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Rangitikei District Council

Independent assessment report | October 2017\*

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**Rangitikei**  
UNSPOILT...



A measure  
for better  
community value.

\*Period of Assessment March 2017



# Assessment Summary

## AT A GLANCE

**Rangitikei**  
UNSPOILT...



The Rangitikei district is located primarily in the Manawatu-Whanganui region with a small part in the Hawke's Bay region.



LARGE METRO

SMALL METRO AND LARGE PROVINCIAL

**SMALL PROVINCIAL AND RURAL**



REGIONAL

## The current situation

The Council services a large rural district, with a strongly agricultural economy. Despite the strength of the district's agriculture, the Council faces several challenges with renewing investment in its assets and delivering cost-effective services. These challenges include a community that is dispersed across a number of small towns, considerable disparities in wealth, a small rating base and relatively static population growth.

### Period of assessment

The assessment took place on 20 and 21 March 2017.



**\$461m**  
GROSS DOMESTIC  
PRODUCT<sup>1</sup>

SERVES

**14,019**

PEOPLE<sup>2</sup>, A MIX OF  
85% EUROPEAN/PAKEHA  
24% MĀORI  
4% PASIFIKA



POPULATION TREND  
STABLE/DECLINE

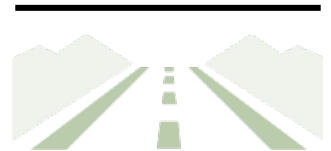
MAKES UP

**1.693%**

OF NEW ZEALAND'S TOTAL LAND AREA<sup>3</sup>  
REPRESENTING RANGITIKEI DISTRICT,  
INCLUDING TAIHAPE, BULLS, MARTON,  
HUNTERVILLE, RATANA AND  
MANGAWEKA, AN AREA OF:

**4,538 km<sup>2</sup>**

RESPONSIBLE FOR  
**1,225km**  
ROADS<sup>4</sup>



## Key learnings

The Council has made considerable progress in defining the goals and outcomes for its community. It is in a financial position that enables it to make informed decisions about the trade-offs that need to be made in the future for its infrastructure, the quality of its community facilities and the affordability of its services. While it has made good progress, significant challenges remain.

- > *Role clarity:* While councillors and staff share a strong commitment to serving their district, implementation of their vision would benefit from clarifying and observing the respective roles of governance and management. Lack of clarity is creating some inefficiency and unnecessary tension, and resolving it will help ensure a smoother functioning organisation.
- > *Expenditure priorities:* There is very competent management of the Council's finances, and low levels of debt. However, a debate needs to occur within the community about whether the

Council's financial prudence will enable the goals for the district to be achieved in an acceptable timeframe and whether the district requires more capital investment in its infrastructure, community facilities and town centres.

- > *Capital investment decisions and delivery:* Capital expenditure projects need to be founded on stronger business cases. Projects which go ahead need more effective governance during their delivery, and greater public accountability and transparency in their reporting.

<sup>1</sup> MBIE 2016

<sup>2</sup> Stats NZ Census 2013

<sup>3</sup> DIA 2013

<sup>4</sup> Ministry of Transport 2013/14

# Assessment Summary

## continued...

### OVERVIEW

Rangitikei District Council has met the challenge of being a small but geographically dispersed community through its well-considered strategies, careful financial management and a commitment to service improvement. It recognises that it must continue to develop options for cost-effective shared services and improve its capital expenditure and project delivery capability, and it is well-placed for further progress.

### RATING



## Findings



THE COUNCIL HAS DEVELOPED A WELL-CONSIDERED VISION FOR THE DISTRICT, WITH THEIR GOALS AND CHALLENGES IN ACHIEVING THAT VISION CLEARLY AND COMPELLINGLY PRESENTED.



THE COUNCIL MANAGEMENT TEAM IS PROVIDING ASTUTE LEADERSHIP OF THE DISTRICT'S FINANCES.



ALL THE COUNCIL'S SERVICES DEMONSTRATE A STRONG COMMITMENT TO PERFORMANCE ACCOUNTABILITY AND COST-EFFICIENCY, INCLUDING THROUGH SHARED-SERVICE ARRANGEMENTS.

## Commonly used terms

Term	Definition
Asset Management Plan	A tactical plan for managing a council's infrastructure and other assets to deliver an agreed standard of service.
Infrastructure	Local and regional roads, pathways and cycleways, drinking water, wastewater and stormwater assets, sports and recreation facilities (parks, sportsgrounds, green spaces etc), community and tourism facilities (playgrounds, public toilets, libraries, museums, galleries and public art etc), town centres, and other facilities.
Local Government Act 2002	The legislative act that provides a framework and powers for councils to decide which activities they undertake and the manner in which they will undertake them.
Long Term Plan	The document required under the Local Government Act that sets out a council's priorities in the medium to long-term.



Governance, leadership and strategy	Financial decision-making and transparency	Service delivery and asset management	Communicating and engaging with the public and business
Competent	Performing well	Competent	Competent

### STRENGTHS

The Council has a well-considered vision for the district which recognises both the strengths and weaknesses of its community.

The Council shows astute financial management in the face of numerous expenditure challenges.

There is a commitment to better measurement of, and accountability for, the Council's operational performance.

Councillors and staff have an active presence in their district.

### AREAS OF IMPROVEMENT

Councillors need to focus more strongly on the district's strategic risks.

The boundaries between governance and management need to be better exercised.

The Council would benefit from more analysis of the worst-case scenarios for its additional investment in infrastructure.

Online services and digital media should be used more effectively in communication, engagement and service delivery.

# Leading locally

## Governance, leadership and strategy

The Council has developed a strong “big picture” vision, but the manner in which it is expressed in the Long Term Plan could be sharpened and simplified to better resonate with the community. Both councillors and staff are working well towards their community goals, but there are opportunities for them to work in better synchronisation.

### Priority grading

Competent

< The Council thoroughly identifies and considers issues but it is not clear how each of these matters inter-relate and how matters are prioritised for capital and operational expenditure. >

The consultation with the community clearly puts forward the critical issues under consideration. There is very good transparency in the manner in which consultation results are analysed and responded to, but at the same time, it is unclear what weighting the Council places on the very low response levels.

### Setting the direction for the community

Councillors saw the district as having “turned a corner” with a slight increase in population, improved focus on economic development, strong community engagement and support for redeveloping the town centres, and a strong focus on improving infrastructure.

The Council’s strategy for development is expressed in detail, with the rationale for each priority well-argued and logical. However, while there is well-considered thought in the Long Term Plan (LTP) for 2015-25, and a summary of the strategy in the consultation draft of the LTP, the overall presentation diminishes its value. It

starts not with the key goals, but 12 pages of forecasting assumptions which are an immediate disincentive to reading further. It is not until page 81 of the LTP that the “big picture” is painted and the six key goals for the next plan are identified. The document goes on to identify its strategic intents along with issues of community resilience and community outcomes, but it is unclear how each of these matters inter-relate with each other, and how matters are being prioritised. A graphical one-page presentation of the overall strategy would help with comprehension.

The consultation with the community highlights the critical issues under consideration. The analysis of consultation results is very clear, but the weighting placed on the very low response levels is not substantiated. For example, 29 people endorsed the Council’s economic development proposal, but this should not be considered a mandate for action.

### Creating confident councillors

Councillors stated that they were happy with their induction and training opportunities, and they felt that they picked up most of their learning “by osmosis.” While LGNZ courses were made available, councillors felt that they had limited time or opportunity to undertake them. There was some support for self-assessment as a means of determining training gaps and needs.

Several councillors felt that, while they understood the separation of governance from management, “we step into operational issues because we have better local knowledge than our staff do.” This was a particularly revealing comment, because it highlighted insufficient role clarity between councillors and staff. External stakeholders and staff repeatedly raised the extent to which councillors participated in operational matters, and the council agendas highlighted the large number of administrative or operational matters being debated.

## Strengthening risk management

For the last 18 months the Audit and Risk Committee has had an independent chair, and the Council acknowledges that this is a learning curve.

There is a separate Finance and Performance Committee, whose terms of reference cover similar grounds.

Allowing the independent Chair of the Audit and Risk Committee to have a more complete perspective on the Council's finances would enable him to make a more effective contribution.

In the view of the Chair of the Audit and Risk Committees, the Council was incrementally adding to its risk register and was particularly focused on risk mitigation. The Chair acknowledged that further work was needed to prioritise strategic risks, address procurement processes and develop capability in business planning and project reporting. He was also attuned to ensuring that councillors were diligent about risk issues and did not abdicate their responsibility to him: "It's my job as Chair to find a different angle to get councillors engaged on it." This concern was confirmed by earlier discussions with councillors. There was no strong awareness on the part of the councillors as to their risk responsibilities, and several said they were not provided with copies of the risk reports. However, the assessors have been advised by management that this is not the case.

## Managing the organisation

The Council commissions a two-yearly staff survey that is unlike surveys conducted in most councils. It is not an "industry standard" external survey that can be benchmarked to other councils or more widely. It has four rather than five response options as there is deliberately no option to be neutral. It does not include any regression analysis to enable engagement levels to be determined. Although the assessors have reservations on the merits of the survey methodology, the survey results indicate a positive organisation culture as well as a good sense of community and teamwork. But there are some unresolved issues around the role of shared services staff and the extent to which these people are integrated into the Council's own team.

## Informing council decisions

Councillors have mixed views on the quality of reports they receive. Some felt that "sometimes they [staff] lead us by the nose – we have to read them better – we're getting pulled down into

detail." A review of recent reports highlighted the very low level of issues being brought to the Council table. An example is the monthly administrative report, which runs to 40-50 pages and includes matters such as the appointment of individual staff, minor issues of correspondence, and minor operational details such as maintenance issues in a council building.

### Strengths

The Council has developed a comprehensive and well-reasoned analysis of the challenges facing the district, and the responses required to address these challenges.

The Council's organisational structure is positive and largely cohesive, and relationships between staff and councillors are constructive.

### Areas for improvement

Future Long Term Plans should be more succinctly presented to the community in a manner more consistent with the Council's consultation drafts, with a one-page diagram of the overall strategy to show the interrelationships between its key elements.

There needs to be more formal definition of governance and management roles, and these roles need to be displayed..

The Council needs to ensure councillors are actively engaged in, and have a detailed understanding of strategic risk issues.

The Council needs to ensure that reports to Council have an appropriate level of information, without focus on governance matters rather than managerial issues.

# Investing money well

## Financial decision-making and transparency

The Council's management team shows strong financial capability, and the financial strategy is well-expressed and well-executed. The Council has put itself in a sound financial position without compromising appropriate re-investment in its infrastructure assets. Its future challenges rest on the extent to which it will reinvest in its community facilities, and the potential impact of further regulatory requirements which may affect some infrastructure schemes.

### Priority grading

Performing well

< The Council's financial strategy has been developed to ensure that its financial resources are directed to address and resolve problems. >

### Planning and evaluating financial goals

The Council's financial strategy is a concise and coherent explanation of the issues facing the district, the general approaches to those problems and the specific actions that will be taken over the life of the Long Term Plan. It is underpinned by identification of the problems facing the district, including its small and geographically dispersed communities, considerable wealth disparities, static population growth and the increasing costs of regulatory requirements. Identifying these problems as part of the strategy ensures that financial resources are directed to addressing and resolving actual problems.

The strategy includes management of financial risk through an increase in emergency reserves for roads (from \$1.5 million to \$3.5 million). This recognises the impact of major floods in 2015, where repairs cost approximately \$15 million and were only able to be met by higher than normal NZ Transport Agency (NZTA) subsidies. The proposed increase in emergency reserves, along

with NZTA funding, would be likely to meet all but the most disastrous weather events. It demonstrates good financial prudence on the Council's part.

While the overall strategy is well-expressed, there are two areas that raise concerns. The first is the level of debt. The strategy states that the Council "does not borrow large sums as a matter of course." The extent to which the Council is meeting capital costs from reserves, rather than by taking on long-term loans, suggests that it has not fully addressed the issue of inter-generational fairness. That is, how the cost of future infrastructure is fairly apportioned between current and future ratepayers.

The Council is well within its modest debt limits and is in the process of joining the Local Government Funding Agency which will enable it to have access to more costs effective debt. This makes it even more important for the Council to review, and explain, its financial position to ratepayers.

The second area of concern is the proposed level of expenditure beyond core infrastructure. Ensuring that the district remains attractive to live in depends in part on the range and quality of amenities provided. The Council is conscious of this, and has identified "fewer but better" community facilities as one way to address it. The Council's intended balance between fiscal prudence and community investment is alluded to in its financial and infrastructure strategies. However, these strategies lack sufficient detail to determine whether the intended balance is understood and endorsed by the community.

### Assessing the financial data

The Council's financial team is very capable. Not only does it have a good understanding of the Council's cost drivers and financial position, it also understands the limitations of its financial management information system, and the steps which could be



taken to improve financial reporting within the Council. The six-monthly financial statements provided to the Finance Performance Committee are clearly presented, and key information (eg rates arrears, and actual versus budgeted expenditure and revenue) is well highlighted. There is reporting on the variances between actual and budgeted amounts, but the level of detail provided for these variances is minimal and could be improved.

## Being clear and transparent

The Council has done lot of work to improve its risk processes, and it is apparent that management have treated this with the level of attention it requires. However, not all councillors are as attentive. Several incorrectly stated that they were not provided with the risk register and that reviewing it might be “delving too deeply into management matters.”

The Council has a risk policy which defines “risk” both in a general sense and as it applies to the Council. The policy also sets tolerance levels and was reviewed in November 2015.

The risk register is supplemented with a series of proposed actions, and how and when these actions and risks will be reported back to the Council. However, earthquake-prone buildings are not identified as a legal and a business risk which raises questions about the rigour of the risk assessments, especially as the Council has several such buildings. The register would benefit from a legal or peer review to determine the merits of the risks that have been identified, and whether other risks may not have been adequately highlighted.

## Meeting financial targets

The overall financial position of the Council, particularly given the inherent challenges identified in its financial strategy, is sound. It has low levels of debt, although this may not be the appropriate level of debt required to fund its future. It fully funds the depreciation of assets it intends to replace, maintains largely appropriate surpluses, meets all relevant fiscal benchmarks, and its rates increases are modest and largely in keeping with the expenditure needs of its communities.

The Council has adopted a district-wide general rate as “the fairest mechanism” for spreading costs amongst its small communities. It recognises that upgrades for infrastructure may not be affordable without being spread across the district. There will be infrastructure improvements in every community over time which ensures ultimate fairness. While this approach is justifiable in principle, the Council’s statutory documents do not explain its justification as clearly as they could. In particular, the approach may not be sustainable for very small communities whose reticulated infrastructure may become financially unsustainable (so that they end up paying for others’ infrastructure while their

own is not replaced). Staff within the Council acknowledged that this is likely to become an issue, and that targeted rates may need to be considered.

### Strengths

The Council’s financial strategy is clear and largely compelling.

Given the challenges of the district’s geography and demographics, the Council is in a financially sound position.

Council has a strong capability in financial management.

The Council manages its rates prudently, without compromising its investment in critical infrastructure.

There are detailed risk management processes in place.

### Areas for improvement

The Council needs to provide its communities with simpler and more comprehensible summaries of its financial reporting.

The Council should explain its debt levels, and its intentions for future expenditure on community facilities and services, in clearer and more compelling ways.

There needs to be an external review of current risk assessments, to test their robustness.

# Delivering what's important

## Service delivery and asset management

The Council operates lean operational service teams, with a strong focus on accountability and cost-effective results. They willingly engage with teams in other councils to deliver results for the community. The quality of day to day service delivery could, however, be enhanced by complementary improvements to some of their documentation, including business cases, operational strategies and service reviews.

### Priority grading

Competent

< The Council's performance measurement framework does not quite meet expectations in terms of being demonstrably linked to residents' expectations and containing a good balance of quality, timeliness and value for money measures. >

However, the Council is engaged on this issue. The LTP it is clear that Council will identify performance measures at a governance and management level that support service delivery to the agreed level and deliver its services that contribute to the five strategic intents.

### Planning and evaluating service goals

The Council has been at the forefront of using shared services as a more cost-effective way of delivering its services. This includes having Manawatu District Council deliver its infrastructure services, and being part of the Manawatu-Whanganui Local Authority Shared Services for provision of several back-office functions. The Council has shown good commitment to complying

with both the spirit and letter of s.17A of the Local Government Act (LGA), and has conducted a s.17A review of one of its larger operational services (parks and reserves maintenance). But while the Council's commitment has been obvious and the quality of its review is adequate, it lacks some rigour. Specifically, the review commences with identifying options without first identifying the problems to be addressed, the depth and quality of financial analysis is minimal, and the benefits to be gained are not quantified or aligned to the desired end result.

### Assessing service quality

The Council does not have a performance measurement framework that meets best practice in terms of having a good balance of quality, timeliness and value for money measures. It is, however, committed to improving the framework and has introduced some measures tailored to its specific circumstances, such as increasing the percentage of capital programmes completed in each of the next three financial years from 51 per cent to 85 per cent. It should consider additional quality measures, particularly one to increase its levels of confidence in the condition and location of its infrastructure assets.

The Council has taken notice of feedback from its past community surveys, and now asks its residents whether they see it is improving its services in key areas (ie the Council now measures relative improvement in performance, rather than absolute satisfaction with performance). However, this approach has some inherent limitations as its margin of error is high and it does not test value or cost. Residents may endorse improvements that are out of proportion to the cost of providing them.

Overall, the steps being taken by the Council are positive, and they reflect a genuine desire both to measure performance and to be accountable for it. However, the performance measurement framework would benefit from being better balanced (in terms of quality, cost-efficiency and value for money measures). The Councils could consider using external expertise in its

development of the methodology and look at integrating it with those of other councils in the region.

The recognition of earthquake risk which has affected many of the Council's buildings along with the cost of trying to maintain deteriorating halls, parks, playgrounds etc, has left the Council with a significant challenge in reinvigorating its communities so that they can retain and attract people. Consequently, the Long Term Plan has established a set of key goals for its community facilities. These include rationalising assets, having a single more cost-effective and better used multi-purpose facility in the three main town centres, improving levels of service, and identifying new ways to co-manage assets with community groups. The Council has done this with considerable success. The perceived improvement in service levels for parks and playgrounds is up by 12 per cent, and for local swimming pools is up by 23 per cent.

Bringing the Council's parks maintenance back in-house has also delivered some unexpected benefits. These include employing previously unemployed youth and giving them training opportunities, and providing a far more flexible service (for example being able to help local schools with tree maintenance). The parks maintenance team also has a strong strategic focus, and business cases are used for investment by the Council in recreational facilities.

Developing alternative management arrangements is perhaps the most cost-effective step the Council has taken. By aggregating clubs from individual premises and having them jointly administer council owned facilities and booking arrangements, the Council has more cost-effectively used its facilities and, in several cases, has enabled clubs to leave and sell their existing premises.

## Evaluating asset effectiveness

Infrastructure comprises 80 per cent of all operational expenditure and 90 per cent of all capital expenditure. Given the scale of this activity both in the Council's budget and in planning and delivery, it is crucial that the Council gets it right.

The 30-year infrastructure strategy addresses specific local issues (such as the impact of an ageing population) and the likelihood of handing low priority assets back to the community. It sets out a very sound set of criteria which will determine prioritisation in asset renewal – for example, assets that fail to comply with legislative requirements are prioritised over assets that are the subject of regular public complaint. Overall it is a very sound strategy for determining community needs, the levels of service to be applied, and how activities meet the cost-effectiveness and infrastructure requirements of s.10 of the LGA.

Drinking water is the best managed of the Council's three waters (drinking water, stormwater, and wastewater). There is ample capacity, asset condition is adequate and standards are largely being met. There are minor issues with standards compliance, more because of testing errors than because of substantive non-compliance (ie contamination). The age of some pipes means the Council's knowledge of its assets is mixed, although inspections

have revealed the assets to be in better condition than was assumed.

Wastewater is the Council's most complex and potentially costly issue. Schemes in Hunterville and Taihape have had their consents renewed as a priority. Three other schemes in Bulls, Marton and Ratana have consents being renewed or near to be renewed.

The Council manages its relationship with Horizons Regional Council well. The Regional Council accepts that the Council does not have the financial resources to resolve all its wastewater issues in a short timeframe. Staff are considering options for integrating the Bulls and Marton schemes so that all treatment would be done in Bulls. However, Marton's wastewater is complicated by high levels of leachate from the local privately owned/operated landfill and so is problematic in terms of consents to discharge. There is, however, an agreement in place to cease accepting leachate from the end of 2017. The capital costs which could be faced are large: possibly \$1 million to get through the consenting process, and \$3 million for the pipe to Bulls. These sums are not in the Long Term Plan and could have impacts on "nice to have" projects such as the Bulls Community Centre.

The Council has a reasonably sound understanding of the wastewater network through CCTV inspection, smoke testing, and on-site validation by staff and contractors. There is adequate capacity, and no issues with peak demand. The problem they face is the condition of some of the pipes and the number of illegal stormwater connections to them which exacerbate the volume and overloads the discharge location during heavy rainfall.

The Council's stormwater focus is flood management rather than water treatment. Staff acknowledge that in the longer term both the quality and the location of the discharge are likely to become greater issues. However, their immediate concern is managing peak flooding issues by better controlling the volumes being discharged. While capital investment in stormwater infrastructure has historically been a low priority, it is essential that staff and councillors develop a longer-term perspective on this as well as a fuller understanding of the costs it could add to their budget.

The Council has access to a significant roading resource because it shares infrastructure staff with Manawatu District Council (including several former NZTA staff). It therefore has a good appreciation of the One Network Roding Classification (ONRC) and the implications of that for the Council's road network. The Council has managed its relationship with NZTA well at all levels, which is reflected in its having recently secured funding assistance rates above their historic rate (now 63 per cent).

The Council understands its road network well, both in terms of asset condition and traffic patterns. They also manage forward planning and maintenance upgrades consistently with NZTA's requirements for funding. However, the statement in its Long Term Plan that "[the] Council assumes there will be increased demand for high quality rural roads" is at odds with the reality of

the ONRC. As most of the local roads are of relatively low economic value and have minimal issues about journey time or resilience, it will be difficult to establish business cases for renewals of many of them. As staff noted, the roads will be seen as “fit for purpose relative to value and demand” and this will require councillors to better manage community expectations about improvements such as road sealing.

## Addressing regulation

The overall regulatory approach is a slight concern. The district lacks any regulatory or enforcement strategy, and the staff consider there is a clear Council direction to take a “light-handed” approach to regulation.

Animal control is an area that requires more focus. There is a very high level of dog ownership (approximately one dog for every three residents) and a relatively high number of dog attacks each year (76 in 2016), although the statistics do not reveal the severity of the attacks. The response times for attacks are very good, but follow-up action appears to be mixed. Staff note there is no written policy on dog attacks and that prosecutions are very rare. They also appear to be frustrated by the lack of stronger action and the infrequency of prosecutions is at odds with the Council’s goal of “a safe and caring community.”

## Establishing a business case for investments

The Council does not have the internal capability to consistently undertake better business cases for major capital investments. The business cases which are prepared for infrastructure upgrades can best be described as options analysis, which include feasibility and financial analysis. While the roading cases are adequate for NZTA funding, they will ultimately need to meet the Better Business Case model.

Apart from the business cases developed for recreational facilities, the Council’s non-infrastructure capital projects cannot be considered close to best practice. Of particular concern are the proposed town centre redevelopments of Bulls, Taihape, and Marton (estimated at over \$1 million each) and the Bulls Community Centre (estimated at \$4.36 million). These are very large projects for a district of the Council’s size, so they require a level of analysis that can determine the financial impact on the community. The analysis provided to date identifies the cost of the project, how it can be funded, and why the Bulls community wants it. However, there are no strategic, economic, commercial, and management cases made for it. Similar concerns can be said about the proposed town centre developments. These have not been advanced beyond concepts yet, and the opportunity exists to ensure that they do not go ahead without a proper assessment of their business case merits.

There is no policy for preparing, delivering or reporting on capital projects. There is no formal governance of projects, and no thresholds for independent quality assurance. The Chief Executive provides the Council with monthly reports on its top ten capital

projects, but this is a simple narrative without details such as how much of each budgeted amount has been spent, what milestones have been reached, or whether there have been any variations to the project’s scope (and authorisations for that).

### Strengths

The infrastructure team is well-resourced and technically competent.

The Council’s strategy for improving its infrastructure network is well-considered and takes account of local challenges and needs.

The Council is innovative and community-driven in its provision of community services and facilities.

There is commitment to effective measurement of performance, and to public accountability.

The Council is aware of the implications of the One Network Rooding Classification for its local roads.

### Areas for improvement

The Council’s s.17A reviews need to be more analytical and better prioritised, so that they address issues of internal capacity and capability.

Public accountability would be improved by better reporting on the outcomes of all major projects, with details on timeliness, cost and scope.

The Council needs to ensure it has the internal or external resources to develop robust business cases to justify large capital expenditure projects.

The Council must make sure its major projects have a robust structure for governance, management, and internal reporting.

The Council should establish an enforcement strategy for its regulatory activities. This would enable it to prioritise its activities according to its goal of a safer community.



# Listening and responding

## Communicating and engaging with the public and Businesses

As a small organisation covering many communities across a large district, the Council does an admirable job of engaging actively and frequently with its residents. The “human touch” would benefit from being complemented by investment in online services and other forms of digital engagement to enable faster, more frequent and cost-effective communication and engagement.

### Priority grading

Competent

< There is very good transparency in the manner in which consultation results are analysed and responded to, but at the same time it is unclear what weighting the Council places on the very low response levels. >

### Planning effective engagement

The Council’s communications strategy has not been updated since 2014. So, while it is in theory aligned with the Council’s goals, it does not identify the details of the goals as expressed in the Long Term Plan, how they should be communicated, and the channels for doing so. It does contain sound messages that are core to the Council’s communications – such as financial responsibility, public accountability and a responsible long-term view on issues. However, it lacks depth and would benefit from having a more strategic perspective.

The Council’s significance and engagement policy (adopted in 2014) complies with the LGA. But it does little more than give

residents insight on what the Council considers to be significant. It does not define strategic assets in any detail. Nor does it provide any certainty as to what issues might trigger a particular type or level of consultation.

### Engaging digitally

The Council makes limited use of social media, which is in part a reflection of its internal resources and priorities. Its Facebook page is functional and is updated several times per week, but rarely receives more than a handful of “likes” and few comments. The Council does not appear to have followed this up to see whether the limited interaction reflects a lack of interest in digital media or its own ability to effectively communicate and engage on social media.

Although the Council’s website was revamped in the 2015/16 financial year, it requires updating. Online transactions are limited to paying rates, applying for a rates rebate, and paying dog registration fees. Other online interactions are limited to completing surveys and making submissions on matters such as the draft annual plan. Community satisfaction with online services and other digitally provided information (eg through Facebook) is not surveyed, so it is difficult to determine whether the community considers the Council’s digital engagement is adequate or a priority for development.

### How the community views the Council

The Council conducts its own community satisfaction survey, primarily for cost reasons. Rather than testing the extent to which its community agrees or disagrees with the quality and cost of council services, the survey primarily tests the community’s

perceptions on whether the services are improving or not. The survey suffers from a low response rate (296 responses from a sample of more than 2,500 residents), and a high margin of error ( $\pm 5.6$  per cent).

The results are tracked across different years. A significant exception is views on sports fields, playgrounds and parks. This view improved markedly after these services were brought back in-house. The community's perception of improvement varies little from survey to survey.

Although the survey costs are kept low and the Council wants to improve its understanding of community views, the survey's approach and methodology do not appear to provide the best value for money. An externally designed survey with a lower margin of error and benchmarked to relevant standards would provide a more thorough and reliable way to assess performance and identify priority areas for improvement. One option could be to promote a regional survey, using the combined resources of all councils under the Manawatu-Wanganui Local Authority Shared Services agreement.

## Communicating through the media

The Council does not have a media strategy or policy, and adopts a fairly low-key approach to media issues. The Mayor and the Chief Executive are usually the Council's spokespeople for media stories, with other staff occasionally being involved if more technical issues arise.

Business stakeholders observed that the relationship between the Council and media had improved considerably in the past five years. Recent headlines on [stuff.co.nz](http://stuff.co.nz) tend to confirm that view; eg "Rangitikei Council cut red tape" and "Rangitikei District's rates increase one of lowest in region."

## Building relationships with Māori/Iwi

The Council's relationship with Te Roopu Ahi Kaa, its Māori advisory committee, is described as pro-active and superior to other councils' arrangements. Māori/Iwi praised the Mayor for his encouragement of their input. They felt that Te Roopu Ahi Kaa is working better with the current Council, and is being consulted on issues such as earthquake-strengthening.

The Council could be more inclusive of Māori/Iwi through improving councillors' induction, more involvement in regional growth initiatives and local economic development proposals, consultation on the Council's signage and storytelling, and further consultation on a youth centre in Marton. Iwi said that resources were a main reason why participation in the Council committees and consultation was low.

## Building relationships with the community

External stakeholders noted that staff and councillors were very close to their community. They frequently attend community events and are approachable and helpful.

Staff felt the Council had been through a phase where it had not been doing enough, and so had alienated some communities, particularly the smaller ones. However, they felt the Council had moved too far in the other direction and now tended to consult on even the smallest problems. This was a view strongly endorsed by one stakeholder, who felt that the Council consulted "too much" and that councillors tried too hard to be "everyone's friend" rather than make decisions that needed to be made.

There seems to be little community interest in providing input into the Council's planning processes. There were 127 submissions on the Long Term Plan, down from 423 submissions in 2009. One councillor thought the quality of the Council's communications, including its consultation drafts, did not encourage greater engagement. The consultation draft for the 2017/18 Annual Plan was 24 pages long. While the content is thorough and well-expressed, the volume of text and figures is more than most people will read and digest.

## Building relationships with business

Representatives from the business community noted an improvement in performance under the current Mayor and Chief Executive. They thought these improvements to the Council were due to a greater business presence around the Council table as several councillors were considered to be "business people." They noted the Chief Executive's increasingly business-friendly approach.

The business community mixed more with councillors than with staff, and generally saw councillors as the first point of contact on issues. While this shows that councillors are highly accessible, it also highlights an underlying concern about blurred lines between the governance role of councillors and the management and operational roles of staff.

## Strengths

The Council engages directly and often, with a wide range of groups in its community.

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There is strong leadership from the Mayor and the Chief Executive.

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Most of the Council's publications communicate directly and use plain language.

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The Mayor, councillors and staff share a strong culture of being accessible and responsive to the community.

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## Areas for improvement

The Council would benefit from developing online and other forms of digital communication and engagement.

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The Council needs to develop a comprehensive and effective media and communication strategy.

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The relationship with Iwi needs to be moved to a higher level, especially in economic development.

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The Council's accountability documents (annual plans, annual reports, etc) should be made more accessible to the community through more effective use of key messages, charts and graphs, and infographics.

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