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Masterton 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



* Period of assessment: February 2017



A measure
for better
community value.

Assessment Summary

AT A GLANCE



Masterton District comprises one large urban town and a diverse rural district including coastal resorts and strong farming communities.



LARGE METRO

SMALL METRO AND LARGE PROVINCIAL

SMALL PROVINCIAL AND RURAL



REGIONAL

The current situation

Masterton is the largest town in Wairarapa, and Masterton District Council is the largest of the three councils in the area, the others being Carterton District Council and South Wairarapa District Council.

After many years of virtually static growth, the town and its district are now sharing in some of the growth that southern Wairarapa has been experiencing for some time. With voter rejection of the Wellington “super-city”, the Local Government Commission is now assessing options for amalgamating the three Wairarapa Councils. On-going uncertainty on the future of the Council has hampered progress to some extent, but the Council has been making progressive changes to the structure and resources of its organisation since the appointment of its current Chief Executive in 2014.

Period of assessment

The assessment took place on 27 and 28 February 2017.



\$954m
GROSS DOMESTIC
PRODUCT¹

SERVES
24,600

PEOPLE², A MIX OF
83% EUROPEAN/PAKEHA
18% MĀORI
3% PASIFIKA



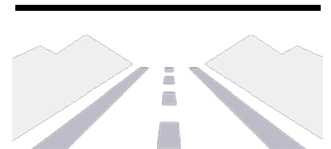
POPULATION TREND
STABLE

MAKES UP
0.857%

OF NEW ZEALAND'S TOTAL LAND AREA³
REPRESENTING **MASTERTON DISTRICT**,
FROM EASTSIDE AND HOMEBUSH
THROUGH TO UPPER PLAIN AND
AKURA, AN AREA OF:

2,299 km²

RESPONSIBLE FOR
804km
ROADS⁴



Key learnings

The Council has progressed from being an organisation that delivers a minimal amount of services to its community, to one that is attempting to balance fiscal constraint against delivering the breadth and quality of services that its community desires. It has made some difficult decisions about how it is structured, and has undertaken changes as a result of those decisions. While it has made real progress in the past three years, it appears to have struggled to take its community with it in some key aspects. Key lessons from the assessment are:

- > There is an opportunity for better communication on how the Council's tactical activities and initiatives contribute to the overall vision that it, and its community, have for the district. There is a strong focus on community and stakeholder engagement which yields some excellent results for the district. However, communications and marketing are under resourced for the scope of activity the Council is seeking to cover.
- > The Council's vision and goals need to be clearly and directly linked to a well-balanced performance framework. With this in place, the community will be able to assess the progress being made towards its goals, and will be more inclined to understand and potentially support the value-for-money it receives from rates.
- > Local government requires ever-increasing skills to manage diverse operations and complex assets and to deliver large scale projects. This fact presents challenges for a small organisation. The Council needs to ensure it continuously develops its internal capability and makes cost-effective use of external resources for specialist or fixed-term requirements.

¹ MBIE 2016

² Stats NZ Census 2013

³ DIA 2013

⁴ Ministry of Transport 2013/14

Assessment Summary

continued...

OVERVIEW

Masterton District Council has gone through a recent period of substantial change. It has enhanced its internal capability, is delivering more cost-effective services, and now seeks to strike a balance between being fiscally conservative and adequately investing in infrastructure renewal. Given a small rating base and limited growth in the district, the Council has managed this change well and is well placed for further progress.

RATING



Findings



THE COUNCIL IS MANAGING ITS INFRASTRUCTURE SPENDING WITHIN ITS MEANS (IE WITHIN THE LIMITS OF WHAT RATEPAYERS CAN AFFORD). IT HAS ASTUTELY MANAGED ITS SPENDING ON ROADING INFRASTRUCTURE IN LINE WITH ITS ANTICIPATED COSTS, WHILE ENSURING THAT THE NETWORK IS RESILIENT AND PROVIDES ACCEPTABLE LEVELS OF SERVICE.



THERE IS A NEED TO TEST THE ASSUMPTIONS UNDERPINNING THE COUNCIL INFRASTRUCTURE INVESTMENT FOR SENSITIVITY TO CHANGE, AND TO IDENTIFY AND RESPOND TO THE FINANCIAL AND OTHER IMPLICATIONS FOR THE COUNCIL IF THOSE ASSUMPTIONS ARE INCORRECT.



THE COUNCIL INTENDS TO REVITALISE ITS TOWN TO DEAL WITH AMENITY ISSUES (TO ATTRACT AND RETAIN RESIDENTS AND VISITORS) AND WITH ISSUES OF EARTHQUAKE-PRONE BUILDINGS. THIS REVITALISATION PLAN HAS HELPED ALIGN THE VIEWS OF THE COMMUNITY AND THE COUNCIL, AND BOTH RECOGNISE THE NEED TO BE READY TO FACILITATE EMPLOYMENT, PROBABLY FROM TOURISM.

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
Competent	Competent	Competent	Competent

STRENGTHS

The Council connects with its community through a community-led, Council supported philosophy.

The Council has succeeded in becoming more engaged and service-focused since the arrival of the new Chief Executive and Mayor.

The finance team is capable, and is focused on doing the basics well and managing the finances within Council's budgets.

There is strong technical competence within the infrastructure team who understand and manage the assets well.

A strong partnership exists with Māori/Iwi, with commitment to creating genuine opportunities for better decision-making.

AREAS OF IMPROVEMENT

The Council's strategic documents should be more succinct. They should also be clearer about the Council's priorities.

The Council would benefit from improving its risk framework (eg by undertaking a peer review of its current priorities and defining the risk appetite in key activities).

There needs to be better evidence of on-going financial efficiency, and ideally this should be coupled with zero-based budgets.

The Council's s.17A reviews should be more analytical and better prioritised. This would enable the Council to address issues of internal capacity and capability.

The performance measurement framework needs to be more transparent and meaningful, with greater use of quality, value-for-money, and cost-efficiency measures.

The Council should update its communication and engagement strategies to provide consistent messaging on its "big picture" vision. The Council also needs to clearly identify the key channels for its communications.

The Council would benefit from modernising its online communications and online transactions.

Leading locally

Governance, leadership and strategy

The Council is progressively shifting its vision from a “generic” one, primarily based on conservative financial management of rates and infrastructure, to a more expansive view of community-led initiatives and active promotion of the district’s economy.

Priority grading

Competent

< The Council is in the process of solidifying the changes which commenced with the election of the Mayor in 2013, and the appointment of the Chief Executive in 2014. >

The decision not to amalgamate as part of the Wellington super-city has enabled some of these changes to be accelerated, and the Council is strongly motivated to establish a clear and fresh vision for the district.

Setting the direction for the community

The Council’s vision is best summarised in its frequently used catchphrase “community-led, Council supported”. This is underpinned by the over-arching principles in the LTP which include observing the partnership principles of the Treaty of Waitangi, collaboration with the community and social justice. The outcomes are supported by key priority areas such as affordability, caring for the community and looking after infrastructure.

However, while each area of the Council’s activities in its Long Term Plan, Annual Plan and annual reports contain explicit links to the Council’s outcomes, there is little explanation or evidence as to why those links exist or how they work. It is also notable that the links refer to the now outdated (pre 2012) requirement for community “well-being” (eg social, cultural) rather than to the requirement of s.10 of the Local Government Act, which asks councils to link their activities to the current and future needs of communities through good quality and cost-effective services and infrastructure.

Councillors have clear and succinct views on the future of the district (such as “improve our reputation with the community,” “reverse a long period of economic stagnation,” and “the Council is a co-operative – the community needs to be part of it”) and the Council’s key documents contain elements of these views. But the key documents lack a simple, clear message about the Council’s immediate and long-term focus. Now that the Council has appointed a manager of strategic planning, it is likely that subsequent documents will better achieve this.

Creating confident councillors

The information provided to potential councillors before the local body elections were thorough and well summarised, as were the subsequent induction processes. However, the challenge of ensuring that councillors better understand their governance role remains.

The underlying philosophy expressed by councillors is: “You learn on the job – a lot of it is common sense. We don’t want to read a lot of textbooks about good governance.” The Council has a strong commitment to on-going training and expressed no concern over potential public criticism of training costs, as long as the training was justified. The Council noted that “we’ve got to be thick skinned” regarding such criticism.

Effective working relationships

There were some comments from external stakeholders that the Mayor and the Chief Executive were not seen as aligned. However, the Council has good structures in place to minimise any possible misalignment. These include an external facilitator who assists with performance planning and assessment.

Focusing on health and safety

The Council’s health and safety policy is adequate, but it gives little insight to what sort of health and safety culture the Council is seeking to achieve or what success will look like for the organisation. Nor does it give clear messages to staff as to what health and safety should mean to them in practice – for example, whether it gives someone the authority to stop working or to stop others working if they see unsafe practices.

The Council has appointed an experienced senior human resources (HR) advisor whose mandate includes health and safety. However, risk reporting is perfunctory with the risk register containing a single line summing up risk issues relating to health and safety. Similarly, the Chief Executive's report contains no information on health and safety, not even "lead/lag" measurements that would highlight areas of systemic risk. Staff acknowledge that health and safety is a "work in progress."

Strengthening risk management

The Council has appointed an independent chair to its Audit and Risk Committee and has developed a risk policy, both of which are positive steps. The risk policy is thorough in terms of being descriptive (ie setting out the functions of the Committee and the Council's process for managing risk). However, it lacks clarity on what the Council's risk appetite is, both in general and in relation to specific activities, for example, whether anticipation of growth allows calculated risks to be taken in funding infrastructure, or whether health and safety issues should be zero-risk.

The chair of the Audit and Risk Committee is an independent chartered accountant. The Council should consider whether there are additional skills that could be brought in through a second independent member (eg legal skills to deal with risk and probity).

Managing the organisation

The Council has moved from a two-yearly to an annual staff survey using an "industry standard" process (the IBM engagement survey). The results of the survey are presented to staff only in the most summary form, and it is therefore difficult to assess the levels of engagement or the breadth of issues facing them. More transparent reporting of the full results, coupled with a well-defined project plan for addressing issues (including staff engagement), will generate greater staff confidence in the process. However, staff acknowledge that "we've come a long way since then (2015)" and most spoke positively of the evolving culture. The latest survey was completed immediately following the on-site assessment. The survey highlighted very positive gains in staff engagement, underlining the Chief Executive's progress in developing a very constructive staff culture.

Informing council decisions

Councillors consider the reports received by them are "generally okay, but staff err on the side of too much information." However, the formal internal reports that the assessors reviewed

did not err on the side of too much information. On the contrary, they lacked structure and many matters that should be standardly referred to in council reports (eg financial implications, obligations to consult, policies and objectives) were missing. The Council would benefit from reviewing and adopting, with appropriate modification, more structured report templates such as those used within the state sector.

Strengths

The Council has tapped into a strong community spirit (and potential buy-in to the Council's vision) with its "community-led, Council supported" philosophy.

The relationship between councillors and the Chief Executive is well structured and has appropriate external facilitation.

The most recent staff survey results highlight very positive strides in developing a good organisational culture.

Areas for improvement

There needs to be less "clutter" in the strategic documents and the messages need to be clearer, succinct and clearly prioritised.

Councillors should undertake formal, annual self-assessments.

The Council's internal reports need to be better structured.

The Finance, Audit and Risk Committee needs to be provided with detailed reporting on health and safety, ideally including lead/lag indicators that highlight any areas of systemic risk.

Investing money well

Financial decision-making and transparency

The Council has sound financial management practices, which has ensured that the level of rates increases remains affordable for its community. However, there is scope for improving the quality of the Council's financial analysis and reporting.

Priority grading

Competent

< The financial strategy has been based on a sustainable balance between rates affordability and adequate levels of asset renewal. After many years of fiscal constraint, the Council is endeavouring to take a more balanced approach to financial management. >

There is still a strong focus on rates control, with the maximum increase being the Local Government Cost Index increase plus one per cent, and on ensuring that the basics of infrastructure renewal occur every year. This is complemented by additional expenditure on issues of importance to the community such as investment in economic development.

Planning and evaluating financial goals

The Council's finances comply with the Local Government Act. It has a forward-looking strategy, albeit one that can be described as conservative. It has an emphasis on operating surpluses and low levels of debt. Staff have stated that this conservatism was based in part on "significant costs that we know will probably arise in the future." However, if such costs are expected, they should be clearly highlighted in every annual plan, with caveats attached to their likelihood of occurring, where appropriate.

The "end-point" of the strategy is expressed as "maintaining service delivery while ensuring financial sustainability." While such a focus is hard to argue with, there is an inconsistency

between this statement and others within the Council's planning documents. For example, statements in the asset management plans state "... effort may need to be put into lowering expectations of current levels of service."

The focus on controlling increases in rates is admirable, but more is needed to demonstrate that the Council is striving for greater financial efficiency. There is a lack of visibility around the cost-efficiencies that are being achieved (if they are), despite the Council having an internal goal to achieve savings each year.

Assessing the financial data

There are four-monthly financial reports provided to Council, and these have scope for improvement. The reports lack graphs and detailed explanations for the reasons behind significant variances and the cost areas in which the variances occur. For example, a \$67,000 cost-variation in one report on roading is justified by the comment "there have been higher maintenance costs." This does not explain why the higher costs have occurred, whether they will be redressed throughout the remainder of the financial year, or whether they are justified. There is no reporting of personnel costs, contractor costs, or consultant costs.

Furthermore the reports are based on activities rather than costs, and record where costs are incurred rather than what they relate to.

The finance team accepted that financial reporting could be enhanced. However, it noted that "improving the financial reporting hasn't been a priority because the finances are in an okay state. We lack resources to tackle improved reporting at the moment."

Addressing financial risk

The risk management framework could be improved. As noted in the section on governance, leadership and strategy, the Council's risk appetite is not defined either in general terms, or in relation to specific activities. The risk register lacked detail and was formulaic. For example, it rated a personal grievance as a "high" risk, and a judicial review of a policy decision as "extreme". The assessors believe that neither would be an out-of-the-ordinary risk for any council. In contrast, getting growth assumptions wrong in infrastructure planning has potentially large financial implications, yet it is rated as only "routine". The quality and rigour of the

Council's risk assessments would benefit from peer review. In addition, there is scope to better prioritise the number of risks reported to the Audit and Risk Committee, reducing their number (there are more than 20) and focusing more on strategic risks.

Balancing the budget

Budgets are not zero-based, and while managers have incentives to find savings, the annual plans show little evidence that opportunities for cost savings have been identified, or that the community has been presented with trade-offs about what services could be made more cost-efficient without necessarily reducing service levels. As well, the Council's activity-based reporting blurs the transparency of cost increases. For example, staff costs in the past three years have increased by 33 per cent (from \$5.1 million to \$6.8 million), but there is no explanation about where or why these cost increases have occurred.

Meeting financial targets

The Council's overall financial position is sound. It complies with fiscal benchmarks, and there is ample evidence that it balances expenditure against prudent reinvestment in assets. The Council has a well planned level of investment in asset renewals. But there is little provision for infrastructure expenditure to meet future population growth or increases to levels of service, with the Council's financial-planning assumptions being that any such growth or increases are unlikely to be significant. However, prudent risk management requires that these assumptions should be tested, and that a sensitivity analysis should be undertaken to gauge the financial implications for the Council (and ratepayers) if any of these assumptions are proven wrong.

Being clear and transparent

The procurement policy has sound principles, but it lacks clarity and specificity as to what "rules" will apply. The Council is undertaking a review of its policy and as part of this review it should assess some of the more comprehensive procurement policies developed by other councils.

The overall clarity and quality of the Council's financial reporting is focused more on complying with legislative requirements than on informing the "average" person in its community. The Council could develop a better summary of its finances. One which explains meaningful cost variations (actual versus budget) in more detail, reports information on costs (eg personnel, travel) rather than activities (eg roading, water) and provides a longer-run perspective (eg across the past five years) rather than comparing just the current and previous financial years. Such improvements would give a clearer picture of expenditure and revenue trends.

Strengths

The Council has a capable finance team who are focused on doing the basics well.

Rates increases are modest which can be attributed, in part, to Council adhering to financial plans.

The Council regularly meets the required benchmarks for fiscal prudence.

There is an appropriate level of expenditure on the renewal of major infrastructure assets.

Areas for improvement

The Council needs to improve its monthly reporting and measurement, so that activity costs can be better allocated to outputs.

There needs to be empirical evidence to support the public/private cost allocations in user charges.

The risk framework requires enhancement, in particular, by peer-reviewing the priorities, defining the risk appetite for key activities, and providing the Audit and Risk Committee with more thorough reporting on strategic risk.

On-going operational surpluses should be better justified (or reduced).

The Council's financial reports should be presented more clearly, with information that gives a clearer picture of expenditure and revenue trends.

The Council should adopt zero-based budgets, and should provide better evidence of work towards achieving greater financial efficiency.

Delivering what's important

Service delivery and asset management

The Council demonstrates a sound level of competence in delivering its operational services and in its knowledge and management of the key infrastructure assets. It engages well with its community about services and facilities. However, it could better address issues of cost-analysis, performance measurement and operational efficiency.

Priority grading

Competent

< The on-going uncertainty over amalgamation, initially with Greater Wellington, and now within the Wairarapa, has hampered progress on options for improving service delivery.>

The Council acknowledges that while it may not be feasible to review some service areas, there are immediate opportunities for working more effectively with the other Wairarapa councils.

Evaluating asset effectiveness

After a long period of reactive maintenance, the Council has been progressively working on improving its knowledge of the condition of its assets. Confidence in the condition of roads and footpaths is reasonably high, largely because the renewals programme has found that actual pavement condition is matching expectations. Asset data for the three waters (drinking water, stormwater and wastewater) are more variable, with confidence in the condition of these assets generally classified as "uncertain."

Infrastructure planning is, however, well co-ordinated and the asset manager has considerable institutional knowledge of the network. The asset management plans are comprehensive, with all relevant issues identified.

Consumption of drinking water is a significant issue for the Council, at around 800 litres per person per day. Changes to the consented water take limit arising from the new Regional Natural Resources Plan may require significant capital investment. Cost options for this investment range from \$2-10 million.

Demand on the water supply is not fully known. For example, water loss is estimated at 30 per cent, and a 2014 exercise to detect leaks indicated that approximately 60 per cent of leaks occur on private property.

There is a clear need for a well-defined strategy to manage the district's demand for drinking water. The asset management plan for drinking water assumes that water meters will be required "in about four years" for individual properties at a cost of \$3.4 million. Yet the Long Term Plan refers to meters "expecting to be required" at an unspecified future date. It is important the Council informs its community about the scope of its water supply/demand challenge, the urgency to reduce water demand, and the financial consequences of not achieving this.

The wastewater network has been significantly upgraded after the construction of a new plant at Homebush. The \$47 million project exceeded budgeted costs by \$6 million and this, combined with the \$15 million wastewater renewal programme over the last 10 years, has significantly impacted the Council's debt levels. However, stormwater infiltration continues to be an issue in the pipe network with approximately 10 overflows every year. The Council is continuing with the renewal of the poor condition pipe network with \$13 million planned to be spent in the next 10 years.

The Council faces an environmental issue with the percentage of treated wastewater that is discharged into the Ruamahanga River. Lack of available land has resulted in treated effluent being periodically discharged into the river (more frequently during winter months). While this is permitted under resource consents, it is objected to by local Māori/Iwi, and is at odds with the Long Term Plan's stated goal that "the Council is committed to working with Māori/Iwi to improve the discharge of treated effluent."

The roading network is relatively well planned and maintained, with few major issues looming in the future. However, the transition to the One Network Road Classification (ONRC) set by the NZ Transport Agency (NZTA) presents the Council with some difficulties because the characteristics of the Council's roading network are not well suited to the considerations of level of service which determine funding. The absence of compelling reasons to improve, or even maintain, current levels of service, mean the Council will need to progressively assess the viability of service levels for both roads and footpaths, with reduced capital being put into its low value roads.

The strategy is an entirely rational one, based on NZTA priorities and considerations of financial sustainability. However, it is unlikely to be well-received by sections of the community, particularly those who use the lesser value roads. Consequently, there is a need for the infrastructure strategy in the Long Term Plan to more clearly articulate the future of the Council roads and to move beyond generic statements that future "issues and challenges" include "changes to national roading priorities."

A significant omission in the Council's transport work is the role of cycling. In the Long Term Plan, cycling comprises three of the six "issues and challenges" for improving transport, but there is no programme of work, no performance measures and negligible funding allocated to this. An extensive cycling strategy from 2009 remains unimplemented, and staff acknowledge that "we've not achieved a lot" in this area of transport.

Addressing regulation

The Council does not have an enforcement strategy, and it accepts that this is something it needs to develop.

There has been considerable progress made in improving both the quality of the Council's building control service as reflected in its IANZ accreditation and in the customer service of its building consents process as shown in feedback from businesses. The most significant improvement appears to have been the change in attitude from risk aversion and putting up obstacles, to keeping customers better informed and endeavouring to work constructively in finding solutions. Stakeholders said the new building manager was "a breath of fresh air" and the Council has "made great strides and, although they have more progress to be made, they're aware of it."

The Council appears to have some challenges with dog control. Overall, 23 per cent of the community is dissatisfied with the service and this rises to 52 per cent for those who have had dealings with the Council over dog control issues. Dog attack numbers are relatively high, with more than 20 attacks on people per year and 50 to 60 attacks on stock or other animals. Staff acknowledge they do not have a clear process for dog control. One of their issues relates to a performance measure focusing on the "transaction" which is the response time for a complaint rather than an outcome which would be to target a progressive reduction in annual dog attack numbers.

Assessing service quality

The Council has not made significant progress in meeting the service delivery review requirements of s.17A of the Local Government Act. Of approximately 25 services identified, seven have been assessed as not subject to s.17A for "materiality" reasons, and the remaining 18 are being reviewed (several of these are now overdue). While one review has been completed and a decision made to re-tender it, there is minimal evidence to support the contention the Council is identifying opportunities for improving service delivery through the use of alternative methods.

Service levels are largely arbitrary, the legacy of past decisions which staff could not always readily identify. The service levels have not been formed with meaningful community input, nor have they been re-tested to determine their relevance or importance to the community.

Approximately 75 per cent of the Council's performance measures use community satisfaction surveys, completion of tasks, or mandatory measures as their standards. The satisfaction survey is independent, statistically sound and benchmarked against other councils. However, it highlights no discernible increase or decrease in satisfaction for most services over a 10-year period. This suggests either the public pays little heed to the survey as a way of holding the Council accountable for its activities, or the Council has made little impact on satisfaction.

There appears to be a difference of view between staff and councillors on the value of measuring performance. Staff acknowledge the measures are transactional in nature, do not assess quality or value-for-money, and lack community endorsement. The view of councillors is summed up in this comment: "Don't get too hung up on measurement. We do something if we think it's important."

Assessing capability and capacity

The Council is coming off a low base in terms of its HR practices, with very little emphasis placed on it before the current Chief Executive's appointment. The appointment of an HR advisor has been the first step taken, and this has resulted in implementation of basic HR practices such as developing performance plans and establishing job descriptions. There has been a significant increase in staff (from 72 to 85 full-time equivalents), but there are no clear business cases or measurements to determine the value which the additional roles bring to the organisation.

The business cases that are produced to support capital expenditure are essentially options assessments rather than business cases. Staff are aware they have no internal skills in methodologies such as Investment Logic Mapping or Better Business Cases. There is also no policy that requires making a business case for major capital expenditure (other than what is required by NZTA for its funding). Better Business Case methodology and policies on capital expenditure may be seen as an unnecessary compliance cost for a small council. However, small councils have more constrained resources, which make it

more important that their capital decisions are reached as a result of robust analysis.

The Council has a plethora of active and inactive “projects” (reported to the assessors as numbering between 119 and 158) which, until the new Chief Executive’s arrival, appear to have been subject to little scrutiny and management. The recent appointment of a project manager is beginning improve this situation. There is now a “projects internal control report” which goes to the Chief Executive on a monthly basis. Although improved visibility and monitoring of projects is a constructive step, the 150 odd “active projects” bring the risk of spreading resources too thinly, and acting as a distraction from more immediate operational priorities.

Strengths

There is strong technical competence within the infrastructure team.

The Council has a well-planned strategy for improving the resilience of its infrastructure network (transport and the three waters).

Good links with the community have been established, and this has helped the Council prioritise and manage community facilities.

The Council has developed a more customer focused culture.

Areas for improvement

More analytical and better prioritised s.17A reviews would enable the Council to address issues of internal capacity and capability.

The Council needs to establish an enforcement strategy that better manages risk and prioritises regulatory activities.

There should be annual reporting on all major projects (over a stated dollar threshold), with details on timeliness, cost and scope.

Council should consider reducing its number of active projects.

High priority should be given to addressing issues raised by stakeholders regarding the environmental issues concerning their three waters networks.

Listening and responding

Communicating and engaging with the public and businesses

Staff and councillors have a strong commitment to good communication and engagement. They are good at engaging stakeholders and communities of interest on specific tactical issues and initiatives. However, there are opportunities to create more alignment between the “doing” and the overall vision. There are significant opportunities to improve communications to the community through the Council’s website and other digital channels.

Priority grading

Competent

< The district is diverse in terms of age and ethnicity. Its Māori/Iwi groups Kahungunu ki Wairarapa and Rangitāne o Wairarapa play an increasingly important leadership role in a community whose socio-economic profile provides some significant challenges. >

The Council’s “community-led, Council supported” philosophy is an important part of its communications and stakeholder engagement. Stakeholders believe the Council demonstrates a positive commitment to taking their feedback on board, even when change does not occur as fast as they would like.

In 2015, the Council, in partnership with the Wairarapa Times-Age, launched a campaign called “My Masterton” to increase jobs and population in the district. The campaign was strongly supported by local businesses and stakeholders were consistently positive about

its execution. While there is little data on the direct correlation between the campaign and the positive growth in the district, the campaign is perceived by stakeholders as a good example of what the Council, business and community can deliver together.

Planning effective engagement

The Council has a strong focus on community engagement, with a number of key personnel including the Mayor, some councillors, and senior managers taking an active role in that engagement. There is direct engagement for specific strategies, such as with business over the economic development strategy and with Māori/Iwi and the community over specific projects.

The Council does not have an integrated communications strategy to promote its vision, strategy and values internally or externally. The last strategy was completed in 2012 and it has not been reviewed and updated. As a result, there is a lack of consistent messages on social media, online and in other channels. For example, it was apparent from discussions with stakeholders that while they were aware and appreciative of service improvements within the Council, the communications they had with Council didn’t give them a strong sense of how these improvements fitted into the Council’s aspiration “to build and maintain a reputation for providing superb service and excellent community support.”

Engaging with the community

Most of the Council’s communication is clear and direct. Most of the key accountability documents are easy to understand. There is an opportunity to link the strongly tactical reporting (ie what has been delivered, by whom, and how well) to the Council’s vision and outcomes, so that it becomes clearer how

the Council's activities contribute to the community's well-being and the district's attractiveness.

Engaging digitally

The main source of online communication and information is through the Council's website. However, Councillors, staff and stakeholders described the website as visually unattractive, difficult to navigate, inconsistently updated and having an ineffective search function. Only a few transactions can be conducted online. The Council recognises this, and work is underway to review and rebuild the website. However, it is unclear if more can be done online as a result of these changes.

How the community views the Council

Since 1993, the Council has measured its community satisfaction primarily through an annual National Research Bureau survey (with no survey undertaken in 2013). The 2016 survey indicates that satisfaction with various services is relatively static, although more "areas" surveyed have increased in satisfaction than decreased (there were three increases and two decreases).

Communicating through the media

The Council has been sensitive about spending money on its marketing and communications. As a result, most of its communications resourcing is spent on reacting to issues rather than on developing and implementing proactive media strategies to support the Council's vision. The Mayor is active in her communications with the media.

Stakeholders noted an opportunity for the Council to improve its communications on how its tactical activities were linked to its overall vision for the district, and on how this vision fitted with that of the wider region.

Building relationships with Māori/Iwi

The Council has worked hard to build positive working relationships with Māori/Iwi. It has actively sought Māori/Iwi input into its decision-making processes, building a sense of genuine partnership for the benefit of Māori and the wider community. A tangible expression of this relationship is the appointment of representatives from Wairarapa's two Māori/Iwi groups: Kahungunu ki Wairarapa and Rangitāne o Wairarapa. Both have voting rights and speaking rights on two of the Council's standing committees. This partnership could be further strengthened by a programme on Māori protocols and culture, which stakeholders and staff have identified as a gap in internal training.

Building relationships with the community

The Council has identified and targeted communications and engagement to a range of "special interest" groups such as youth, Māori/Iwi, business, Grey Power and the farming sector.

It has held forums to support engagement and information sharing on specific initiatives (eg economic development). Stakeholders see the Council as having a positive and important role to play in taking the concepts and ideas from these forums and leading the action on them. One stakeholder said "I really want to see the Council take the lead on one or two aspects of what we have discussed because that is what will make other parts of the community step up and do their bit. It can't just be left to the community to make it happen."

Strengths

Staff and councillors are active in genuinely engaging with all sectors of the community.

The partnership between Council and Māori/Iwi is strong and there is a commitment to creating real opportunities for better decision-making and planning in a diverse community.

The Council is committed to engaging with the community and stakeholders, even when its messages are unpalatable.

The Council's communications are direct and respectful, in both their written and oral forms.

Areas for improvement

The Council would benefit from an up-to-date communication and stakeholder engagement strategy. This would enable it to provide consistent messaging on the "big picture" vision and to clearly identify its key communications channels.

A greater resourcing focus on communications and marketing, including internal and online communications, would benefit the community.

The Council's accountability documents (long term plans, annual plans and annual reports) could be made more accessible through more effective use of key messages and infographics.

Online communication could be improved through a website redesign linked to an online communications strategy which allows individuals to more easily interact with the Council's online services such as rates payments and registrations.

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