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# WE ARE.

**Top value councils  
for communities.**

**Local Government Excellence  
Programme prospectus – overview**

June 2016

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**We are.  
LGNZ.**

**[lgnz.co.nz](http://lgnz.co.nz)**

< Top performance from councils means leadership and innovation to support communities, contributing to local, regional and national well-being.>

**Lawrence Yule**

President, LGNZ

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**Foreword -**

**our promise**



Thank you for reading the Local Government Excellence Programme prospectus. This new initiative leads local government in New Zealand into a new era of sector performance that will transform the service and value delivered 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. There is also low awareness of the wide range of services that councils provide, and subsequently, these services tend to be under-valued.

The local government sector is also only as strong as its weakest link. We want stronger service and value across the board. To achieve this, everyone needs to play their part.

Top performance from councils means leadership and innovation to support communities, contributing to local, regional and national well-being. Change is required to achieve this.

- The Local Government Excellence Programme establishes what matters to customers, where councils should focus, and how to keep customer experience alive in all council decision-making and operations;
- The Programme involves an independent assessment of a council's performance across four priority areas that the general public and business communities have told us are important to them. Each participating council will receive an independent assessment rating and commentary on how they are performing;
- The Programme is transparent, sharing council performance and best practice with councils and their communities. Overtime, the Programme will provide information on council performance relative to other similar councils of their type and size;
- The Programme is not about finding fault in councils or staff, but rather identifies areas for future focus. It is voluntary for councils. Councils will be encouraged to act on their assessment results, and over time, best practice tools and services, and shared learning will be available to them from Local Government New Zealand; and

- The Programme rewards robust decision-making, promotes a more responsive council culture, improved services and better communication. It complements current council plans and activities, and existing benchmarking initiatives.

Local Government New Zealand wants all councils to be effective and efficient performers, and for this to be communicated to the public.

< The Local Government Excellence Programme establishes what matters to customers, where councils should focus, and how to keep customer experience alive in all council decision-making and operations.>

## Programme driven by councils, for our communities

Local government works best when it determines its own success for its customers and communities. That is why we are promoting the Local Government Excellence Programme as being owned by councils, for their communities.

The independent assessment will reflect the unique circumstances facing each council and its communities. Each participating council will determine how it responds to the assessment results – how it engages with its communities on the assessment rating and what matters locally, and the actions it chooses to take to deliver improved service and value.

## Progress towards excellence

Local Government New Zealand holds out a direct promise to councils, residents, ratepayers, businesses, communities, regions and to New Zealand – the Local Government Excellence Programme will drive a culture of excellence and continuous improvement in council and sector performance.

On behalf of Local Government New Zealand, we encourage councils to register their interest to become a Foundation Council in 2016. You will have the unique opportunity to help design and establish a programme tailored for local government in New Zealand and together, lead the charge for lifting performance within the sector.

The 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.



**Lawrence Yule**  
President  
Local Government New Zealand

### Key dates

Registration of interest for Foundation Councils closes on **24 June 2016**.

#### *The key milestones for the first year of the Programme:*

- Foundation Councils will be selected in late June and announced by early **July 2016**;
- Induction workshop and micro-design of Programme with Foundation Councils around **mid July 2016**;
- Assessment of Foundation Councils undertaken between **August to October 2016**; and
- Announcement of Foundation Councils assessment ratings between **November 2016 and January 2017**.

## Leadership Endorsements

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**Brendan Duffy**, Chair of the Sector Performance Advisory Group and Mayor of Horowhenua District

< The drive for excellence is an aspiration for us all; this Programme provides us with the support to achieve this.

Motivated councils across our nation, supporting motivated communities, can make an extraordinary difference to how we deliver results.

The Local Government Excellence Programme isn't just a mathematical measure of performance; it is a whole of council approach to delivering first-class services across all of a council's activities, and providing our communities with easily accessible and understandable information on our performance.

I look forward to you joining us in this Programme. >



**Vanessa van Uden**, Mayor of Queenstown Lakes

< This is a unique opportunity that councils should welcome the chance to embrace. As a sector, we reflect the communities we serve. Their challenges are our challenges, and we will not find solutions for today's issues by clinging to what we have done well in the past.

It's a sign of maturity when councils acknowledge that we need to make changes and improvements. Our communities are diverse but not so different that we can't learn from each other.

By joining the Local Government Excellence Programme, your council will be linking with other progressive councils to share and learn, for the benefit of all. >



**Don Cameron**, Mayor of Ruapehu District

< There is a mood for change within local government to show both ratepayers and central government that we are moving into an information age where we can be easily assessed on our performance, financially and operationally for both governance and management, by delivery through the Local Government Excellence Programme.

This a bold approach across all council activities that will highlight strengths and weaknesses. In addition, it will enable councils to share information about how we can improve performance and value. >

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< It's a sign of maturity when councils acknowledge we need to make changes and improvements. >

## Excellent council performance

The Local Government Excellence Programme offers a ground-breaking and collective way for councils to lift value and demonstrate excellence performance.

By focusing on:	We can enable:
 <p>Strong leadership and governance</p>	<ul style="list-style-type: none"> <li>• Stronger leadership with a clear vision for their communities</li> <li>• More informed councils and communities that make better decisions together</li> <li>• Councils with a learning and responsive culture</li> </ul>
 <p>The best financial decision-making</p>	<ul style="list-style-type: none"> <li>• Sound financial decision-making</li> <li>• Transparent financial decisions that are linked with the council's strategic priorities and understood by the public</li> </ul>
 <p>Top service delivery and asset management</p>	<ul style="list-style-type: none"> <li>• Highest value use of resources to provide assets and services that communities and businesses need and are prepared to pay for</li> </ul>
 <p>Active and quality communication and engagement</p>	<ul style="list-style-type: none"> <li>• Greater two-way dialogue and engagement between the public and businesses and their councils</li> <li>• Greater customer, community and council satisfaction</li> </ul>
 <p>And overall:</p>	<ul style="list-style-type: none"> <li>• Best practice, high quality advice is shared across councils</li> <li>• Innovation and long-term success, the hallmarks of effective councils</li> <li>• Improved council and sector reputation</li> </ul>



An aerial photograph of a bustling outdoor market. The scene is filled with people walking through aisles lined with various stalls and tents. The tents are in shades of blue, green, and yellow. There are trees interspersed throughout the market area. In the background, residential houses with grey roofs are visible on a hillside. A large white number '2' with a right-pointing chevron is overlaid in the top left corner.

2 >

**Executive Summary -**

**Delivering service**

**and value**

## Executive Summary - Delivering service and value

Welcome to the Local Government Excellence Programme, the New Zealand programme to assess, improve and demonstrate council performance.

The Local Government Excellence Programme offers:

- > Independent and ongoing evaluation of council performance
- > Improved council leadership and value for customers and communities
- > Assistance and tools to manage change and provide improved services and value
- > Opportunity for active community engagement and informed debate



Whether you are a mayor, chair, councillor, local board member, community board member or council employee, this prospectus is for you. Here's why:

- Council services touch everyone, everyday – our homes, our water, our transport, our work, our places of recreation, our quality of life.
- Measuring performance means councils and their communities can assess how to be more effective and efficient to deliver the council services and infrastructure we all need.

The Local Government Excellence Programme is for councils and it's for their communities. The 2015 New Zealand Local Government Survey found residents and businesses had a low awareness of the full services councils provide and the value they bring. There was low opinion of councils in the areas that matter most to people:

- 1> **Governance, leadership and strategy**  
– how councils set the direction for their community, and make and oversee decisions;
- 2> **Financial decision-making and transparency**  
– how council finances are decided and allocated;
- 3> **Service delivery and asset management**  
– what assets and infrastructure councils own and operate, how efficiently and effectively these assets are used, and what services they provide; and
- 4> **Communicating and engaging**  
– how councils involve their residents, businesses and communities.

The Programme addresses each of these priority areas and has been developed by Local Government New Zealand (LGNZ), who represents all 78 councils across the country. The Programme seeks to increase the public's knowledge of the work councils are doing, and to support individual councils to further improve and demonstrate the value they provide to their communities.

The Local Government Excellence Programme incorporates an independent assessment system to assess how councils are performing and the value they are delivering. It employs expert independent assessors across the four priority areas above, who will report to an independent assessment board responsible for the Programme's assessment system.

Councils will receive an overall performance rating, with commentary on their performance. Councils will also be assessed on each priority area and provided with information on their strengths and weaknesses. It is then up to each council to review their results, develop an action plan and engage with their communities on the issues that matter locally.

Councils can engage with their communities to decide how services and value can best be improved, complementing existing council information, advice, long-term and annual plans and activities. Assessment will then be repeated every three years to monitor progress.

The Local Government Excellence Programme begins in July 2016 with a leadership group of councils called Foundation Councils, whose assessment ratings will be publicly reported around the end of 2016. The Local Government Excellence Programme will then be offered to other councils from 2017.

This prospectus outlines what the Local Government Excellence Programme is, how it works and what it means for councils and their communities:

- **Section three** outlines what is involved in the Programme, how the Programme will be governed, and the roles different parties play within the Programme;
- **Section four** sets out the key features of the Programme's assessment system, such as how the ratings will be determined, how often assessments of councils will be carried out and the establishment of council "peer groups" to enable like for like comparisons;
- **Section five** describes how participating councils can respond to their performance assessment, including the development of an action plan and communication of the results;
- **Section six** sets out what it means to be a Foundation Council, the benefits of getting involved and how the Foundation Councils for 2016 will be selected; and
- **Section seven** explains how councils can register their interest in becoming a Foundation Council through the application form contained in this prospectus.

## Supporting information on the Programme's assessment system

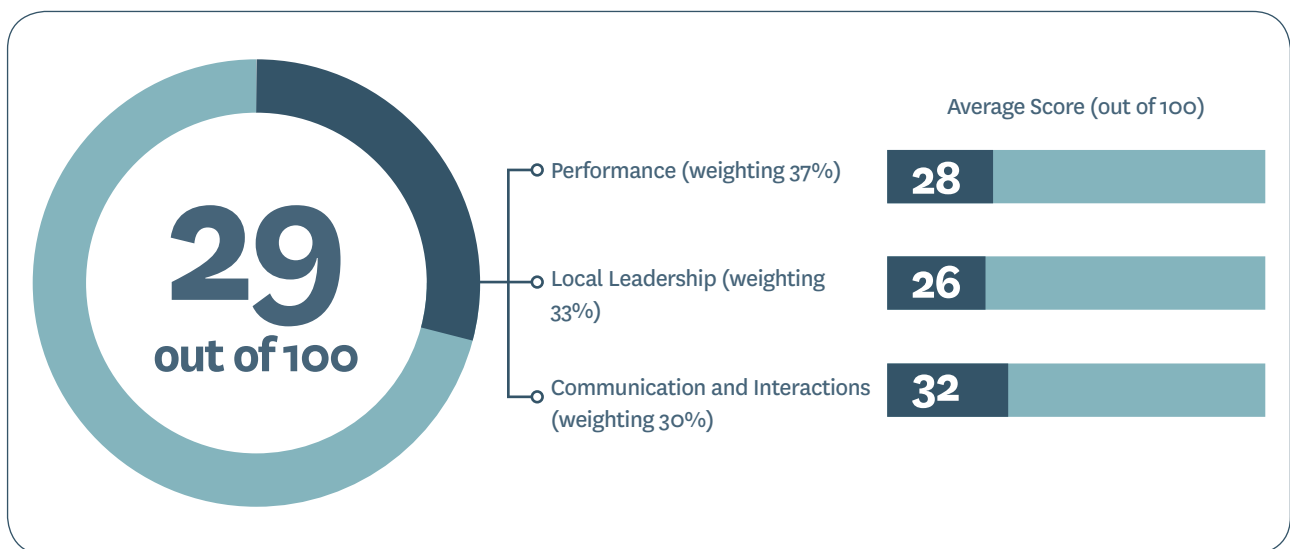
The supporting document, *Local Government Excellence Programme prospectus – Performance assessment system*, provides more detail for interested councils, outlining:

- > The performance framework developed for the assessment system;
- > The performance measurement principles underlying the selection of the performance indicators;
- > The working set of performance indicators for each of the four priority areas that will guide the independent assessors; and
- > The cost for Foundation Councils participating in the first year of the Programme.

## Local Government Reputation Index 2015

Through the 2015 New Zealand Local Government Survey, Colmar Brunton developed an overall Reputation Index that summarises how the local government sector rates across the three main drivers of reputation – performance, local leadership, and communication and interaction.

The local government sector currently scores on average 29 out of 100,<sup>1</sup> incorporating the views of both the public and business communities.



<sup>1</sup>Survey undertaken in June/July 2014.



## Why councils matter

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**30**  
**thousand**

staff work for local government,  
one of New Zealand's largest  
employers

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Councils have a key role in  
place-making, setting the  
framework for the growth of an  
area and the design of towns  
and cities

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Councils  
implement and  
are the main  
local regulator  
of central  
government  
legislation

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**78** councils support all  
New Zealand districts,  
towns, cities, regions

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Councils are essential to the local, regional  
and national economy with council activities  
making up around

**4%**

of New Zealand's gross domestic product

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Councils facilitate and are  
major drivers of economic  
growth across New Zealand

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Local government has assets worth

**\$124**  
**billion**

one of New Zealand's largest holdings

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**11%**

of all public spending is by councils,  
mainly on roads, transport, water, waste,  
recreation, sport, culture, environment  
and emergency management

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**The Local Government**

**Excellence**

**Programme**



# The Local Government Excellence Programme

## Delivering improved customer services and value

**Value is essential to councils and communities.** When our customers experience value, they buy-in to what councils are doing, which builds momentum for change.

The same is true of communities. Best value decisions that meet shared needs help communities to be more engaged on local issues, to feel more united and to be proud of their council's decisions.

The Local Government Excellence Programme builds the link between customer experience and value in three ways:

### 1. Listening and understanding

**What matters to communities? Where should councils focus? How can customer experience be at the forefront of council decisions? How can councils lift their reputation through improved service delivery? How do communities know when value is being delivered?**

The Programme's performance framework focuses on the four priority areas identified in the 2015 New Zealand Local Government Survey. For each of the four priority areas, there is a set of underlying performance indicators that will guide the independent assessors in their evaluation of council performance.

An overall assessment rating, and ratings for each of the four priority areas, will be determined by the independent assessors. These results, along with supporting commentary, will provide a reading of council performance, providing independent insight for both the council and its community.

### 2. Making decisions

**How can elected members and council staff make more customer-focused decisions on priorities such as investment, services, operations, new initiatives and planning?**

Transparency is an essential component of the Local Government Excellence Programme. The assessment results will be made available to both councils and their communities for consideration, enabling councils to engage more closely with their communities as part of their decision-making, in the areas their customers and community value most.

Independence ensures councils and communities can rely on and trust the assessment results, which will support a council's own existing assessments, decision-making and plans.

### 3. Designing value

**How can councils maintain customer-focus?**

The Programme is a continuous improvement system. Councils and communities share information and input into decisions that over time will lead to more united plans, actions and achievements.



- ▶ Centred around the local government sector lifting service and value
- ▶ Communication and engagement underpin all priorities

The Programme rewards councils who actively involve their communities in information and decisions. As such, maintaining customer-focus becomes embedded in council objectives and culture. Councils will be offered tools, services, best practice, shared experiences and other assistance to help them fully transform to a more customer-focused organisation, with improved performance and outcomes.

## What is involved in the Local Government Excellence Programme?

The Programme 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 key aspects of the Programme are:

1>

#### A comprehensive, robust and independent performance system

- A performance assessment system, which assesses the four priority areas of the Programme, as identified by the 2015 New Zealand Local Government Survey.
- Overseen by an independent assessment board and delivered by a small team of independent assessors.



2>

#### Independent assessment and public rating of a council's performance

- Councils will undergo an assessment by a team of independent assessors, resulting in a formal assessment rating and commentary that will be published.



3>

#### Council action plan to demonstrate and lift performance

- It is intended that councils will develop an action plan to address the areas highlighted through the assessment report.



4>

#### Communication and engagement with the community

- LGNZ will provide support to councils on the overall communications framework, and internal and external communications of this Programme and the resulting assessments.



5>

#### Support to lift performance

- LGNZ (and other external agencies) will provide tools, services and share best practice to assist councils to lift performance.



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



## Independence and governance of the Programme

### **The Local Government Excellence Programme incorporates an independent and credible system of performance assessment.**

LGNZ has worked with Cameron Partners to develop the performance assessment system for the Programme, which incorporates a set of performance measurement principles, an over-arching performance framework and draft set of underlying performance indicators that will guide the team of independent assessors.<sup>2</sup> The performance system and underlying indicators have been developed from international and local best practice, and have been tested and discussed with a number of stakeholders, including:

- LGNZ's National Council and its Sector Performance Advisory Group (SPAG), the subcommittee who are overseeing this work;
- Three member councils in November/December 2015 – Horowhenua District Council, Queenstown Lakes District Council and Otago Regional Council;
- Three focus groups with the general public and small businesses in January 2016, led by Colmar Brunton;
- 16 sector workshops with councils around the country in March and April 2016;
- Sector participants from 21 councils at the 10 May 2016 workshop; and
- Other experts and stakeholder groups in the local government sector.

### **Establishment of the independent assessment board**

While LGNZ has led the development of the Local Government Excellence Programme, an independent assessment board will be appointed to oversee the Programme's assessment system and the provision of assessment ratings and reports to councils.

The Board will be responsible for refining and confirming the performance indicators that are incorporated into the final performance system, and also recruiting and overseeing the team of assessors that will undertake the assessments.

<sup>2</sup> Further detail on the performance system and indicators can be found in the supporting document: *Local Government Excellence Programme prospectus – Performance assessment system*.

The Board will work to the following set of guiding principles:

- 1>** Ensure that the provision of accurate and understandable information is at the forefront of the Board's operating model;
- 2>** Provide information in a form that allows non-expert residents and businesses to readily and easily assess the performance of a local authority;
- 3>** Provide 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;
- 4>** Provide a forward-looking, long-term strategic perspective on a local authority's performance; and
- 5>** At all times, operate in a transparent manner.

## Skills of board members and assessors

To establish a robust and credible assessment system, LGNZ will appoint high calibre board members with strong governance skills, who in turn will recruit a team of independent assessors who are experts in the four priority areas. While the formal terms of reference for the independent assessment board and the job description for assessors will be confirmed by LGNZ during June

2016, the box below outlines the proposed board composition and the skills required to be a board member and an assessor.

The independent assessment board will operate on a cost-recovery basis principally to cover governance costs, actual assessor costs and overheads. The funding approach for the board has been reviewed by LGNZ's National Council at its May 2016 meeting.

### Independent assessment board (three to four members)

#### > Role

- Independent chair (one member)
- Local government experience (one to two members)
- Business experience (one to two members)

#### > Skills

- Has proven core governance experience
- Are independent of a council and LGNZ
- Has proven experience in the sector or related industries
- Demonstrates independent and critical thinking
- Familiar with assessment processes

### Assessors

(two to three assessors in each team)

#### > Role

- Each assessor allocated to one or two priority areas
- Number of teams dependent upon number of councils being assessed

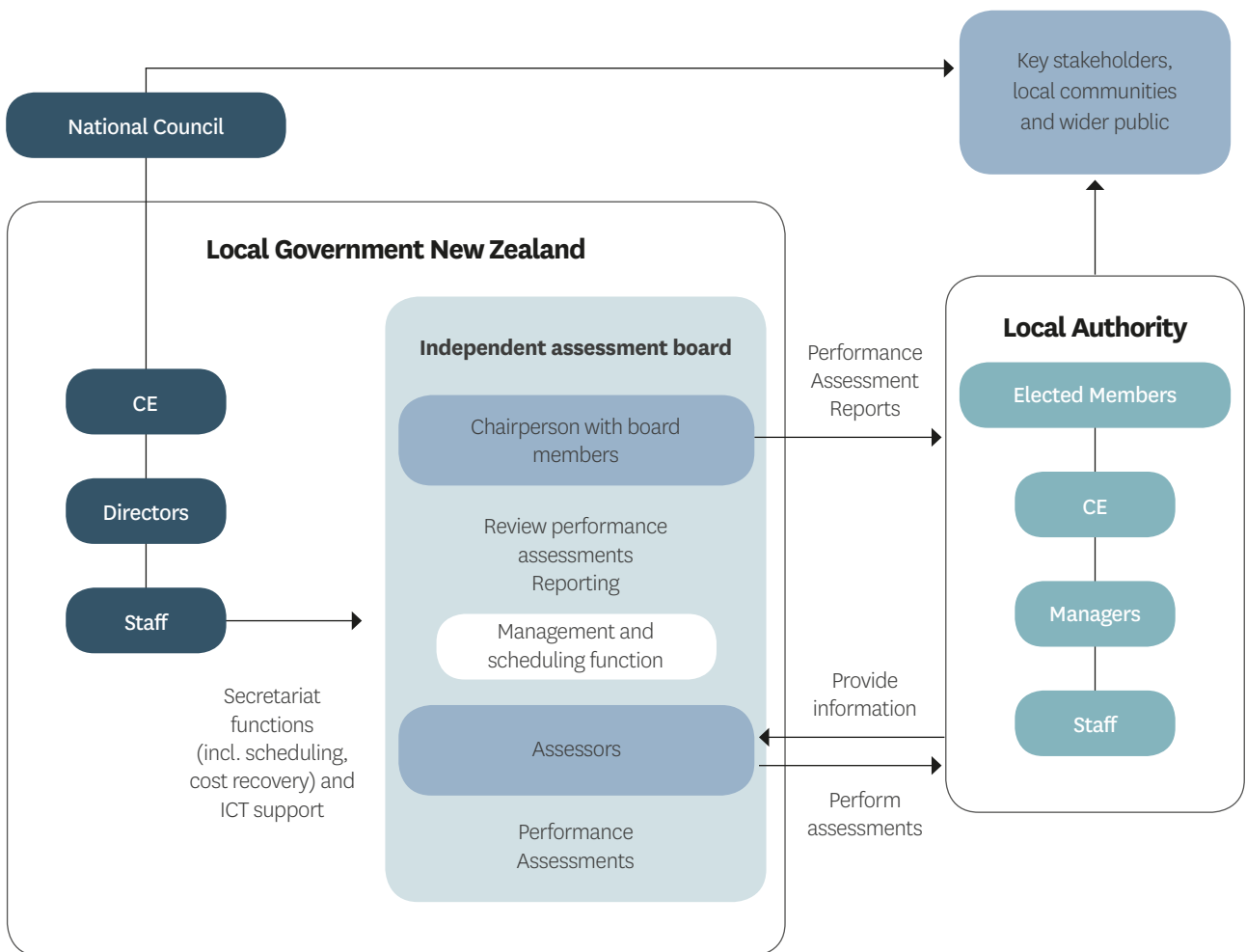
#### > Skills

- Assessors will need to have relevant expertise and experience in:
  - > Leadership, strategy and governance
  - > Financial decision-making and reporting
  - > Service delivery and asset management
  - > Communication and engagement
- Are independent and perceived to be independent

# Roles of different parties

Figure 1 below sets out the roles of different parties within the Local Government Excellence Programme.

Figure 1: Governance of the Local Government Excellence Programme



Governance Party	Role
LGNZ National Council	<ul style="list-style-type: none"> <li>Responsible for LGNZ work priorities and overall accountability for work to lift sector performance and reputation.</li> </ul>
National Council and its Sector Performance Advisory Group	<ul style="list-style-type: none"> <li>Direction on the design and development of the Programme</li> <li>Input and oversight of:               <ul style="list-style-type: none"> <li>The timing and selection of tranches of councils to be brought into the Programme</li> <li>Support initiatives provided to councils involved in the Programme</li> <li>Process for communication of the Programme results at a national level</li> </ul> </li> </ul>
Selection panel	<ul style="list-style-type: none"> <li>Selection of the Foundation Councils for the first year of the Programme</li> <li>Selection of further councils to participate in the Programme from 2017 (if the numbers of councils for further tranches are to be limited)</li> </ul>
Independent assessment board	<ul style="list-style-type: none"> <li>Responsibility for the independent assessment process for councils</li> <li>Selection and oversight of the independent assessors</li> <li>Review, oversight and release of assessment reports</li> <li>Supported by LGNZ resource for programme management, administration and finance support</li> </ul>
Independent assessors	<ul style="list-style-type: none"> <li>Assist with the refinement of the performance indicators before they are finalised by the independent assessment board</li> <li>Undertake assessment of councils against the process determined by the independent assessment board</li> <li>Determination of assessment ratings and commentary reports for participating councils in conjunction with the board chair.</li> </ul>
LGNZ	<ul style="list-style-type: none"> <li>Responsible for design, planning and implementation of the Programme, including guidance and support for councils on:               <ul style="list-style-type: none"> <li>Implementing the Programme within their organisation; and</li> <li>Communication of the results to the public and business audience, and key stakeholders.</li> </ul> </li> <li>Responsible for communication of the Programme and results at a national level, and a communications framework at a local level.</li> <li>Responsible for the ongoing measurement of the sector reputation through the New Zealand Local Government Survey and council boosters.</li> <li>Repository for all assessment rating information.</li> </ul>

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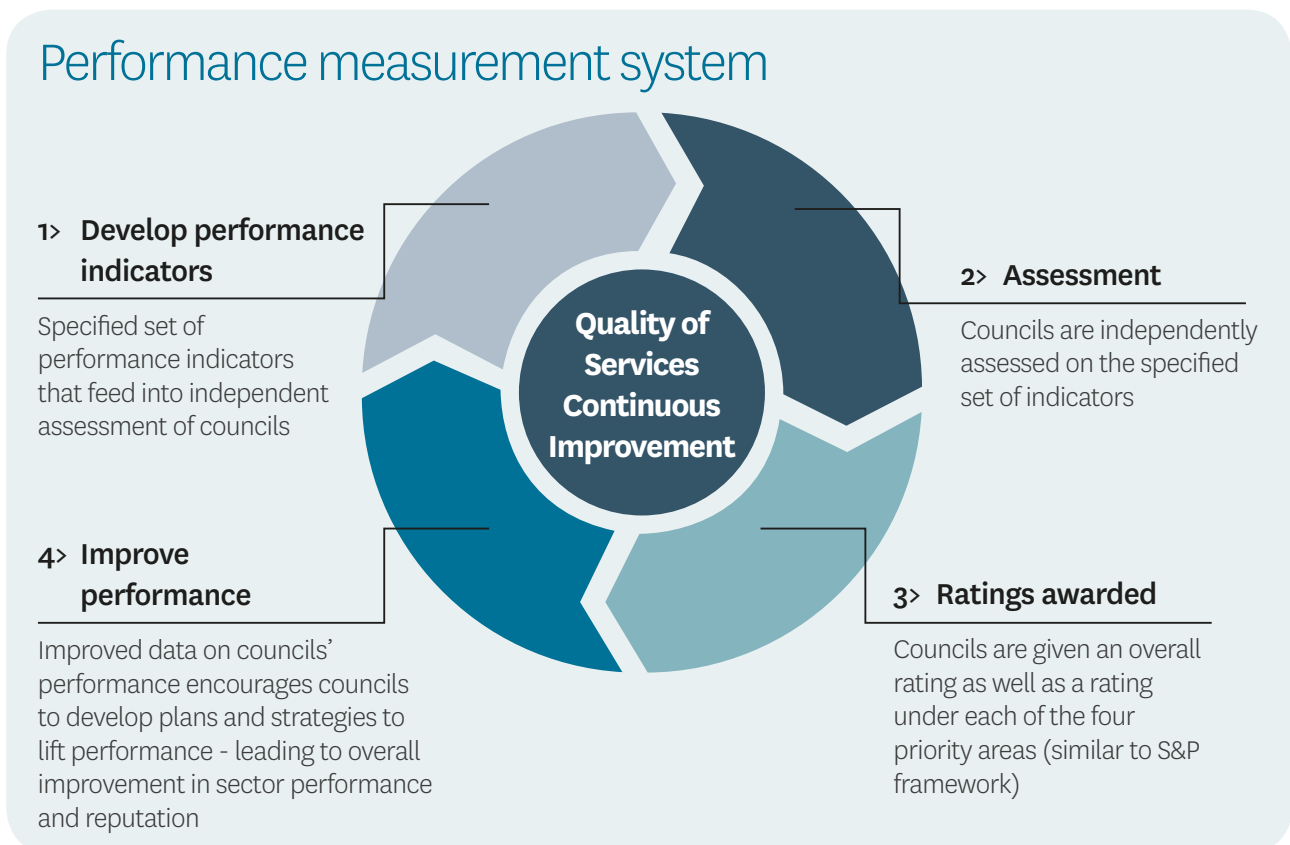
**Independent**

**assessment system**



## Independent assessment system

The Local Government Excellence Programme is centred around a robust and independent performance assessment system that focuses on lifting the value and service delivered to our communities, based on a culture of continuous improvement.



The performance system has been developed by LGNZ and Cameron Partners and has been tailored for New Zealand councils.

Councils will be independently assessed against a set of underlying quantitative and qualitative performance indicators that cover the Programme's four priority areas and are intended to guide what the independent assessors will consider in their assessment. Each participating council will be provided with a concise report that includes:

- Introductory commentary on the position and context for their council;
- An overall rating for their council and commentary; and
- An assessment rating under each of the four priority areas (which make up the overall rating) and commentary.

The performance system and performance indicators are outlined in the supporting document *Local Government Excellence Programme prospectus – Performance assessment system*.

Foundation Councils will have the unique opportunity to refine the performance system, as part of the micro-design workshop that will be held with all Foundation Councils in mid July 2016. The independent assessment board, with input from the independent assessors, will make the final decisions around the performance indicators that are incorporated into the Programme's performance assessment system.

The council's overall rating and sub-ratings will be determined using a scale from AAA to C:

A Standard	AAA
	AA
	A
B Standard	BBB
	BB
	B
C Standard	CCC
	CC
	C

This approach has been 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, the application of AAA down to C provides sufficient opportunity for differentiation between councils' performance levels and improvements in individual performance over time.

The overall ratings, sub-ratings and commentary reports for each participating council will be publicly available, providing the public with a comprehensive view of the council and its strengths and weaknesses. The reports will be available on the Programme's website and each council will be encouraged to make the rating and supporting report available on their own website (and through other mediums), as part of their commitment to the Programme and their communication with their communities.

For the first year of the Programme with Foundation Councils, the assessment results will only be made public after the local authority elections in October 2016. For any future results, these will be publically released upon completion.

## Determination of the assessment rating

The performance indicators for the Programme have been developed as a guide for the independent assessors who will undertake the assessments. There will be a mixture of qualitative and quantitative indicators for each of the priority areas. The independent assessors will 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 see appropriate. The set of indicators are not a definitive list, and the independent assessors are expected to develop and evolve the indicators over time as they see necessary.

The team of independent assessors will take a holistic view in collectively determining an appropriate overall rating for each council, rather than following a prescribed mathematical formula for determining the assessment rating. The assessors will take into account both the final relative weighting assigned to each of the four priority areas, as well as the rating for that priority, in determining an appropriate overall rating. For example, for some councils their rating for a certain priority area will have more weighting on their overall assessment rating compared with other councils, given the challenges they may be facing, for example, with infrastructure renewals, governance changes and community engagement.



## Frequency of assessment

The assessment of a council's performance is proposed to be 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. Subsequent three-yearly assessments are anticipated to involve updating the existing indicators and assessment ratings. The first ratings should therefore be considered as an "investment" into the Programme.

Following the first year of the Programme, LGNZ will discuss with the independent assessment board the viability of providing the following types of additional assessments:

- **Material updates:** An assessment undertaken when there has been a material change in the council circumstances, for example a reorganisation or transfer of functions;
- **Council-requested updates:** Assessments undertaken at the request of a council, for example, where significant improvements have been made and the council would like these considered and reflected ahead of the next regular update.

The provision of these additional types of assessment will be dependent on demand from the sector, as more councils come on board with the Programme, and availability of assessors.

## Council peer groups

The Programme will segment all councils into four "peer groups" to enable better comparisons between councils in similar circumstances. Territorial authorities will be divided into three groups, based on population size and there will be a separate group for regional councils. Unitary councils are proposed to be classified as one of the three territory authority cohorts. Table one sets out the proposed council peer groups.

The same assessment approach and performance indicators will be applied across all peer groups, although there will be adjustments for regional councils given their differing responsibilities and asset bases. The assessors will rate each participant with respect to its peer group. For example, the appropriate level of capital expenditure on infrastructure is likely to vary according to the size of the population the council is serving.

Councils will be encouraged to compare their results to those in their peer group (rather than the sector as a whole), share learnings with similar councils and, as improvements are made, look to become a leader within their peer group.

## Preparing for the assessment

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

LGNZ will provide all Foundation Councils 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.

It is recommended that each participating council provide a principal point of contact. This person is also likely to be the person with responsibility for managing the Programme internally with staff and elected members, with LGNZ, the assessors, and the independent assessment board.

## Alignment with existing benchmarking initiatives

The performance indicators within the Programme will be compatible with other existing evaluations of councils, such as the expenditure review provided by Office of the Auditor General, and the Operational and Management Effectiveness Programme offered by the Society of Local Government Managers (SOLGM). LGNZ and Cameron Partners have worked with stakeholders to ensure we can align indicators, where possible, and reduce the compliance cost for councils taking part in multiple programmes.





Table 1: Council peer groups

Type	Population size	Councils <sup>4</sup>	Percentage of population	
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 Kapiti 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 Taupo 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 Whakatane 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 Kaikoura District Council Kaipara District Council Kawerau District Council Mackenzie District Council Manawatu District Council Masterton District Council	Opotiki 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 Taranaki 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	

<sup>4</sup> Based on 2015 estimated data from Statistics New Zealand

An aerial photograph of a town situated on a peninsula or near a large lake. The sky is filled with soft, colorful clouds in shades of pink, orange, and purple, indicating a sunset or sunrise. The town below is densely packed with buildings, roads, and green spaces. The water in the lake reflects the colors of the sky.

5 >

**Responding to the**

**performance**

**assessment**

## Responding to the performance assessment

The awarding of a council's assessment rating is not the final outcome of the 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 assessment rating and report, councils will have the opportunity to correct any factual errors in the report. However, there will be no right of appeal of the independent assessors rating. The assessment rating and supporting report will then be released publicly on the Programme website at an agreed time, following council consideration.

A key benefit of the Programme and the assessment ratings is that it helps to inform council customers and communities of the value being delivered. Foundation Councils involved in the first year of the Programme will be supported and encouraged to engage with the public on the assessment results, as criteria of joining the Programme. Engagement will work best when results are:

- Communicated pro-actively 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 weaknesses 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 councillors, executives and the Programme's assessors;
- Briefed to local business and key stakeholders by the above council team; and
- Communicated in a wide range of media channels.

Councils will be encouraged to ensure that the release of the Programme's results also includes:

- The council's next steps (with timetable) to engage the community and business; and
- An evaluation of audience reception to the results, with a focus on understanding if community and business audiences require further information on assessment results and the council's response to them.

### Proposed council communication and community engagement

LGNZ will provide support and guidance to councils on how to successfully roll-out the Programme within their council and how to engage with their communities on their involvement in the Programme, their formal assessment rating and the council's plan to address the results. This support will incorporate an introductory workshop with Foundation Councils in July 2016 to discuss, refine and finalise the Programme's performance system and approach. Councils will also be provided with an induction kit upon joining the Programme.

Foundation Councils will be involved in developing communication resources to support each stage of the Programme. LGNZ will put in place a council Communications Reference Group to help finalise the Programme's external brand position and communications activity. This will build off the initial positioning and communications work to date, the focus group research undertaken by Colmar Brunton in January 2016, feedback from the council roadshows in March and April 2016, and finally the council workshop held in May 2016.

Working with the Reference Group, it is intended that LGNZ will deliver:

- Programme branding and positioning for external audiences;
- A communications framework and material covering LGNZ, Programme and council communications; and
- Guidelines for council community engagement.

Resources will be developed to support each of the above components.

## LGNZ communications

During 2016, LGNZ and the independent assessment board will also play a key communications role by engaging with the sector, key stakeholders, the media and the general public on:

- the key components of the Programme;
- announcement of the Foundation Councils for 2016;
- the provision of information and promotion of how the rating system works; and
- the announcement of the first set of council assessment ratings.

A Programme website will be developed for that purpose.

## Support for addressing the results and lifting performance

It is intended that each Foundation Council, with support from LGNZ and external agencies, will develop an action plan or strategy to address the strengths and weaknesses identified in their individual assessment report. This plan is driven and owned by the individual council, by their elected members, management and staff, and should be developed to complement any existing work or council initiatives underway to lift performance (ie section 17A service reviews or the SOGLM Operational and Management Effectiveness Programme). LGNZ recommends that this 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.

The Programme also promotes the sharing of best practice so councils can be responsive to customer and community needs, sustaining a cycle of continuous improvement. LGNZ will be exploring existing and new ways that Foundation Councils can capture and share learnings, and ways to ensure best practice from other sectors can be inputted into the Programme.

## Shadow rating services

Councils participating in the Programme from 2017 onwards will have an opportunity to commission a "shadow" rating prior to their formal assessment. A shadow rating is a professional process used by many financial and other evaluation agencies and provides a council with information on what they might expect prior to being formally assessed. It is a separate commercial process whereby councils may use the opportunity and insight to undertake improvements to improve their ratings, prior to the formal assessment.

A shadow rating does not diminish public accountability for the Programme's results. It promotes debate and informed decisions, while allowing councils time to consider their performance results so they contribute most usefully to that debate.

The shadow rating will be undertaken using similar methodology to the Programme's assessment system, however the shadow rating process will not be overseen by the independent assessment board. It is intended that the shadow rating process will be run as a commercial service, with Equip offering these services to participating councils, for a fee. Over time, other commercial businesses or consultancies may also choose to offer this type of service to councils.





6 >



**Becoming a**

**Foundation Council**

# Becoming a Foundation Council

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## What is a Foundation Council?

Foundation Councils will be a small group of councils that:

- Leads the Local Government Excellence Programme over the first year, helping LGNZ refine it as needed; and
  - Leads the charge for lifting performance within the sector.
- 

## Benefits of being a Foundation Council

Councils, residents, businesses, communities and regions will all benefit from the Local Government Excellence Programme. As a Foundation Council, you will help shape the Programme to benefit your and other councils over time.

The benefits of getting involved as a Foundation Council for the Programme include:

- The unique opportunity to partake in the micro-design of the Programme, which is tailored for New Zealand local government;
- Higher levels of communication and engagement with your staff and community;
- Staff motivated to deliver higher value to your community;
- Being seen as an innovative leader in the local government sector;
- Access to improved data, shared learning and insights to improve performance;
- Independent assessment results to share with an informed community, supporting councils to determine their own future for their customers and communities; and
- Creating the opportunity to argue for a reduction in current legislatively mandated compliance activity for councils.

Over time, councils will benefit from being part of a sector that enjoys stronger performance, trust and reputation. The sector will have more satisfied customers of council services and deliver heightened value to our communities across New Zealand.

## What's required from Foundation Councils

Foundation Councils will need to register their interest to be part of the first year of the Programme commencing from July 2016. The registration of interest form is contained within section 7 of this Prospectus and is also available for download on the LGNZ Member Portal.

Potential Foundation Councils will need to ensure that both elected members and management are committed to taking part in the micro-design phase of the Programme, undertaking the formal assessment process and publishing their results.

Councils will need to ensure that they allocate adequate time and resources (employees and financial) to:

- Participate in the Programme induction and refinement workshop in July 2016 (location to be determined once Foundation Councils are selected);
- Prepare the required information ahead of the assessment;
- Have time scheduled for the formal assessment by the visiting team of assessors, including making key elected members and staff available for interviews;
- Discuss the assessment rating and supporting commentary report, prior to publication; and
- Determine how they will engage with their community on the results, and what actions they will undertake to respond to the results.

## Programme cost

Please refer to the supporting document *Local Government Excellence Programme prospectus – Performance assessment system*, for detailed information on the Programme cost for Foundation Councils in 2016.

The final cost for an assessment will be set by the independent assessment board, prior to assessment commencing. If the cost of the assessment is an issue for interested councils, LGNZ is open to discussing alternative options.



## Timeframe for first year for Foundation Councils

An indicative timetable is provided below to outline the key milestones for development and commencement of the Programme:

Selection of Foundation Councils		
Inform members and stakeholders of Programme		
Month	Key milestones	Current timing
June 2016	<ul style="list-style-type: none"> <li>• Release of Programme prospectus</li> <li>• Announcement of Board chair</li> <li>• Registrations of interest close</li> <li>• Successful Foundation Councils notified</li> </ul>	<p>Early June</p> <p>24 June</p> <p>Late June</p>

Launch Programme publicly		
Programme design with Foundation Councils		
Month	Key milestones	Current timing
July 2016	<ul style="list-style-type: none"> <li>• Public announcement of Foundation Councils</li> <li>• Induction workshop to welcome Foundation Councils, followed by multiday workshop for micro-design of the performance system, Programme and communications.</li> <li>• Announcement of independent assessment board members and assessors</li> </ul>	<p>Early July</p> <p>Mid July</p> <p>June/July</p>

Assessment process		
Month	Key milestones	Current timing
August 2016	• Assessment process of councils underway	
September 2016	• Assessment process of councils underway	
October 2016	• Local Authority elections	8 October 2016

Ratings announced		
Month	Key milestones	Current timing
November 2016	• Meetings with Foundation Councils to discuss assessment results	November 2016
December 2016 to January 2017	• Release of Foundation Council formal assessment results	December/January 2017



## Selection of Foundation Councils

LGNZ and the independent assessment board are seeking a small group of councils of differing types, who will have the exclusive opportunity to refine the assessment system, underlying performance indicators and the final approach to the Local Government Excellence Programme from July 2016, and to lead out the Programme.

The Foundation Councils for the Programme will be selected by a selection panel represented by the LGNZ President and Vice President, the Chair of the independent assessment board, the LGNZ Chief Executive, and Rob Cameron, Partner of Cameron Partners Limited. Any conflicts of interest will be managed.

The selection criteria are as follows:

Criteria	Examples of supporting evidence
1> Full council support	LGNZ recommends that interested councils provide a joint letter of support from the Mayor/Chair and Chief Executive with their registration of interest form (see section seven for a copy of the form). In this letter, or by way of supporting information, councils may also wish to include:
2> Commitment to principle of transparency	<ul style="list-style-type: none"> <li>· A council resolution noting commitment to join the Programme;</li> <li>· Information regarding the Programme being prioritised in their council work plan for 2016/17;</li> </ul>
3> Commitment to engage in refinement of the programme and performance indicators	<ul style="list-style-type: none"> <li>· Details around allocated or indicative budget for the Programme;</li> <li>· Any information on how the Programme will be communicated to their staff and their community;</li> </ul>
4> Commitment to make staff available as necessary	<ul style="list-style-type: none"> <li>· Commitment to the micro-design workshop and release of elected members or staff with the appropriate knowledge in the four priority areas; and</li> <li>· Details on the staff and elected members that will lead the Programme within the council.</li> </ul>
5> Representative of council type	<ul style="list-style-type: none"> <li>· Ideally a mix of metro, regional, unitary, rural and provincial councils.</li> <li>· Ideally, a balance between North and South Island councils.</li> </ul>

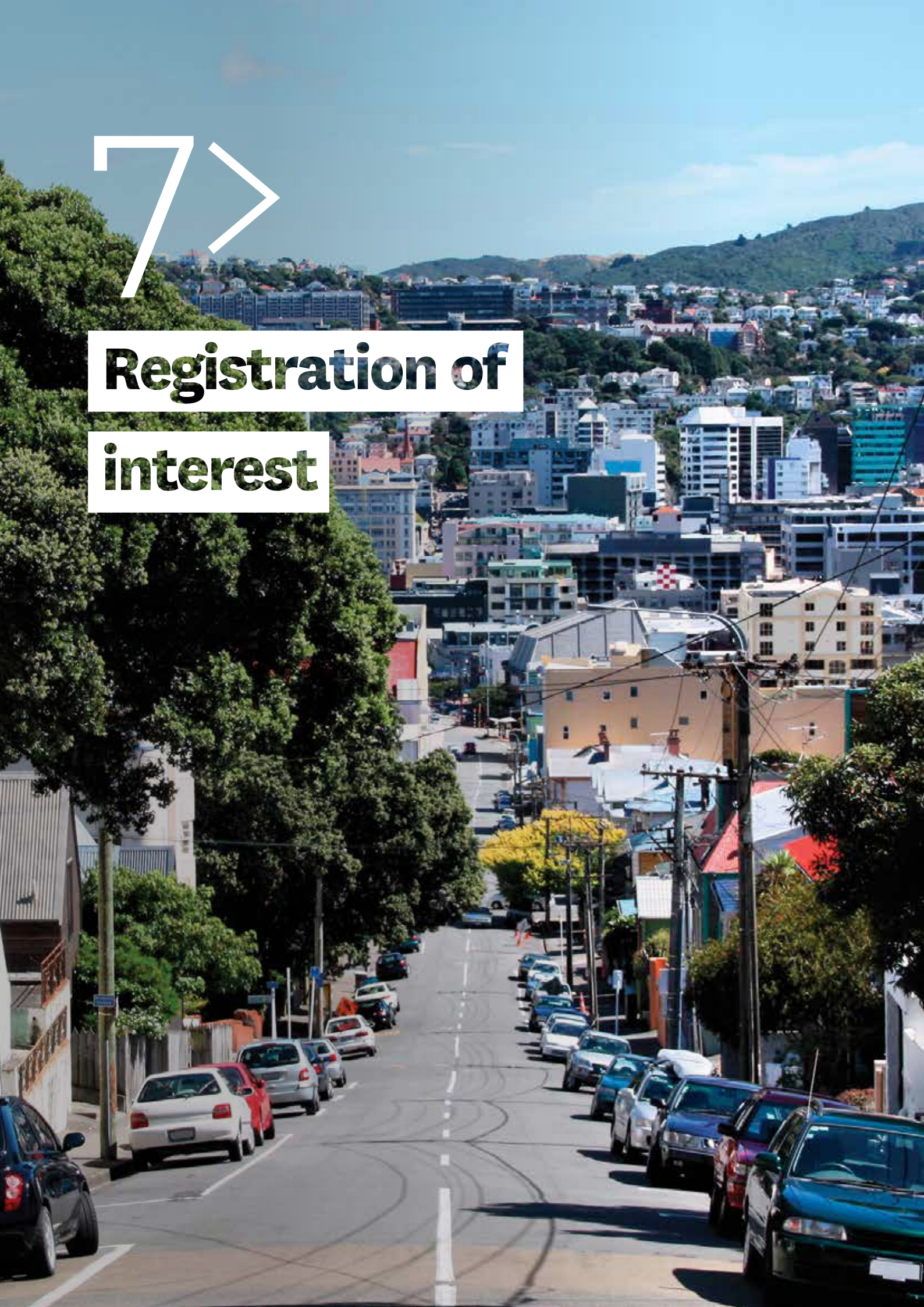
The first four criteria will be given stronger weighting and must be met, before the selection panel will apply the final criteria looking at council type.

The selection of Foundation Councils will occur in late June 2016. All council applicants will be advised of the selection panel's decision, prior to the formal announcement of successful Foundation Councils in early July.

Councils that are not selected for the first tranche in 2016 will be given priority to participate in second tranche, which at this stage is likely to commence in the first quarter of 2017.

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**Registration of  
interest**



# Registration of interest

## Purpose

All councils interested in becoming a Foundation Council for the Local Government Excellence Programme from July 2016 are requested to fill out the registration of interest form attached with this prospectus.

Information provided in this form will be provided to the Programme's selection panel that will assess all registrations of interest against the criteria outlined in section six. LGNZ reserves the right to 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 Foundation Councils in early July 2016.

## Timeframe

All registrations of interest must be received by **5.00pm on Friday 24 June 2016.**

Please send this form and any supporting information to either:

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

Email: [excellence@lgnz.co.nz](mailto:excellence@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 Programme's independent assessment board.

Prior to commencement of the Programme, all successful Foundation Councils will be required to sign a contract that will set out the conditions for participating in the Local Government Excellence Programme and the specific obligations for undertaking an independent assessment.

## 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 Foundation Councils and will be treated by LGNZ as confidential information. LGNZ will seek approval from councils, prior to publicly releasing any information.

## Participation in 2017

If you are unable to commit to becoming a Foundation Council in 2016, but would like to participate in the Programme in 2017, please send your contact details to:

- Helen Mexted, Director Advocacy, [helen.mexted@lgnz.co.nz](mailto:helen.mexted@lgnz.co.nz); or
- Karen Collins, Principal Policy Advisor, [karen.collins@lgnz.co.nz](mailto:karen.collins@lgnz.co.nz).

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## Contacts for further information

For background information on the Local Government Excellence Programme, please refer to LGNZ's website [www.lgnz.co.nz](http://www.lgnz.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 the Programme is available here: <http://www.lgnz.co.nz/home/our-work/local-government-excellence-programme/>

The supporting document, *Local Government Excellence Programme prospectus – Performance assessment system*, provides more detail for interested councils and is available here on the LGNZ Member Portal.

For media enquiries and further information, please contact:

- Helen Mexted, Director Advocacy, [helen.mexted@lgnz.co.nz](mailto:helen.mexted@lgnz.co.nz), 04 924 1221
- Karen Collins, Principal Policy Advisor, [karen.collins@lgnz.co.nz](mailto:karen.collins@lgnz.co.nz), 04 924 1202



## 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 31 for examples):

8 >

**Questions and**

**answers**



## Questions and answers

A copy of these questions and answers will be available on the LGNZ Member Portal and will be updated during June 2016 while registrations of interest are open. If you have a specific question about the Programme, please send this through to [excellence@lgnz.co.nz](mailto:excellence@lgnz.co.nz).

### Overview of the Local Government Excellence Programme

**Q.** What is the purpose of the Programme – lift reputation or lift performance?

**A.** The Local Government Excellence Performance aims to lift both council and sector performance and reputation; the latter follows the former. The 2015 New Zealand Local Government Survey and recent Colmar Brunton research for the Programme found residents, ratepayers and businesses under-value council services and see low value in service delivery.

Performance is as much about demonstrating value as it is about delivering it. If customers and communities know and value council services, council reputation will improve. Similarly, sector reputation lifts as council reputation improves.

**Q.** Won't negative performance results make local government reputation worse?

**A.** Poor performance should be transparent to inform debate about areas of improvement. The Local Government Excellence Programme is not a search for failure or individual poor performance. Assessment is a continuous process based on reliable data showing where value sits and where improvements can be made. Demonstrating service and improved value (and credible action plans to achieve this) lead to a better reputation over time.

**Q.** Is the Local Government Excellence Programme sector-centric or focusing primarily on lifting individual council performance? How can it be sector-centric unless all councils take part?

**A.** The Local Government Excellence Programme addresses both council and sector performance by providing data for councils to lift performance. If, council performance improves, sector performance will also lift over time.

While the Programme is voluntary, over time it will hopefully involve all councils. The more councils involved in the Programme, the more customers and communities will benefit.

We are inviting a small group of Foundation Councils to take part in the first year of the Programme from 1 July 2016 and then anticipate opening participation to further tranches of councils from 2017.

**Q.** Why are residents and ratepayers termed “customers” and not “citizens”?

**A.** In the Colmar Brunton research for the Local Government Excellence Programme, residents, ratepayers and business people generally preferred the term “customer”. They largely have a transactional relationship with councils, and using the term “customer”, they believe, can incentivise councils to generate increased value for them.

**Q.** Why is the Programme commencing in a local authority election year?

**A.** It is important to begin the Local Government Excellence Programme so councils can demonstrate and deliver value to customers and communities. Foundation Councils will have the advantage of having assessment results available following local authority elections. The results can be used as part of the briefing for incoming councils and their communities, and assist the council in developing its priorities for the coming three years.

**Q.** Will the Programme and the assessment score have a brand name?

**A.** Yes. This will be considered by the Foundation Councils and LGNZ during the micro-design phase of the Programme in July 2016.

**Q.** How will the Programme work with Council Control Organisations (CCOs)? Can the same indicators apply?

**A.** CCOs are not open to assessment at the current time, although this may be considered in future years.

**Q.** How will the Programme work with Government initiatives such as the Better Local Services “enabling legislation” planned under the current LGA reforms?

**A.** There is no connection other than that central government is looking for councils to deliver high value services. The Local Government Excellence Programme, which is a continuous improvement programme, assists councils and LGNZ to lift performance and demonstrate where they are delivering value (and improving overtime).

## Foundation Councils

**Q.** What does it mean to be a Foundation Council?

**A.** Foundation Councils are the leaders and early adopters of the Local Government Excellence Programme in 2016. They will be involved in the micro-design of the Programme, helping to refine the performance assessment system and communication of the performance assessments and ratings. There is no current performance threshold for Foundation Councils, merely a strong commitment at both governance and management level to be involved in partnering with LGNZ on the Programme, for the benefit of the council and the local government sector. LGNZ has established criteria for selection of the Foundation Councils for the first year of the Programme.

The direct benefit of being a Foundation Council will mean assessment results are available for an incoming council, following local authority elections in October 2016. Communities will also see this information post elections, to enable them to understand where value is being delivered and discuss areas where value can be improved.

**Q.** How many Foundation Councils will there be and how are they selected?

**A.** The number of Foundation Councils will be constrained at the top end by assessment resources. It is up to councils to apply to be a Foundation Councils. They will be determined by a selection panel that will assess registrations in late June 2016.

Following assessment of the Foundation Councils and refinement of the Local Government Excellence Programme, it is intended that further tranches of councils will participate in the Programme from 2017.

**Q.** If we are not a Foundation Council, can we still provide input on the micro-design/refinement of the Programme?

**A.** All councils were invited to take part in a workshop on 10 May 2016, where members were able to test and fine-tune the performance indicators within the Programme, and provide input on the design and positioning of the Programme. Participants from 21 councils attended this workshop and the feedback received was extremely helpful in progressing development of the Programme.

## Assessment process

**Q.** How often are councils assessed under the Programme?

**A.** We are proposing that councils are assessed every three years. This aligns with the local authority election cycle and takes into account that some indicators are set up to be assessed on an annual basis, such as rating or new services, while other indicators will be reviewed every three years.

As part of the Programme's design refinement, LGNZ and the Foundation Councils will consider the options for a "re-assessment", where councils may seek to re-evaluate their progress on a more frequent basis, or the rating will be re-assessed due to a material change in a council's circumstances.

**Q.** Do stakeholders such as business and the public have input into the Programme?

**A.** Some areas of the Programme, such as engagement and communications, may involve a 360 degree review. Customer views will be part of Programme assessment. Engagement and communications with the public and business underpin the Programme.

The exact process for public and business input will be confirmed during the micro-design phase undertaken with Foundation Councils in July 2016.

**Q.** How is the Programme verifiable as independent and credible?

**A.** The Programme will be overseen by an independent assessment board, working to a set of guiding principles (refer to section three). Independence is central to the Programme and board members will also be announced to stakeholders such as central government and the media.

The board will appoint independent assessors, who are specialists with skills in the four priority assessment areas. The assessor team will be announced publicly.

**Q.** Are there international benchmarks to compare council performance? If so, are they comparable with those proposed for New Zealand councils?

**A.** International local government performance programmes were considered during development of the Local Government Excellence Programme. However, as New Zealand local government conditions are not directly comparable with those of other countries, the Local Government Excellence Programme is a bespoke system, tailored for New Zealand. The Programme incorporates overseas best practice and assessment measures used

by central government and the private sector. It also complements the SOLGM internal assessment programme (the “Local Government Operational and Management Effectiveness Programme”). However, the Local Government Excellence Programme is an external rather than an internal focused assessment.

**Q.** What are the actual performance indicators for each priority area?

**A.** The working set of performance indicators can be found in the supporting document, *Local Government Excellence Programme prospectus – Performance assessment system*, which is available on the LGNZ Member Portal.

The draft set of performance indicators for the Programme have been developed by LGNZ and Cameron Partners and have been extensively tested and discussed with councils, stakeholders, and the public through research.

The indicators will be further refined by the team of independent assessors and Foundation Councils during the micro-design phase, before they are finalised by the independent assessment board.

**Q.** Will a Foundation Council be assessed in all performance priority areas?

**A.** Yes.

**Q.** Have the performance indicators been pre-tested on a council?

**A.** LGNZ has worked with Cameron Partners to develop a performance measurement framework and a working set of draft performance indicators to guide the assessment process. These have been tested with three pilot councils in late 2015, as well as seeking feedback from National Council, the Sector Performance Advisory Group and other sector groups.

We have also discussed the proposed approach to the Programme with the sector in March and April 2016, through a series of 16 workshops across the country. A one-day workshop was then held in May 2016 to test and fine-tune the performance indicators with interested members.

The “working set” of assessment indicators will be further refined by the independent assessors and Foundation Councils during the micro-design phase. The indicators will be approved by the independent assessment board.

**Q.** How will you measure customer service delivery against need?

**A.** Need has been established by selection of the four priority areas of performance improvement, identified from the New Zealand Local Government Survey 2015. Customer service delivery will be assessed by independent assessors, using information provided by councils and gathered by the assessors.

**Q.** What are shadow ratings and how do they work?

**A.** Shadow ratings are an initial rating of a council’s performance, across the four priority areas prior to a formal assessment rating. They are completely separate to the process run by the independent assessment board and it is envisaged the shadow rating process will be provided by Equip, LGNZ’s Centre of Excellence, as a commercial service from 2017. We anticipate that the shadow rating process will be less intensive than the formal rating, as it is intended to give councils an overview of their current status (“provide a stake in the ground”).

**Q.** What indicators do you use to assess real and perceived value?

**A.** A “working set” of performance indicators will be used to identify service delivery and guide the assessors with what they should look at with councils. Council information will be used to understand if and how value is being perceived by customers and communities.

**Q.** How do you compare my council with others?

**A.** Direct comparisons are not always possible, but a rating and commentary will be provided so that councils and their community can identify where service and value are being demonstrated and delivered.

The assessment score will also importantly include commentary on the council, to help readers understand the context behind the results and make comparisons with similar councils. Councils will also be encouraged to compare their results to those in their peer group.



**Q.** What level of financials/data/information is required for the Programme – particularly, what level is required in addition to that already required by statute?

**A.** Information required by statute will be included in the Local Government Excellence Programme. However, independent assessors will specifically be evaluating the four priority performance areas, which will go beyond this information. For example, performance in areas such as governance, engagement and communications is generally not reported as part of annual statutory reporting by councils.

**Q.** Who will undertake the assessment of our council?

**A.** A team of independent assessors, experts across the four priority areas, will work with your council to assess performance. Foundation Councils will have input into the performance indicators as part of the micro-design phase, before the assessment process is finalised.

**Q.** Will there be an audit of the assessment?

**A.** An independent assessment board will review each assessment, with results being final. Results will be released to participating councils and then to the public via the Programme's website and the council's own website.

**Q.** Will you moderate the results across councils?

**A.** The results from the first assessment of Foundation Councils will be moderated by the assessors and reviewed by the independent assessment board, prior to being publicly released. This process will ensure that the assessment approach has been applied consistently across the group of Foundation Councils.

Following the results of the first assessments and the moderation process, the independent assessment board will determine whether a moderation process will apply for all subsequent tranches of councils participating in the Programme.

**Q.** Will public meetings or surveys be required?

**A.** No. Assessment of engagement and communications, for example will be made by understanding current practice, and feedback mechanisms and results. However as part of the results and engagement phase of the Programme, councils may decide to employ public meetings and surveys.

## Cost

Please refer to the supporting document *Local Government Excellence Programme - Performance assessment system* for detailed information on the cost of the Programme. This document is available on LGNZ's Member Portal.

## Consequence

**Q.** Are councils required to publicly release their assessment results?

**A.** The independent assessment board will publish results on the Programme website, following presentation to the council concerned.

The councils involved in the Programme are encouraged to publish their results on their own website and through other targeted channels for their communities. Transparency is a key principle behind the Programme.

**Q.** If a council withdraws from the Programme, will this be public?

**A.** Yes. The Programme is fully transparent.

**Q.** Is the Programme binding on council plans and operations?

**A.** No. It is for councils to decide what to do with results. The Programme provides data, information and ratings to make service trade-offs more explicit, and help the council and its community to decide on actions.

**Q.** Will customers and communities have an opportunity to comment on Programme results?

**A.** The results will be public. It is up to councils to consider customer and community engagement on the results and action plans.

**Q.** What happens if a council does nothing with its assessment?

**A.** There is no sanction, although councils are strongly encouraged to use the assessment results to lift future performance.

**Q.** What happens to councils who refuse to participate in the Programme?

**A.** The Programme is voluntary.

**Q.** What will LGNZ and Equip do to assist in areas needing improvement?

**A.** By agreement, Equip will provide services, tools and share best practice with participating councils to help them improve areas of performance identified in the assessment. Equip will employ experts in these areas who can directly assist and work with councils.

Councils are also welcome to seek support from other councils and external agencies. LGNZ will be encouraging and facilitating the sharing of best practice amongst the sector.

**Q.** Won't central government use the results to further intervene in local government?

**A.** Central government is looking to councils to provide service value. The Local Government Excellence Programme identifies where value is being delivered, enabling councils to decide on services for their customers and communities. The Programme, with its emphasis on continuous improvement, helps central government to build trust in and partnership with local government.

**Q.** Will this Programme, over time, reduce compliance costs for councils?

**A.** Once a significant proportion of councils have taken up the Programme, we would anticipate a strong case for reducing compliance mechanisms legislated by central government.



## Glossary

Please also refer to the Section 6 “Roles of Different Parties” for information on what each organisation associated with the Local Government Excellence Programme will be responsible for.

<b>Asset management</b>	Asset management is the management by councils of full or partial community-owned and operated assets, often infrastructure such as local roads, water or housing. Councils hold \$124 billion worth of assets in New Zealand.
<b>Foundation Councils</b>	A small group of councils who will lead the Local Government Excellence Programme over the first year, helping LGNZ refine it as needed, and lead the charge for lifting performance within the sector.
<b>Governance</b>	The way a district, town, city or region is controlled by the people who run it. Elected councils have policies and continuous monitoring to ensure proper implementation of plans and budgets. Good governance requires a balance of powers between council members and the duty to maintain enhance the purpose, well-being and reputation of the council.
<b>Independent assessment board</b>	A board of three to five members that will be appointed to oversee the Programme’s assessment system and the provision of assessment ratings and reports to councils. The Board will be responsible for confirming the final performance system, and also recruiting and overseeing the team of assessors that will undertake the assessments.
<b>LGNZ</b>	Local Government New Zealand is the membership organisation for all 78 councils in New Zealand. It is based in Wellington and advocates on behalf of elected councils.
<b>New Zealand Local Government Survey</b>	A survey of 3,000 residents and local businesses throughout New Zealand undertaken in 2014 and published in 2015. The New Zealand Local Government Survey report is available on LGNZ’s website.
<b>Performance Framework</b>	<p>The Performance Framework is the four priority assessment areas:</p> <ul style="list-style-type: none"> <li>· Governance, leadership and strategy;</li> <li>· Financial decision-making and transparency;</li> <li>· Service delivery and asset management;</li> <li>· Communicating and engaging with the public and business.</li> </ul> <p>These areas were identified by residents and businesses in the 2015 New Zealand Local Government Survey</p>
<b>Performance indicators</b>	The questions and measures that will guide the independent assessors to undertake their assessment of each individual council. The indicators are mix of qualitative and quantitative indicators and are not a definitive list, with the expectation they will evolve over time.
<b>Sector Performance Advisory Group (SPAG)</b>	The Sector Performance Advisory Group is a sub-committee of LGNZ’s National Council, and are overseeing the development of Local Government Excellence Programme.
<b>Selection panel</b>	The group that will be responsible for selecting the Foundation Councils for the first year of the Programme.
<b>SOLGM</b>	The Society of Local Government Managers represents council executives.



# We are. LGNZ.

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Wellington 6140  
New Zealand

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## We are.

Ashburton.  
Auckland.  
Bay of Plenty.  
Buller.  
Canterbury.  
Carterton.  
Central  
Hawke's Bay.  
Central Otago.  
Chatham Islands.  
Christchurch.  
Clutha.  
Dunedin.  
Far North.

Gisborne.  
Gore.  
Greater Wellington.  
Grey.  
Hamilton.  
Hastings.  
Hauraki.  
Hawke's Bay  
Region.  
Horizons.  
Horowhenua.  
Hurunui.  
Hutt City.  
Invercargill.

Kaikoura.  
Kaipara.  
Kapiti Coast.  
Kawerau.  
Mackenzie.  
Manawatu.  
Marlborough.  
Masterton.  
Matamata-Piako.  
Napier.  
Nelson.  
New Plymouth.  
Northland.  
Opotiki.

Otago.  
Otorohanga.  
Palmerston North.  
Porirua.  
Queenstown-  
Lakes.  
Rangitikei.  
Rotorua Lakes.  
Ruapehu.  
Selwyn.  
South Taranaki.  
South Waikato.  
South Wairarapa.  
Southland District.

Southland Region.  
Stratford.  
Taranaki.  
Taranua.  
Tasman.  
Taupo.  
Tauranga.  
Thames-  
Coromandel.  
Timaru.  
Upper Hutt.  
Waikato District.  
Waikato Region.  
Waimakariri.

Waimate.  
Waipa.  
Wairoa.  
Waitaki.  
Waitomo.  
Whanganui.  
Wellington.  
West Coast.  
Western Bay  
of Plenty.  
Westland.  
Whakatane.  
Whangarei.

**LGNZ.**