


# Corporate Services



Activity Management Plan  
2024-2034



# Corporate Services Activity Management Plan

## Preface

The Corporate Services Activity Management Plan covers one of the five Corporate and Regulatory Services addressed in the 2024-2034 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 Corporate Services Activity.

The Activity Management Plan (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.

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

# 1. What we deliver

## What the activity is

The Corporate Services Activity encompasses a number of different services and functions that are often considered back office or internal functions. These financial, management and technical areas together enable and support Council to deliver on its public activities

There are five areas, each with a range of different functions within the Corporate Services Activity.

**Table 1: Functions and activities included in the Corporate Services Activities**

<p><b><u>People &amp; Culture</u></b></p> <ul style="list-style-type: none"><li>• Recruitment and retention</li><li>• Learning and development</li><li>• Employment relations</li></ul>
<p><b><u>Corporate Services</u></b></p> <ul style="list-style-type: none"><li>• Customer Services</li><li>• Communications and Marketing</li><li>• Change and Transformation</li></ul>
<p><b><u>Finance</u></b></p> <ul style="list-style-type: none"><li>• Financial Services</li><li>• Procurement</li><li>• Property rating and valuation</li></ul>
<p><b><u>Information &amp; Technology</u></b></p> <ul style="list-style-type: none"><li>• Data and information management</li><li>• Archive services</li><li>• Technology equipment and support</li><li>• Technological transformation</li></ul>
<p><b><u>Risk &amp; Improvement</u></b></p> <ul style="list-style-type: none"><li>• Risk management</li><li>• Quality Assurance (Internal Audit)</li><li>• Continuous Improvement</li><li>• Health, Safety and Wellbeing</li></ul>

## **People & Culture**

Fundamental to the provision of Council services to our community is the recruitment, development, and retention of Council employees. The 'People' function of our Corporate Services Activity is focused on enabling and supporting employment and skills retention, performance and development, ensuring we meet our obligations under employment related

legislation, and working with Safety and Wellbeing to support the overall wellbeing of our employees.

### **Corporate Services**

Our customer services and communication teams focus on maintaining and supporting customer enquiries and information for the community. We strive to provide a consistent customer experience, being aware of the changing expectations in how our customers wish to engage with and receive information from Council.

### **Finance**

Our finance teams support the organisation through delivery of annual and long-term strategic financial forecasting, budget management, and an array of day to day operational financial processing functions. Transparency and financial accountability through audits are managed by our financial teams, as is prudent procurement processes.

### **Information & Technology**

Council has the responsibility for protecting public records and allowing the community to access the information. The Information Management team provide our Community Archives service, document management procedures and oversee how we meet our various legislative obligations in relation to information. The Information Services team provide the technology infrastructure (hardware and software), security and tools for Council to operate.

### **Risk & Improvement**

Our risk and improvement teams are responsible for assessing and managing risk faced by Council in the delivery of its activities and services. Risk may include, but is not limited to financial, reputational, health and safety, regulatory and environmental risks. Continuous improvement in processes that impact delivery of Council's activities is monitored through internal audits and quality assurance personnel.

### **Community Outcomes**

The Community Outcomes set out what Council wants to achieve for the community over the next ten years as we continue to work together to create He Ngākau Aroha - Our City with Heart.

The following graph includes the outcome statements for each of the four community wellbeings – Economic, Social, Cultural and Environmental.

**Figure 1: The Four Wellbeings**



**Table 2: Community Outcomes**

Community Outcomes	How the Activity Contributes
<p>Social Wellbeing</p> <p>One Community – Our Youth, Older people, different neighbourhoods and communities’ basic needs are met, and they feel valued and proud to live here.</p>	<p>Council operates a variety of communication and customer service channels to enable social well being so our community, visitors or customers can access support when they need to. Across the corporate services functions, our teams enable the different departments to deliver the day to day operations so our community has not just the basic needs, but a wide variety of services.</p>
<p>Cultural Wellbeing</p> <p>A vibrant, safe city centre which meets our people’s diverse cultural needs</p>	<p>Across Corporate Services, our teams are aligned to enable cultural wellbeing by supporting diversity within our teams, the different ways in which members of the community want to interact with Council and protecting the stories of our past.</p>
<p>Environmental Wellbeing</p> <p>A healthy, resilient environment where the city is well positioned to navigate climate change.</p>	<p>To support environmental wellbeing, the Risk functions provides support for Council navigating climate change. The information and technology functions provide data and analysis to support Council decisions.</p>
<p>Economic Wellbeing</p> <p>A future focused economy delivered through innovation and partnership and supported by appropriate infrastructure.</p>	<p>Procurement and financial activities are undertaken and monitored with prudence and transparency.</p> <p>Local economic wellbeing is supported through the prompt payment of suppliers, the use of local suppliers and supporting local social enterprise.</p> <p>Utilisation of technology to gain process efficiencies.</p>

## Our Activity Objectives

Our community, suppliers, staff and elected members can expect reliable, consistent and accessible service to enable their needs.

The principal objectives of the Corporate Services Activity are to:

- Facilitate access to Council services such as rates or requests for service through a variety of channels
- Provide the community with information, advice and access to engage in democratic processes through a variety channels
- Provide staff with access to the technology necessary to enable efficient and consistent service experiences for the community and suppliers
- Support Elected Members with financial information and advice with decisions
- Provide suppliers a reliable and consistent procurement and payment experience
- Market and promote Council services to the community

## 2. How we determine what we do

### Our Strategic Framework

Activity Management Plans underpin the activities in the Long Term Plan. They record the current and desired Levels of Service and Maintenance, Capital Works Programmes and budgets (if applicable) required to ensure the activity meets the desired Levels of Service.

Adoption of the budgets for these programmes is carried out through the Long Term Plan process. Changes to budgets for programmes may occur during the consultation process and adoption of Long Term Plan budgets.

**Figure 2: Strategic Framework**



## Our Customers

The Corporate Services Activity engages with a broad customer base, comprised of both internal and external customers to Council.

While many of the activities undertaken by the Corporate Services activity focus on internal support to enable the delivery of external Council Services, the customer services, communications and finance and rating activities in particular have a direct connection and impact on external customers.

**Table 3: Corporate Services External and Internal Stakeholders**

<b><i>External Stakeholders</i></b>	<b><i>Area of Interest</i></b>	<b><i>Engagement</i></b>
Residents and property owners	Requests for information and service, communication, digital services, rates, procurement of services,	Communication, provision of information. Rates, account processing and payment, procurement of services. Digital platforms and processes.
Government Departments	Compliance with legislation. Policy implementation	Officers check adherence to legislative changes and review on a regular basis
Government Organisations (other than Ministries)	Auditing and Reporting.	Work with Audit and staff throughout the auditing process
Other Local Authorities (Environment Southland, Southland and Gore District Councils)	Developing a consistent and shared approach across the Southland region.	Consultation, provision of services.
Community grant recipients	Facilitate payment process	Communication and provision of grants.



<b><i>Internal Stakeholders</i></b>	<b><i>Area of Interest</i></b>	<b><i>Engagement</i></b>
All Council departments	Communication support. Customer services support. Financial services support. Information management and Technology support. Employment support.	Consult with staff regarding business and legislative requirements, providing subject matter expertise, advice and guidance. Technology procurement, development and deployment. Employment, staff development and wellbeing support services.
Executive Leadership Team	Subject matter expertise. Plan and policy development.	Provision of subject matter expertise advice and guidance, including strategies, plans and policies.
Council	Subject matter expertise. Technology support.	Provision of subject matter expertise.

## Our Levels of Service

The Corporate Services Activity levels of service are focused on supporting engagement, reliability and availability of Council to the community:

- availability of Council staff for our community
- delivery of information in channels and media desired by the community
- prompt payment of services provided to Council
- consistent and reliable service request resolution timeframes

**Table 4: Corporate Services Measures for Level of Service**

<b>MEASURE 2024-2034</b>		<b>TARGET</b>
Percentage of Requests for Service under investigation/ closed within 10 working days of being raised		80%
Accessible customer service	Customers are provided with a 24 hours x 7 days a week call centre	99%
	Invercargill customers are provided with face-to-face customer services	1880 hours per annum
	Bluff customers are provided with face-to-face customer services	2045 hours per annum
Percentage of suppliers who are paid on time		85%

**Table 5: Corporate Services Baseline Measures and Targets**

<b>Measure</b>		<b>Baseline (2022/23)</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>2026/27 Target</b>	<b>2027-2034 Target</b>
Percentage of Requests for Service under investigation/ closed within 10 working days of being raised		New measure	80%	84%	88%	92%
Accessible customer service	Customers are provided with a 24 hour 7 day a week call centre	New measure	99%	99%	99%	99%
	Invercargill customers are provided with face to face customer services	New measure	1880 hours per annum	1880 hours per annum	1880 hours per annum	1880 hours per annum
	Bluff customers are provided with face to face customer services	New measure	2045 hours per annum	2045 hours per annum	2045 hours per annum	2045 hours per annum
Percentage of suppliers who are paid on time		New measure	85%	90%	93%	95%

## Assessing demand – Current and future

- Continued expectation of improvement of Council's digital capability, including the implementation of new digital systems and processes.
- Making information / data easy to access and use, both to enable and support the delivery of Council services and to support the Community
- Resourcing will continue to be a challenge – attracting the right people at the right level within our budget parameters
- Continuing to ensure that our businesses and staff are supported and obligations met.

## Factors Influencing Demand

Demand for Corporate Services is influenced by a number of key factors:

- Customer service expectations
- Changes in legislation or national policy
- Technological advancement
- Changes in demographic composition and volume
- Procurement policy changes and market availability
- Inflation
- Financial constraints

## Expected Implications for the Activity

Implications for the activity include, but are not limited to:

- Legislative changes across the activities
- Increased dependence on technology with an increasing cost base
- Customer expectation versus level of service constraints

## Future Demand Issues and Challenges

These include:

- Sudden population increase
- Cost to serve with technology and cybersecurity cost increase
- Equipment supply shortages
- In a low unemployment environment, there is a limited salary budget

**Table 6: Future Demand Issues and Challenges**

Area	Future Demand Issue and Challenges	Possible Demand Related Responses
People	Attraction and retention of skilled personnel	Higher unemployment, increased remuneration and benefits, increased staff engagement, mapping role development requirements, learning and development priorities, leadership development programme, online learning opportunities, creating sustainable talent pipelines, focus on employer brand and social media channels, manager training, more sophisticated human resource information system (HRIS) software and reporting, succession planning, employee recognition programmes, diversity focus.
People	Change capability across the organisation	Change management and resilience training, increased workforce capacity.
People	Wellbeing of staff	Employee Assistance Programme, wellbeing programme, flexible working, bespoke wellbeing plans, psychological assessments, wellbeing leave.
Risk	Cyber Security	Managed Threat Response service, Business Continuity Planning, Disaster Recovery systems
Information	Increasing demand for integration and interoperability of Council systems to improve processes for staff	Consolidation of software applications, Application Programming Interfaces, Robotic Process Automation
Information	Increasing demand for 24/7 online services Change this to channel choice, not time we are open, corporate organisation capability in council	Digitalisation of paper-based forms and processes, online customer self-service
Information	Current archive repository is projected to have 10 years of physical space left at the forecasted collecting rate. This projection is based on current collecting scope only. A widening of archives collection scope would accelerate the need for additional storage capacity.	Investigate options for future archival storage.
Culture	Changing engagement platforms	Social media capability, focus on organisational culture and values, speak up programme, accountability focus.
Finance	Competing capital and operational demands on available budget	Financial prioritisation

## Managing Expectations

Council will continue to manage future demands and expectations through:

- regular review of support services and risks to delivery of these services
- development of key performance indicators
- investigation into leveraging new technology to improve process efficiencies, online services and engagement platforms with the community
- regular review of financial and operational performance forecasts

### 3. What we're planning

#### Key issues and challenges

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

- Meeting the changing needs of our rangatahi as part of our wider population, which is growing older and more diverse
- Delivering city centre renewal
- Enabling the housing, health, security and social infrastructure our city needs to grow
- Navigating increasingly complex environmental challenges including climate change, land contamination and earthquake risks.
- Maintaining Community affordability in a time of economic volatility - Core infrastructure, major projects and levels of service will be delivered with financial prudence and efficiency
- Ensuring Council leadership and delivery is credible and effective, building community trust and engagement.

**Table 7: Key issues for the Corporate Services activity**

Issue or Challenge	Potential Responses
Digital transformation to meet business needs and community expectations.	Council has committed to a programme focused on technology solutions to improve how Council undertakes its work. Business enhancements for Council staff will result in improved service delivery for the community.
Pace at which technology changes/advances.	
Service simplicity, agility and reliability – internal and external.	Change management support, wellbeing and leadership
Remaining responsive to the way in which the community wishes to engage with Council.	Flexible communication platforms, capability
Organisational culture – change resistance, silos	Focus on organisational culture and values, speak up programme, accountability focus, training and development for employees and managers.
Recruiting and retaining capable staff	Retention, recruitment and learning and development strategies.

#### Strategies

Council is in the process of rolling out Our Council, a programme responsible for enabling new processes and systems that will provide benefits through better connections and enhanced experiences for our customers, business partners and staff through the use of more modern and online technology and streamlined processes.

Our Council will transform the way we do business at Council, and provide more modern and convenient channels for our customers to interact with us.

## The assumptions we've made

The assumptions for the 2024-2034 Long-term Plan show that Council is expecting steady population increase of between 4000-5000 people over the course of the plan. This will cause a steady but manageable increase in demand for the corporate services which support the rest of the organisation.

The assumptions specifically relevant to the Corporate Services Activity are shown below.

**Table 8: Assumptions for ICC Long-term Plan 2024-2034**

<b>POPULATION<sup>1</sup></b>	<b>Likelihood</b>	<b>Certainty</b>	<b>Consequence</b>	<b>Council Response</b>
<p><b>Population growth</b> As at 30 June 2023, the estimated population of Invercargill is approximately 57,900<sup>2</sup>. The population is projected to increase over the next ten years but growth will depend significantly whether or not various industries are developed as envisaged in the Beyond 2025 Regional Long-term Plan. By 2034 between 61,900 and 62,900 people will live here.</p>	Likely	Medium	Moderate	<p>Although population growth in excess of the assumptions will have a moderate to significant impact on the Council finances this will have significant lead time. Council will be able to monitor the applications for resource consents and use this as guidance for the population growth into the future. A population decline would be a more significant impact but is not expected.</p>
<p><b>Diversity</b> The population will continue to become more diverse. The Māori population will grow from 19% to 25%. The Asian population will grow from 8% to 13%.</p>	Likely	High	Minor	<p>Council will increase engagement opportunities for different parts of the community to help support all voices being heard. Changes to Council services are expected to be able to be accommodated from within existing operational budgets through adjustment of focus.</p>

<sup>1</sup> Infometrics report “Southland Region forecasting scenarios for Beyond 2025 Southland”, June 2023

<sup>2</sup> Stats NZ Tatauranga Aotearoa Infoshare data, retrieved 24 January 2024 (<https://infoshare.stats.govt.nz/Default.aspx>)



<p><b>Aging Population</b></p> <p>Those aged 65 and older will form 24% of the population in 2034, which is higher than the current aged population in 2023 (estimated as 10,790 of 57,900 (19%)).</p>	<p>Likely/ Almost Certain</p>	<p>High</p>	<p>Moderate</p>	<p>Demographic changes are clear and while future migration patterns may offset ageing to some extent, this is not expected to be of a high enough level to counter the known level of ageing. Council is considering how to respond to changing housing needs for older people through provision of elderly housing, adjustment to the District Plan and potential partnership projects. Impacts on other services including public transport, libraries and pools (e.g. hydrotherapy pool) are being planned for.</p>
<p><b>Households</b></p> <p>Households will increase from 23,256 in 2022 to 26,087 in 2034. The number of households stagnated over 2020-2021, but is projected to show positive growth over the course of this LTP, with growth peaking at 1.1% in 2032. The average size of households is expected to reduce from 2.39 to 2.34 by the end of this LTP.</p>	<p>Moderate/ Likely</p>	<p>Medium</p>	<p>Moderate/ Major</p>	<p>The number of households underpins the rating base and Council revenue for activities. A decline or slower growth in households would require Council to review services and/or financial strategy.</p>
<p><b>SOCIAL</b></p>	<p><b>Likelihood</b></p>	<p><b>Certainty</b></p>	<p><b>Consequence</b></p>	<p><b>Council response</b></p>

<p><b>Socio-economic</b></p> <p>Inflation will continue to squeeze household budgets and impact abilities to pay rates. Inflation is expected to stay above 3% until 2025/2026.<sup>3 4</sup></p>	Moderate/ Likely	Medium	Major	Economic volatility remains high with economists urging caution on reliability of forecasting. Significant increases in inflation will impact not only Council's planned expenditure but the community's ability to pay. Higher than expected inflation may require review of services, capital investment and/or financial strategy. Lower inflation will improve Council's position and ability to deliver.
<p><b>Community resilience</b></p> <p>Tiwai Point Aluminium Smelter is expected to continue operating for the time of the Long-term Plan.</p>	Likely	High	Moderate	Council has plans in place, including community support for the Just Transitions Connected Murihiku programme and support for Great South to deliver economic diversification options. Additional investment may be required on any future announcement of closure.
<b>ECONOMIC</b>	<b>Likelihood</b>	<b>Certainty</b>	<b>Consequence</b>	<b>Council Response</b>
<p><b>Economy</b></p> <p>CPI Inflation will peak in June 2023 and stay above 3% until 2025/2026.<sup>5</sup></p> <p>Employment is expected to weather any recessionary conditions fairly well but unemployment is expected to</p>	Moderate/Likely	Medium	Moderate	<p>Inflation increases would have significant impact on budgets. Council would need to consider changes to services and/or the financial strategy.</p> <p>If LGCI inflation was 0.5% higher than forecast this would increase</p>

<sup>3</sup> Infometrics report "Economic update for Long Term Planning for Invercargill City Council", April 2022, p11

<sup>4</sup> RBNZ "Household inflation expectations (H1)", August 2023

<sup>5</sup> Infometrics report "Economic update for Long Term Planning for Invercargill City Council", April 2022, p11

<p>increase nationally.<sup>6</sup></p> <p>A short term dip is forecast for the early years of the plan with stronger growth in professional and highly skilled occupations.<sup>7</sup></p>				<p>Council operational costs by \$0.5 – \$1.6 million per annum for the first 3 years of the plan.</p> <p>Council capital costs would increase by \$0.4 - \$1.3 million per annum for the first 3 years of the plan.</p> <p>Increases in operational costs would impact the expected rates increase in those future years.</p>
<p><b>Community funding</b></p> <p>Despite recent economic challenges, Community Trust South and the Invercargill Licensing Trust Group have managed to return their funding levels to pre Covid-19 levels. This is anticipated to take some pressure off Council's funding pool.</p>	Likely	High	Minor	<p>Council will continue to liaise with other funding partners, including to monitor forecast security of investment, to assist control of this risk.</p>
<p><b>Economic diversification</b></p> <p>Volatility in the global economy may affect one or more of Invercargill's key export industries.</p> <p>This will drive diversification but will slow growth. Employment growth in new industries such as aquaculture and green hydrogen is not expected to offset</p>	Possible	Low	Moderate	<p>Council will continue to work closely with the Regional Council, Great South, the Chamber of Commerce and other stakeholders to support economic diversification for the region. In the case of significant industry decline a targeted response may need to be developed.</p>

<sup>6</sup> Infometrics report “Southland Region forecasting scenarios for Beyond 2025 Southland”, June 2023, p15

<sup>7</sup> Id. p15-18

<p>any declines in agriculture.<sup>8</sup> There may be a delayed effect through the risk of impacted industries abandoning properties. Growth in the forestry industry as a result of carbon farming has the potential to negatively impact Invercargill's economy.<sup>9</sup></p>				<p>The financial impact of this assumption is on the city's rating base, infrastructure network needs and the community's rates affordability. Changes in this assumption are not expected to be sharp shocks and as a result we will be able to flex annual plans and future LTPs to take account of these changes.</p> <p>At this point in time we do not expect this to have a significant effect on financial modelling for Years 1-3 of this Long-term Plan.</p>
<p><b>Climate change regulatory change</b> Legislative change is expected to increase requirements, reflected in the Emissions Reduction Plan and the National Adaptation Plan, on businesses and Council with an impact on economic growth as yet unknown.<sup>10</sup></p>	Likely	Medium	Moderate/ Major	Council is working with the regional Climate Change Working Group to set a strategy for the region and action plan for Council. Further investment will be required in activities to reduce emissions and to better understand climate change risk to Council assets.
<b>ENVIRONMENTAL</b>	<b>Likelihood</b>	<b>Certainty</b>	<b>Consequence</b>	<b>Council response</b>

<sup>8</sup> Beyond 2025 Southland Regional Long Term Plan, p20-21

<sup>9</sup> Id. p20

<sup>10</sup> Ministry for the Environment "Implementing Aotearoa New Zealand's first emissions reduction and national adaptation plans", 2023

<p><b>Natural disaster</b></p> <p>Extreme weather events are happening more frequently and this trend is likely to continue due to climate change. There is a 75% probability of the Alpine Fault rupturing within the next 50 years.<sup>11</sup></p>	Possible	Medium	Major/ Catastrophic	A major disaster which impacted Council's ability to operate at the same time that the community's need for disaster relief was required to be supported would require a major shift in strategy and operations. Council supports Emergency Management Southland to coordinate the response in such a situation.
<b>CULTURAL</b>	<b>Likelihood</b>	<b>Certainty</b>	<b>Consequence</b>	<b>Council response</b>
<p><b>Māori culture</b></p> <p>Māori culture has become more visible in the city since the time of the last Long-term Plan and will continue to become more visible.</p>	Likely/ Almost certain	High	Low	Council is working closely in partnership with Mana whenua and would seek to manage impacts through this relationship.
<p><b>Project 1225</b></p> <p>Te Unua Museum of Southland will be built by December 2025, and open to the public in the second half of 2026.<sup>12</sup></p>	Almost certain	High	Moderate	The programme is on schedule and remains a primary focus of Council. The impact of delay on service delivery is low, however the reputational risk of late delivery is significant. Council continues to actively manage this project through its Project Management Office.

<sup>11</sup> <https://af8.org.nz>

<sup>12</sup> [www.project1225.co.nz](http://www.project1225.co.nz)

<p><b>Civic pride</b></p> <p>Resident pride in the city following the redevelopment has increased (in 2023 80% of people said they would speak more positively about the city)<sup>13</sup> and will continue to increase as new projects including Project 1225 are completed.</p>	Likely/ Almost certain	High	Minor	Council sees both City Block and Project 1225 as major cornerstone projects to achieving of its vision – Our City with Heart – He Ngākau Aroha. The social and economic benefits are already being realised. Continued commitment to the strategy will be required for full delivery.
<p><b>Cultural activation</b></p> <p>An increase in activities and events reflecting the diverse culture of Southland will take place following Council investment in activation and private uptake of new facilities available.</p>	Likely	High	Minor/Moderate	<p>Activation is essential to leverage Council’s capital investment in the city centre.</p> <p>Council will continue to explore a range of mechanisms to support activation in the community.</p>
<b>COUNCIL OPERATIONS</b>	<b>Likelihood</b>	<b>Certainty</b>	<b>Consequence</b>	<b>Council response</b>
<p><b>Water Reform<sup>14</sup></b></p> <p>At present it is assumed that Council will retain three waters for the short term but that in the medium term a new structure such as a CCO is likely.</p> <p>This will result in a structural change for Council in relation to the ownership of assets and associated debt capacity.</p>	Likely	Medium	Major	Depending on the future structure the impact to Council operations is major but moderate for the city, as services will be maintained in any scenario. Water items are included within the Infrastructure Strategy.

<sup>13</sup> Southland CBD Rejuvenation Community and Business Survey Report, March 2023, p9

<sup>14</sup> [www.waterservicesreform.govt.nz/how-do-these-changes-affect-me/councils/](http://www.waterservicesreform.govt.nz/how-do-these-changes-affect-me/councils/) (retrieved 15/09/23)

<p>The services will continue to be delivered, but these will be provided by another party.</p> <p>This will include increased regulatory requirements as required by the new regulatory authority.</p> <p>There are a number of risks which may remain:</p> <ul style="list-style-type: none"> <li>• Some services which are a priority to the community (e.g. alternative water supply) may not be a priority to the new entity.</li> <li>• Some assets which have multiple purposes and value to the community may be better held by Council – e.g. Water Tower.</li> <li>• Loss of key staff through the transition may result in loss of local knowledge and expertise.</li> <li>• Impact on Council budgets through loss of water revenue and transfer of debt which may not be appropriately met through the transfer.</li> </ul>				
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<p><b>Legislative changes</b></p> <p>There will be changes to legislation that have an impact on how Council will provide services. These changes may affect Council organisational structure but not change the level of service received by the customer/ratepayer in the first three years of the plan.</p>	Likely	Medium	Minor/ Moderate	Management will continue to engage with Central Government to ensure levels of service are maintained or improved and plan for changes in services in response to policy and regulation changes as they arise.
<p><b>The Funding Assistance Rate</b></p> <p>(as advised from Waka Kotahi) NZTA will continue at 51% funding assistance until 2026/2027. It is assumed that it will then remain at 51% for the life of the Plan.</p>	Likely	Low	Moderate	<p>Significant changes would have an impact on Council's ability to maintain levels of service and may require changes to budgets. Council continues to work closely in partnership with Waka Kotahi to manage this risk.</p> <p>If the FAR (Funding Assistance Rate) rate decreased by 1%, there would be reduction of subsidy revenue of \$0.2 - \$0.3 million per annum.</p> <p>If the funding was replaced with rates revenue, an additional 0.30% rates increase would be required each year.</p> <p>If the funding was replaced with borrowings, an additional 0.02% rates increase would be required each year to pay for interest and repayments and borrowings would</p>



				<p>increase by \$0.2 - \$0.3 million per annum.</p> <p>Capital and operational programmes would need to be reviewed if funding was not available.</p>
<p><b>Capital programme delivery</b></p> <p>100% of roadmap and strategic projects are expected to be delivered. 80% of the core capital programme will be delivered in Year 1 and 2, 85% in Year 3, and 90% thereafter, following implementation of the Local Water Done Well Reforms. Pipe renewals are expected to be delivered at 70%.</p>	Possible	Low	Moderate	<p>Council continues to invest in enhanced project management capacity and supporting construction sector capacity through new ways of working. The financials will be reforecast to reflect the delivery expectations each year.</p> <p>The financial impact this assumption not being met is the deferral of capital expenditure until later years, higher risk of asset failure meaning assets will be sweated longer and repairs and maintenance will increase and emergency rather than planned replacement may become more frequent.</p>
<b>FINANCIAL</b>	<b>Likelihood</b>	<b>Certainty</b>	<b>Consequence</b>	<b>Council Response</b>
<p><b>Inflation</b></p> <p>Operational forecasts and capital work programmes will increase by the accumulated Local Government Cost Index inflation forecast by BERL, being 2.9% for operational and 3.0% for capital</p>	Likely	Medium	Moderate	<p>Cost change factors are based on information developed for councils by BERL. Significant variations to inflation would have an impact on Council's financial management. The significant changes in recent years in relation to inflation mean</p>

<p>in 2024/2025. Staff cost inflation will be 3.5%. Insurance cost inflation will be 12%.</p>				<p>that level of uncertainty has increased as to whether increased fluctuations in the BERL cost estimates can be expected. Council will continue on the planned pathway for the Capital Works programme and review operational revenue and expenditure each year.</p> <p>If inflation was 0.5% higher than forecast this would increase Council operational costs by \$0.5 – \$1.6 million per annum for the first 3 years of the plan. Council capital costs would increase by \$0.4 - \$1.3 million per annum for the first 3 years of the Plan.</p> <p>Increases in operational costs would impact the expected rates increase in those future years.</p>
<p><b>Asset revaluation</b> Asset values will increase by the accumulated Local Government Cost Index inflation forecast by BERL on the last valuation value. Revaluation occurs in 2024/2025 and every third year thereafter.</p>	Likely	Medium	Moderate/ Major	<p>Changes in valuation (cost price) or life of Council assets have a significant impact on Council's financial management and capital programme. Council will continue on the planned pathway for the Capital Works programme and monitor after each revaluation cycle.</p> <p>If revaluation values were 0.5% higher than forecast this would increase Council Property, plant and</p>

				equipment revaluation gain / (loss) by \$0.3 million in 2024/2025.
<b>Depreciation rates on planned asset acquisitions</b> Buildings 2.4% Hard surfaces and appurtenance 6% Intangible assets 32.8% Investment property buildings 0% Library collections 16% Monuments and statues 0% Motor vehicles 29.3% Plants and equipment 23.5% Restricted buildings 0% Roads, bridges and footpaths 3.5% Stormwater systems 1.5% Wastewater Other Assets 1.4% Wastewater treatment plants 6.4% Water other assets 2.1% Water treatment plants 2%	Likely	High	Low	Regular reviews of appropriate rates incorporating asset life and value data are undertaken as part of the asset revaluation process.
<b>Interest rates - Borrowing</b> Expected interest rates on borrowing will be 4.25% in 2024/2025 and 4.5% thereafter	Moderate/Likely	Medium	Moderate	A significant change in interest rates and the cost of borrowing would have a significant impact on Council budgets. Changes to services or the Financial Strategy would need to be considered.

				If interest rates was 0.5% higher than forecast this would increase Council finance expenses by \$0.8 – 1.1 million per annum for the first 3 years of the Plan.
<b>Interest rates – Cash and Deposits</b> Return on cash and term deposits are forecasted to be 5.5% in 2024/2025, 5% in 2025/2026, 4.5% in 2026/2027, and 4% thereafter.	Likely/ Almost Certain	Medium	Minor	Term deposit rates currently vary between providers but most providers have a discount on rates from their prime lending rates. If interest rates were 0.5% higher than forecast this would increase Council finance revenue by \$0.3 million per annum for each of the first 3 years of the Plan.
<b>Dividends from ICHL</b> Dividends will be minimum \$5.5 million, plus an additional \$4 million special dividend for the ten years of the Long-term Plan, resulting in a combined dividend rate of \$9.5 million.	Likely	Medium	Minor/ Moderate	There would be a negative impact on Council's overall revenue and cash position if the dividend level was not maintained, which would increase the burden on ratepayers. Council will consider strategic reliance on dividend noting increased levels of economic uncertainty and impact of Council future direction to ICHL regarding holding of non- financial strategic assets.
<b>External Funding</b> It is assumed Council will achieve the level of external funding as estimated.	Possible/ Moderate	Medium	Minor/Moderate	Council is expecting external funding from Central Government, community and private investment into a number of strategic projects. While not all funding may be achieved, the estimates are based on expert analysis

				and are expected to be at least partially fulfilled. Council expects to be in a position to meet any shortfall.
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A full list of assumptions can be found online.

## Risk

Council is committed to acting in a manner that enables it to reliably achieve objectives, address uncertainty, and act with integrity.

To support these outcomes Council is developing an approach which provides integrated governance management and assurance of performance, risk and compliance.

The approach taken by Council is set out in the Risk Management Framework – Policy and Process.

Council manages the strategic risks associated with the assumptions identified in the preparation of the Long-term Plan.

Council also manages a range of other risks, including Health and Safety. These risks are managed through its risk management register as contained in Process Manager.

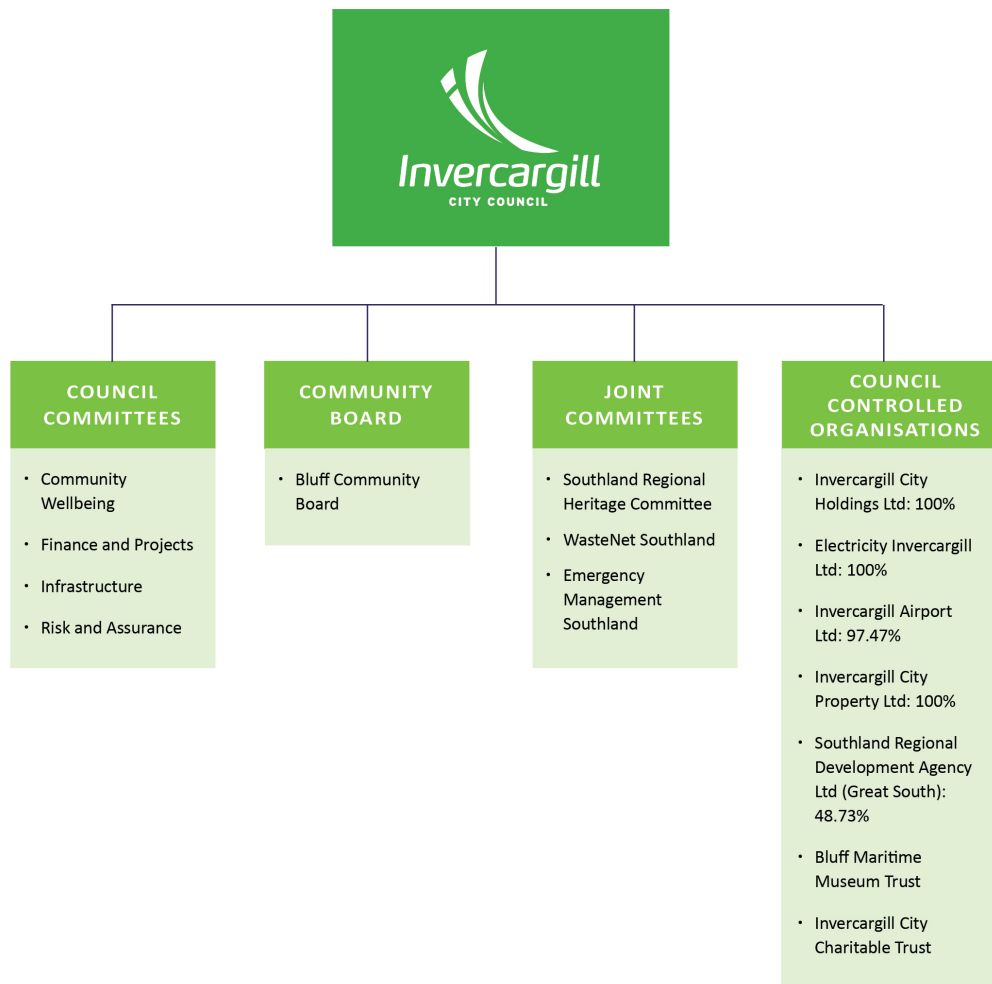
## 4. How we'll manage what we do

Responsibility and resourcing

Figure 3: Council structure

# Council Structure

## Te hanganga kaunihera



The Corporate Services Activity is managed primarily by the Community Engagement and Corporate Services Group, and the Finance and Assurance Group with some services provided by Business Transition, and Risk, Health and Governance groups.



## 5. How we'll fund it

**Table 9: Funding sources**

Activity	Source of Funding					
	User Charges / Fees	Subsidy / Petrol tax	Investment Income	General Rate	Targeted Rate	Loans
Operational	✓	✓	✓	✓		
Capital				✓		✓

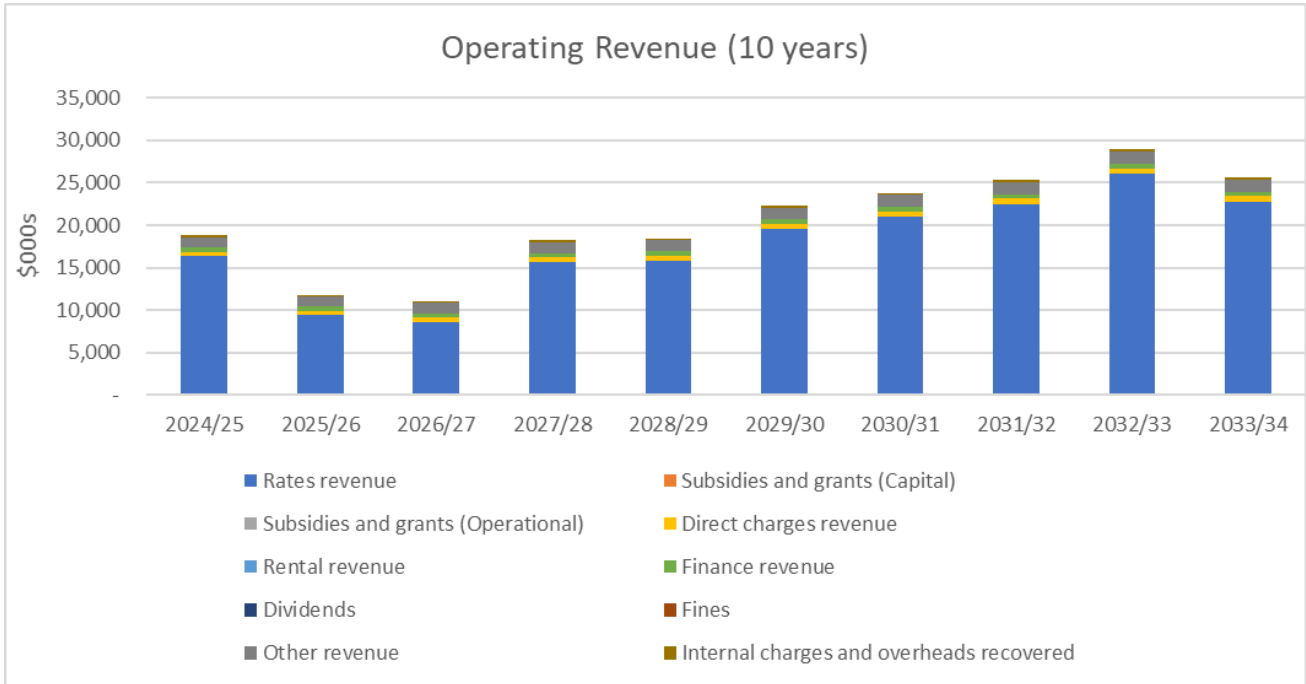
**Table 10: Corporate Services Total Expenditure OPEX and CAPEX 10 years**

	2023/24 Annual Plan (\$'000)	2023/24 Forecast (\$'000)	2024/25 LTP (\$'000)	2025/26 LTP (\$'000)	2026/27 LTP (\$'000)	2027/28 LTP (\$'000)	2028/29 LTP (\$'000)	2029/30 LTP (\$'000)	2030/31 LTP (\$'000)	2031/32 LTP (\$'000)	2032/33 LTP (\$'000)	2033/34 LTP (\$'000)
<b>OPERATING</b>												
Rates revenue	909	2,359	16,402	9,410	8,623	15,662	15,857	19,610	21,026	22,509	26,042	22,701
Subsidies and grants (Capital)	-	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (Operational)	-	564	-	-	-	-	-	-	-	-	-	-
Direct charges revenue	433	273	452	475	499	524	550	577	606	636	668	702
Rental revenue	-	-	-	-	-	-	-	-	-	-	-	-
Finance revenue	286	506	506	507	507	508	508	509	510	510	511	511
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	805	1,134	1,234	1,261	1,290	1,320	1,349	1,377	1,404	1,433	1,460	1,488
Internal charges and overheads recovered	-	170	175	179	183	187	192	196	200	204	207	211
<b>Total revenue</b>	<b>2,433</b>	<b>5,006</b>	<b>18,769</b>	<b>11,832</b>	<b>11,102</b>	<b>18,201</b>	<b>18,456</b>	<b>22,269</b>	<b>23,746</b>	<b>25,292</b>	<b>28,888</b>	<b>25,613</b>
Employee expenses	15,562	15,917	17,913	18,484	19,011	19,554	20,112	20,686	21,276	21,883	22,508	23,150
Administration expenses	3,082	3,633	4,029	3,839	3,955	4,402	4,499	4,607	4,684	4,777	4,868	4,961
Grants & subsidies expenses	105	125	126	126	127	127	128	128	129	129	130	130
Operational expenses	(5,648)	(6,763)	(8,388)	(8,915)	(9,168)	(9,321)	(9,687)	(9,955)	(10,121)	(10,511)	(10,801)	(11,095)
Utilities expenses	242	714	628	642	656	671	686	701	715	729	743	757
Repairs & maintenance expenses	215	186	200	202	204	206	208	212	217	221	225	230
Depreciation and amortisation	613	1,004	1,926	2,872	3,344	3,717	4,015	4,269	4,467	3,701	3,216	2,894
Finance expenses	554	563	980	969	1,283	1,707	1,888	2,090	2,170	2,106	1,990	1,738
Internal charges and overheads applied	14	14	22	26	24	25	26	28	29	30	31	31
<b>Total expenses</b>	<b>14,739</b>	<b>15,393</b>	<b>17,436</b>	<b>18,245</b>	<b>19,436</b>	<b>21,088</b>	<b>21,875</b>	<b>22,766</b>	<b>23,566</b>	<b>23,065</b>	<b>22,910</b>	<b>22,796</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(12,306)</b>	<b>(10,387)</b>	<b>1,333</b>	<b>(6,413)</b>	<b>(8,334)</b>	<b>(2,887)</b>	<b>(3,419)</b>	<b>(497)</b>	<b>180</b>	<b>2,227</b>	<b>5,978</b>	<b>2,817</b>
<b>CAPITAL EXPENDITURE - Funded</b>												
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	2,346	3,079	1,112	1,053	1,078	1,103	1,127	1,151	2,232	2,277	2,322	2,366
• to replace existing assets	2,364	2,851	4,518	4,499	4,627	4,733	4,878	4,939	1,127	1,193	1,172	1,195
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>4,710</b>	<b>5,930</b>	<b>5,630</b>	<b>5,552</b>	<b>5,705</b>	<b>5,836</b>	<b>6,005</b>	<b>6,090</b>	<b>3,359</b>	<b>3,470</b>	<b>3,494</b>	<b>3,561</b>
Gross proceeds from sale of assets	-	-	80	80	80	80	80	80	80	80	80	80

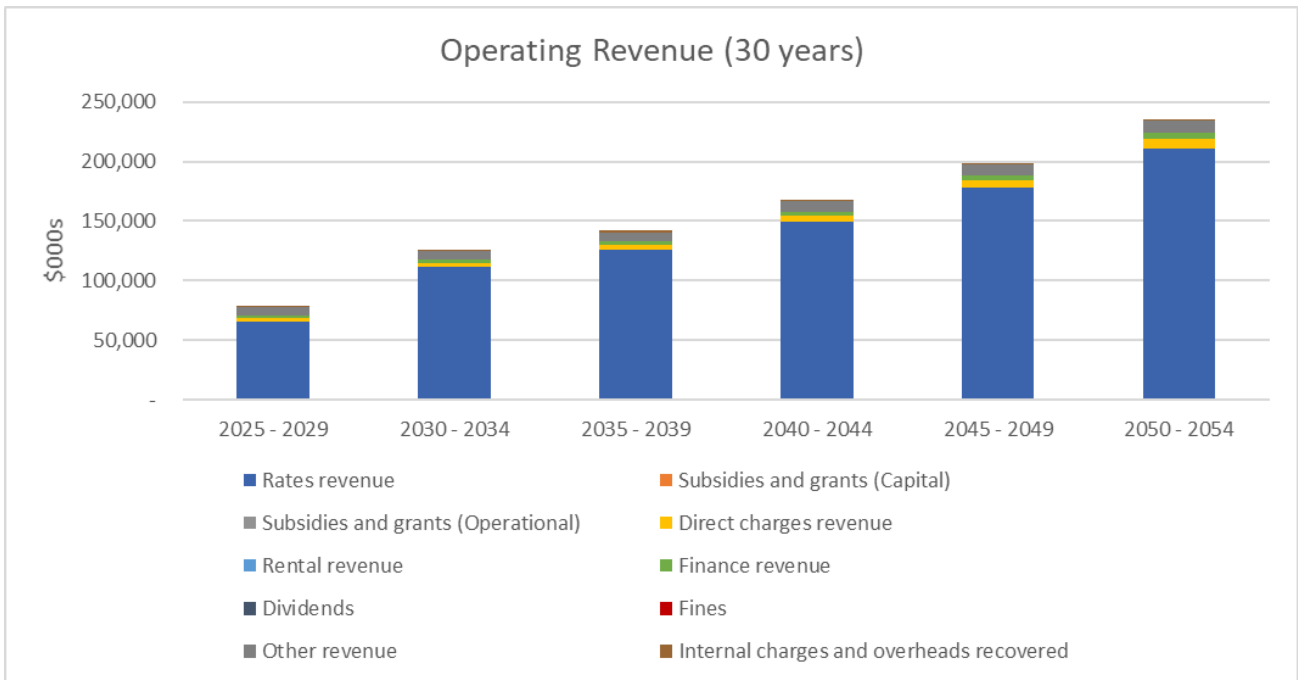
**Table 11: Corporate Services Total Expenditure OPEX and CAPEX 30 years**

	2025 - 2029	2030 - 2034	2035 - 2039	2040 - 2044	2045 - 2049	2050 - 2054
	LTP	LTP	LTP	LTP	LTP	LTP
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>OPERATING</b>						
Rates revenue	65,954	111,888	125,994	149,641	177,727	211,084
Subsidies and grants (Capital)	-	-	-	-	-	-
Subsidies and grants (Operational)	-	-	-	-	-	-
Direct charges revenue	2,500	3,189	4,072	5,196	6,631	8,464
Rental revenue	-	-	-	-	-	-
Finance revenue	2,536	2,551	2,827	3,198	3,650	4,199
Dividends	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Other revenue	6,454	7,162	7,896	8,718	9,626	10,627
Internal charges and overheads recovered	916	1,018	1,122	1,240	1,367	1,510
<b>Total revenue</b>	<b>78,360</b>	<b>125,808</b>	<b>141,911</b>	<b>167,993</b>	<b>199,001</b>	<b>235,884</b>
Employee expenses	95,074	109,503	126,099	145,320	167,570	193,327
Administration expenses	20,724	23,897	26,332	29,072	32,097	35,439
Grants & subsidies expenses	634	646	659	673	688	706
Operational expenses	(45,479)	(52,483)	(60,394)	(69,489)	(79,952)	(91,989)
Utilities expenses	3,283	3,645	4,017	4,436	4,898	5,408
Repairs & maintenance expenses	1,020	1,105	1,218	1,345	1,485	1,639
Depreciation and amortisation	15,874	18,547	12,794	12,907	13,951	15,172
Finance expenses	6,827	10,094	10,505	10,505	10,505	10,505
Internal charges and overheads applied	123	149	165	183	202	223
<b>Total expenses</b>	<b>98,080</b>	<b>115,103</b>	<b>121,395</b>	<b>134,952</b>	<b>151,444</b>	<b>170,430</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(19,720)</b>	<b>10,705</b>	<b>20,516</b>	<b>33,041</b>	<b>47,557</b>	<b>65,454</b>
<b>CAPITAL EXPENDITURE - Funded</b>						
• to meet additional demand	-	-	-	-	-	-
• to improve the level of service	5,473	10,348	5,950	6,569	7,254	6,343
• to replace existing assets	23,255	9,626	6,436	7,108	7,350	6,504
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>28,728</b>	<b>19,974</b>	<b>12,386</b>	<b>13,677</b>	<b>14,604</b>	<b>12,847</b>
Gross proceeds from sale of assets	400	400	400	400	400	400

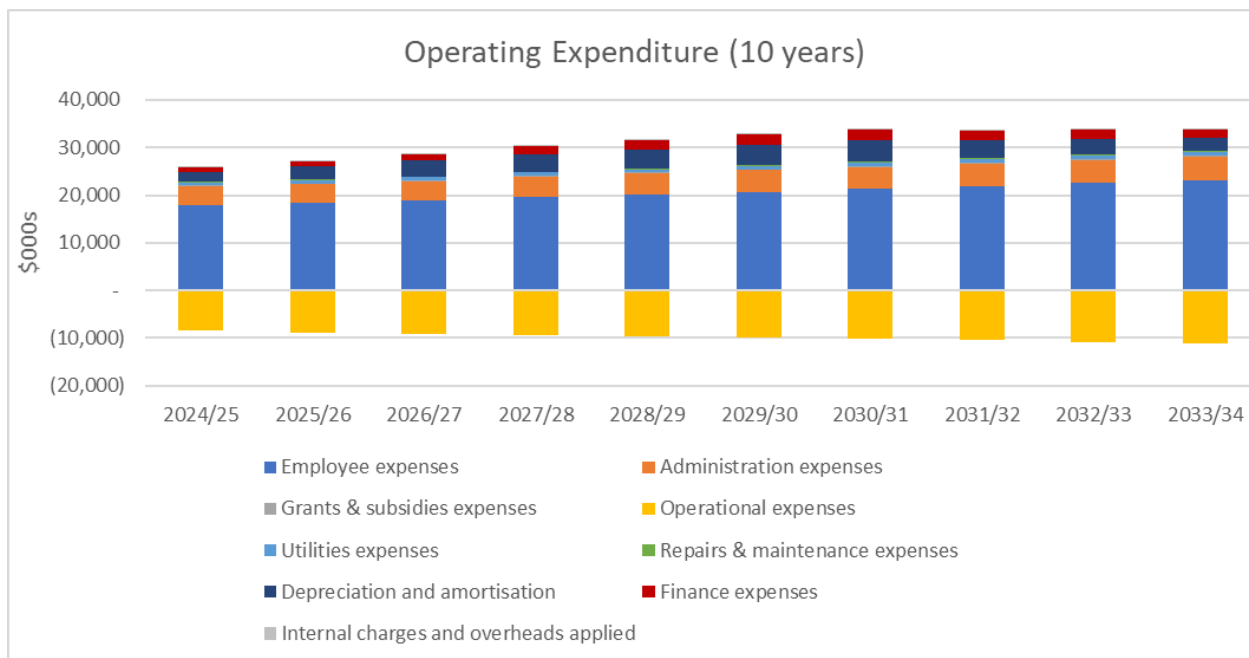
**Figure 5: Corporate Services Operating Revenue 10 years**



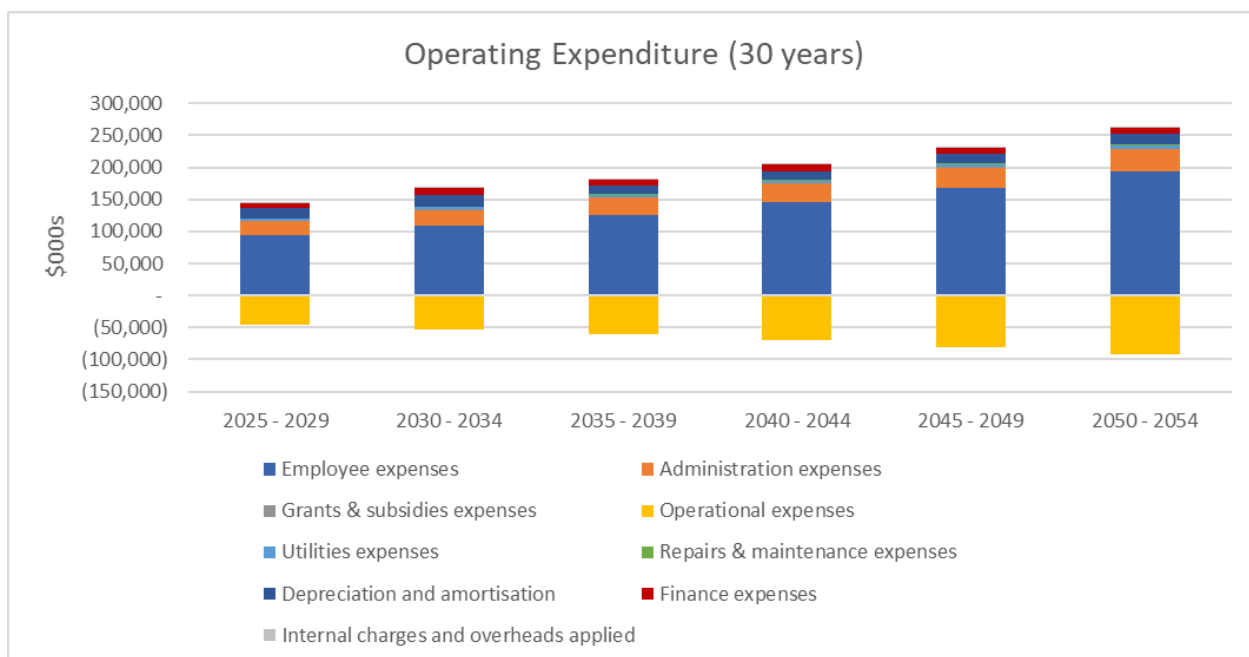
**Figure 6: Corporate Services Operating Revenue 30 years**



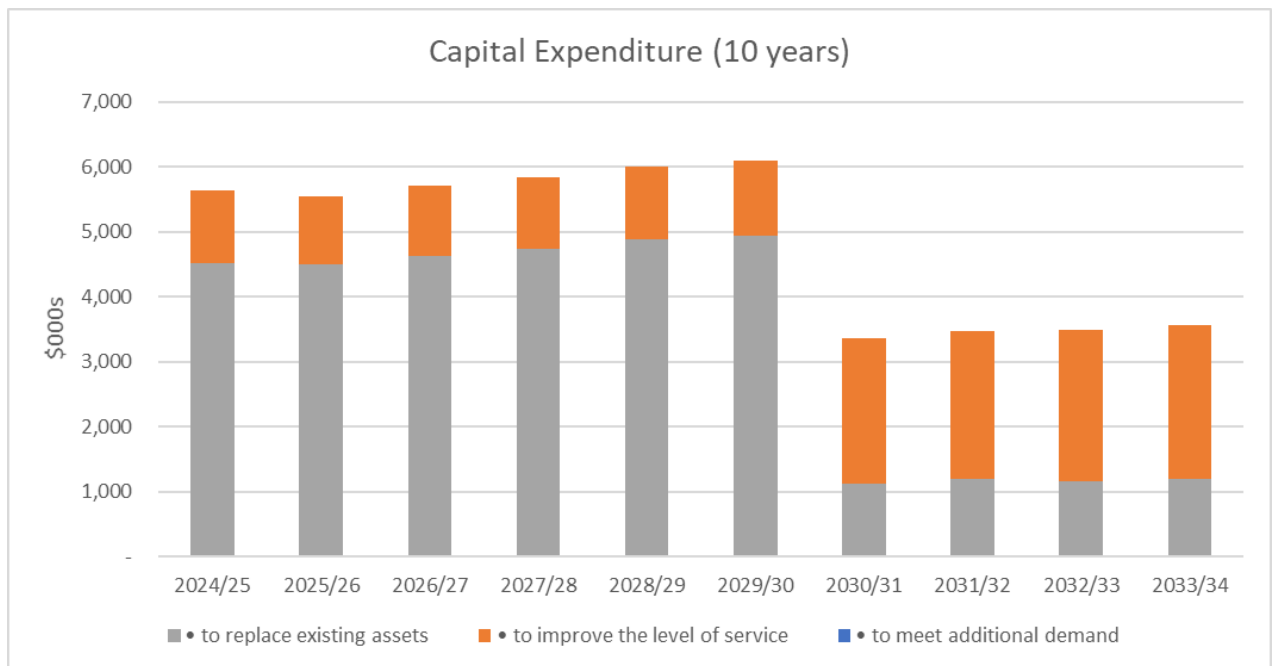
**Figure 7: Corporate Services Operating Expenditure 10 years**



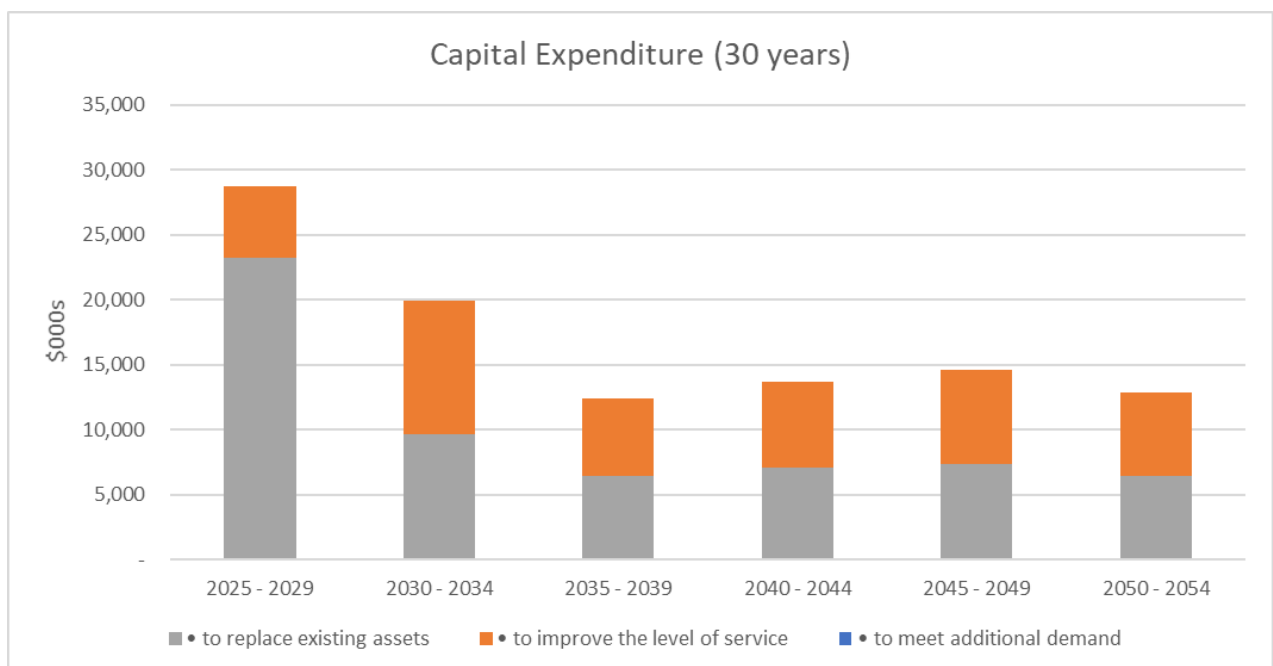
**Figure 8: Corporate Services Operating Expenditure 30 years**



**Figure 9: Corporate Services Capital Expenditure 10 years**



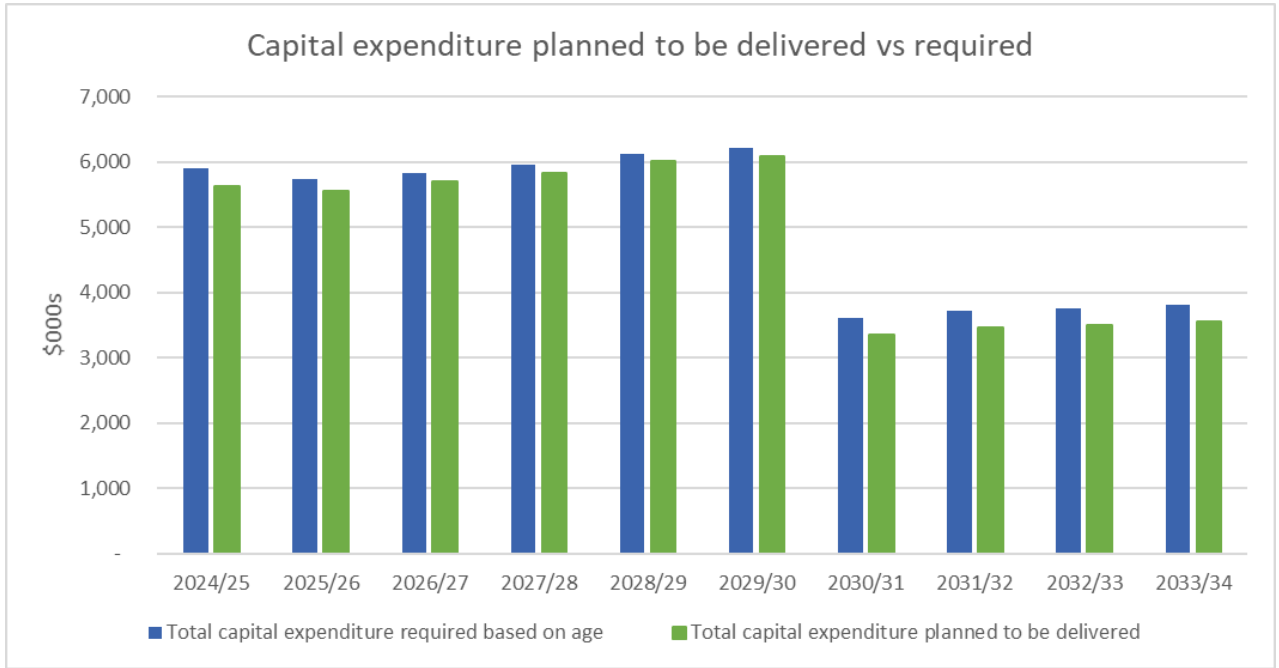
**Figure 10: Corporate Services Capital Expenditure 30 years.**



**Table 12: Corporate Services Capital Expenditure Planned Delivery vs Required**

	2023/24 Annual Plan (\$000)	2023/24 Forecast (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)	2031/32 LTP (\$000)	2032/33 LTP (\$000)	2033/34 LTP (\$000)
<b>Capital expenditure required based on age</b>												
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	2,398	3,302	1,133	1,053	1,078	1,103	1,127	1,151	2,350	2,397	2,445	2,491
• to replace existing assets	2,604	3,059	4,769	4,674	4,742	4,851	5,002	5,061	1,252	1,325	1,303	1,327
<b>Total capital expenditure required based on age</b>	<b>5,002</b>	<b>6,361</b>	<b>5,902</b>	<b>5,727</b>	<b>5,820</b>	<b>5,954</b>	<b>6,129</b>	<b>6,212</b>	<b>3,602</b>	<b>3,722</b>	<b>3,748</b>	<b>3,818</b>
<b>Capital expenditure planned to be delivered</b>												
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	2,346	3,079	1,112	1,053	1,078	1,103	1,127	1,151	2,232	2,277	2,322	2,366
• to replace existing assets	2,364	2,851	4,518	4,499	4,627	4,733	4,878	4,939	1,127	1,193	1,172	1,195
<b>Total capital expenditure planned to be delivered</b>	<b>4,710</b>	<b>5,930</b>	<b>5,630</b>	<b>5,552</b>	<b>5,705</b>	<b>5,836</b>	<b>6,005</b>	<b>6,090</b>	<b>3,359</b>	<b>3,470</b>	<b>3,494</b>	<b>3,561</b>

**Figure 11: Corporate Services Capital Expenditure Planned to be Delivered vs Required**





## 6. How we'll know we're delivering

### How we'll manage improvements

Council operates on a four-weekly cycle with meetings being on a Tuesday of each week, Week One – Infrastructure Committee, Week Two - Community Wellbeing Committee, Week Three Finance and Projects Committee with the Risk and Assurance Committee held every quarter and Week Four being Council. The Committees and Council monitor and consider reports on levels of services for activities and assets alongside monthly financial accounts for each department. Members question these reports with Managers present to answer any questions that arise from the reports.

The information for these reports is entered into various software systems. 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, i.e. Department of Internal Affairs. At a full Council meeting these reports are then received and performance monitored quarterly.

### 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. These are measured and reported quarterly in Council meetings. The Annual Report is a holistic overview of their performance.