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Hastings District Council

Independent assessment report | October 2017*

An independent assessment report issued by the Independent Assessment Board for the CouncilMARK[™] local government excellence programme. For more information visit www.councilmark.co.nz



HASTINGS
DISTRICT COUNCIL

* Period of assessment: April 2017



A measure
for better
community value.

Assessment Summary

AT A GLANCE



Hastings District encompasses a large area of Hawke's Bay and has grown relatively quickly since it was settled in 1864.



LARGE METRO

SMALL METRO
AND LARGE
PROVINCIAL



SMALL PROVINCIAL AND RURAL

REGIONAL

The current situation

Hastings District Council services one of New Zealand's most fertile areas. The district is experiencing a large increase in production and its population is slowly growing.

The district's communities are highly diverse. They include people with high levels of deprivation as well as some of the wealthiest in New Zealand.

Its Māori population is significant, and contributes a larger than proportional share to the district's growth in youth. Another segment of the population is ageing, with an increasing number of retirees expected.

The Council has recently committed substantial time, effort and resources to management of a serious outbreak of water-borne disease in Havelock North. This event is subject to a ministerial inquiry and is beyond the scope of this report.

The district also faces a number of natural hazards such as earthquakes, floods and erosion.

There is recognition of the heritage of the district. The Council has put effort into preserving the city centre and restoring the Opera House.

Period of assessment

The review was conducted on 3 and 4 April 2017.



\$3,650m
GROSS DOMESTIC
PRODUCT¹

SERVES
75,500

PEOPLE², A MIX OF
75.2% EUROPEAN/PAKEHA
24.4% MĀORI
6% PASIFIKA
4.3% ASIAN



POPULATION TREND
GROWTH

MAKES UP
1.95%

OF NEW ZEALAND'S TOTAL LAND AREA³
REPRESENTING HASTINGS DISTRICT, AN
AREA OF

5,229 km²

RESPONSIBLE FOR
1,834km
ROADS⁴



Key learnings

The district faces major issues in hazard management, which have been made obvious by climate change as well as changes in land use and possible infrastructure requirements. There are serious and urgent issues related to coastal erosion which is likely to make a number of coastal settlements uninhabitable. The Council takes this issue seriously and is starting to initiate discussions about future land use. The Council does well with linking its communities, and has good support from its Rural Board working with rural issues, as well as being aware of urban issues, thus taking decisions on levels of services and consequential rating levels in the context of each.

- > The relationship between the Mayor and the Chief Executive is transparent and robust, with responsibility being held for Council decision-making and operations, systems and processes by the Mayor and the Chief Executive, respectively.
- > The Council has strong asset and financial management systems, and it takes asset management seriously.
- > Debt has been managed prudently and, while this is forecast to increase, it will remain within manageable limits.
- > The Council has embraced electronic systems and recognises that it needs to advance further in the social media space and to improve access to the web for its community.

Assessment Summary

continued...

OVERVIEW

Hastings District Council has taken a leadership role in open discussions about the future of water in its various forms, and it follows a process of evidential presentations, full and public examination of issues, and consideration of solutions and their costs. Asset management has been taken seriously over the years. The Council has made clear decisions on when and where to invest in its network and is able to plan closely (eg on the need to rectify some failing copper interconnections in its water reticulation systems). However, as the recent Havelock North drinking water issues have shown, the risk that any council faces may well be the risk it has not identified. To this end, the Council is undertaking a strategic review to identify other risks it may not have anticipated.

RATING



Findings



THE COUNCIL WORKS HARD TO MANAGE ITS WATER AND ROADING ASSETS IN A PROFESSIONAL AND COMPETENT MANNER. THE STAFF ARE HIGHLY AWARE OF NETWORK CONDITION AND RENEWAL CYCLES AND THE COUNCIL IS CONTINUALLY UPDATING ITS UNDERSTANDING.



THE COUNCIL TAKES HEALTH AND SAFETY SERIOUSLY, AND NOTIFIES COUNCILLORS OF SIGNIFICANT EVENTS. COUNCILLORS ARE AWARE OF WHAT HAS BEEN REPORTED, INCLUDING NEAR MISSES, BUT MAY NOT FULLY UNDERSTAND THE FULL IMPORTANCE OF THOSE RISKS IN TERMS OF GOVERNANCE.



THE COUNCIL HAS TAKEN A LEADERSHIP ROLE IN FACILITATING SOCIAL DEVELOPMENT CONVERSATIONS THROUGH PLACE BASED PLANNING AND LINKS IT TO ECONOMIC GROWTH DISCUSSIONS.

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 legislative act 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
Performing well	Better than competent	Better than competent	Performing well

STRENGTHS

The Mayor, the Chief Executive, most councillors, the senior management team and third-level managers appear to have created an open and transparent organisational culture.

Asset management has been taken seriously over the years. The Council has made clear decisions on when and where to invest in its network and is able to plan closely (eg on the need to rectify some failing copper interconnections in its water reticulation systems).

Health and safety management is excellent.

The Council understands the need for sustainability and also the area's environmental and economic risks to its district.

AREAS OF IMPROVEMENT

The Council needs to articulate its vision, so that a consistent interpretation emerges which transcends local politics.

The Council should link its asset management and financial management systems, rather than running the two in parallel.

There is a need to inject more energy into the visioning of the town centre whose appeal is under threat by both Havelock North (within the District) and Napier City.

The Council lacks an explicit enforcement strategy for its regulatory services. Such a strategy would allow the balance of education and enforcement to be reviewed on a regular basis.

The Council has an active Facebook community and recognises it needs to continue to develop its use of social media.

Leading locally

Governance, leadership and strategy

The Council demonstrates sound leadership, effective governance and a strategy that will continue to meet the aspirations of its communities in the short to medium term.

Priority grading

Performing well

< The Mayor leads the Council and councillors in a considered and transparent manner. The relationship between the Mayor and the Chief Executive is both effective and robust.>

With the Mayor taking responsibility for the Council's decision-making and the Chief Executive leading operations, systems and processes, the result is a unified direction for the Council. The Mayor manages succession planning within the bounds of differing ambitions and interests of councillors. There are a number of disparate and highly politicised views held within the district, including social development and environmental issues. However, they are being constructively managed to deliver the Council's vision.

Setting the direction for the community

A thorough community engagement process, which was completed in 2008, has contributed to the Council's vision. This vision has subsequently been confirmed in the long term plan process in 2012 and 2015, with minor adjustments in direction since then to support economic and social development. However, despite this consistency of effort, the assessors observed an inconsistent understanding of intent. Councillors in particular have widely differing views of what the Council should be trying to achieve.

The Chief Executive has restructured council resources to better align with the Council's externally focused functions and to better meet its stakeholders' needs. To this end, an Economic Growth and Organisational Improvement Group has been established.

Creating confident councillors

Councillors undertake professional development and education appropriate to their needs. Training through Local Government New Zealand was identified as useful, but one experienced councillor indicated such training would be better undertaken some six months after elections as councillors' knowledge requirements would have been identified by then.

There is no formal review of how councillors work together, and the value of external and independent decision-making reviews is not understood by some councillors. Some also lack an appreciation of the responsibility for collective decision-making. The Mayor informally reviews decision-making at the end of some Council meetings.

Councillors are provided with full reports and have the opportunity to meet directly with management (down to third-tier managers). This transparency is seen as a real strength of the organisation. However, summary documents (eg a monthly statement of operating performance) could enhance that transparency. The majority of councillors hold the Chief Executive in high regard, although some see the access to lower (third-level) management as an abrogation of the Chief Executive's responsibilities.

Focusing on health and safety

There is considerable awareness of health and safety across the organisation. The health and safety legislation is actively implemented. Breaches and near misses are reported to councillors and reviewed by the Chief Executive. Nevertheless, some councillors do not understand their health and safety obligations.

Managing the organisation

The Mayor, the Chief Executive, most councillors, the senior management team and third-level managers appear to have created an open and transparent organisational culture. Staff engagement is positive and constructive, with engagement with the Council being measured and monitored. A formal staff "climate" survey is undertaken every 18 months and shows high levels of engagement. Across the Council there is an attitude of seeking to do better. One issue identified in the survey and recognised by the Council is how it communicates internally, and the response to this feedback is being worked on.

The Chief Executive's performance targets are set annually, and progress is monitored at six-monthly intervals. A sub-committee oversees the Chief Executive's contract, and an external consultant assists with the assessment. The human resources manager participates in the process to make sure the sub-committee knows what the views of staff are. There has been considerable support for the Chief Executive in his own professional development.

Strengthening risk management

The Council has a well-functioning Risk and Audit sub-committee that is independently chaired. The independent member has been in place since 2014, and with a reduction in accountancy and treasury management skills amongst elected members following the 2016 local body elections, it was considered best practice to appoint the appropriately qualified independent as committee chair.

Being clear and transparent

Conflicts of interest are discussed and managed, although they do not appear to be well-understood by some councillors. However, the usual processes of disclosure and management of identified conflicts is in place and used when necessary.

Strengths

The Mayor provides strong leadership.

There is transparency between councillors and Council staff.

The Council understands the need for sustainability and also the area's environmental and economic risks to its district.

The Council's health and safety systems are strong, and there is full reporting on health and safety matters to councillors.

The Council aligns its resources with its agreed vision.

Areas for improvement

The Council needs to better articulate its vision, so that a consistent interpretation emerges.

The Council should take responsibility for developing new councillors' technical knowledge.

There needs to be formal reviews of councillors' collective decision-making.

Investing money well

Financial decision-making and transparency

The Council prudently manages its finances, but it needs to enhance its risk management practices. Affordability of rates is expected to be challenging in the medium term.

Priority grading

Better than competent

< The Council pursues a prudent financial strategy and has used its annual surpluses to hold debt at its current level of \$50 million, which will rise to \$60 million and then to around \$85 million after further planned spending.>

There are some considerable strategic financial risks for the Council, including a growing number of older ratepayers on fixed incomes.

The Council was an early adopter of Tech One software and has a highly customised platform which it may need to revamp as the platform is used more as an accounting system than as an enterprise resource planner.

Risk is carefully considered, especially since the water-borne disease outbreak in Havelock North in 2016.

Planning and evaluating financial goals

Overall, the Council has managed to establish a strong balance sheet through an implicit financial strategy which prioritises infrastructure expenditure while keeping rates at affordable levels. This has also produced a small annual surplus. Real effort has been applied to reduce debt, with substantial debt reduction in the last financial year (down to \$50 million). After major infrastructure upgrades and growth related development, the redevelopment of the Opera House and costs related to the Havelock North water supply, this debt is expected to increase over the next five years to \$85 million.

The Council deals with urban and rural issues through two distinct rating areas, assisted by a rural board. Rural and urban issues are dealt with separately to avoid conflicts of interest. For example, farmers don't need to be concerned that they are paying for town paving and town-dwellers can be assured their issues of a liveable urban environment are heard. This approach appears to be a good way of producing a sustainable rating solution.

Assessing the financial data

The Council has an experienced finance team which understands the implications of the finance strategy and whose reports reflect those implications. All managers have access to the monthly reports, and there is quarterly reporting to councillors. Financial expenditure is well-planned, and outcomes against budget are reconciled. However, approval to spend against budget often takes place well into a given financial year, with the result that many annual projects are incomplete at the year's end. Submitting draft budgets for capital works and seeking budget approval well before year end would enhance project delivery and completion rates.

Addressing financial risk

Risk management and reporting is usually conducted by the executive management team (and involves third-tier managers). However, the Council is conducting a strategic risk review to test its underlying assumptions. This review will be part of a strategic finance debate that the Council intends to have with its councillors and ratepayers.

A dedicated procurement officer is in place with a mandate to enhance purchasing across the organisation and to support efficiencies that could be gained from being better informed. Savings of some \$500,000 were reported in the last financial year.

Meeting financial targets

The Council endeavours to budget for a small cash annual surplus (approximately \$2 million). Considerable effort is then placed on how that budgeted surplus is allocated or applied to the following financial year. It is notable that Council reduced debt by some \$10 million last financial year, to better position the Council for additional borrowings needed for the planned renovation and restoration of the Opera House. The Council's debt management is both prudent and effective. Non-payment of rates is managed

actively, and debtors more than 90 days old amount to 4.3 per cent of total debt.

The Council faces considerable uncertainty in the future, with rapid growth in the number of older ratepayers on fixed incomes and considerable uncertainties in stormwater management. Rates are at an acceptable level at present, but there may need to be a reconsideration of the rating strategy. The rating strategy looks at who receives the benefit of the rating spend and targets specific geographic areas.

Strengths

The Council has a good organisational culture and transparency of planning and reporting.

The finance team is strong and experienced.

The Council understands that it needs to undertake a strategic discussion about finances with its councillors and community.

The Council connects complex decisions about infrastructure choice with environmental resilience.

The Council understands that its communities must be able to pay the rates it sets.

Areas for improvement

The Council needs to improve its understanding of the consequences and impact of high impact low probability events resulting from community, economic or environmental factors.

The Council should link its asset management and financial management systems instead of running the two in parallel.

Delivering what's important

Service delivery and asset management

The Council balances the need for replacement and renovation of infrastructure assets against the cost to its communities. The business cases for expenditure are robust, but maintaining the balance between service delivery and its cost is expected to become increasingly challenging in the medium term.

Priority grading

Better than competent

<The Council works hard to manage its water and transport assets in a professional and competent manner. Staff are highly aware of the condition of the assets and their renewal cycles, and the Council is continually updating its understanding of these.>

Asset management systems are well-maintained and are being further improved. Digital support using mobile devices is being trialled, and is considered the next necessary technology step. Mobile devices will allow asset condition, repair and maintenance to be recorded in the field.

The Council has a well-organised approach to human resources (HR), with clear succession planning and active performance management.

Much of the infrastructure supporting the stormwater networks is relatively new, but there are uncertainties for future planning. For example, the Hawkes Bay Regional Council has made it clear there is no further capacity for stormwater outflows into its catchment. As well, changing climatic conditions mean coastal erosion and the supply of water for domestic, industrial and other land-based uses will continue to be receive attention amongst stakeholders across

the district. Growing primary sector productivity means that roading assets are also under pressure.

Evaluating asset effectiveness

The Council draws drinking water from 12 local water supplies, and water quality had been a low priority for the community as it had been able to rely on a safe aquifer of stored water. As a result, the major water supplies did not have any form of microbiological protection, and protozoa testing was not undertaken. Prior to the Havelock North outbreak of water-borne disease, age dating was the main quality measurement process for drinking water. Now it is clear that new water, which needed additional testing and treatment, had been entering the aquifer. (The reason for this is the subject of a ministerial inquiry and is beyond the scope of this report.)

The Council tests each bore, every day. Water is chlorinated, although there is community pressure to discontinue this. There are emerging water leakage issues because part of the reticulation system was laid when faulty copper interconnects were used throughout New Zealand. The Council is likely to need an extensive replacement programme, but is well-placed to plan for this as it has a good record of the age and diameter of pipes.

The Council's stormwater network has been installed relatively recently, with the majority of infrastructure built in the 1950s and 1960s. The Council is aware that changes in local government legislation and existing resource consents for the discharge of stormwater from the Council's network are re-shaping stormwater management. The Council is addressing these challenges by developing catchment management plans to better understand and manage the impact of urban runoff, ponding and flooding on downstream waterways.

The Council has limited knowledge of the degenerative quality of its stormwater. It assumes suspended solids, heavy metals and hydro-carbons are either being caught in dams and ponds or simply being discharged to waterways. There has been considerable flow modelling and integration of flood modelling which assists the Council's knowledge of its stormwater pipe capacity.

The Council owns, manages and operates the wastewater system that disposes treated wastewater into Hawke's Bay via an ocean outfall. A 35-year resource consent is in place, and the outfall is being replaced and updated to ensure correct content and colour mixing. The Council's treatment system is modern and up to date. There is a separate system for trade wastewater.

The management and planning of transport assets is well-advanced. However, the Council faces a number of issues such as ageing infrastructure (which must be maintained or replaced cost-effectively), traffic loading, resilience and accessibility (the Council has 45 bridges under Class 1), and a significant change in land use (one million more apple trees have been planned and the increase in primary production is predicted at 80 per cent).

The rural community board looks after the Council's hinterland, but the bigger bridges are in the plains and part of the urban zone. The Council is conscious it will need to make decisions on its levels of service and manage expectations that its 340 kilometres of gravel roads will be sealed. All parties in the region are working together to meet their common goal of increasing productivity gains and supporting economic growth. However, the Council is not meeting its intention to improve the promotion of different modes of transport and part of the issue is difficulty in measuring success, for example in cycling.

The Council reports that it has met its benchmark for essential services in two of the last three years. It was not met in 2013/14 as capital expenditure amounted to 93 per cent of depreciation on network services. However, a longer view is now being taken, with the benchmark being a three-year average of 108 per cent and a five-year average of 104 per cent.

Assessing service quality

The Council has a well-established practice and culture of working with a community and its needs. It implements place-based planning (a focus on the look and feel of places, their form instead of conventional land use planning) and has 10 community plans for areas of high deprivation. Those plans look for local leaders to build local resilience and develop the capacity for locals to address local issues. Local facilities such as the libraries play a major part in this, with free internet and extended hours as well as many out-reach programmes. As a result, the demand for library services is very high. One library has had a 32 per cent increase in visits over nine months.

Council staff are well aware of the need to work with other agencies, if only in a facilitation role. The Council is striving to make these communities more self-sufficient, and works with social agencies to extend independence and reduce vulnerability.

The Council is active in regional economic development and is supportive of the Hawke's Bay regional branding project. The Council seeks businesses to re-locate for convenience or affordability, and it facilitates the development and controlled release of land for industrial use. The Council is involved with matching skills and training to employer needs.

The identification of land for development and the constraints on zoning frustrate developers. The Council has prioritised horticulture as a land use over construction for large scale retail, and only extends or modifies zones once investment is secure. In both economic and social development, the Council sees itself as a facilitator and integrator of activity rather than as a funder.

The Council's levels of service have been constant for a number of years. Its community satisfaction survey was discontinued, and the Council now uses targeted surveys in different areas. A survey in the building and resource consent areas identified a group of complex but one-off queries that the Council could manage better. Historically, these queries were dealt with administratively, but they now are being given a higher level of attention.

The Council has performance measures in place for service delivery (including delivery through its infrastructure network). Performance on these measures is reported to the full Council once a year, however, this should be more frequent.

The Council reviews its costs and has identified a number of savings initiatives such as using LED street lights to improve lighting and reduce costs. It has introduced street-side containers for consultation to improve and localise consultation whilst reducing cost. It has reviewed its IT infrastructure which improved service and reduced costs.

Despite the broad range of costs savings initiatives within the district, there is very little cross council activity. This is disappointing given the clear opportunities such as integration of road management in urban centres, call centres, etc. The motivation to find opportunities for sharing of services has weakened following the collapse of amalgamation discussions with Napier City Council and it is unlikely significant progress will be made in the current climate.

Addressing regulation

The Council has no explicit enforcement strategy. While it uses an appropriate mix of education and enforcement activities, the adoption of an enforcement strategy would allow it to review these activities and ensure the mix is still appropriate whenever outcomes change.

The Council handles about 2,200 building-related applications of varying types, and conducts about 8,000 building inspections each year. In the 2015/16 year, 99.8 per cent of building consent applications and 98.6 per cent of code compliance certificate applications were issued within 20 working days. The Council meets its accreditation obligations and the requirements of the building consent authority accreditation scheme.

Planning for future development

Asset management plans are of good quality and draw on sound information about the state of the network and the likely pattern of renewals. Those renewals and other project finances including growth estimates are brought together in a co-ordinated manner

with cost patterns clearly shown. Systems for asset management work well with data being used to forecast renewal programmes and estimate economic life.

The Council puts considerable effort into its asset management systems, which it continues to update. The latest version of the asset management software is being implemented for the three waters and the use of mobile devices to upload notes and photos from on site is being trialled.

There has been an externally conducted review of asset management, and the quality management framework is ISO 9001 certified. The Finance, and Monitoring Committee has asked for a specific focus on network resilience, and there is a systematic review of critical areas underway.

The property asset register is being integrated into the Council's asset management system. This work needs to be completed.

Managing the organisation

The Council has a well-organised approach to HR with clear succession planning and active performance management. The internal "climate" survey shows that staff are engaged, but there are issues around internal communications. The Chief Executive has recognised this, and has acted to address these issues.

While the Council offers good working conditions and an affordable life-style, it has identified an on-going difficulty in attracting engineering staff. In particular, its engineering team is nearing retirement age. Future staffing problems are likely to be confined to specialist engineering skill shortages notably in drinking water, stormwater and wastewater. The NZ Transport Agency noted that staff turnover in the roading team is high.

Accountability reporting

The financial reporting in the Council's annual reports is useful and clear. Notes are attached to the table of sources and applications of funds for each business activity, making the statements much more useful than they would usually be. The Council also reports on the use of its \$2m annual surplus. The financial reporting could benefit from other information that the Council can generate – in particular, disclosing its commitments as its debt levels begin to accelerate, explaining its net and gross debt position more clearly, and being clearer about its major projects and the reasons for their variances against budget.

Meeting capital investment goals

The Council has adopted a business case approach which is applied well in some situations but not others. It recognises the need to focus more on how projects are carried through to completion, and so has established a team to co-ordinate, oversee and manage the 29 projects and programmes which fall under its strategic objectives of economic development and organisational improvement.

There are some issues with project delivery. Council staff are aware they need to focus to a greater extent on the planning and design phases, so that time horizons are accurate as well as reflect all components from design to delivery.

Strengths

The Council has a strong focus on asset management, and its asset management systems are robust, except for stormwater.

It is well-informed about its infrastructure network.

There is solid knowledge and analysis of possible natural hazards.

The Council has integrated its flow modelling into its analysis of the district's stormwater pipe capacity.

The Council recognises future uncertainties, especially in relation to drinking water.

Areas for improvement

The Council would benefit from formally adopting the use of mobile devices as part of its infrastructure inspection and maintenance practice.

The Council needs to have better knowledge of its stormwater assets in the context of catchment plans and of runoff.

Timeframes for asset renewal and other capital projects need to be better managed.

The Council needs to complete the integration of its property asset register into its asset management system.

The Council would benefit from an explicit enforcement strategy for its regulatory services. This would allow the balance of education and enforcement to be reviewed on a regular basis.

Listening and responding

Communicating and engaging with the public and businesses

The Council reaches out to its diverse communities and regularly meet with priority business stakeholders to understand current and future local needs and issues. The Council effectively manages customer services and can respond to a range of queries that helps improve customer satisfaction and productivity at the same time.

Priority grading

Performing well

<The Council has embraced digital engagement and recognises that it needs to continue its use of social media. Face-to-face communication is very good, and is guided by the particular community or issue.>

Placed based planning forms the backbone for useful discussions with the community. A place based approach has been adopted in the drafting of the District Plan. Placed based planning is based upon identifying those areas of the District that have special characteristics that set them apart from other areas of the district.

The Council has introduced a citizens' panel, which allows for ad hoc consultation using targeted surveys and is located in a shipping container that is moved from one area to another, as needed.

The Council communicates through a rural community board, and with groups which represent Māori. It also has a range of policies related to communication.

Engaging digitally

Staff noted that the Council was an early adopter of digitisation. A great deal is done online, such as accessing documents for building consents, registering dogs, and receiving rate letters. The Council has an active Facebook community and there is some Council based social media activity, but the Council recognises this needs to be taken further through a new digital engagement strategy. The Council's IT team is now part of its economic growth and organisation improvement group.

Building relationships with Māori/iwi

The Council reports close and active engagement with Iwi. It recognises that around 20 per cent of its ratepayers are Māori, and that this percentage will increase in the future. Moreover, Māori are over-represented in the youth age group and over-represented in the deprivation statistics.

Some Iwi representatives were not available to meet with the assessors, so the assessors formed their view of the Council's relationship with Iwi based on conversations with other stakeholders and Council staff and councillors. Considerable effort is spent working with Iwi following treaty settlements to secure their economic futures. Iwi appear to be active in economic and social development, and in integrating cultural requirements into infrastructure development (eg the treated outflow from the wastewater plant passes through a rock channel which is the agreed appropriate cultural treatment for restoring life force).

Building relationships with the community

The Council has abandoned community satisfaction surveys as it found the results too general to be of real use. Instead, it has introduced a citizens' panel for ad hoc consultations and has targeted reviews of specific user groups (such as users of building consents). These more active approaches provide useful information. If the Council wants to pursue a higher standard of feedback and more fully understand the nature and needs of its communities, it should consider commissioning more research into customer experience.

Both the Mayor and Chief Executive make themselves available to the media, and they appear to communicate in a consistent and unified way.

The Council struggles with crime in its more deprived areas. It is also well-aware of its rapidly growing numbers of older people. Considerable effort is going into programmes that address these issues, with the aim of building community resilience. The Council intends to increase the rate of volunteering, another indicator of a resilient community. However, if the Council wants to build resilient communities, it needs to develop real goals and ways of measuring these goals. It also needs to involve other stakeholders including central government, neighbouring councils and voluntary agencies.

The Council has streamlined its customer service over the past few years, and its centralised call centre can respond to an increasing array of queries. The call centre's performance is monitored in detail. However, the Council now recognises that it has an issue with complex, one-off queries in the building and resource consent areas.

The knowledge and understanding the Council gains from its citizens' panel consultations is extensive and robust. In addition, face to face consultation based in a shipping container which can be moved from place to place allows direct engagement with communities who have everyday experience with the subject of the consultation.

Communicating when there's a crisis

There have been a number of events that have tested the Council's emergency response, including tsunami threats, heavy rain and the recent Havelock North drinking water crisis. The Council also manages fire risks. The Council has in place, and practices a civil defence/crisis preparedness plan which has defined roles for communications staff. However the Council would benefit from a review of its emergency response communications following the drinking water crisis, to capture the learnings and to ensure that the community understands the messages the Council delivers.

Building relationships with business

The Council undertakes considerable engagement with business, and the *Great Things Grow Here* brand provides a platform for regional identity. The Council has close engagement with businesses within the region on the establishment of a food hub and an industrial estate. The initiative would benefit from collaboration with research, science and technology partners from further afield.

City-based businesses say there is a need for the Council to provide a more vital strategy for the central business district. They also question their rates loading.

Strengths

The Council is fully committed to place based planning and communications.

The citizens' panel for ad hoc consultation and mobile infrastructure for face to face consultation is very effective.

The Council undertakes targeted surveying of those who use its services.

Service users have easy access to Council employees.

Areas for improvement

The Council has an active Facebook community and recognises it needs to continue to develop its use of social media.

Council should continue to expand the range of services offered through its call centre.

There should be a review of the communications following the Havelock North outbreak of water-borne disease, to identify what can be learnt from the Council's response and to ensure that in future the Council's voice is clear and authoritative.

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