DEMOCRATIC PROCESS

ACTIVITY MANAGEMENT PLAN 2017

Activity Management Plan

Activity			
	Name	**Signature**	**Date**
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Peer Review			
Council Adoption			

Changes to be Incorporated in Next Review

Number	Date of Change	Reason for Change

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Executive Summary

The Invercargill City Council's Democratic Process Activity involves ensuring that the community has the opportunity to be involved in decision-making and understands how this process works. The Activity also supports the elected members and their processes to ensure that decision-making is open, transparent, effective and democratically accountable.

The fundamental challenge for the Democratic Process Activity remains legal compliance with the Local Government Act and in ensuring that the community perceive that the issues they raise have been fairly considered by the elected representatives.

The Council is under increased scrutiny and pressure in its decision-making processes. This Activity underpins the legislative compliance aspects of Council decision-making and at present the Activity is struggling to ensure that Council meets its requirements. In order to deliver expected levels of service within an increasingly complex and growing environment, additional staff resource is required. A Community Engagement Co-ordinator is to be employed in the 2018/19 year.

The Council's Funding Policy for the Democratic Process Activity is that 100% of the cost is of benefit to the public in general and these costs are recovered from the General Rate. This means that any increase in resourcing required by the Activity will be met by ratepayers. There is no off-setting revenue for an increase in services required from the Activity.

This Activity Management Plan is based on the assumptions that due to the changing nature of Local Government legislation there will be a slow but steady increase in the services and programmes to be provided by the Democratic Process Activity and that the addition of a further staff member to the Strategy and Policy department will ensure adequate resourcing for the activity and no further staff will be required in the ten year period.

1. Introduction

1.1 ABOUT THIS PLAN

The Democratic Process Activity Management Plan (AMP) covers one of the many activities addressed in the Invercargill City Council Long-Term Plan (LTP). This Plan is, therefore, strongly linked to the overall strategic direction for the District. The LTP is the document and process that alerts the Community to the key issues and strategies contained in this document.

The purpose of this Plan is to outline and to summarise in one place, the Council's strategic approach for the delivery of the Democratic Process Activity.

The AMP demonstrates responsible management of the function on behalf of ratepayers and stakeholders and assists with the achievement of community outcomes and statutory compliance. The AMP combines management, financial, and technical practices to ensure that the level of service required by the law and expected by the Community is provided in the most operationally effective and sustainable manner.

The target audience of the front section of this AMP document is Council staff, Councillors and the community. The appendices provide more in-depth information for the management of the activity and are therefore targeted at the Activity Managers. The entire document is available within the public domain.

This AMP is based on existing levels of service, currently available information, and the existing knowledge/judgement of the Council staff.

This AMP is a key component in the Council's strategic planning function. Among other things, this plan supports and justifies the financial forecasts and the objectives laid out in the LTP. It also provides a guide for the preparation of each Annual Plan and other forward work programmes.

1.2 ACTIVITY OVERVIEW

The overarching goal of the Democratic Process Activity is to support the implementation of the Local Government Act within the Invercargill district.

The activity includes the following services:

➢ Ensuring that the Invercargill City Council has quality plans and plan monitoring in place (LTP, Annual Plans, Activity Plans and Annual Report).
➢ Implementing and evolving the Invercargill City Council's performance framework.
➢ Conducting research on Residents' perceptions, analysing and providing results to Council and staff.
➢ Facilitating group and unit planning and budgeting.
➢ Preparation and implementation of engagement and consultation plans and materials for significant or high-interest projects and decisions made across Council.
➢ Providing advice, leadership and support for engagement and consultation planning processes.
➢ Consulting and engaging with interested parties to enable Council to consider the Community's views when making decisions.
➢ Proactively anticipating issues of interest and advocating on behalf of the Invercargill community.

➢ Providing information, advice and support to the Chief Executive and Mayor's Office.
➢ Engaging with the local community and interest groups to support their engagement with local decision making.
➢ Holding of elections of Elected Members to the Council and Community Board, polls and representation reviews.

2. Strategic Context

2.1 ALIGNMENT WITH STRATEGIC GOALS

2.1.1 Community Outcomes

Everything that the Council does is focused on achieving Community Outcomes. The reason for each of Council's activities is to achieve the outcomes, meet legislative requirements or further advance Council's strategies. The Community Outcomes have been derived from Council's vision: "To enhance our City and preserve its character while embracing innovation and change".

Community Outcomes		
Enhance our City	**Preserve its Character**	**Embrace Innovation and Change**
We will know success when:		
Invercargill's population is over 1.2% of the New Zealand population.	Invercargill is celebrated for preserving its heritage character.	Invercargill's culture is embraced through Community projects.
New residents feel welcomed and embraced by Invercargill culture.	Ease of access throughout the City is maintained.	The development of future industry is encouraged.
Healthy and active residents utilise space, including green space, throughout the City.	Our natural and existing points of difference are celebrated.	Technology is utilised in both existing and new City services.
Invercargill's economy continues to grow and diversify.	The building blocks, including water supply, sanitation and roading, for a safe, friendly City is provided for all members of the community.	Residents of, as well as visitors to, Invercargill give positive feedback and have great experiences.
Invercargill's business areas are bustling with people, activities and culture.	Strong, collaborative leadership of the City is demonstrated.	Invercargill has the 'wow factor' with the right facilities and events to enjoy.

2.1.2 Rationale for the Activity

The Democratic Process Activity is a statutory requirement of the Local Government Act 2002. The core purpose of local government is "to enable democratic local decision-making and action by, and on behalf of, communities." To achieve this purpose, the Council needs to be involved in fostering public participation in local government processes. The Democratic Process Activity involves ensuring that the community has the opportunity to be involved in decision-making and understands how this process works. The Activity also supports the elected members and their processes to ensure that decision-making is open, transparent, effective and democratically accountable.

2.1.3 Activity Objectives

The principle objectives of the Democratic Process Activity are:

➢ Full compliance with all statutes and regulations relating to local government;
➢ To take a lead role in Shared Services' activities and to explore ways in which greater economies of scale can be achieved through a joint approach to Council services;
➢ To promote Invercargill and Southland as a great place in which to work, live and bring up a family;
➢ To speak out, on behalf of the Community, on issues affecting the health and well-being of our citizens;
➢ To ensure all citizens are informed about Council activities and their rights to contribute to the decision-making process.

The alignment of the Democratic Process Activity and the Community Outcomes is demonstrated in the table below.

Community Outcome	Council's Role	How the Activity Contributes
Preserve its Character	Strong, collaborative leadership of the City is demonstrated.	The Democratic Process activity supports elected representatives with training and information. This enables representatives to make robust decisions to implement the Local Government Act incorporating the widespread views of the community.
Embrace Innovation and Change	Residents of, as well as visitors to, Invercargill give positive feedback and have great experiences.	The Democratic Process activity provides opportunities for the community to share its views with Council. Elections and Representation Reviews also provide the community with opportunities to contribute towards democracy.

Council will know that it is achieving the above outcomes when the following results are realised:

➢ The Long-Term Plan, Annual Plan and Activity Management Plans are adopted.
➢ The implementation of the Long-Term/Annual Plans is monitored. The Annual Report is adopted with an unmodified Audit Report.
➢ The Community is informed about and understands engagement processes and how to be involved.
➢ Engagement processes meet the Local Government Act requirements and communities are actively engaged as part of Council decision-making. Community views are taken into account during decision-making.
➢ Appropriate engagement processes with Maori are undertaken, allowing for opportunities to participate in Council decision-making on issues of mutual interest.
➢ The Mayor, Councillors and Community Board members have the information, advice and support to carry out their duties effectively and efficiently.

2.2   BUSINESS DRIVERS

2.2.1   Regulatory Framework

Council operates under a number of legislative frameworks.   The Local Government Act 2002 and the Health and Safety at Work Act 2015 are the most prevalent to Council core business.

The Local Government Act sets the overarching framework that establishes Council's scope of business and authorises its ability to conduct its day-to-day business.

The Health and Safety at Work Act ensures that as an employer we are meeting all requirements to care for our employees in a safe manner at all times.

2.2   District Plan and Council Policies

The District Plan is derived through the Resource Management Act 1991.   It gives effect to National Policy Statements on a variety of environmental issues, and is about managing the use, development, and protection of natural and physical resources in a way that enables the community to provide for their holistic wellbeing.   The District Plan has highlighted what Council considers to be appropriate development in the Invercargill District.   The Democratic Process Activity works alongside the District Plan to ensure a consistent approach to development throughout the District.

Council has the jurisdiction to develop policies, bylaws and plans through several different pieces of legislation.   The Democratic Process Activity is responsible for a number of strategic policies which need to be constantly reviewed to reflect changes in legislation, the Community and Council's priorities. They include:

➢   Triennial Agreement with other Southland local authorities.
➢   Local Governance Statement.
➢   Code of Conduct.
➢   Standing Orders.
➢   Significance and Engagement Policy.

2.2.3   Long-Term Plan

The Local Government Act requires the development of ten-year Long-Term Plans.   Activity Management Plans are the foundations for providing a robust basis for the long-term forecasts.

The Activity Management Plan records the current and desired levels of service and determines the operational and capital work programmes and associated Activity budgets required to meet the desired levels of service.   This plan underpins the Long-Term Plan and is combined with Council's other Activity Plans to give a holistic picture of Council's operations over the coming 10 years.   The Long-Term Plan process confirms the programme of works and budgets through engagement with the Community.   Changes to the budgets and programmes included within the Activity Management Plan may occur during the consultation process and adoption of the Long-Term Plan.

Audit NZ specifically checks the consistency of linkages between the Long-Term Plan and Activity Management Plans.

The figure below illustrates how Activity Plans fit into the overall Council planning framework. The Local Government Act provides the primary regulatory framework for Activity Management Plans and Activity Management Plans provide the input into the Long-Term Plan.

2.3   STRATEGIC ISSUES AND CHALLENGES

The key corporate strategic issues and challenges facing the Invercargill City Council are:

➢   Meeting our long-term renewal expectations for infrastructure.
➢   Encouraging growth projects whilst ensuring financial and operational sustainability for future generations.
➢   Ensuring that Council works in a financially prudent manner that promotes the current and future interests of the community.
➢   The City's changing demographic profile and its ability and willingness to pay.
➢   Responding to the changing environment (both natural and technological) and retaining Invercargill's character including its built environment.

2.4   KEY ASSUMPTIONS

This Activity Plan is based on a number of assumptions and predictions about the future. Assumptions are a "best guess" based on the information currently available. Included as Appendix 1.01 are the assumptions that Activity Managers have utilised in preparing their plans.

The following high-level assumptions have set the overall direction for the development of this Plan.

Assumption	Level of Uncertainty	Area of Impact and Potential Financial Impact
Population The population will increase to 56,300 by 2028.	**Moderate** – risk that actual numbers will vary.	Infrastructure and Housing. Significant increases in population may create a demand for infrastructure and services beyond existing capacity. Significant decrease in population would adversely impact on the community's ability to fund current levels of infrastructure and services.
Household Growth An average of 2.3 people per household in 2038, requiring 2,300 more homes from the 2013.	**Moderate** – risk that actual numbers will vary.	Infrastructure and Housing. Significant increases in the number of households may create a demand for infrastructure and services beyond existing capacity.
Ageing Population Those 65 years and older will make up approximately 22% of Invercargill's population by 2023.	**Low** – increasingly older population is reasonably certain.	Council Services and Recreation Assets. An increase in the number of those people 65 years and older will increase the number of ratepayers on fixed incomes and may have an impact on the ability of the community to afford infrastructure and services.
Resource Consents Resource consents will be obtained with reasonable conditions and negligible impact on how Council provides its services.	**Moderate –** change is imminent but extent of which is unknown.	3 Waters Capital expenditure may be required if the conditions attached to resource consents require changes to how Council delivers its services.

| Tourism and Visitor Numbers

Tourism numbers will increase over the Long-Term Plan period. | **Low** – various city-wide endeavours to boost tourism. | Venture Southland, SMAG, Council Services and Recreation Assets.

Significant increases in the number of tourists may create a demand for infrastructure and services beyond existing capacity. Significant decrease in the number of tourists would adversely impact on the commercial community's ability to fund current levels of infrastructure and services. |
|---|---|---|
| **New Zealand Transport Agency**

That the NZTA Funding Assistance Rate will reduce by 1% each year until a low of 51%. | **Low** – NZTA have stated in plans that this will occur. | Roading.

Lower than anticipated subsidies can result in service delivery costs needing to be met by other means or a decrease in the level of service. |
| **Commercial Property**

The CBD will remain in the Esk Street area and will become more vibrant. | **Low** – risk exists due to uncertainty of CBD future, but Council has recently adopted a Retail Strategy and there has been recent investment in the CBD area both by Council and private investors. | Infrastructure, Housing and Roading.

Significant decrease in the number of commercial ratepayers would adversely impact on the commercial community's ability to fund current levels of infrastructure and services. |
| **Inflation**

Inflation will occur at the rates set by BERL as LGCI forecasts. | **Moderate** – inflation forecasts are not always accurate. | Cost change factors are based on information developed for Council's by Business and Economic Research Limited (BERL). Significant variations from these adjustments will be identified in future Annual Plans and Annual Reports. |

Local Economy The local economy will grow and diversify.	**Moderate** – financial impact difficult to forecast.	Composition of local economy may diversify offering greater employment opportunities. Significant change to the economy, such as a large employer choosing to locate in the District, may require Council to review and change its current activities and levels of service. These demands will need to be quantified and an amendment to the Long-Term Plan developed if the costs are significant.
Useful Life of Significant Assets Assets will reach the useful life indicated when supplied.	**Moderate** – asset lives based on estimates by Engineers and Registered Valuers.	A shorter useful life for assets would create a financial burden on the community.
Depreciation Council will fully fund renewal depreciation by year 10 of the Plan.	**Low** – asset depreciation rates will not change and the value of assets will remain constant.	Changes in the valuation of Council assets may have a significant impact on the cost of fully funding depreciation.
Asset Revaluation Council will use national standards in asset revaluation.	**Moderate** – value will remain somewhat constant over ten years.	Changes in the valuation of Council assets may have a significant impact on the cost of fully funding depreciation.
Vested Assets Vested assets will have a negligible impact on Council's overall infrastructure and finances.	**Low** – financial effect of uncertainty.	Level of vested assets fluctuates yearly. Historical levels have not been material.
Financial – Existing Funding Renewal Council borrowing facility will be renewed (three-yearly) with the terms and conditions mirroring market trends.	**Medium**	Council's terms and conditions for its borrowing facility have mirrored market trends in recent times.

Financial – Expected Interest Rates on Borrowing Interest on future borrowing has been calculated at 4.75% for 2018/19, 5.00% for 2019/20, 5.50% for 2020/21 – 2022/23, 6.00% for 2023/24 – 2025-26 and then 6.50% for the remaining years. This is based on Council's current borrowing rates which are hedged for a number of years into the future, as well as consideration of economic forecasts.	**Medium**	Higher than expected interest rates on borrowing will require Council to consider collecting a greater amount in rates to cover the additional interest costs or reducing the amount borrowed (and level of service provided).
Financial – Forecast on Return on Investments Return on cash investments is calculated on the borrowing rate less 2%. Dividends and subvention payments from Invercargill City Holdings Limited are assumed to be at 10% of the total rates requirement.	**Medium**	Lower than expected returns on investments will require Council to consider collecting a greater amount in rates, reduce spending or increase borrowings to cover any reduction in income.
Local Governance Amalgamation will not occur during the life of the Plan.	**Low** – to continue shared services, although amalgamation is low risk.	Shared Services, Policy and Governance Boundary changes would require a review of the Long-Term Plan with its associated community consultation.
Legislation There will be changes to legislation that have an impact on what and how Council provides services.	**Moderate** – difficult to know what central government will implement particularly if a change in government.	Services, Finances and Governance Significant legislative change can impose significant financial and service delivery costs on Council.

Natural Disasters	High – it is certain the Alpine Fault will rupture in the future but uncertain as to when and the impact.	Infrastructure, Services, Housing and Population
There will be no major catastrophes that impact on Invercargill or its economy.		A Civil Defence emergency in the District would impact financially on Council and the community. The financial risk to Council is reduced by maintaining insurance cover for emergency events.
Climate Change	**Moderate** – Long-term trend of rising temperatures and more frequent intense weather events is reasonably certain, short to medium term impacts are less certain.	Water availability, coastal hazards (roading and infrastructure), services, air quality, agriculture, farming and biosecurity.
Climate change impacts will arise over the life of the Long-Term Plan and current trends will be allowed for when planning infrastructure and services.		The effect of Climate Change occurring more quickly than anticipated may require Council to review and change its current activities and levels of service. This could have a significant financial impact on the community.
Technology	**High** – certainty of diversification in technology is ever-growing. Impact of changing technology cannot be quantified.	Employment, Local Economy and Services (delivery)
Changes in technology will affect how Council carries out its activities. This will have a financial implication over the 10 year plan.		New technologies will likely have an increased financial cost in the short term.
Education	**Moderate** – education systems that exist are likely to remain stable.	Infrastructure, Services, Population and Housing
SIT will continue to promote Invercargill to international students.		
World Economy	**Moderate** – future financial changes are unforeseeable.	Infrastructure and Tourism
The world economy will not have a significant negative effect on the Invercargill City District.		A major event in the World Economy could affect Tourism and the implications of lower / higher tourist numbers would occur.

The Assumptions document outlines the risk to the Council if the assumption is incorrect or does not eventuate as stated, the level of any uncertainty associated with assumptions and the potential impact on the Long-Term Plan if the assumption proves to be invalid. Assumptions are monitored and reviewed annually. Where significant changes occur, our work programmes and budgets will be amended and changes signalled in future annual plans or through amendments to the Long-Term Plan.

3. The Service We Provide

3.1 CUSTOMER PROFILE

3.1.1 Our Stakeholders and Community

The Council has identified the following stakeholders within the larger Community:

External Stakeholders	Area of Interest	Engagement	Stakeholder Expectations
The Office of the Auditor General - Audit New Zealand	Governance and operation.	Audit of financial and non-financial information.	Provision of legislatively compliant documents in a timely manner.
Regional or Territorial Authorities - Environment Southland - Southland District Council - Gore District Council	The elected members and staff have formed a very good working relationship with their counterparts of the three other local authorities in Southland and have over 40 joint initiatives operational.	Southland local authorities have a philosophy of working together wherever possible to improve the efficiency and effectiveness of local government in the region.	Open and honest communication on areas of shared interest. Cooperation through shared services.
Funding Organisations - Community Trust of Southland - Invercargill Licensing Trust	Partnerships are generally formed to fund the capital requirements of major facilities.	Liaise when considering community projects.	Positive working relationships and collaboration on projects for the benefit of the Community.
Maori - Te Ao Marama Inc - Te Roopu Taio	To enable the Council and Tangata Whenua relationship to develop in a way that assists both parties, Te Ao Marama Incorporated was developed. This organisation represents the four Runanga within Southland on matters relating to the Resource Management and the Local Government Acts.	Invercargill City Council has an excellent open relationship with Tangata Whenua with issues discussed openly, honestly and with respect.	Open and honest communication on areas of shared interest. Positive working relationships and collaboration on projects for the benefit of the Community.

The Private Sector	The development of the City and the financial impact that it has on ratepayers.	Consult when developing plans, policies and strategies. Enable groups to effectively communicate with the Council prior to decisions being made.	Transparent decision-making processes and the ability to engage in the decision-making process.
- Ratepayers - Professional Service Providers - Special Interest Groups - Dignitaries			

3.1.2   How We Engage our Communities

Council is currently developing an Engagement Strategy that will shape how each area of Council, including elected members and staff, will engage with our Community in the future. It is anticipated that the Engagement Strategy will assist in delivering positive outcomes to the Community by identifying how the different groups within our Community wish to be engaged on different topics.

Although developing an Engagement Strategy, Council already engages with the District's ratepayers on a number of levels:

➢   Imagine Invercargill is a new engagement website where members of the public can submit ideas on how to improve Council services.
➢   Consult South is a website that highlights any current or up and coming consultation items.
➢   Regular use of the Consultation Caravan where members of the public can pop in to ask questions of elected members and staff.
➢   Public Forums at Council and Committee meetings.
➢   Public requests to be heard as a specific Agenda item.
➢   Regular features in the newspapers and rates newsletters which inform ratepayers of issues.
➢   The City Focus Radio show that highlights current topics that the Council is addressing.
➢   The Mayor holds appointments with residents who wish to raise issues of concern.
➢   Community Engagement processes when Council is considering making a significant decision.
➢   Formal consultation through the Special Consultative Procedure for issues such as the Long-Term Plan and some Bylaws.
➢   Facebook page where individuals can ask questions and express opinions to Councillors and staff.

Consultation with the Community on significant issues and Council being open to listen to people and their concerns are key to the successful function of Democratic Process within the Invercargill District. The Democratic Process Activity is the leading activity in providing and improving engagement throughout Council.

3.1.3 Community Research

In 2014 the Council carried out a Customer Service Satisfaction Survey (Appendix 1.02), to provide information on ratepayers and residents' assessment of Councils services. In 2016 a second research project (Appendix 1.08) was undertaken to understand:

➢ What residents want from Council activities;
➢ How they perceive the value for money of those activities; and
➢ The level of service desired.

Although the 2016 project had a slightly different focus to the 2014 survey, where possible progressive results have been documented, both from the customer survey and from the research project. These results, when combined with expert knowledge of the service to be provided, help provide a foundation on which Council can establish levels of service statements and appropriate measures for determining success.

Customer requests for service are logged by customer service staff and attend to by the activity. This information is another platform which can be used to understand the community requirements.

The Democratic Process Activity also undertakes Community Research specific to the activity. For the past two years, Council has carried out research to determine to what extent the Community is satisfied with its opportunities to be involved in the Council decision-making processes. This research has highlighted areas of potential improvements and was instrumental in determining to develop a community influenced Engagement Strategy. The 2017 research is appended as Appendix 6.01.

3.1.4 Key Service Attributes Valued by Customers

The Invercargill Community expects Council to be democratically elected and to undertake its functions under the Local Government Act positively. In line with the Local Government Act, the Community expects that Council will enable democratic local decision-making and action by, and on behalf of its communities, and that it will do so in a transparent manner.

The Democratic Process Activity endeavours to represent the Community in making decisions and in representations to central government.

3.2 SERVICE DRIVERS

3.2.1 Community Expectations

The Democratic Process Activity provides services to the Elected Representatives of the Invercargill City Council. These expectations are detailed in the Chief Executive's annual performance review.

The Democratic Process Activity also provides services to the Community such as undertaking Representation Reviews, running Local Government Elections and ensuring that the meetings of Council meet the requirements of the Local Government Official Information and Meetings Act 1987. No successful challenges to these processes mean that this service has been professionally provided.

The Democratic Process Activity, alongside Council's Financial departments, assist the Elected Representatives in their development of Council's statutory documents, for example, the Annual Report and Annual Plan. Council's auditors provide Council and the Community with a comment or report on the Long-Term Plan and Annual Report. The comment or report provides the community with assurance that the service is being professionally provided.

3.2.2 Legislative Requirements

The Democratic Process Activity is subject to a number of different legislative requirements. The main responsibility of the Democratic Process Activity is to ensure compliance with legislation that relates to the running of the Council. In particular, the Democratic Process Activity ensures compliance with:

Legislation	Relevant Requirements	Impacts on Levels of Service
Local Government Act 2002	States the purpose of local government; and Provides a framework and powers for Council to decide which activities it will undertake and the manner in which it will undertake them; and Promotes the accountability of Council to its communities; and Provides for Council to play a broad role in meeting the current and future needs of its communities for good-quality local infrastructure, local public services, and performance of regulatory functions.	Sets out processes for decision-making, community engagement and establishes requirements for how Council operates.
Local Government Act 1974	Infrastructure management.	Establishes processes around infrastructure management.
Local Government Official Information and Meetings Act 1987	Requires the availability to the public of official information held by Council, and promotes the open and public transaction of business at Council and Committee meetings.	Establishes processes for providing information to the public and establishes processes for the management of Council meetings, including availability of agendas and reports.

Local Electoral Act 2001	Requires that Council enables fair and effective representation for individuals and communities, including the provision of transparent electoral systems and voting methods and the adoption of procedures that produce certainty in electoral outcomes.	Establishes processes around management of the triennial elections, including representation reviews and the ability of the community to determine how they wish to be represented.
Local Authorities (Members' Interests) Act 1968	Establishes rules around potential conflicts of interest and the duties of elected members when considering matters on issues in which they may have an interest.	A member of the Council must not vote on, or take part in the discussion of, a matter before the authority in which they have a pecuniary interest other than an interest in common with the public. When the matter is raised at a meeting, the member must declare that they have a pecuniary interest in it, and the minutes must record the fact of the disclosure and abstention.

3.2.3   Industry Standards and Guidelines

The Society of Local Government Managers (for management issues) and Local Government New Zealand (for governance issues) provide a number of industry good practice guideline documents and training opportunities.

Council is assured that it is meeting current industry standards through the use of the audit process. Matters that are raised by Audit New Zealand on the Council's processes and services are addressed.

3.3 CURRENT LEVELS OF SERVICE

3.3.1 Current Customer Levels of Service, Performance Measures and Targets

The focus of the Democratic Process Activity is on the effective leadership of the Invercargill City District and on utilising new technologies to encourage community engagement with Council's processes. The Activity assists in achieving the Community Outcomes as demonstrated below.

Community Outcome	Council's Role	How the Democratic Process Activity Contributes	Customer Level of Service	Measure of Service
Preserve its Character	Strong, collaborative leadership of the City is demonstrated.	The Democratic Process activity supports elected representatives with training and information. This enables representatives to make robust decisions to implement the Local Government Act incorporating the widespread views of the community.	Council's decision-making processes meet community expectations for opportunities to participate.	Percentage of residents' survey respondents who provide a rating of satisfied or greater with the opportunities Council provides for community involvement in decision-making.
Embrace Innovation and Change	Residents of, as well as visitors to, Invercargill give positive feedback and have great experiences.	The Democratic Process activity provides different opportunities and methods for the community to share its views with Council.	The Community is well informed about and contribute to Council's plans and progress.	Alternative methods of communicating to, and receiving information from, the Community are utilised.

The previous measures of service levels remain relevant, although targets have been reassessed in light of further information received since when they were first set.

Baseline (2016/17)	Measure	2018/19	2019/20	2020/21	2021-28
34%	Percentage of residents' survey respondents who provide a rating of satisfied or greater with the opportunities Council provides for community involvement in decision making.	50%	50%	55%	60%
Achieved.	Alternative methods of communicating information are	Alternative method introduced	Alternative method introduced	Alternative method introduced	Alternative method introduced

utilised.	

3.3.2 Current Technical Levels of Service, Performance Measures and Targets

Technical Measure	Target
Representation Review undertaken.	Completed before September 2021.
Local Government Elections effectively managed.	No successful challenges to 2019 election results.
Long-Term Plan adopted and completed within statutory timeframes.	Long-Term Plan adopted before 30 June 2018.

3.4 LEVELS OF SERVICE ISSUES AND CHALLENGES

The fundamental challenge for the Democratic Process Activity remains legal compliance with the Local Government Act and in ensuring that the community perceive that the issues they raise have been fairly considered by the elected representatives.

3.4.1 Current Levels of Service Gaps

The majority of the services delivered by this activity relate to legislative compliance and at present we are struggling to meet our compliance requirements. What has changed is both the volume and complexity of the work required, particularly in relation to the processes for planning, reporting, the financial and infrastructure strategies, as well as additional decision-making and engagement support to Council and Managers.

Further, Council has identified that the number of those who are satisfied with the opportunities Council provides for community involvement in decision making is below the identified target. Council has identified increasing engagement with the community as a priority for the 2016 – 2019 term.

3.4.2 Possible Responses to Gaps

The Council is under increased scrutiny and pressure in its decision-making processes. This Activity underpins the legislative compliance aspects of Council decision-making and at present we are struggling to ensure that we meet our requirements.   In order to deliver expected levels of service within an increasingly complex and growing environment, additional staff resource is required.

Council has begun work on the development of an Engagement Strategy. The Council anticipates that this will assist in raising the percentage of people who are satisfied with the opportunities made available for community involvement in decision-making.   Council is also considering establishing a Community Engagement Coordinator role within the Strategy and Policy department to assist in supporting the Community Engagement responsibilities of the Council.

4. Demand For Our Services

4.1 DEMAND FORECAST

4.1.1 Factors Influencing Demand

The demand for this activity is relatively stable no matter the changes that occur in the Invercargill City District's environment.

Advances in technology, and the corresponding changes in how the Council and Community choose to engage with each other, is likely to have a significant effect on how some elements of the Activity are delivered and will impact on the resources required for delivery.

Changes to legislation and an increasing devolution of responsibilities from Central Government to Local Authorities will also have an impact on resources required for the Activity.

4.1.2 Projected Growth or Decline in Demand for the Service

Statistics New Zealand predict that Invercargill's population will increase to 56,300 by 2028, an increase of approximately 5.5% over the 2013 number (source: Statistics New Zealand).

The gradual increase in the population will result in the Democratic Process Activity servicing a greater number of people. With the changing demographic and an ageing population, the Activity will need to balance the use of new technologies with ensuring that all members of the community have access to Elected Representatives and have access to participate in the decision-making processes of Council.

Changing expectations of Elected Representatives and the Community has meant that staff within the Democratic Process Activity have needed to begin to develop expertise in the use of business case modelling when developing policies and projects for public consultation. Staff are also increasing their skills within the Community Engagement sphere.

4.2 CHANGES IN SERVICE EXPECTATIONS

Over the next ten year period the following changes in service expectations are anticipated:

➢ Increased volume and complexity of work required.
➢ Increasing engagement with the Community.
➢ Implementation of new technology.
➢ Business-case approach to Council decision-making.

4.3 EXPECTED IMPLICATIONS FOR THE ACTIVITY

It is anticipated that the current resourcing of the Democratic Process Activity will need to increase to meet the changes in demand over the next 10 years. Continued changes to Council's requirements under legislation, adapting to the changes to technology and meeting the demands of the Community for differing methods of engagement will result in a need for further staffing resources. Staff

resources have remained unchanged for some time, while the requirements and the complexity of Council operations have increased.

4.4   FUTURE DEMAND ISSUES AND CHALLENGES

Satisfaction with the opportunity to participate in decision-making processes remains below the Council's set target of 50% satisfaction. It is important that members of our Communities trust the Council, are engaged, and get involved in its decision-making. Awareness of methods to participate and an increased understanding of Council's decision-making processes are necessary to ensure democratic accountability.

4.4.1   Possible Demand-Related Responses

Following Community research, the following methods are recommended for improving satisfaction with the opportunities to participate in Council's decision-making processes.

Broaden the Scope of Ways to Participate

Residents indicated that they are interested in participating online, particularly in a forum based setting where they can communicate with both Council and other residents about issues and solutions. Council has recently developed its "Imagine Invercargill" website forum where these discussions can take place.

Increase Awareness of the Consultation Caravan

Further advertising of the Consultation Caravan should be undertaken. This needs to be targeted at those members of the Community who are 65+ years. This sector of the Community has indicated that it is not as interested in online participation and would prefer to be engaged through a face to face or one on one delivery method, which the Consultation Caravan lends itself to.

4.4.2   Possible Non-Asset Solutions

The employment of further staffing resources within the Strategy and Policy department would assist to enable Council to meet its legislative and community engagement requirements.

4.4.3   Managing Expectations

Many of those surveyed who gave dissatisfied results mentioned that this stemmed from unhappiness with previous Council decisions. Some dissatisfied residents mentioned that there is no point in participating as Council does not take into account residents' feedback. Raising awareness of reasons to participate as well as supplying more information around the democratic process and the impact participating will have could reduce the levels of dissatisfaction.

Good governance is a critical success factor of the Democratic Process Activity and a core element of the activity is to support Council to make good decisions. Using a business case approach to Council's decision-making processes will reduce the risk of making decisions that do not deliver value and will provide Council and the Community with confidence in Council decisions. Staff from the Strategy and Policy department of Council are currently completing training in the Better Business Cases model to enable them to assist managers in completing business case proposals for major decisions.

5. Asset Profile

5.1 ASSET OVERVIEW

The Democratic Process Activity is a non-asset based activity.

6. Sustainability, Risk and Resilience

6.1 SUSTAINABILITY

The Local Government Act requires Council to take into account the social, economic and cultural interests of people and communities, the need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations by taking a sustainable development approach. Sustainability can be defined as:

Development which meets the needs of the present generation without compromising the future generation from meeting their own needs
(Brundtland Report, 1987).

The Council recognises that sustainability is a journey, not a destination. It is not a point that is reached, but a process of continual improvement, where society adapts and responds to changes over time, in a way that recognises the fundamental relationships of the three elements detailed below.

6.1.1 Social and Cultural

The Democratic Process Activity assists with social and cultural sustainability by holding a long-term view, being proactive in addressing issues and considering the needs of future generations. Central to any sustainable approach is the need to engage the community throughout the process. Council holds vigorous debate on issues and its Code of Conduct ensures that the debate does not become personal.

There is the potential for negative effects to be generated from:

➢ Qualified audit reports.
➢ Unhelpful comments from elected representatives being published by the local media.
➢ Election procedures not being accurately followed.

Having a stable political and senior management environment assists in reducing the likelihood of negative effects because there is considerable corporate knowledge that can be drawn on.

6.1.2 Environmental

The Democratic Process Activity assists with environmental sustainability by determining ways of decreasing our reliance on print media and increasing the use of digital communication which is more cost efficient and in many cases more effective.

6.1.3 Economic and Financial

The Democratic Process Activity assists with economic and financial sustainability by facilitating a high-level overview of the issues, options and implications, particularly in regard to expenditure when setting Council's Strategic Plans.

6.1.4   Summary of Sustainability Challenges and Issues

There is a well-documented business case for wanting to be a more sustainable organisation. A sustainable organisation is better able to:

➢   Motivate and empower staff.
➢   Innovate and adapt.
➢   Attract and retain staff.
➢   Enhance stakeholder relationships.
➢   Reduce risks.
➢   Reduce costs.

The Democratic Process Activity will continue to identify options for increasing the sustainability of Council's functions.

6.2   RISK

The Council recognises that it is obliged to manage effectively and to review regularly its risks at a strategic, operational and project level. The Council has done this by developing a Risk Management Framework and a range of risk management processes that apply across the organisation. Risk assessment is a major consideration in planning and budgeting processes at all levels within the Council.   Risks must be considered and documented as part of the justification for undertaking our activities. Risk assessment and monitoring must form part of the management of operational activities. The Chief Executive and the Council encourage the taking of controlled risks to better improve the effectiveness and efficiency of the services and functions that the Council provides on behalf of the community, provided the resultant exposures are acceptable.

6.2.1   Risk Framework/Standard

Council has previously adopted a risk management process that is consistent with Australian/New Zealand Standard AS/NZ 4360 which defines risk assessment and management. The key risk criteria adopted for assessing the consequences of identified risks are:

➢   Community Health and Safety.
➢   Loss of Service – Extent/Duration.
➢   Service Delivery – Customer Impact.
➢   Invercargill City Council Financial Impact.
➢   Financial Community.
➢   Corporate Image and Reputation.
➢   Legal Compliance.

The Corporate Framework for assessing Risk is included in Appendix 1.09.

It should be noted that Council is undertaking an organisation wide review of risk management practices in the 2018/19 financial year and this may impact on how risk is assessed and managed. Results from this review will be included in Management Plans where necessary and risk assessments will be updated as required.

6.2.2 Risk Identification and Assessment

Level of Service Indicator	Caused By	Consequence						Weighted Averaged Consequences Score	Likelihood	Risk Severity	Controls	
		Health and Safety (0.20)	Service Delivery – Customer Impact (0.15)	ICC Financial Impact (0.20)	Financial – Community (0.15)	Corporate Image and Reputation (0.10)	Legal Compliance (0.20)				Current Practice	Recommended Actions
Failure to comply with statutory requirements	Administrative oversight/ inaction										Elected representatives, Chief Executive and staff receive training in local government administration to increase corporate knowledge.	Continue current practice.
Litigation (Defamation)	Innappropriate/ inadvertant comments which are actionable, made by an elected representative or the Chief Executive	1	4	2	1	5	4	2.65	E	Low	Media training provided to elected representatives and all staff that are likely to represent Council in the media. Use of "In Committee" status to discuss sensitive issues.	Continue current practice.

Consultation Fatigue	The Community feeling over-consulted and cynical about Council planning and decision-making.	1	4	1	1	2	1	1.55	C	Low	Council's Significance and Engagement Policy directs the Council and staff to the appropriate form of engagement for the issue at hand.	Development of an Engagement Strategy would assist in determining how and when different sectors of the community wish to be engaged.
Failure to comply with statutory requirements	Low staffing levels	1	3	3	2	4	2	2.35	D	Low	Achieve legislative minimum.	Review current resourcing arrangements and set staff levels appropriate to desired levels of service.

6.2.3   Summary of Key Risk Issues

The key risk to the Democratic Process Activity is the low staffing levels. The concentration of business-critical skills and activities across two Strategy and Policy department staff could result in a significant loss of institutional knowledge, putting the successful completion of projects and strategic planning requirements at risk. There is also a health and safety risk to staff working under sustained stress and pressure.

6.2.4   Possible Approaches to Risk Mitigation

By reviewing its current resourcing arrangements for the Democratic Process Activity, Council will be able to map its current democratic process activities, set desired levels of service and staff these appropriately.

A risk management approach alone is not sufficient and needs to be complemented by a resilience approach to events that fall outside of the realms of predictability and where failure may be inevitable.

6.3   RESILIENCE

The working definition of resilience to Invercargill City Council is the ability of the organisation to survive a crisis and thrive in a world of uncertainty. Resilience includes both planned risk management (Section 6.2) and adaptive capacity. In this context resilience refers to our capacity to adapt, rather than preparedness or recovery, which is the capacity of people, the community and systems to adapt in the face of unpredictable change the 'unknown unknowns'.

100 Resilient Cities has four dimensions and three drivers within each:

➢ **Health and Well-being**
- Meet basic needs
- Support livelihoods and employment
- Ensure public health services

➢ **Economy and Society**
- Foster economic prosperity
- Ensures social stability, security and justice
- Promote cohesive and engaged communities

➢ **Infrastructure and Environment**
- Provide reliable communication and mobility
- Ensure continuity of critical services
- Provide and enhance natural and man-made assets

➢ **Leadership and Strategy**
- Promote leadership and effective management
- Empower a broad range of stakeholders
- Foster long-term and integrated planning

* http://www.100resilientcities.org/resilience

6.3.1 Business Continuity and Emergency Response Arrangements

The Invercargill City Council is part of shared services for Civil Defence and Emergency Management, which is delivered through Emergency Management Southland (EMS). The priority hazard events that EMS plans and responds to are earthquakes, flooding, biosecurity incursion and tsunami. EMS produces an Annual Business Plan that outlines its proposed activity for each year. Through EMS the Council promotes the need for individual and communities to prepare for emergencies and assists in building capacity to effectively respond to and recover from emergency events. Council also has in place systems and processes to help coordinate and respond to emergency events.

The Democratic Process Activity is not an asset based activity and as such can continue to function following a significant emergency event.

6.3.2 Current and Desired Resilience Assessment

Resilience is a topic that we are learning about from events such as the Christchurch, Kaikoura and Wellington earthquakes, Invercargill City Council is seeking to make our organisation and infrastructure more resilient. Resilience will be part of the review of risk management being undertaken in the 2018-19 financial year.

6.3.3 Summary of Resilience Issues and Challenges

The Democratic Process Activity promotes resilient communities, but has identified that this is an area that requires further work corporately.

7.   Managing Our Activities

7.1   RESPONDING TO THE ISSUES AND CHALLENGES

As it works towards achieving Council's vision, the Democratic Process Activity faces a number of issues and challenges.

Key Issue	Discussion
Increased volume and complexity of work required.	The majority of the services and activities that are delivered as a part of this Activity relate to legislative compliance. There has been a notable increase in both the volume and complexity of work required, in particular in relation to the processes for planning, reporting, the financial and infrastructure strategies, as well as additional decision-making and engagement support to Council and Managers.
Methods for increasing engagement with the Community.	Community research has identified that residents are interested in participating in Council's decision-making processes via online methods. Of particular interest was a forum where residents can communicate with both Council and other residents about issues and solutions. The online forum appeals as it is perceived as easy, flexible, and convenient and will allow residents to see other responses before responding themselves.
Implementation of new technology.	Technology is advancing at a rapid rate. Individual members of the community can adapt and utilise this technology at a faster rate than the Council can corporately. This can lead to the community wishing to engage with Council in a way that Council is not yet able to provide.
Business-case approach to Council decision-making.	Many Central Government departments already require a business-case approach to decision-making. It is important that Council staff are equipped to develop Better Business Case approaches to future projects and services. Using a Better Business Case approach will reduce the risk of making decisions that do not deliver value and will provide Council and the Community with confidence in Council decisions.

7.1.1   Alternative Investment Approaches

As part of the Local Government Act mandated section 17A Service Delivery Review, Council has been provided with an independent assessment on the Democratic Process Activity *(Appendix 6.02)*. The review has highlighted that the Invercargill City Council is understaffed when assessed against comparable councils. The assessment suggests that the Strategy and Policy department should have approximately six staff members.

Council has determined to increase the staff resourcing in the Strategy and Policy department. The employment of a Community Engagement Officer will decrease the workload currently being met by the two existing staff.

Council could determine to further increase the staff resource in the Democratic Process Activity. Monitoring the impact of the new staff member and determining future staffing requirements following their employment would be a more cost-effective method of addressing staffing issues.

7.1.2   Do-Minimum Programmes

Council's current approach to the Democratic Process Activity is considered a do-minimum programme. Staff are currently just meeting all legislative requirements, but as is discussed in Section 6.2, there is an ongoing risk to both Council's legislative compliance and to the health and safety of Council staff should this approach continue.

7.1.3   Programmes Evaluation

The introduction of a further staff member to the Strategy and Policy department is anticipated to assist in the workload of existing staff and reduce the pressure currently being faced by the department. The Director of Finance and Corporate Services as well as the Finance and Policy Committee will continue to monitor the workload and quality of work being produced by the Strategy and Policy department as an indicator of the success of the increased staff resourcing.

7.2   OPERATIONS

7.2.1   Operation Strategy

The Activity continues to provide support services to the Elected Representatives through both the Chief Executive, and the Strategy and Policy department staff (two FTEs increasing to three FTEs in 2018/19). Support is provided to the Chief Executive through their Personal Assistant and support to the Mayor through their Executive Assistant.

The Democratic Process activity supports elected representatives in their endeavours to provide open representative governance which addresses the needs of the Community. The Democratic Process Activity endeavours to comply with all aspects of the Local Government Act and to meet best practice.

The Strategy and Policy department continue to provide good practice processes and advice for the statutory requirements of Council, particularly in regard to decision-making.

7.2.3   Operation/Maintenance Options and Alternatives

Refer to Section 7.1.1

7.3   RECOMMENDED PROGRAMME

The recommended programme is that the Democratic Process Activity continues to be resourced by the current staffing levels with an increase of one Full Time Equivalent in the 2018/19 year. It is anticipated that the activities undertaken within the Democratic Process Activity will gradually increase over the next 10 years and that current resources will adapt to meet this requirement. This is based on the assumption that there will be no increase or decrease in the requirements of the Local Government Act that would lead to a significant change in resources necessary to meet legislative requirements.

7.4 HOW THE ACTIVITY WILL BE RESOURCED

Democratic Process functions are generally unsuitable for amalgamation across different organisations. Politically sensitive and locally tailored, policy and strategic planning are not repetitive, standardised or transaction-based. Shared services are considered and undertaken within this Activity.

As an in-house activity, governance is provided by the Finance and Policy Committee of Council. Policies, bylaws and strategic plans are approved for adoption by the appropriate Committee of Council.

7.4.1 Internal Resourcing

The service is delivered in-house, often in partnership with other Council departments. Specific projects are outsourced to external consultants on an as required basis and shared policy initiatives with other local authorities within the Southland Region occur from time to time.

The Democratic Process Activity is currently staffed by the following positions

Position Title	Number in Role
Chief Executive	1
Chief Executive's Executive Assistant	1
Mayor's Personal Assistant	1
Manager – Strategy and Policy	1
Policy Analyst	1

A Community Engagement Officer will be employed in the 2018/19 year, resulting in three Full Time Equivalents in the Strategy and Policy department.

All staff of the Democratic Process Activity receive an annual performance review.

Delegations continue to be reviewed with changes to legislation. The Delegations Register was adopted in September 2016 and is updated as required.

8.   Financial Management

8.1.   OVERVIEW

The Council's Funding Policy for the Democratic Process Activity is that 100% of the cost is of benefit to the public in general and these costs are recovered from the General Rate. This means that any increase in resourcing required by the Activity will be met by ratepayers. There is no off-setting revenue for an increase in services required from the Activity.

8.2   FINANCIAL SUMMARY - WHAT THE ACTIVITY COSTS

8.2.1   Council Funded Programmes

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
Internal Revenue	0	0	0	0	0	0	0	0	0	0	0
Fees & Charges Revenue	0	0	0	0	0	0	0	0	0	0	0
Grants & Subsidies Revenue	0	0	0	0	0	0	0	0	0	0	0
Rates Revenue	0	0	0	0	0	0	0	0	0	0	0
Financial Revenue	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Internal Expenditure	570,909	719,628	735,783	752,333	770,663	788,095	806,247	826,487	847,364	867,875	891,954
Staff Expenditure	1,127,573	1,175,106	1,198,728	1,222,825	1,247,406	1,272,546	1,298,193	1,324,424	1,351,255	1,378,701	1,406,779
Administration Expenditure	269,076	205,988	211,542	255,364	219,884	224,942	274,242	235,638	241,529	294,126	255,735
Financial Expenditure	20,000	0	0	188,007	0	0	201,084	0	0	216,545	0
Grants & Subsidies Expenditure	142,500	142,500	142,500	142,500	142,500	142,500	142,500	142,500	142,500	142,500	142,500
Repairs & Maintenance Expenditure	7,083	8,000	8,176	8,356	8,540	8,736	8,937	9,152	9,380	9,624	9,884
Operational Expenditure	241,362	244,800	250,186	255,690	261,315	267,325	273,474	280,037	287,038	294,501	302,452
Depreciation Expenditure	30,984	20,811	38,185	28,289	38,621	53,979	39,558	49,249	65,466	47,913	58,600
Total Expenditure	**2,409,487**	**2,516,833**	**2,585,099**	**2,853,363**	**2,688,929**	**2,758,123**	**3,044,234**	**2,867,487**	**2,944,533**	**3,251,785**	**3,067,905**
Operating Surplus / (Deficit)	**(2,409,487)**	**(2,516,833)**	**(2,585,099)**	**(2,853,363)**	**(2,688,929)**	**(2,758,123)**	**(3,044,234)**	**(2,867,487)**	**(2,944,533)**	**(3,251,785)**	**(3,067,905)**
Capital Expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - to replace existing assets	10,000	75,000	5,110	57,447	80,060	5,460	61,442	85,796	5,863	66,166	92,663
Capital Expenditure	**10,000**	**75,000**	**5,110**	**57,447**	**80,060**	**5,460**	**61,442**	**85,796**	**5,863**	**66,166**	**92,663**
Proceeds from Asset Disposal	**0**	**(23,000)**	**0**	**(15,667)**	**(24,552)**	**0**	**(16,757)**	**(26,311)**	**0**	**(18,045)**	**(28,417)**
Debt movements	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reserve movements	**(75,000)**	**(14,331)**	**34,188**	**(188,866)**	**(8,612)**	**43,120**	**(195,509)**	**(2,322)**	**53,117**	**(203,799)**	**3,578**
Cash Back Depreciation	**0**	**0**	**0**	**(0)**	**(0)**	**0**	**0**	**(0)**	**0**	**0**	**0**
Rates Required	**2,344,487**	**2,554,502**	**2,624,397**	**2,706,277**	**2,735,825**	**2,806,704**	**2,893,411**	**2,924,650**	**3,003,513**	**3,096,107**	**3,135,729**

8.2.2 Programme Implications

To be added following adoption of LTP.

8.3 FINANCIAL POLICIES

Council activities are supported by the Finance and Corporate Services Directorate of Council who undertake all accounting practices. This is consistent with good accounting practice.

The Invercargill City Council uses a product called TM1 for the preparation and aggregation of the financial aspects of the Long-Term Plan. The product is Excel based and is particularly user friendly to carry out the modelling required for a ten year period. It is also able to accommodate variables such as inflation and other pricing movements. Council has used 2016/17 sectional budgets as a base for the Long-Term Plan, with specific variations as required by section managers for succeeding years.

The financial section of the Long-Term Plan will be prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice. The financial statements will be prepared under Tier 1 PBE International Public Sector Accounting Standards.

The Local Government Act 2002 requires Council to manage its finances prudently and in a manner which promotes the current and future needs of the community. Council must ensure that each year's projected operating revenues are set at a level sufficient to meet the years projected operating expenses.

The Revenue and Financing Policy establishes Council's policy on the funding of its operating and capital expenditure and the sources of those funds.

Council for each activity must give consideration to who benefits from the activity and the appropriate level of private versus public benefit when funding the activity. Public benefit is gained from having access to activities provided by Council. Private benefit is gained from receiving goods or services provided by Council, ie a Building Consent for work carried out by private residents.

8.4 HOW WE PAY FOR THE ACTIVITY

Council's Revenue and Financing Policy states the Council's policies on the funding of its operating and capital expenditure and the sources of those funds.

The Council's Funding Policy for the Democratic Process Activity is that 100% of the cost is of benefit to the public in general and these costs are recovered from the General Rate.

A significant part of the Democratic Process Activity involves consultation and it is neither practical nor desirable to charge for this. An exception to the above is the discretion to make reasonable charges for information supplied under the Local Government Official Information and Meetings Act 1987. This provision is rarely used and income derived from this source is insignificant.

The cost centres comprising the Democratic Process Activity are:

- Mayor
- Councillors
- Chief Executive
- Corporate Planning (Strategy and Policy)
- Bluff Community Board.

8.5   CONFIDENCE LEVELS IN PROGRAMMES

The vast majority of the programmes and services delivered by the Democratic Process Activity are mandated by legislation. There is a steady increase in the services or programmes needing to be provided by the Democratic Process Activity. Provided that there is no significant change in legislative requirements, the programmes planned over the next ten years will be adequate.

8.6   RELIABILITY OF FINANCIAL FORECASTS

Staff related costs comprise the majority of operational expenditure within the Democratic Process Activity. An increase in the staff related budget has been included in the 2018/19 year. No further increase for additional staff is included within the budget, should the workload require further staffing an amendment to the budget would be required.

The budget for the Democratic Process Activity does not include any significant increases for operational requirements.

8.7   SUMMARY OF PROGRAMME ASSUMPTIONS

This plan is based on the following assumptions:

- Due to the changing nature of Local Government legislation there will be a slow but steady increase in the services and programmes to be provided by the Democratic Process Activity.

- The addition of a further staff member to the Strategy and Policy department will ensure adequate resourcing for the activity and no further staff will be required in the ten year period.
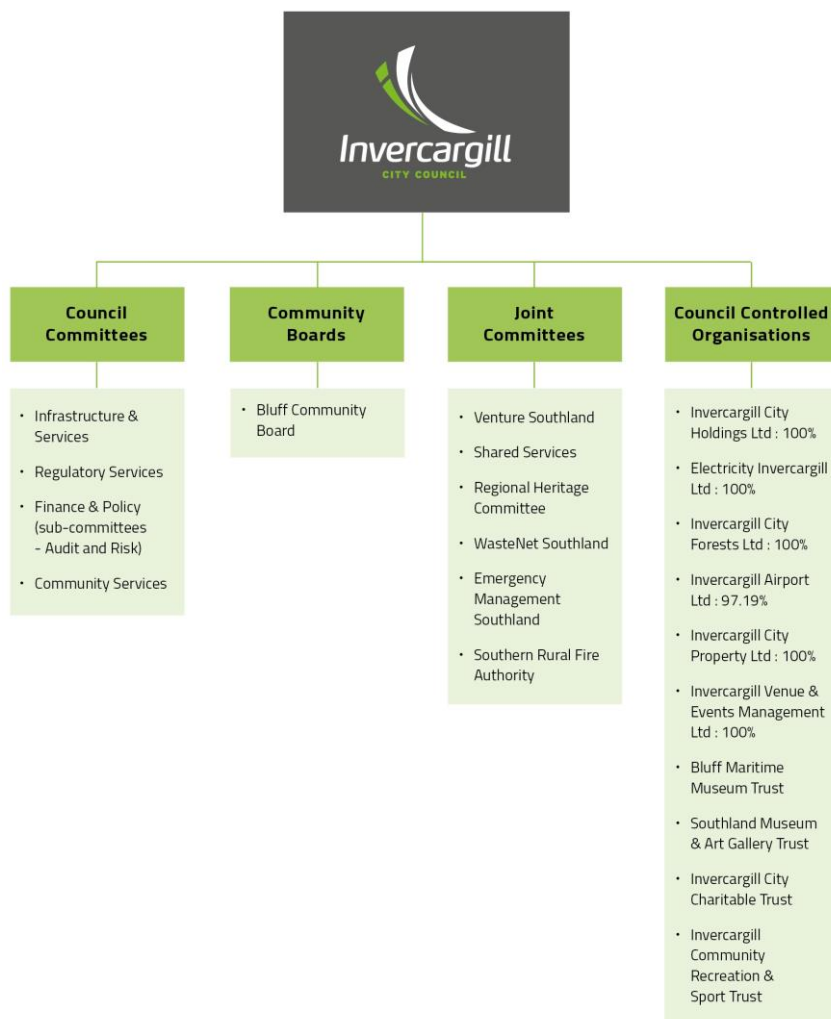
9.   Delivering and Monitoring the Programme

9.1   PROGRAMME GOVERNANCE AND REPORTING

Council operates on a six-weekly cycle with four Committees meeting before a full Council meeting. These Committees accept and receive reports from their relevant Directorate. Management Staff are at these meetings to answer any questions that arise.

This reporting process ensures accountability to Councillors and allows for transparency to the public. Further to the four Directorate Committees, there are smaller sub-committees such as Audit that meet to discuss issues relating to the Annual Report, Annual Plan, Long-Term Plan processes and any other audit related issues.

The Bluff Community Board is established as an elected Community Board which reports to Council on behalf of the Bluff area and deals with any issues relating to that area. Council provides direction to this Community Board and has a representative sitting on it.

Councillors are elected on a triennial basis through local government elections with the community voting for 12 Councillors and a Mayor. The Chief Executive role is reviewed every five years. In addition to this, Council undertakes a Representation Review every six years to ensure that the community is aware and accepting of the current Council structure.

Council develops their Long-Term Plan every three years in line with their obligations under the Local Government Act 2002, every second and third year Council will adopt an Annual Plan which will make any amendments to the existing Long-Term Plan and allows for members of the community to submit on this process.

Further, Council will provide an Annual Report, which is a full year financial snapshot of Council's activities for that financial year. The Annual Report also identifies if Council achieved its intended levels of service within the year. The Report also compares actual results to the financial projections in Council's Long-Term Plan.
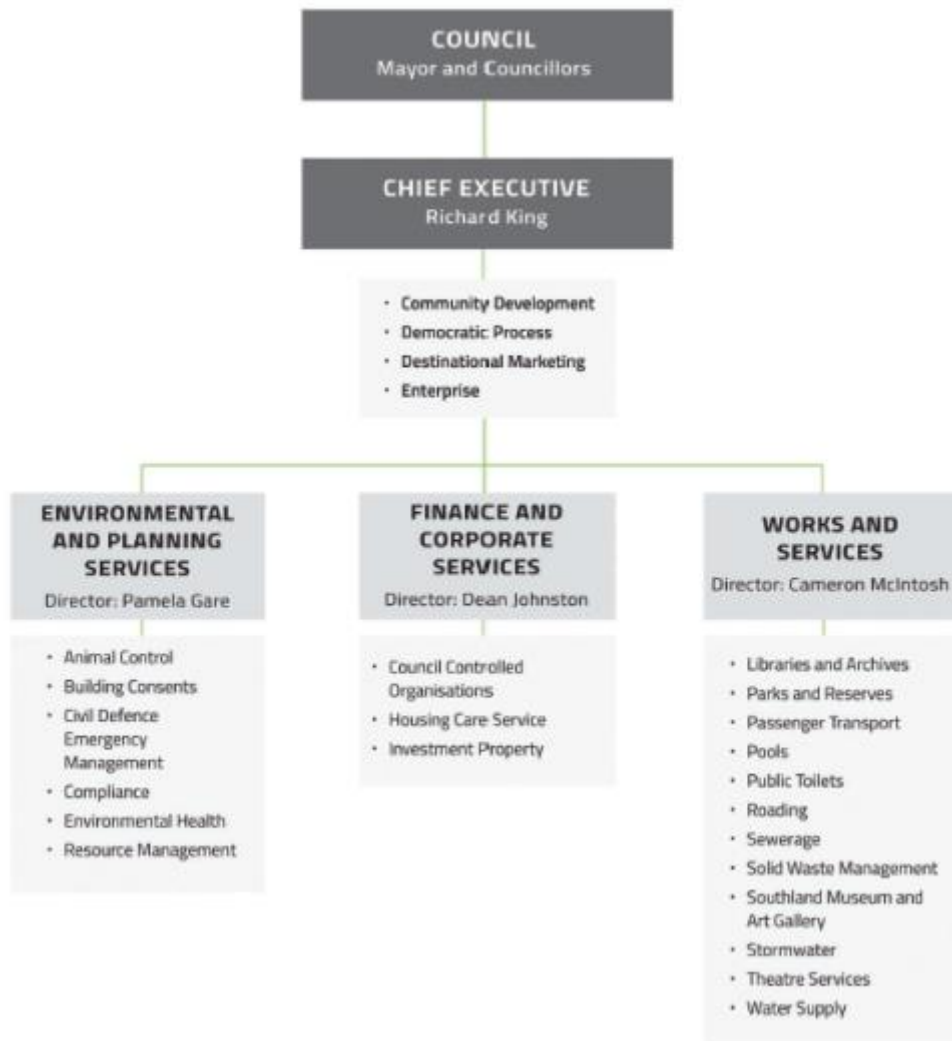
9.2 STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS

Council currently utilises many methods to engage and consult with members of the community. The Local Government Act 2002 states specific methods of consultation to be utilised by Council for certain processes, Council adds to this through innovative and community-tailored engagement techniques. The following are examples of current Council consultation methods:

➢ Imagine Invercargill is a new engagement website where members of the public can submit ideas on how to improve Council services.
➢ Consult South is a website that highlights any current or up and coming consultation items.
➢ Regular use of the Consultation Caravan where members of the public can pop in to ask questions of elected members and staff.
➢ Public Forums at Council and Committee meetings.
➢ Public requests to be heard as a specific Agenda item.
➢ Regular features in the newspapers and rates newsletters which inform ratepayers of issues.
➢ The City Focus Radio show that highlights current topics that the Council is addressing.
➢ The Mayor holds appointments with residents who wish to raise issues of concern.
➢ Community Engagement processes when Council is considering making a significant decision.
➢ Formal consultation through the Special Consultative Procedure for issues such as the Long-Term Plan and some Bylaws.
➢ Facebook page where individuals can ask questions and express opinions to Councillors and staff.

9.3 BUSINESS PROCESSES

The management structure of the Invercargill City Council is as follows:

COUNCIL
Mayor and Councillors

CHIEF EXECUTIVE
Richard King

- Community Development
- Democratic Process
- Destinational Marketing
- Enterprise

ENVIRONMENTAL AND PLANNING SERVICES
Director: Pamela Gare

- Animal Control
- Building Consents
- Civil Defence Emergency Management
- Compliance
- Environmental Health
- Resource Management

FINANCE AND CORPORATE SERVICES
Director: Dean Johnston

- Council Controlled Organisations
- Housing Care Service
- Investment Property

WORKS AND SERVICES
Director: Cameron McIntosh

- Libraries and Archives
- Parks and Reserves
- Passenger Transport
- Pools
- Public Toilets
- Roading
- Sewerage
- Solid Waste Management
- Southland Museum and Art Gallery
- Stormwater
- Theatre Services
- Water Supply

Council staff operates under a Delegations Register (appendix 1.10) that is adopted by Council; this Register lists every department with specific delegations that are required under legislation or Council policies so that staff members are able to carry out their specific job requirements.

9.4 INFORMATION SYSTEMS AND DATA

Geographical Information Systems (GIS)

Provides mapping and spatial analysis tools for Council to graphically determine and understand where Council facilities or assets are located. This includes geocoding our data, putting it on a map, and symbolising it in ways that can help visualise and understand the data. The software display how places are related which help make more informed decisions about the best locations and paths for infrastructure and planning. Utilising these attributes, we can use the software to help make predictions and better understand our environment.

Microsoft AX Dynamics

This programme is the main accounting software; this system records all accounting entries, inventory entries, account payable entries and fixed asset data. Fixed assets held within the infrastructure area are revalued every three years and data from the revaluation is held with the AX dynamic system. The system then generates depreciation figures that are used for reporting purposes and also for the funding of depreciation in relation to Council's capital renewal programmes. During the period between revaluations assets are capitalised into the AX Dynamics system as purchased. The AX system also provides the council reconciliation control environment, maintaining such control as GST and FBT obligations, bank reconciliations, as well of all other balance sheet reconciliations of the Council.

MYOB PayGlobal

Provides a workforce management with the payroll and human resources management software provides the analytical, planning and operational tools to monitor staff activities and performance. There is a self-service platform (Ernie) where employees and managers access leave, personal info, payslips, and timesheet data online. Allowing employee attendance, management and tracking.

Objective

Delivers an Electronic Document and Records Management (EDRMS) service across all of Council providing information management processes and business process automation with robust security, version control and audit management to ensure Council complies with recordkeeping standards; this reduces the risk associated with managing information in multiple locations.

Opal 3

This programme is utilised by all departments who monitor their levels of service for activity; this programme requires specific data to be entered six weekly or monthly (as required). Third tier managers enter this data, with the Director or Manager to approve this entry. The data required is updated in line with the Long-Term Plan.

TM1 Cognos

This is the financial reporting and budgeting system for Council. Information is taken from the AX dynamics system and downloaded into the TM1 system, allowing Council to report on actual performance against budget. Council budgets for both the Long-Term Plan and Annual Plan are completed within the TM1 Cognos system.

9.5   PROGRAMME PERFORMANCE MONITORING AND REVIEW

The Chief Executive, Director of Finance and Corporate Services and Manager - Strategy and Policy all have differing but complementary roles in the monitoring and review of the Democratic Process Activity.

9.5.1 Monitoring Approach

Staff responsible for the budgets included within the Democratic Process Activity receive monthly budget updates. This allows a chance to review the performance of the activity and highlight any areas of over or underachievement. The Manager – Strategy and Policy also completes non-financial reporting on the programme being undertaken by the Strategy and Policy department.

Council operates on a six-weekly cycle with meetings of the four Committees of Council that oversee each department at Council. The Committees are provided with extensive monitoring and reporting on levels of services for activities and assets that come out of that Directorate, alongside monthly financial accounts for each department. The Committee will question these reports with Managers present to answer any questions that arise. The Democratic Process Activity reports to the Finance and Corporate Services Committee and also to the Audit Sub-Committee on audit related matters.

The information to produce the reports to Council's committees is entered into various software systems as detailed in Section 9.4. This monitors the performance both fiscal, and service based against targets and budgets from Council's Long-Term Plan. Targets can be key performance indicators, internally driven targets or provided from a Ministry that oversees that area, ie Department of Internal Affairs. At a full Council meeting these reports are then received. Democratic Process reports not only on its performance measures as included in the Long-Term Plan, but also on the different plan/policy/bylaw proposals that have been subject to community engagement over the previous period.

9.5.2 Frequency of Review

Every financial year Council prepares an Annual Report that is the key document in ensuring the expenditure for the year was efficient and is pertinent in ensuring accountability to the Community and ratepayers.

The Annual Report does not just show the current financial status, but also shows the levels of service for all Council activities and assets measured against the yearly targets set in the Long-Term Plan. As noted in 9.1, these are measured and reported six weekly in the Council meetings. The Annual Report is a holistic overview of their performance.

10. Continuous Improvement

10.1   CURRENT ACTIVITY MANAGEMENT PRACTICE

	Quite Inadequate	Needs a Lot of Improvement	Quite Good, But Could Be Improved in Some Areas	Very Good	Comments
Management • Of the Department (Leadership) • Of the staff on a daily basis • All work planned for the year completed within the year, to the predetermined standard required, within the predetermined timeframe, for not more than the budgeted cost			X		Chief Executive acts as link between Council and Management. Executive Leadership team meets weekly.
Technical Competence • New works' design • Project Management • Management of contractors (especially Network Maintenance Contractors) • Maintenance organisation and management • Other technical skills required by this service			X		Ongoing review of policies to meet SOLGM good practice.
Forward Planning and the Setting of Priorities • The completeness and overall quality of the priority setting and financial forecasts and assumptions for the next 10 years			X		Management is focused on ensuring issues raised by Audit are addressed.
Communications/Relationships • With Customers • Written (letter writing) • Verbal (phone) • Verbal (personal contact) • With elected representatives (where relevant) • With other departments • Within the department				X	Few customer complaints about not receiving a fair hearing.

	Quite Inadequate	Needs a Lot of Improvement	Quite Good, But Could Be Improved in Some Areas	Very Good	Comments
Financial Management • Budgets' preparation (quality, completeness, and timeliness) • Adherence to budgets once approved • Always aware of costs against budget throughout the year			X		Unexpected costs are accommodated.
People • Job breakdowns/job instructions/work guidelines/practice notes available for all relevant tasks and all up-to-date • All staff delegations up-to-date • All warrants up-to-date			X		A new warrant registration system is being implemented. The delegations document is up to date.
Support Services • Administrative support • Financial support • Office accommodation • Office furniture and equipment (work tools) • Transport • Record keeping (completeness and easily accessible) • Complete and up-to-date policy manual			X		Review needed to ensure that the support services are meeting requirements. Policy manual is under continual review.

	Quite Inadequate	Needs a Lot of Improvement	Quite Good, But Could Be Improved in Some Areas	Very Good	Comments
Performance Management • Sufficient and appropriate performance measures • Sufficient and appropriate performance targets • All measures and targets being monitored • Monitoring results promptly reported (at all relevant levels) • Performance trends (over several years) clear and understood • Performance results actually used to improve performance • All employees regularly being given "true" feedback about their performance				X	Performance Reviews undertaken on an annual basis.
Business Continuity • Disaster Plans up-to-date			X		The Democratic Process Activity can be carried out without needing a physical site.
Legislative Compliance • No known areas where legislative requirements not being fully complied with			X		Council continues to address any Audit issues. Review of Policies and Bylaws is necessary to meet statutory timeframes and review requirements.
Strategic Advice • The general quality (and timeliness) of strategic advice (and the extent to which the strategic policy approach for this activity is clearly specified, continues to be appropriate, and is up-to-date) • The quality and timeliness of reporting to the elected Council and its Committees				X	Council is kept well informed of strategic issues in a workshop environment.

10.2   IMPROVEMENT PROGRAMME

Item	Appendix Relative Urgency						Smart Objective	*Activity Improvement Type	Responsible Person	Target Date for Completion	* Status	Completion Date
	1	2	3	4	5	6						
Representation Review			X				Robust representation review completed before November 2021.	CS	Chief Executive	October 2021	NS	
Triennial Agreement				X			Revised agreement adopted.	OP	Chief Executive	December 2019	NS	
Local Governance Statement				X			Reviewed Local Governance Statement adopted.	OP	Chief Executive	December 2019	NS	
Code of Conduct				X			Review Code to ensure it remains current.	OP	Chief Executive	October 2018	NS	
Long-Term Plan, Annual Plans and Annual Reports	X						Unmodified reports received from Audit.	SA	Chief Executive	Ongoing	IP	
Policy Review			X				Develop Manual of reviewed policies.	SA	Chief Executive	December 2018	IP	
Corporate Risk and Resilience Review					X		Robust review and update of current Risk Management Framework including Council's approach to resilience.	OP	Chief Executive	December 2018	IP	

Status Key: *Activity Improvement Key:*
OH = On Hold   OP = Organisational Performance
NS = Not Started   CS = Customer Service
IP = In Progress   SA = Strategic Advice
                        PD = People Development

10.3   IMPROVEMENTS FROM PREVIOUS ACTIVITY MANAGEMENT PLAN

The delegations manual has been reviewed, updated and adopted by Council. It is now under a programme of continuous review.

The 2015 Representation Review was completed with a continuation of the current representation arrangements.

10.4   MONITORING AND REVIEW

The completion of the tasks above will be delegated from the Chief Executive to the Strategy and Policy department. Progress and successful completion of the improvement programme will be monitored through the staff performance management systems Council utilises.

The success of the improvement programme will be further monitored through ongoing reporting to the Finance and Policy Committee of Council, and where appropriate through the Annual Report process.

11. Glossary

12. Appendices

The Appendices for all of Council's Activity Management Plans are kept separate. The list below highlights the appendices that relate to this Activity Management Plan and where to find them in the Corporate Appendices Register.

Number	Type	Title
1.01	Corporate	Long Term Plan – Background and Assumptions 2018-2028
1.02	Corporate	Community and Regulatory Services: 2014 Residents' Survey
1.03	Corporate	2013 Service Level Survey: Parks, Reserves and Cemeteries Report
1.04	Corporate	2013 Service Level Survey: Roading Report
1.05	Corporate	2013 Service Level Survey: Solid Waste Report
1.06	Corporate	2013 Service Level Survey: Stormwater and Sewerage Report
1.07	Corporate	2013 Service Level Survey: Water Supply Report
1.08	Corporate	Levels of Service Research Report 2016
1.09	Corporate	Corporate Risk Framework/Standard
1.10	Corporate	Delegation Register September 2016
1.11	Corporate	Asset Data Confidence Report
2.01	Policies and Strategies	Asset Management Policy
2.02	Policies and Strategies	Asset Management Strategy