

Subject: Chief Executive's Activity Report – September 2012

Prepared by: Judy Campbell (Chief Executive)

Meeting Date: 27 September 2012

Report to COUNCIL for noting

SUMMARY

Attached is my report for the month of August/September. The month has seen the completion of the Annual Report and good progress being made on the initiation stage of the major projects. Considerable work has gone into the work on a remissions process for the unexpectedly large increase in rates for the peri-urban farmers.

RECOMMENDATION

That Council

- 1. receives the report.**

Judy Campbell
Chief Executive

1. GENERAL MANAGEMENT

(covers business compliance; management structure; service delivery; shared services; strategic partnerships; statutory processes and resourcing)

The following general management, project and partnership issues arose or were dealt with this past month:

Online Service: We have made good progress on online services for ratepayers. Ratepayers can pay their bills online by either a direct debit (which we prefer over an automatic payment as we can automatically change things when rates change). Automatic payments or bill payments are regular payments set up inside people's bank accounts which require them to manually release them but are very easy to manage in online banking facilities. We will shortly have credit card payment options available at the counter and credit card options on the website by November.

Oil Exploration: The issue of oil exploration in our region continues to be debated and examined. This month we were visited by David Robinson, CEO of PEPANZ (Petroleum Exploration and Production Association of New Zealand) and (separately) Dr Jan Wright, Parliamentary Commissioner for the Environment.

Eastwoodhill: Eastwoodhill is undertaking a strategic review and I participated in an afternoon of stakeholder interaction looking at directions in which the Arboretum might develop in the coming years.

BOPLASS: BOPLASS continues to do well on group purchasing arrangements but has not moved forward on shared services opportunities. There will be a strategic review day in November to test how far down that track it is possible to go and how willing the group really are. There has been an issue of Whakatane District Council wishing to have an independent director (rather than the Chief Executive). This has caused some controversy amongst the Directors.

Makaraka Headstones: A deliberative was held with interested external parties after the Operations meeting. It was agreed that a Memorandum of Understanding be developed by Gisborne District Council covering the relationship between Council and the Society of Genealogists. It will cover the lifting of the headstones, their storage and examination. A key clause is that the Society will need to demonstrate that it has been given agent status by the family owners of a majority of the headstones before anything can proceed. This does not remove Council's liability but it will clarify roles and expectations. Any discussions around a memorial wall will take place once the state of the headstones is known.

2. MAJOR PROJECTS

Project Groups: Project Groups have been formed for all major projects and the majority will have met by the time of the Council meeting. Seventy staff have completed project management training (with another 25 to go). This is an investment in standardising and improving project management at Council. It includes not only those involved in the major projects but also the many staff who run business as usual projects. We believe this will reduce the "rework" element of projects and make for a lowering of the costs of projects.

The War Memorial Theatre: Fundraising proceeds successfully with the gaining of a \$3M grant from Eastland Community Trust. A building project group has been convened and will continue the development of the actual building.

Council Building: A project group has been convened and has met a number of times. It is successfully defining the issues to be resolved in the Council buildings on Fitzherbert Street and is looking at the most cost effective means of resolving these issues. We believe we will be able to substantially reduce the cost of the building and produce a greater end result. A full paper on this project is expected to go to Council in November.

The Navigations Project: Peter Higgs and I have been working with Tina Karaitiana on a process of Iwi engagement on this project. At the time of writing we have completed five meetings with various Iwi inviting their involvement in the project.

Library: A project group has been convened and will be meeting shortly to begin the project initiation stage.

Cycle Ways: A project group has been convened and will be meeting shortly. Work has begun on the Customhouse – Grey Street extension and will be finished shortly.

Cenotaph: We are preparing an application for funding from the Lottery Grants Board WWI commemoration fund. We await Brian Shepherd's opening up of the Cenotaph to tell us the actual condition of the monument.

Iwi Relations: Settlement legislation has been passed for Ngāti Porou, Rongawhakaata and Ngai Tāmanuhiri with Te Aitanga a Mahaki expected in March of next year. Council is required to complete a statutory acknowledgement process with regard to areas of interest as well as establishing a Local Leadership Body. We are creating a project team to steer this process and the ongoing improvement in our Iwi relationships.

3. COMMUNICATION and SUPPORT to COUNCIL

(covers agendas, reports and minutes; the relationship with Mayor and Council; quality and timeliness of advice; current issues; communications internal and external; active role with business.

Legislative Change: The local government regulatory inquiry deadline has been extended to 1 May 2013 to provide extra time for submissions at the draft inquiry report stage.

The Productivity Commission's draft report will still be released in mid-December but the submission deadline moves to 4 March 2013.

Representation Review: The Local Government Commission will be here on 4 and 5 October. We possibly won't see them on 4 October as they have a tiki tour of the region. On 5 October the process will be similar to a hearing process with the LGC commissioners taking over the chambers for hearings. They will hear only from those who submitted against the Council resolution of status quo. The Council position will be represented by the Mayor and one Councillor. The Mayor has chosen Bill Burdett to support him. Our understanding at this point is that, despite the Council resolution being a split vote, they treat the resolution as the will of Council.

Peri Urban Rates: This is a serious and very complex issue and has been taking considerable time to work on resolutions. Staff are working hard to provide Council with details of how a remission system might work. I have asked a partner from PriceWaterhouseCoopers who specialises in local government to review our thinking so far and will discuss with them longer term solutions.

4. LONG-TERM PLANNING

(covers support for Ten Year Plan work, statutory consultation; all other planning i.e. annual, assets activity, strategic, community, RMA)

Annual Plans: Managers and I have begun preparing an annual goals process which will translate the Ten Year Plan and the Annual Plans into management goals which will allow Group Managers and I to better manage performance and achievement in the organisation. I believe we have relied on the statutory plans for this process inappropriately and am instituting a more usual corporate model of staff/management accountability.

5. FINANCIAL REPORTING

(covers management of finances; control of investment and expenditure; policy compliance)

Year to Date Result: The year to date result is an accounting surplus of \$1,006k, against a budgeted deficit of \$387k. The most significant factor contributing to this result is the depreciation charge. Due to the timing of the year end process and audit the asset management system has not rolled into 2012/13 yet and only historical depreciation has been posted.

The majority of balance sheet items continue to track at expected levels. Borrowings are \$25.3m compared with a budget of \$33.7m. This is due to a lower base than expected but overall is within the expected range.

Capital spend for the year is \$718k against the adjusted budget of \$2,187k, with infrastructure activities accounting for \$417k of this spend.

6. RISK MANAGEMENT

(covers internal audit and risk management planning)

Rates Analysis: As mentioned above I am using some external expertise to review our modelling and analysis of the current rates issue as a means of risk management. Our audit systems do not cover this type of peer review and, given the current issues, I intend to use peer review processes more regularly in our financial policy and implementation area.

7. CIVIL DEFENCE

(covers role as Chair of the Coordinating Executive Group)

The Coordinating Executive Group (CEG) meets next week just before Council. Staff of the Ministry for Civil Defence will be in attendance.

8. COUNCIL CONTROLLED ORGANISATIONS

(covers advice on governance, remuneration, statements of intent and performance)

The paper on the Council Controlled Organisations will now be put to the October meeting given the absence of the Mayor for the September Council meeting.

9. EASTLAND COMMUNITY TRUST

(covers advice on governance, remuneration, statements of intent and performance)

The first small group meeting of Council and ECT took place recently and has been followed up by discussions between Leighton Evans and I. The meeting was collegial and established a good footing for a more productive relationship between our organisations.

10. PERSONNEL MANAGEMENT

(covers the employer obligations; staff structure; efficiency and effectiveness considerations; leadership and motivation)

Bargaining continues with the PSA, who represent approximately 45% of our staff.
