good and effective connections, formal and informal, between the regional council and the territorial authorities in the region.

Professional development for elected members (including mayors/chairs)

8. Does the council have a process for informing candidates of their roles, responsibilities and expectations prior to elections?
9. Prior to being elected, did elected and appointed members have sufficient information made available to them on their roles and responsibilities?
10. Does the council have a meaningful induction programme for elected and appointed members that explains their roles (including the legalities of their roles) and responsibilities?
11. What is the quality of the induction process for elected members, with regards to the following aspects:
 - Roles and responsibilities of elected members;
 - Working environment and culture;
 - Aspirations of elected members; and
 - Council's vision, goals and strategies.
12. Does the council have a process for reviewing (and if necessary, adapting) its induction process for elected and appointed members to ensure that it meets the needs of the audience and conveys the necessary information?

13. Does the council provide ongoing training for elected members and provide the required support and funding for this?
14. In the past year, what proportion of elected members have undertaken a course in line with their training plan (as per above)?

What to look for?

- A structured, proactive, strategic and intentional professional development programme is in place for the mayor/chair and all elected members, with a baseline understanding of the individual strengths of each elected member.
- Induction is comprehensive but staged so as to avoid “information overload” for elected members.
- The elected members governance role is both explained and distinguished from management, and committed to from the outset.
- Development opportunities are broader than simply attending courses, but include mentoring (where appropriate), practical training and shared learning with others.
- A separate training budget is established for elected members.

Performance of elected members

15. In the last year, has the council undertaken a form of self assessment (for example, a survey amongst the elected members) on how well they believe they are functioning, both individually and collectively?
16. Has the mayor/chair sought feedback on their performance in the last three years and if yes, what was the feedback?

What to look for?

- Regular independent performance reviews of elected members and/or elected members conduct an annual self-review and evaluation that includes some form of confidential 360 degree feedback.

Relationship/culture between elected members and the Chief Executive

17. What is the quality of the relationship (confidence, trust and transparency) between elected members and the chief executive?
18. Do the elected members:
 - Monitor the chief executive’s performance (e.g. through a 360 degree feedback assessment)?

- Have a process for providing feedback and taking action when required?
- Provide ongoing training for the chief executive and the required support and funding for this?

What to look for?

- Mayor/chair and chief executive publicly united on all strategic matters.
- Elected members understand and adhere to the tenet of collective responsibility.
- Elected members support management to deliver success for the community.
- The chief executive adopts a “no surprises” approach to keeping elected members informed of anything that is in the public interest or that may impact on the council’s ability to deliver its Annual Plan.
- Elected members are provided with appropriate external/ independent assistance to set and review the chief executive’s performance.
- The chief executive’s performance agreement is aligned with the council’s vision, strategy and goals.
- Regular performance evaluation of the chief executive, at least once a year.
- Structured and intentional professional development programme in place for chief executive and senior leadership team with baseline understanding of individual strengths of each member.

Health and safety framework

19. Is there a health and safety framework in place that is:
 - Understood by elected members and management?
 - Implemented effectively and regularly monitored and tested (e.g. through self assessment)?
 - Aligned with current legislation?
20. How frequently and at what council/management level is the council reporting its health and safety results?

What to look for?

- Health and safety framework is in place and understood by both elected members and management.
- Evidence of regular reporting and consideration of health and safety data to council.
- Active pursuit and monitoring of the council’s health and safety programme.

- Health and safety is embedded in the culture of the organisation.

Management

21. In the last year, has the council:
- Commissioned an independent party to undertake a staff engagement/satisfaction survey?
 - Communicated the results back to staff?
 - Chief executive taken action to address any issues identified?

What to look for?

- The chief executive has a strong commitment to continuous improvement of the organisational culture.
- Council uses a recognised and independent process or tool for diagnosing organisational culture.
- The council uses feedback mechanisms (such as workshops) that lead to a visible organisation-wide commitment to a plan of action for improvement.
- A strong team culture apparent.

Audit and risk committee

22. Does the council have an audit and risk committee (or equivalent)?
- If yes, how many members are independent or external to the council?
23. Does the audit and risk committee have a charter or terms of reference that outlines members' roles, responsibilities and the reporting processes back to council?

What to look for?

- The council maintains an active audit and risk committee that includes independent members with relevant qualifications, and receives appropriate independent advice in key areas (e.g. treasury).

Information and advice

24. Do elected members receive clear, accurate and sufficient policy advice on a timely basis to enable good decision-making?
25. Does the council make decisions in a timely, balanced and informed manner?

What to look for?

- The council produces timely, targeted and accurate management reporting and information that is provided to elected members in a user-friendly and comprehensive manner.
- All positions, included status quo, are considered in the council's analysis.
- Council's decision-making is coherent and based on an assessment of available information and data.

Priority two: Financial decision-making and transparency

Financial strategy

1. Does the council have an overall financial strategy?

What to look for?

- The content of the council's financial strategy complies with section 101A of the Local Government Act 2002.
- The council's financial strategy visibly demonstrates long-term thinking about the council's cost structure, including different operating models for all operational and back-office activities.
- The financial strategy is not only future-focused, but also identifies and quantifies the current state, and gaps between current and future states.
- Detailed and quantifiable steps are outlined for achieving the long-term financial goals, and publicly reported on a recurring annual basis.

Financial data

2. Is the council generating timely and accurate financial data (e.g. financial reports)?
3. Are elected members provided with a level of detail that is comprehensible and sufficient for them to fulfil their roles and responsibilities?
4. Are councils using data to continually monitor, evaluate, forecast and refine their spending decisions?

What to look for?

- The organisation has an internal finance team that demonstrates an in-depth of understanding of what drives the council's revenue and expenditure, through sophisticated financial modelling and analysis.
- The council produces annual financial reports that are compliant with Part 3 of Schedule 10 of the Local Government Act 2002.
- The council produces timely and accurate (including accrual accounting) monthly financial reports for both operational expenditure and capital expenditure, and these reports are publicly available.
- Quarterly outturns are produced that accurately reflect changes in financial position from the previous quarter.
- End of year financial results are largely free of significant (and regular) operating surpluses or capital expenditure carry-forwards.
- Capital and operating budgets have demonstrably clear links to strategic goals in the LTP.

- The financial reports are presented in a succinct manner that enables analysis by reference to both operating activities (i.e. community services, infrastructure) and cost codes (i.e. personnel, IT, rent). The financial reports also contain thorough explanations of material variances in expenditure and revenue.
- The council can produce accurate financial reports for both operational expenditure and capital expenditure in real-time. The council consistently matches actual revenue and expenditure to forecasts. The council can quickly adjust to unexpected changes in financial circumstances to produce accurate outturns/amendments to the financial statements.
- Financial decisions are based on a business case which has the best possible, risk adjusted, NPV or NPC.

Risk and control function

5. Does the council have an approved risk policy in place and:
 - Is it monitored regularly?
 - Is the content (risks and risk mitigation) reviewed and updated by council at least annually?
6. Do elected members receive sufficient/fit for purpose advice from management on the key risks and potential impacts (particularly as it relates to infrastructure)?
7. Over the last three years, has the council updated its risk register on an annual basis?
8. Does the council have a process for responding to significant risks (including risk mitigation) identified by the risk register?

What to look for?

- The council has, and regularly updates, a risk register. The council has an accompanying policy that outlines the council's risk appetite in key risk areas.
- Material risks will be effectively measured/scored, prioritised, mitigated and reported quarterly.
- The council will be able to accurately quantify risk and demonstrate economic trade-offs between mitigation and non-mitigation of risks.
- The council will have risk management and reporting standards comparable to the Institute of Director's best practice.
- The council will be able to demonstrate and track the progressive mitigation of significant risk, and demonstrate ongoing identification of emerging risks with appropriate mitigation strategies.
- The council will manage risk as more than a compliance exercise; rather as a means to strengthen its performance and resilience.

- The council maintains a risk committee that includes independent members with relevant qualifications, and receives appropriate independent advice in key areas (e.g. treasury).
- Elected members will be able to demonstrate an understanding of the key risks and their focus on them.
- The council will be able to demonstrate substantive compliance with relevant Office of the Auditor-General standards and guidelines including:
 - Purchasing/contracting;
 - Sensitive expenditure; and
 - Conflicts of interest.
- Issues of financial probity will be dealt with to the highest standards including:
 - Maintenance of a register of interests by the chief executive or legal counsel, and a list of all declared conflicts; and
 - All elected members will regularly update their interests and conflicts.

Budgeting

9. On an annual basis, does the council review their budget against their strategies and priorities (rather than developing budgets from the previous year's expenditures)?
10. Does the council's budget meet one of the following:
 - Budget is balanced; or
 - Budget is unbalanced due to specific circumstances (i.e. it is deemed prudent to be unbalanced) and these circumstances are clearly set out and explained.
11. Do the budgets in the council's Long Term Plan (LTP) meet one of the following:
 - Budgets are balanced for all 10 years of the LTP; or
 - Budgets are unbalanced for all or some of the 10 years of the LTP due to specific circumstances (i.e. it is deemed prudent for budgets in some of the 10 years to be unbalanced) but that the LTP takes the council to a financially sustainable position.

What to look for?

- The council complies with the relevant sections of the Local Government Act 2012, particularly section 101A and Part Two of Schedule 10.
- Council budgets for each activity area are zero-based.
- Budgets are presented in a form that is both succinct and transparent to non-accounting readers.

- Budgets demonstrably show regard for past financial performance, such as areas of consistent under-spending or over-spending in activities.
- Carry-forwards from year to year are at a minimum, and confined to areas of expenditure where there is a compelling reason for not concluding capital projects.

Financial position of councils

12. Has the council reviewed its borrowing arrangements over the last three years and is it satisfied that it is receiving best value for money?
13. Does the council either:
 - Have a Standard & Poor's/Moody's/Fitch Group credit rating, and if so, what is their rating?; or
 - Not have a credit rating by Standard & Poor's/Moody's/Fitch Group because it has deemed it is prudent not to do so (e.g. the council does not have sufficient debt to justify the costs)?
14. Does the council adhere to the following government fiscal benchmarks:
 - *Rates benchmark* - rates income complies with the limits set in the council's financial strategy?
 - *Debt benchmark* - debt complies with the limits set in the council's financial strategy?
 - *Balanced budget benchmark* - revenue, excluding income from development and financial contributions, revaluations and vested assets, exceeds operating expenditure?
 - *Debt control benchmark* - net debt is less than or equal to forecast net debt in the council's LTP?
15. Has either the council's LTP, annual plan or annual report been given one of the following:
 - *An adverse opinion* (the most serious type of nonstandard) - expressed when the auditor concludes that misstatements are material and pervasive to the financial and/or non-financial information?
 - *A disclaimer of opinion* - expressed when the appointed auditor is unable to get enough appropriate audit evidence on which to base the opinion and the auditor concludes that the possible effects on the financial and/or nonfinancial information of undetected misstatements could be material and pervasive?

- A *qualified opinion* - expressed when the auditor, having got enough appropriate audit evidence, concludes that misstatements are material, but not pervasive, to the financial and nonfinancial information?

16. In the last three years, has the council addressed and resolved any issues raised in the audit management letters in a timely manner?

17. Does the council have an effective strategy and processes in place to manage debtors and rates arrears?

What to look for?

- The council complies with section 104 of the Local Government Act 2002.
- The council meets its fiscal benchmarks.
- The council has not had any adverse or disclaimed opinions from its audit.
- Any qualifications to its audit report have been addressed within 12 months.
- The council has addressed all issues identified in audit management letters (or provided a compelling reason otherwise).
- The council's weighted average interest rates are below the national average.
- The council's aged debt (90 plus days) is less than 10 per cent of revenue owing.
- The council has a process for regularly reviewing, and where appropriate disposing of, non-strategic assets.

Transparency

18. Does the council:

- Clearly set out how rates are set for its community?
- Ensure information on rates is easily accessible and understandable by all ratepayers?

19. Is key financial information (e.g. annual reports) easily accessible online and provided in a manner that is easily understood by the general public?

20. Does the council have a best practice procurement strategy and is it complying with it?

21. Does the council place information on its major contracts online?

22. Is the public engagement on major financial decisions consistent with the council's significance and engagement policy?

What to look for?

- The council complies with the Local Government Act 2002, in particular, sections 98, 100, 101, 102 and schedule 10.
- There is empirical data to justify all rates, particularly targeted rates.
- The council explains in concise and simple language how it accounts for public versus private good in their user charges.
- The council is able to clearly demonstrate that current and future generations are equitably sharing costs through debt versus rates allocation (particularly in relation to the renewal and replacement of infrastructure assets).
- Capital expenditure is reported not only by reference to activities, but also as discrete capital projects so that the actual cost, scope and timing of capital expenditure are reported relative to budget.
- The council has a procurement strategy that balances price and non-price attributes to achieve value for money and transparency.
- The council maintains a procurement policy and documents all material procurement exercises.
- All information is available online.
- The council's significance and engagement policy identifies strategic assets, and is complied with.

Priority three: Service delivery and asset management

Aligning services with strategy

1. How does the council's asset management plan and service delivery strategy/plan align with the council's vision/goals and strategies and demonstrate the achievement of community outcomes?
2. Does the council's asset management strategy/plan align with the council's financial strategy?

What to look for?

- The council has strategies (as distinct from plans) for the following (where relevant):
 - Transport;
 - Three waters;
 - Freshwater management;
 - Property, land (including parks, reserves etc.) and buildings;
 - Infrastructure (e.g. flood protection);
 - Pest management; and
 - Enforcement and regulatory compliance.
- Council asset strategies reference the LTP.
- Council asset strategies include reference to neighbouring councils and/or strategic partners (e.g. NZTA)
- Council asset strategies are explicitly and coherently linked to the:
 - LTP outcomes;
 - Financial strategy (section 101A of the Local Government Act 2002);
 - District plan strategic chapter;
 - Land use strategy; and
 - Economic development strategy.
- Council asset strategies will integrate with each other (and ideally be electronically linked for ease of reference).
- Council asset strategies:
 - Clearly identify the current state (including areas of sub-optimal performance); and
 - Identify and prioritise desired future states.

Environmental monitoring and reporting

3. How does the council deliver its obligations for environmental reporting under the relevant statutes and national direction?

What to look for?

- The council:
 - Has quality assurance systems in place to fulfil its statutory obligations and meet the National Environmental Monitoring Standards, e.g. ISO accreditation for environmental monitoring;
 - Clearly identifies the current state (including areas of sub-optimal performance);
 - Has a strategy for investment in its environmental monitoring and reporting obligations, and to respond to new obligations.
- Environmental data is available online and presented in an accessible format to the public.

Determining, monitoring and assessing service levels

4. Does the council have an effective process for determining levels of service (including who pays and how) and is this clearly communicated with its community?
5. Does the council regularly survey the degree of satisfaction of its residents and local businesses with its council services?
 - If yes, has the council communicated the results of this survey to its residents and businesses?
 - If yes, has management taken action to address any issues identified and provided the community with updates on these issues?
6. Does the survey allow the council to separately measure satisfaction within different segments (such as small/medium/large businesses, wards/constituency etc.) or satisfaction with specific projects or services?
7. Does the council review the robustness of its surveying method/approach to ensure that it provides verifiable information on customer satisfaction?

What to look for?

- The council has identified the key drivers and beneficiaries of services, and has appropriate charging programmes.
- The council examines service experience.
- The council appropriately surveys satisfaction, using a recognised and robust tool that enables segmentation of the results by different groups, services or projects.

Service delivery models

8. As part of its obligations under section 17A of the Local Government Act 2002, has the council put a plan in place to review its service delivery model at least every six years? If yes, does this include:
- Identifying options to partner with other councils, or other organisations to realise efficiencies?
 - Processes for addressing or implementing any recommendations that come out of the service delivery reviews?

What to look for?

- The council has a timetable and format for conducting section 17A reviews in a manner that technically complies with section 17A of the Local Government Act 2002.
- The council progressively reports on its section 17A timetable and review outcomes in its Annual Reports.
- The council has established an appropriate institutional arrangement with other councils to progress the sharing of services and activities.
- The council has ongoing reviews of all activities and:
 - Reviews will balance “low-hanging fruit” opportunities with substantial reviews; and
 - Recommendations for change will identify and realise efficiency, effectiveness and/or qualitative benefits from new service delivery models.
- Section 17A reviews will be substantively compliant, evidenced by substantial analysis and/or independent (or peer) reviews and/or recommendations for changing service delivery in some areas.

Service delivery capability and capacity

9. Does the council have the human resources (internal and/or external) needed to deliver its service now and into the future?

What to look for?

- There is adequate staffing within the council, and core skills and processes are identified and documented.
- IT resourcing is sufficient.
- The council’s operational model and business model work together.
- Staff productivity programmes are in place.
- Key staff risks and succession planning are managed.
- Council services are online.
- The council understands its brand presentation to the community and ensures consistency of that messaging through employees and contractors.

Service delivery quality – asset management

10. Does the council:
- Have effective processes and policies to measure, assess and report on service delivery?
 - Have an asset management system that facilitates the council to effectively monitor and maintain its assets, in order to provide the best possible service to its customers?
 - Subscribe to internationally recognised standards regarding the maintenance of assets (where relevant) relating to the five network infrastructure assets (roads, potable water supply, sewage treatment and disposal, stormwater drainage, and flood protection works)?
 - Have actual benchmarks and measures of asset condition (not estimated quality)?
 - Reconcile asset condition with the council’s strategy?
 - Have the ability to effectively meet its mandatory regulatory obligations?

What to look for?

- The council has service level agreements in place.
- The council can record areas of complaint and service failure.
- The council is able to measure dimensions of network efficiency (such as percentage water loss, flow pressure etc.) and can demonstrate network resilience.
- The council is internationally accredited.
- Council undertakes condition assessment and reconciles asset condition with its asset management and finance strategies

Service delivery quality – breakdown of individual services and infrastructure

11. Infrastructure and other assets

What to look for?

- There will be a database for each asset type and adequate knowledge of asset conditions.
- Asset condition confidence will be high and tested/audited regularly.
- The economic value of the assets is understood.
- Asset databases will be integrated, allowing more informed investment decisions.
- Levels of service have been developed with an informed audience and tested relative to cost of service.
- Internal operations and maintenance will be benchmarked against an external standard.

- The essential elements of section 101B of the Local Government Act 2002 will be met, namely the 30 year infrastructure strategy.
- Asset planning will include more than basic options analysis (i.e. not just renew/replace). Changes to demand and alternative supply options will be considered. The 30 year infrastructure plan explains why it is being done.
- Asset planning will include scenario modelling based on:
 - Variance analysis of key assumptions; and
 - “Sanity-check” of past five to ten years of modelling.
- Outsourced operations and maintenance have been soundly procured and have ongoing KPIs against which contractor performance will be assessed.
- Outsourced contracts will explicitly link to key strategies and outcomes.
- Contractor performance will be rigorously enforced (and the council will be able to give examples of corrective action for non-performance).

12. Drinking water

What to look for?

- All drinking water plants are certified and well maintained.
- Drinking water supply is monitored for waterborne disease and all plants supplying over 500 people are fully treated.
- Chlorine treatment is considered and clear decision-making processes regarding its use (or not) are in place.
- All decisions around water treatments are risk-based.
- Drinking water is priced on the basis of use.

13. Stormwater

What to look for?

- Stormwater is managed separately from natural catchments.
- Flood management plans are in place.
- Stormwater management demonstrably matches environmental expectations, (e.g. silt, toxins from roads, etc. are managed).

14. Waste water

What to look for?

- The state of the network is understood, including where overflows are and where they are going.
- Capacity of, and demand for the system is understood.
- All water discharges are consented for a large number of years.

- All sewerage plants are environmentally sound and have capacity for the next decade, or an incremental investment plan meeting any additional needs.
- Any septic tank networks are managed proactively.
- Grey water solutions are in place.
- Iwi understands and agrees with discharge trade-offs.

15. Transport

What to look for?

Roading network

- All roads are known and are well maintained.
- Roothing contractors are in place and are cost effective.
- The council is able to measure network availability and address network closure issues.
- The council is able to demonstrate cost effectiveness.
- There is a common sense of purpose and a common direction addressing roading issues.
- Modes of transport are well integrated, including bus transport (where applicable).
- Transport issues are managed as a network with smart roading thinking.
- There is close integration with Police and NZTA on road safety issues.
- The economic value of a road is considered in renewals and replacement.
- There is a multi-tiered investment plan setting out future response to future transport demands.
- Key route journeys are documented and monitored to ensure quality of journey.

Public transport

- The network is well understood and has been reviewed at least three yearly to ensure that it is meeting customer needs.
- Effective contract management is in place where:
 - Council works with operators to continually improve the services they provide to customers;
 - All services comply with vehicle/vessel quality standards; and
 - Appropriate mechanisms are in place to vary contracts.
- Trend data on reliability and punctuality, fare box revenue, cost, patronage and passenger kilometres is used to monitor the efficiency and effectiveness of services.
- Robust asset management processes are in place.
- Customer feedback on satisfaction is collected on an annual basis.

16. Community services/facilities

What to look for?

- Expected service levels in libraries, community centres, sports facilities and parks are discussed with implications for the rating base (the council knows what it is spending, why it is spending it, and for whom it is spending).
- There are metrics expressed in terms of cost for patronage.
- The user groups for those facilities are fully identified in consultation documents.
- The council has a full understanding of desired demand patterns and organises facilities to meet those patterns.
- There is appropriate user charging.
- Meets Public Transport Operating Model contract requirements.
- The council actively monitors consumer engagement with services and responds with appropriate adjustments to service levels.
- There is active consideration of public/private provision of community facilities.

17. Regulatory services

What to look for?

- All regulatory intentions are met and there is an enforcement strategy that has regard to compliance cycles from education to regulatory actions, and is quantified.
- Compliance is cost-effective and contracting out has been investigated
- All regulations have been evaluated from a behavioural and compliance perspective, including the option of no regulation (where applicable).

Policy planning/spatial planning

18. Does the council's Land Transport Management Act, RMA and LTMA planning take into account the district's or region's projected demographic changes, future infrastructure requirements, natural hazards, and environmental factors?

What to look for?

- There is a clear, articulated statement of future development for the district/region over 30 to 40 years.
- Land use planning is linked to infrastructure plans.
- The community backs land use planning.
- Future demographics are well understood and linked to plans.

- Spatial planning includes air, space and water rights.
- Future land use intentions are clear.
- There is a clear view of amenity value.
- There is good coordination with district planning processes, especially land use planning.
- Civic assets are futureproofed (in case of use change).
- The council understands micro-communities and their spatial needs.
- There is a clear governance process over land use.
- The council recognises the full spectrum of rights and enacts spatial policy with sound economic analysis.
- There is regular economic review of spatial rules.
- There is a high quality and well evidenced land banking strategy which is developed with the territorial authorities.
- There is an operative regional policy statement.
- Plans are reviewed within statutory timeframes.
- The requirements of National Policy Statements are given effect to, or there is a process in place to do so.
- There are examples of combined approaches with Territorial Authorities for joint plan processes (e.g. hearings and consenting).
- Any land purchases are clear and transparent and follow government procurement rules.

Compliance with regulatory requirements

19. Does the council achieve the minimum standards that building consent authorities (BCAs) must meet to implement and perform their building control functions, as audited by IANZ?
20. Does the council meet the timeframes imposed under the RMA for making decisions on resource consents (see reporting to National Monitoring System)?
21. Over the last three years, has the council adhered to the following government essential services fiscal benchmark (and if not, has this been due to it being prudent not to and it is comprehensively explained?):
- *Essential services benchmark* - capital expenditure on the five network infrastructure services (roads, potable water supply, sewage treatment and disposal, stormwater drainage, and flood protection works) is equal to or exceeds depreciation on those services?

What to look for?

- The council addresses the approval pathway from initial time of assessment to approval.
- All deadlines are met and there are no corrective actions. Consent times are met and/or exceeded.
- Filing is electronic. There is a formalised continuous improvement plan for consent processing.
- Consent seekers are clear on what is needed of them.
- Major local building firms have pre-approved planning in place.
- Amenity values are correctly priced.

Accountability reporting

22. Does the council provide the public with information on delivery against its stated strategy and work programme (i.e. are we doing what we said we would do?) in an accessible and transparent manner?
23. Does the council report on, and provide the public with, annual information the completion of its asset renewals programme?

What to look for?

- Annual Report contains more than a snapshot of council activities (e.g. performance of past year relative to last three to five years).
- Annual Report acknowledges things that have not gone well (rather than being hidden/ignored), and sets out corrective actions or lessons learned.
- The performance of the council is clear in the last financial year and is clearly articulated for future years.
- Reports contain effective use of tables, graphs and other visuals.
- Asset management plans and other technical reports are produced in a summary, plain English form.
- Capital projects are reported across financial years, and over-runs/under-runs on cost and time are clear, and within scope.
- There is minimal use of works in progress accounts.
- Council achieves a clean audit review on its Annual Report regarding operational services.
- The council has metrics of wellness and the manner that its activity contributes to it.

Capital investment decisions and delivery

24. Is the council applying robust analysis processes when making investment/ownership decisions and capital projects (i.e. cost of capital analysis, or taking a better business case focus)?

What to look for?

- Major capital expenditure or recurring operational expenditure over a documented threshold based on council policy has a documented business case, prior to an investment decision.
 - Capital projects are seen as a programme of capital investment.
 - All but minor capital expenditure (over a documented threshold based on council policy) will have the essential elements of a better business case (strategic, economic, financial, commercial, management).
 - Council business cases will have genuinely assessed all reasonable options, including doing nothing.
 - Business cases are facilitated by accredited better business case practitioners (or equivalent), and with appropriate technical expertise (internal or external) within the five case model.
 - Council business cases will be qualitatively robust and recognised by agencies such as Office of the Auditor-General and NZTA.
25. Is the Council using robust project management disciplines to deliver services and projects within budget and stated timeframes, and do they address project governance, scope, reporting, change control and independence?

What to look for?

- Capital projects over a documented threshold (based on council policy and organisational scale) will have a project plan, project manager and project reporting process.
- Capital projects over a documented threshold (based on council policy and organisational scale) will have comprehensive project management including a documented governance structure, a detailed project plan using recognised project managements tools, independent quality assurance and/or project managers, a reporting framework that documents timelines/milestones, risk, change control, and budget-actual expenditure.
- Capital projects will have accredited/recognised project managers who are independent to the business users (internal or external).
- The project documentation will include a benefits register.
- There will be post-project implementation and benefits realisation assessments.
- Completed projects will be individually reported in the Annual Report against original scope, budget etc.

26. Operational Risk Management

Is the council investing in risk mitigation across their asset portfolio?

What to look for?

- The council knows and understands its investment assets, including all land assets.
- The council is able to express its balance sheet in the context of its investment demands, and free cash flow, over the next decade.
- There are no hidden reserves such as unvalued land assets.
- The council has a treasury management plan, including appropriate levels of diversification.
- The council has a capitalised understanding of its rating base and future asset needs.

Priority four: Communicating and engaging with the public and business

Communication and engagement strategy

1. Does the council have a communications and engagement strategy (or equivalent documents and policies) that:
 - Aligns with the council's vision, goals and strategies?
 - Includes a broad (and community appropriate) range of touch points?
2. Is the council's communications and engagement strategy:
 - Well understood and implemented by elected members and council staff?
 - Regularly reviewed to ensure that it aligns with the community's needs?

What to look for?

- The council has and operates an integrated communications strategy that promotes the vision, strategy and values of the council internally and externally.
- The council can demonstrate its communications strategy is understood, applicable and operates across elected members, the chief executive and all council staff.
- The council has a strategy that reaches community and other target segments via channels that are most used by those target segments.
- Communication reflects a clear and well understood strategic direction that is appropriately integrated in council operations, structures and finances.
- The council can demonstrate that the strategy has been well communicated to the community and other target segments via appropriate channels and that the messaging is being heard and understood.
- The council operates a proactive, two-way, and open system of communication, with appropriate mechanisms for taking into account community and staff feedback.
- The council demonstrates consistency in all council content and expressions, including accessible published reports and material that incorporates brand values and identity (and can prove so).
- The council has clear, unambiguous and well-aligned internal and external messaging in marketing and communications across social, online and other channels (and can prove so).

Digital engagement

3. What is the quality of the council's overall digital engagement (including websites, social media, rates-based calculators, online forums etc.) and:

- Does it fit with its community's needs?
- Are the community's needs reviewed regularly?

What to look for?

- The council has clear, unambiguous and well-aligned internal and external messaging in marketing and communications across social, online and other digital channels (and can prove so).

Reputation

4. Does the council measure or assess the council's reputation with its' customers and key stakeholders and:
 - If yes, does this survey or approach enable the council to segment the results by different groups?

What to look for?

- The council uses professional quantitative survey methods, in addition to public submissions, to understand local needs and to determine its own performance.
- The council can demonstrate that the council's vision, stakeholder plan and engagement is generally effective, preferably by reference to stakeholder surveys or at least a satisfaction survey with stakeholder segmentation.

Media

5. Does the council have a media and social media policy/strategy and:
 - Is this well understood and implemented by elected members and staff?
 - Does this policy/strategy align with council's overall vision and strategies?
6. How well are designated staff and elected members trained in the use of a range of media (e.g. PR and social media)?
7. In terms of the council's process in engaging and utilising news media:
 - Is the mayor/chair available to the media for key matters?
 - Are all media queries responded to openly and in a timely manner?
 - Are there briefings with the media on important announcements?
8. Is the media well briefed and kept up-to-date on council activities?

What to look for?

- The council operates a media strategy that is a mix of proactive and responsive, is timely and uses language and style appropriate to the channel as appropriate.
- A communications approach that invites media into the organisation to understand direction and leadership personnel.
- The council regularly monitors traditional media and digital coverage, and evaluates marketing and communications through internal and external surveys (at least a “satisfaction survey”) to understand effective reception of council messaging and brand positioning with key targets.

Engagement with iwi/Māori

9. Does the council:
 - Have a strategy for engaging with local Māori/iwi and hapū, which may include formal mechanisms such as MoU, charters or partnership arrangements.
 - Have effective relationships with hapū and iwi?

What to look for?

- The council has an active stakeholder engagement plan that operates for elected members and officers with identified local iwi and hapū.
- The council regularly meets at an elected and officer level with local iwi and hapū to understand current and future local needs and issues, and generally operates a transparent stakeholder approach.
- The council successfully communicates the council vision and major strategies and plans to local iwi and hapū.
- The council enables participation.

Engagement with diverse communities

10. Has the council proactively sought to engage with diverse sectors of their community (e.g. young people, refugees) over the last three years?

What to look for?

- The council has an active stakeholder engagement plan that operates for elected members and officers with identified community stakeholder groups (priority stakeholders identified by topic, impact and alignment).

Engagement with the general public

11. Does the council clearly articulate to its community the value that its ratepayers receive from their rates?
12. How well are consultation documents presented (i.e. are they

clear, concise and easy to respond to) and are they easily accessed by all sectors of the community?

13. Does the council have a process for recording information received from community engagement, passing this information through to the relevant council units to assist in future policy and decisionmaking, and providing feedback to the community on what resulted from their engagement?
14. Has the council proactively sought to engage with community (non-business) organisations over the last three years?
15. Does the council have clear and accessible processes for customer complaints, compliments and disputes?
16. How quickly does the public receive a response from the council for a general enquiry?

What to look for?

- Council consultation documents are readily digestible by the public. This means that they:
 - Are succinct, accessible (including online) and highlight key information (positive and negative);
 - Are balanced, rather than self-promoting;
 - Do not “hide” adverse information in long sections of text;
 - Provide simple summaries of information, placing voluminous mandatory, statutory or other information in appendices;
 - Use charts, graphs etc. to display or explain detailed or complex information;
 - Have a consistent look and feel across all documents, and from year to year;
 - Present financial information in a form that is both succinct and transparent to non-account readers.
- The council has an active stakeholder engagement plan that operates for elected members and council staff with identified stakeholders (priority stakeholders identified by topic, impact and alignment).
- The council ensures priority stakeholders include community representatives, neighbouring councils and regional councils, and national bodies such as NZTA and relevant government departments.
- The council regularly meets, at elected member and council staff level, with priority community stakeholders to understand current and future local needs and issues, and generally operates a transparent stakeholder approach.
- Successful communication of the council vision and major strategies and plans to priority stakeholders.
- The council can demonstrate that the council’s vision, stakeholder plan and engagement is generally effective, preferably by reference to stakeholder surveys or at least a satisfaction survey with stakeholder segmentation.

- The council demonstrates a commitment to understanding and reflecting local/regional priority community needs and aspirations.
- The council has an open and transparent culture, fostering community input and involvement.
- The council operates an active engagement programme with local, regional and national stakeholders who have impacts.
- The council practices consultation that is substantive and not merely validating committed decisions.
- Council decisions and engagement is not captured by “squeaky wheels”.
- Council uses professional quantitative survey methods in addition to public submissions to understand local needs and to determine its own performance.
- Operate a proactive, two-way, and open system of communication with the council with appropriate mechanisms for taking into account community and staff feedback.

Civil defence and crisis communications

17. Does the council have a clear communications strategy for civil defence and other crises that is easily accessible and understood by the general public?

What to look for?

- The council has in place and practices a civil defence/crisis preparedness plan that has defined roles for communications staff, is clear, widely known and regularly tested for effectiveness.

Engagement with business and key stakeholders

18. Does the council have a strategy for engaging with businesses and other key stakeholders (primary sector, industry, residents and environmental organisations)?
19. Over the last three years, how effective has the council’s relationship with business organisations and other key stakeholders been?
20. What is the level of partnering between businesses and other key stakeholders, and the council?
21. Is the council providing businesses and other key stakeholders with clear, accessible information on its economic development, relevant strategies, plans or activities, and the opportunity to comment on these strategies, plans and activities?

What to look for?

- The council has an active stakeholder engagement plan that operates for elected members and council staff with identified business and other key stakeholders (priority stakeholders identified by topic, impact and alignment).
- The council regularly meets, at elected member and council staff level, with priority business and other key stakeholders to understand current and future local needs and issues, and generally operates a transparent stakeholder approach.
- The council successfully communicates the council’s vision and major strategies and plans to priority business and other key stakeholders.
- The council can demonstrate that its vision, stakeholder plan and engagement are generally effective, preferably by reference to stakeholder surveys.
- The council demonstrates a commitment to understanding and reflecting local business needs and aspirations.
- The council has an open and transparent culture, fostering business input and involvement by other key stakeholders.
- The council operates an active engagement programme with local, regional and national business and other key stakeholders who have local/ regional impacts.
- Consultation with business and other key stakeholders is substantive and not merely validating committed decisions.
- Council decisions and engagement is not captured by “squeaky wheels”.

Contacts for further information

For background information on the CouncilMARK™ local government excellence programme, please refer to the CouncilMARK™ website www.councilmark.co.nz and, for council members, the LGNZ Member Portal (accessible from the home page of the LGNZ website).

- A copy of the New Zealand Local Government Survey 2015 is available here: <http://www.lgnz.co.nz/assets/In-background/LGNZ-2015-Survey-Report-FINAL2.pdf>
- A one page summary of CouncilMARK™ is available here: <http://www.lgnz.co.nz/about-councilmark/the-programme>

For further information, please contact:

- Dan Henderson, CouncilMARK™ Programme Manager
Email: dan.henderson@lgnz.co.nz,
Telephone: 04 924 1200



A measure
for better
community value.

PO Box 1214
Wellington 6140
New Zealand

P. 64 4 924 1200
www.councilmark.co.nz

The CouncilMARK™ excellence programme is a proprietary programme operated by Local Government New Zealand using Independent Assessors.

councilmark.co.nz