

Democratic Process Activity Plan

People at the heart of Council

“E hara taku toa I te toa takitahi, engari he toa takatini”

“Our strengths are not from us alone, but from the gifts, talents and strengths of many”

Preface

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

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

This Activity Plan is based on existing levels of service, currently available information, and the existing knowledge / judgement of the Council staff. Among other things, this Plan supports and justifies the financial forecasts and the objectives laid out in the Long-term Plan. It also provides a guide for the preparation of each Annual Plan and other forward work programmes.

Introduction / Summary

The purpose of this Plan is to outline and to summarise in one place, the Council’s strategic approach for the delivery of the Democratic Process Activity, which covers a number of key areas:

- **Governance and democracy:** The Local Government Act 2002 states that the purpose of local government is to enable democratic local decision-making and action by, and on behalf of, communities.
- **Democracy** is integral as it provides a platform that allows the opportunity for citizens and communities to engage with their local authority. Each triennium provides for the opportunity to hold local body elections to elect the Mayor, Councillors and Community Board Members. Operationally, the democratic process is observed by activities such as Local Body Elections, Consultation, Scheduled Public Meetings, Public Forum allowing for the community to be involved in the decision making process.
- **Governance:** Accountability in action. There is a breadth and depth to Governance that can be defined as a kaitiaki – guardianship to ensure for robust alignment within a legal framework of activities that can be observed as:
 - **Councillors** - accountability to the Community – Councillors are accountable for the decisions they make. Therefore, they require relevant, accurate and up to date information to make good decisions.
 - **Staff** – Transparency and Accountability to all stakeholders. Meeting legislative requirements for the production of:
 - meeting agendas
 - meeting minutes

- meeting schedules
 - advertising of Council and Community Board meetings
 - notifying the public of public excluded items with legal reasoning
 - Local Government Official Information and Meetings Act 1987 (LGOIMA) requests
- **Strategy and policy:** This area includes the range of processes through which Council sets its strategic direction, determines Council policy and sets by-laws and reports on performance.
- **Engagement:** Engagement with the community through a range of mechanisms is a critical part of setting strategy and policy.
- **Collaboration to support the four wellbeings:** This activity supports a range of collaborations with the community, including through the grants framework and through support for services delivered via other organisations.

1. What we deliver

What the activity is

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

We undertake Representation Reviews, run Local Government Elections and ensure that the meetings of Council meet the requirements of the Local Government Official Information and Meetings Act 1987. In conjunction with Council's financial departments, we assist the elected representatives in their development of Council's Long-term Plan, Annual Plan and Annual Report. We provide the community with a range of mechanisms to engage with Council, including through formal consultation on plans, policies and by-laws. We assist with the development of community partnerships and collaborations to leverage greater impact for Council's policy and investment in the community.

This Activity underpins the legislative compliance aspects of Council decision-making.

No significant negative effects of providing the Democratic Process Activity have been identified.

Activity Overview

The overarching goal of the Democratic Process Activity is to support the implementation of the Local Government Act 2002 within the Invercargill district.

The purpose of the Local Government Act is to provide for democratic and effective local government that recognises the diversity of New Zealand communities. The Act:

- outlines the purpose of Local Government as to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future; and
- provides a framework and powers for local authorities to decide which activities they undertake and the manner in which they will undertake them; and
- promotes the accountability of local authorities to their communities; and
- provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.

The activity includes the following services:

- Holding of elections of Elected Members to the Council (including the Mayor) and Community Board, polls, by-elections and representation reviews.
- Providing information, advice and support to the Chief Executive and Mayor's Office.
- Ensuring Council feels supported in its decision making process.
- Ensuring that the Invercargill City Council has quality plans and plan monitoring in place (LTP, Annual Plans, Activity Plans and Annual Report).
- Implementing and evolving the Invercargill City Council's performance framework.
- Conducting research on Residents' perceptions, analysing and providing results to Council and staff.
- Facilitating group and unit planning and budgeting.
- Preparation and implementation of engagement and consultation plans and materials for significant or high-interest projects and decisions made across Council.

- Engaging with the local community and interest groups to support their engagement with local decision making.
- Operating regular engagement to support participation of young people, older people, people with disabilities, people of different ethnicities, new migrants and other groups, including through operation of the Youth Council and connection to community groups.
- Providing advice, leadership and support for engagement and consultation planning processes.
- Consulting and engaging with interested parties to enable Council to consider the Community's views when making decisions.
- Proactively anticipating issues of interest across the four wellbeings and advocating on behalf of the Invercargill community.
- Working with other Councils and a range of organisations on shared services and collaborations, with a focus on promoting the four wellbeings.

Why we are involved in this activity

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

The principal objectives of the Democratic Process Activity are:

- Ensuring all citizens are informed about Council activities and their rights to contribute to the decision-making process.
- Engaging with community via a variety of mechanisms to provide quality information to Council to support its decision making.
- Fully complying with all legislation relating to local government.
- Taking a role in Shared Services with other councils.
- Speaking out on issues affecting the well-being of our residents and ratepayers on their behalf.
- Promoting Invercargill as a great place to work, live and bring up a family.

Our vision

The people at the heart of Council

**“E hara taku toa I te toa takitahi, engari he toa takatini”
“Our strengths are not from us alone, but from the gifts, talents and strengths of many”**

Community outcomes

The following table demonstrates how the Democratic Process Activity contributes to Council's Community Outcomes:

Table 1

Community Outcomes

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

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 Annual Plan budgets.



Activity Management Plan Strategic Framework



Our Customers

The primary customer group of the democratic process is the public of the Invercargill District, including ratepayers, non-ratepayers, and in the area of promotion of the City as a great place to live and work - visitors and potential residents.

Council recognises the place of mana whenua as partners of Council.

In addition Council has identified the following stakeholders within the larger Community:

Table 2

Democratic Process External Stakeholders

External Stakeholders	Area of Interest	Engagement goal	Stakeholder Expectations
Māori Mana whenua are recognised as partners of Council. <ul style="list-style-type: none"> - Te Ao Mārama Inc - Te Roopu Taiao - Waihōpai Runaka - Awarua Runanga 	To enable the Council and Tangata Whenua relationship to develop in a way that assists both parties, Te Ao Marama Incorporated was developed. This organisation represents the four Runanga within Southland on matters relating to the Resource Management and the Local Government Acts.	Invercargill City Council has an excellent open relationship with Tangata Whenua and iwi with issues discussed openly, honestly and with respect.	Open and honest communication on areas of shared interest. Positive working relationships and collaboration on projects for the benefit of the Community.
The Private Sector <ul style="list-style-type: none"> - Ratepayers - Professional Service Providers - Special Interest Groups - Dignitaries 	The development of the City and service provision of Council, including the financial impact on ratepayers.	Consult when developing plans, policies and strategies in line with the Significance and Engagement Policy. Enable groups to effectively communicate with the Council prior to decisions being made.	Transparent decision-making processes and the ability to engage in the decision-making process.
Community organisations <ul style="list-style-type: none"> - Community not-for-profit groups and organisations 	Engagement with Council as part of decision making. Support through the grants framework where appropriate. Collaboration on key projects where appropriate.	Consult when developing plans, policies and strategies. Enable groups to effectively communicate with the Council prior to decisions being made. Support groups to apply for Council grants.	Transparent decision-making processes and the ability to engage in the decision-making process. Understanding Council process for applying for grants and forming collaborations.
Regional and Territorial Authorities	The elected members and staff have formed a very good working	Southland local authorities have a philosophy of working together wherever	Open and honest communication on areas of shared interest. Cooperation

External Stakeholders	Area of Interest	Engagement goal	Stakeholder Expectations
<ul style="list-style-type: none"> - Southland Mayoral Forum - Environment Southland - Southland District Council - Gore District Council 	relationship with their counterparts of the three other local authorities in Southland and have over 40 joint initiatives operational.	possible to improve the efficiency and effectiveness of local government in the region.	through shared services.
Central Government <ul style="list-style-type: none"> - Ministers and local MPs - Key Government agencies including MBIE, MSD and MFE. 	Changing Government legislative and policy requirements, as well as funding opportunities, is identified as one of the major drivers of work in for the democratic process activity.	Regular engagement in order to plan for required policy changes and in order to advocate for Invercargill interests.	Open and honest communication on areas of shared interest. Positive working relationships and collaboration on projects for the benefit of the Community.
Funding Organisations <ul style="list-style-type: none"> - Community Trust of Southland - Invercargill Licensing Trust 	Partnerships are generally formed to fund the capital requirements of major facilities.	Liaise when considering community projects. Enable strategic alignment to support the community where appropriate	Positive working relationships and collaboration on projects for the benefit of the Community.
Regulatory overview bodies <ul style="list-style-type: none"> - Office of the Auditor General - Audit NewZealand - Department of Internal Affairs 	Oversight of the governance and operations of Council to ensure legal and regulatory compliance	Liaise across all governance and required policy and planning documents.	Open and honest communication.

Table 3

Democratic Process Internal Stakeholders

Internal Stakeholders	Area of Interest	Engagement goal	Stakeholder Expectations
Mayor and CE's Office	Understand expectations.	Liaise often as required to act on any planning required timely.	Open communications. Action and plan the expectations through good open discussion.
Councillors and Bluff Community Board members	Support Councillors and Bluff Community Board to engage with the community, develop plans and make good decisions Professional Development Training Plan.	Understand needs and work together to develop workable plans. Pull all previous training information and budgets together. Planning	Personal relationships. Open honest conversations. Open Communications

Internal Stakeholders	Area of Interest	Engagement goal	Stakeholder Expectations
	Bluff Community Board – strengthen relationships and Communications.	out 2020 /2021/2022. Consider and be guided by information from the skills matrix. Regular engagement will help to enhance relationships this will help to connect BCB with Council staff more broadly.	
Executive Leadership team	Strategy and delivery of key activities	Right information at the right time to support good decision making. Honest feedback to enable problem solving	Transparency Living the four values of Council
Activity managers	Strategic and corporate inputs to support their planning; two way communication to support good governance decision making effecting operations	Right information at the right time to support good decision making. Honest feedback to enable problem solving	Transparency Living the four values of Council
Staff	Informed of key strategic direction of Council and reasons for key decisions. Understanding how their roles fit within the wider corporate structure	Right information at the right time	Transparent appropriate communication

Our levels of service

The Democratic Process Activity **preserves the character** of our city through ensuring that Council's decision-making processes meet community expectations for opportunities to participate. The activity **embraces innovation and change** and **enhances our city** through encouraging involvement in activities and events supported by the Community Wellbeing Fund.

Table 5

Democratic Process Measures for Levels of Service

MEASURE 2021-2031	TARGET
Percentage of surveyed residents satisfied or greater with opportunities Council provides for community involvement in decision-making	>50%
Number of activities or events supported by the Community wellbeing Fund	25

Table 6*Democratic Process Baseline Measures and Targets*

Baseline	Measure	2018/19 Target	2019/20 Target	2020/21 Target	2021-28 Target
34%	Percentage of residents' survey respondents who provide a rating of satisfied or greater with the opportunities Council provides for community involvement in decision-making.	50%	50%	50%	50%
New	Number of activities or events supported by the Community wellbeing Fund	25	25	25	25

Assessing demand - current and future

Demand Forecast

Factors Influencing Demand

The demand for this activity is relatively stable no matter the changes that occur in the Invercargill City District's environment, although increasing complexity means maintaining a level of service becomes more resource intensive and requires changing skillsets.

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

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

Both changes to legislation and technology are likely to change how Elections are delivered, with much recent discussion around low national voter turnout, and a possible move to online voting- with the risks that this can also bring.

Projected Growth or Decline in Demand for the Service

Population growth is expected to be minimal in the short term as a result of Covid-19 limiting the ability of students and migrant workers to travel, along with continued aging of the population. The population will remain static at 55,300 for the first three years before increasing to 56,300 by 2031 . The population is forecast to decline again to 55,500 eight years before the end of the 30 year strategy.

The population will continue to become more diverse. The Māori population will grow from 17% to 19%. The Asian population will grow from 6% to 9%.

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

Representatives and have access to participate in the decision-making processes of Council.

Changing expectations of Elected Representatives and the Community has meant that staff within the Democratic Process Activity need a diverse range of skills including development of best practice governance, diverse community engagement and stakeholder relationship management skills, the use of business case modelling when developing policies and projects for public consultation, as well as the development of funding and delivery partnerships for strategic projects.

The third area of significant service demand change is the increase in volume and range of Central Government regulatory and policy changes to which Council needs to respond. This includes a diverse range of policy areas including climate change, three waters and freshwater policy and support for migrant communities, amongst many others.

Changes in Service Expectations

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

- Increased volume and complexity of work required.
- Increasing engagement with the Community.
- Increasing requirements for training and support for elected members as they deal with increasing complexity
- Implementation of new technology.
- Business-case approach to Council decision-making.

Expected Implications for the Activity

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

In 2020 Council undertook a realignment creating a new area incorporating Governance, Strategy and Policy and Communications. The creation of this group is a reflection of the changing demands on Council and the need to better align resources to enable more proactive and indepth engagement with the community.

Future Demand Issues and Challenges

While participation in Council elections remains one of the highest in the country, it is important that members of our Communities trust the Council, are engaged, and get involved in its decision-making. Awareness of methods to participate and an increased understanding of Council's decision-making processes are necessary to ensure democratic accountability. As the demography of the population changes we anticipate that an increasingly diverse range of mechanisms for engagement – both digital and non-digital – will be required.

The complexity of the issues facing the city is increasing and this is expected to continue. Requirements for changing support and collaboration are expected to accelerate post-covid. This requires different skills from staff members.

Possible Demand-Related Responses

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

Broaden the scope of ways to participate

Residents indicated that they are interested in participating online, particularly in a forum based setting where they can communicate with both Council and other residents about issues and solutions. Council has developed "Imagine Invercargill" website forum where these discussions can take place and is exploring alternative technology platforms to enable this to continue. The management of elections is controlled by Central Government and while Councils are keen to trial online voting, there is a reluctance by Central Government to proceed- this is largely driven by security fears.

Increase awareness of face to face engagement opportunities

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

Additional staff resource

Additional staff resource (approx. increase of 2 FTE) has been allocated. The Engagement Coordinator and Engagement and Partnerships Officer provide support for a range of engagement and stakeholder relationship management services. In addition the Iwi Policy Advisor has an important engagement role with mana whenua and mata waka.

Managing Expectations

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

Good governance is a critical success factor of the Democratic Process Activity and a core element of the activity is to support Council to make good decisions. Using a business case approach to Council's decision-making processes will reduce the risk of making decisions that do not deliver value and will provide Council and the Community with confidence in Council decisions.

3. What we're planning

Key issues and challenges

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

Table 7

Democratic Process Key Issues

Key Issue	Discussion
Increased volume and complexity of work required by legislation.	The majority of the services and activities that are delivered as a part of this Activity relate to legislative compliance. There has been a notable increase in both the volume and complexity of work required, in particular in relation to the processes for planning, reporting, the financial and infrastructure strategies, as well as additional decision-making and engagement support to Council and Managers.
Increased complexity of issues facing the community	There are a number of significant issues which are facing the community and which impact on a range of areas of the business. These include the strategic issues of inner city revitalisation, climate change and water reform, as well as aging buildings. The needs of the community may also change post Covid in ways which are not yet understood. These issues are complex for Councillors, officers and the public to engage with.
Methods for increasing engagement with the Community.	Community research has identified that residents are interested in participating in Council's decision-making processes via online methods as well as in more interactive, conversational style formats. Covid-19 caused a delay in implementation of face to face conversations but online options have been trialled. New event and online formats have been and will be trialled.
Implementation of new technology.	Technology is advancing at a rapid rate. Individual members of the community can adapt and utilise this technology at a faster rate than the Council can corporately. This can lead to the community wishing to engage with Council in a way that Council is not yet able to provide.
Business-case approach to Council decision-making.	Many Central Government departments already require a business-case approach to decision-making. It is important that Council staff are equipped to develop Better Business Case approaches to future projects and services. Using a Better Business Case approach will reduce the risk of making decisions that do not deliver value and will provide Council and the Community with confidence in Council decisions.

Alternative Investment Approaches

Council could determine to further increase the staff resource in the Democratic Process Activity. Monitoring the impact of the new staff members and determining future staffing requirements following their employment would be a more cost-effective method of addressing staffing issues. Opportunities for collaboration and partnership in the area of engagement and project development may be explored to enable potential for shared resource.

Key operational issues

Operation Strategy

The Activity continues to provide support services to the Elected Representatives through both the Chief Executive, the Governance team and the Strategy and Policy team. Support is provided to the Chief Executive through their Personal Assistant and support to the Mayor through their Executive Assistant.

The Governance team

The Electoral Officer / Deputy Electoral Officer are statutory offices that must be filled at all times. For the 2019 Local elections the role of Electoral officer was filled by a Contractor – the Deputy Electoral Officer remains in-house. The Electoral officers focus is to ensure all elections are held in accordance with the law and that as many people as possible are given the chance to take part.

The Strategy and Policy team continue to provide good practice processes and advice for the statutory requirements of Council, particularly in regard to decision-making. In addition, support for the community through grants, collaboration and partnerships is increasing.

Recommended activity programme

What's changing and why?

Representation Review and Local Elections

We undertake a number of significant functions detailed in legislation, including the Representation Review before November 2021.

Enhanced training and support for Councillors

In response to guidance from the Department for Internal Affairs, Councillors are receiving additional training and support to enable them to better conduct their business and make key decisions.

Engagement Strategy

Council is currently developing an Engagement Strategy that will shape how Council, both elected representatives and staff, will engage with our community in future. A stakeholder engagement system is being introduced and opportunities for partnership and collaboration identified. A focus on enhanced community engagement replaces some previous community development projects which had reached the end of their life. A particular focus will be placed on building and strengthening relationships with Iwi and inclusion of Te Reo and Tikanga Māori within Council practices.

Community collaboration and partnerships

A new approach to providing grants to the community has been launched in response to community need post-Covid. This simplified process replaces four previous separate funds.

In addition there are expected to be increasing requirements for collaboration and partnership to deliver key projects.

The assumptions we've made

There are several areas where the assumptions we've made for the Long-term Plan particularly effect the democratic process area:

- Increased diversity – Changing demographics mean that the requirements for the community to engage are becoming more diverse. This puts increased pressure on the team to deliver multiple engagement channels.
- Changing community need – A recessionary period and increased need for social support in some areas of the community as a result of impact of Covid are expected. This is coming at the same time that the community is asking for tight control of rates increases. Expectations will need to be managed and Councillors supported to make difficult decisions.
- Regulatory reform – Water reform is expected within the next three years. This is a major function of Council which may be removed from Council operations with significant impact on planning.
- Resilience – Climate change and emergency events will increase with diverse and fluctuating impact on the community and on Council business. There have been learnings from Covid-19 to help support business continuity into the future.

The full list of assumptions can be found on the next pages.

Population				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	<p>Population growth At 30 June 2020, the estimated population of Invercargill was approximately 57,100¹².</p> <p>The population growth for Invercargill is around 1%³. This rate has been observed during eight of approximately the past twelve years, making it a reasonable assumption for the current plan.</p> <p>Based on a 1% growth assumption, the expected population for 2031 is estimated to be around 62,810.</p> <p>Covid-19 might significantly change the previous growth forecasts for Council. Population growth is expected to be minimal in the short term as a result of Covid-19 limiting the ability of students and migrant workers to travel, along with continued aging of the population.</p>	Medium	<p>Council is not planning for a major change in population during the life of the current plan.</p> <p>There are multiple uncertainties related to population growth in Invercargill:</p> <ul style="list-style-type: none"> • While International students currently in New Zealand are able to return to SIT for study, the number of EFTS⁴ to date for 2021 is only 337. This is compared to 775 in 2020. • Riding out recession impacts of Covid-19 Alert Levels 4 and 3 • Proposed Tiwai Aluminium Smelter closure • Mid-range population forecast but noting underlying increase in population that has already surpassed StatsNZ estimates 	<p>The critical infrastructure and resources that Council provides were designed for a city with a population larger than we are now. Council has appropriate infrastructure and resources to service our population without significant financial impact as we have plenty of room to grow.</p> <p>This is in line with the higher forecast of the Southland Regional Development Strategy.</p> <p>Council will continue to monitor change in population growth during the life of the current long term plan to prepare for/respond to any significant changes realised from the multiple uncertainties identified.</p>

¹ [Subnational population estimates \(TA, SA2\), by age and sex, at 30 June 1996-2020 \(2020 boundaries\) \(stats.govt.nz\)](#)

² [Stats NZ Overview of data quality ratings, interim coverage and response rates, and data sources for 2018 census](#)

³ As above.

⁴ EFTS – Equivalent Full Time Student

Significant Assumption	Diversity The population will continue to become more diverse. The Maori population will grow from 17% to 19% ⁵ . The Asian population will grow from 6% to 9% ⁶ .	Medium	Interruptions to travel may affect international migration although it is not expected to effect this assumption significantly. Impact of uncertainty is low.	Council continues to explore new ways of engaging and ensures a balanced sample in customer research to ensure it understands changing needs and expectations.
Significant Assumption	Ageing population Those aged 65 and older will form 23% of the population in 2031, which is higher than the current aged population in 2020 ⁷ (estimated at 10,000 of 57,100, or 17.51%) ⁸ .	High	The pattern of aging in the population is a long-term trend which is not expected to be disrupted.	The needs of older people and younger people are different from those in the working age and Council will continue to consider the needs of all users of its services.
Significant Assumption	Households The number of households will increase as the population ages. The size of households will decrease slightly and may vary between 2.35 and 2.25 people over the time of the infrastructure strategy ⁹	Medium	The impact of a potential decline in numbers of students and migrant workers on demand for housing is uncertain.	Council's infrastructure has sufficient capacity to accommodate the potential increase in population and/or demand.

⁵ Growth in line with NZ stats estimate of 2% growth in the Southland region (NZ. Stats, population projections)

⁶ Growth in line with NZ stats estimate of 3% growth in the Southland region (NZ. Stats, population projections)

⁷ NZ Census Area unit forecast

⁸ [Subnational population estimates \(TA, subdivision\), by age and sex, at 30 June 2018-20 \(2020 boundaries\)](#)

⁹ To calculate the projected average occupancy rates we took past and projected population data from Statistics New Zealand and cross referenced this to past and projected number of households. The average occupancy is the total population divided by the total occupied households.

Economy				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	<p>COVID-19</p> <p>The lockdown and potential future impacts of COVID-19 may negatively impact residents' ability to pay rates. This could lead to a short term cashflow impact and increased rates arrears. Rates arrears could increase further.</p>	Medium	<p>To date there has been little impact on our rates receipts and the response to the new rates postponement and remission policy has led to a number of ratepayers contacting Council to go onto a payment plan for their rates.</p>	<p>Council has adopted an additional policy for postponement and remission of rates. This policy allows ratepayers financially impacted by COVID-19, to delay payment of up to 1 year's rates. Council staff will work with affected ratepayers to set up affordable payment plans.</p>
Significant Assumption	<p>Economy</p> <p>A recessionary period is expected for the first five years of the LTP and longer-term structural changes to the economy beyond this time. This will lead to higher unemployment and lower GDP.¹⁰</p>	Medium	<p>The shape of the recession (u or v) is as yet unknown. The relative impact across regions, based on industries impacted most by COVID-19, as well as potential impacts of proposed Tiwai closure and SIT becoming a subsidiary of Te Pūkenga needs to be better understood by Council in order to reduce this uncertainty. Significant errors in this area could have a significant impact on Councils budgets over the forecast period¹¹.</p>	<p>Council will focus on efficiency savings. Investment will only be made in activities which can be serviced.</p> <p>Council will continue to review its work programme and priorities as the level of uncertainty reduces.</p>
Significant Assumption	<p>Community funding</p> <p>Council can expect to see increased funding applications from groups as a result of Covid-19 and its impact on</p>	Medium	<p>The immediate impact of Covid-19 has been seen in the local community, with reduced funding available from major community funders including the</p>	<p>Council acknowledges the potential community expectation that Council will be positioned to distribute grants to fund community wellbeing related activities.</p>

¹⁰ BERL Local Government Cost Adjustor Forecasts – Three Scenarios Reference No: #6109

¹¹<https://www.infometrics.co.nz/industry-concentrations-and-the-fall-of-think-big/> ; <https://www.infometrics.co.nz/examining-the-nz-industries-hit-hardest-by-the-covid-19-pandemic/> ; BERL Local Government Cost Adjustor Forecasts – Three Scenarios Reference No: #6109

	Community Trust of Southland and Invercargill Licencing Trust's ability to fund.		Community Trust of Southland and Invercargill Licencing Trust and Foundation.	
Significant Assumption	Economic diversification Volatility in the global economy may affect one or more of Invercargill's key export industries. This will drive diversification but will slow growth. There may be a delayed effect through the risk of impacted industries abandoning properties.	Medium	The relative impact needs to be better understood by Council to reduce uncertainty, as significant errors could have a significant impact on Council budgets over the forecast period ¹² . This may directly impact rates and ability of Council to fund projects.	Council will continue to monitor changes in the global markets.
Activity Report Level	Central Business District Following a period of static activity until 2023 when the City Block development is complete, the CBD will become more vibrant and have increased connectivity. Council will work in collaboration with others to enable strategic activities and initiatives to support the success of the CBD.	High	The city centre is at the centre of Council's vision. As with any major investment of this type there is a level of uncertainty as to the impact of the development on future use patterns within the city. If the development does not succeed in drawing people to the city centre it will have an impact on Council strategy.	Council strategic activities and economic development activities delivered through Great South will align to support the success of the city centre projects Streetscape works will be designed to support connectivity to the city centre. Council will need to plan for the structural change this is anticipated to involve. Council has support for heritage buildings through the Regional Heritage Strategy and associated funds to support businesses managing high costs of older buildings.
Significant Assumption	Tourism Tourism numbers will slowly increase, returning to 2019 levels by 2031.	Low	The tourism sector is the hardest hit in the economy and is not expected to fully recover out to 2030.	Council expects some impact, but tourism is not a major proportion of

¹² <https://www.infometrics.co.nz/industry-concentrations-and-the-fall-of-think-big/> and <https://www.infometrics.co.nz/examining-the-nz-industries-hit-hardest-by-the-covid-19-pandemic/>

			This may have an impact on the Airport and other infrastructure needs that may or may not be required in short term as tourist numbers reduce.	Invercargill's GDP so the effect is expected to be relatively minor.
Significant Assumption	International education The numbers of International students studying at the Southern Institute of Technology will slowly increase back to 2019 levels by 2031.	Low	Students are an important part of the economy, creating significant demand. The impact on retail, hospitality and housing could be significant.	Council is working with Great South on economic development.

Social and cultural				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Activity Level	<p>Māori culture Māori culture will become more visible in the city.</p>	Medium	Increased awareness of the need to recognise Maori culture and tikanga (methodology), with a particular focus on partnership, participation and protection.	Council will invest more in Maori engagement to ensure strategic projects reflect Maori culture in the city.
Activity Level Significant Assumption	<p>Socio-economic The impact of COVID-19 is yet to be realised, and there may be changes in Invercargill's socio-economic patterns over time.</p> <p>Māori have been disproportionately affected by the economic crisis brought about by the COVID-19 containment measures, and it is expected to continue to play out over the ten year recovery period.¹³</p>	Medium	<p>With GDP softening the long range economic outlook will hinge largely on the ability for the current and successive governments to provide economic stimulus.</p> <p>This may have an impact on Council activities that rely on users discretionary spend for revenue</p>	Council acknowledges the potential community expectation that Council will be positioned to distribute grants to fund community wellbeing related activities.

¹³ BERL (July 2020). Economic Scenarios to 2030. The post-COVID-19 scene.

Resilience

	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	Community wellbeing The COVID-19 response measures will have long term impacts on the wellbeing of communities, requiring a long term perspective response.	Medium	The situation is evolving and will continue to be monitored.	Council has tasked Great South, the regional development agency, to focus on resilience and economic diversification. A Community Wellbeing Fund has been established.
Asset/ Activity Plan level	Community resilience The amalgamation of Southern Institute of Technology with Te Pūkenga, and the potential loss of zero fees advantage, will have an uncertain long-term effect on Invercargill's population and economy.	Medium	The effects of COVID-19 on immigration will impact student numbers in the short to medium term. The risk of losing the zero fees advantage could have an impact on our growth strategy.	Council funds Great South to promote the region and continues to monitor and plan for the impact.
Asset/ Activity Plan level	Community resilience Tiwai Point Aluminium Smelter will continue to operate until 31 December 2024.	Medium	A transition plan will be developed to prepare for the eventual closure. It is not yet clear where and how the impact will be felt in the community.	Council is working with the Just Transition team and Great South on economic diversification.
Significant Assumption	Natural disaster No natural disaster is expected to impact the City during the life of the plan.	Medium	The impacts of a disaster will be assessed at the time and an appropriate response prepared. Infrastructure renewals are undertaken using resilient design practices.	Council has a focus on resilience. Council continues to support and invest in Emergency Management Southland.

Environment – Climate Change

Climate change impacts will vary across regions in Southland. The following is a summary of impacts taken from the *Southland climate change impact assessment, August 2018* report.

	Assumption	Level of certainty	Impact of uncertainty	Management response
Significant	<p>Mean annual and extreme temperatures (days where temp. exceeds 25°C) are expected to increase with time: By 2040: mean annual temperature increase of 0.5-1°C with 0-10 more hot days per annum. By 2090: mean annual temperature increase of 0.7-3°C, with 5-55 more hot days per annum.</p>	High	<p>Water - Longer period of drought may result in increased demand, whilst flood events create turbidity and increase the cost to treat for consumption.</p> <p>Flood Banks – increased temperature results in more extreme weather events, with a corresponding increase in height and frequency of storm surges.</p>	A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.
Significant	<p>Annual rainfall is expected to increase: By 2040: +0-10% By 2090: +5-20% Increased frequency of high rainfall days, i.e. increase in intensity of rainfall.</p>	High	<p>Roading - increased frequency and intensity of rainfall may require extra drainage works in the road network that may alter long-term maintenance costs</p> <p>Stormwater – increased frequency and intensity of rainfall events resulting in increased demand on the network.</p> <p>Wastewater - Increased frequency and intensity of rainfall events results in infiltration and inflows that increase volumes to be treated.</p>	A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.
Significant	<p>Mean sea level is expected to rise. By 2040: 0.2-0.3 m By 2090: 0.4-0.9 m</p>	High	Errors in modelling will have significant impact on capital works programme required	A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.

			<p>Stormwater – increased tailwater levels require consideration for outfall design.</p> <p>Flood Banks – Renewals need to consider increased sea level during design life.</p> <p>Sewerage – Clifton outfall may need to be pumped long term.</p>	
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Council operations				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	Council services and structure Council is planning for the current structure to deliver the current set of services, with the exception of water and sewerage.	Medium	If amalgamation does occur, costs to the ratepayer will remain the same, although revenue and financing will be done by a different operator.	Council will proactively engage with neighbouring authorities and central government to ensure that the best result is achieved from any amalgamation.
Asset/Activity Level	Water Reform As a result of the Central Government directed Waters Reform, it is assumed there will be a change in water reticulation and sewerage delivery services within the life of the plan. This will result in a structural change for Council in relation to the ownership of assets and associated debt capacity. The services will continue to be delivered, but these will be provided by another party. This will include increased regulatory requirements as required by the new regulatory authority.	High	The services will continue to be delivered but these will be provided by another party. This will be managed in line with Government best practice, and will remain within the Council financial and 10-year assumptions.	Council will assess proposed reform options when Central Government has provided their final recommendations to Local Government entities. Council will proactively engage with neighbouring authorities and central government to ensure that the best result is achieved from any reforms. Council is incorporating management of this potential outcome through planning for management of debt.
Asset/Activity Level Significant Assumption	Legislative changes There will be changes to legislation that have an impact on how Council will provide services. These changes may affect the Council organizational structure but not change the level of service received by the customer/ratepayer.	High	Changes may affect the Council organizational structure but not change the level of service received by the customer/ratepayer.	Management will continue to engage with Government and plan for changes in services in response to policy and regulation changes as these arise.

Asset/Activity Level	Consents Council will continue to carry out legislation-directed ordinary functions while factoring in an increase to required quality for consent conditions.	Medium	If unexpected consent conditions are imposed there may be unexpected costs to compliance.	Council will work with the Regional Council early to minimise the risk of unexpected consent conditions. The cost of obtaining consents, knowing environmental standards are increasing, will be built into activities.
Asset/Activity Level	The Funding Assistance Rate (as advised from Waka Kotahi NZTA) will reduce by 1% each year until reaching 51% funding assistance in the 2023/2024 and then remain at 51% for the life of the plan.	High	Increase in demand on rate funding for roading activities, including the forecast NZTA portion of the city centre streetscape project.	Continue to engage with NZTA on funding assistance.
Asset/Activity Level Significant Assumption	Asset life Assets will remain useful until the end of their average useful life, assuming asset average life expectancy assumptions are correct. ¹⁴ Infrastructure installed in the 1920s are nearing the end of their lives and require renewal within the term of the Infrastructure Strategy.	High	Assets may need renewal earlier if this assumption is incorrect and change the renewal profile. Or may allow delayed renewal in other cases.	Review the appropriateness of assets at the time of renewal including, where appropriate, whole of life cycle assessment. Increase knowledge of asset conditions to better predict the average use of life if assumptions are lower than expected.
Asset/Activity Level Significant Assumption	Investment property and Forestry Investment Property and Forestry Assets are valued on a yearly basis. They are expected to increase in line with inflation. This is reflected in our Financial Strategy, and Accounting policies.	High	Variation in valuations have no cash flow implications for Council.	Continue to value Investment Property and Forestry assets on an annual basis.

¹⁴ Council will use national standards is asset revaluation.

<p>Asset/Activity Level</p>	<p>Capital programme delivery Implementation of a Project Management Office will increase effectiveness of delivery of the capital programme over the Long-term Plan. 75% of the capital programme will be delivered In Year 1, 80% in Year 2, 85% in Year 3.</p>	<p>High</p>	<p>It may take longer to implement the Project Management Office than expected, including as a result of challenges in attracting qualified personnel. Availability of contractors may have a greater impact than expected. Delay in the programme will result in higher costs as a result of inflation.</p>	<p>Active management of project processes, including engaging consultants as required, active and early engagement with contractors. Management of the programme rather than individual projects will enable contractor availability as well as funding levels to be actively managed. The financial risk of higher levels of delivery than expected across multiple areas will be monitored. Any impact of delayed capital expenditure on renewals on maintenance budgets will be actively managed.</p>
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Financial forecasting

	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	Inflation Operational forecasts and capital work programmes will increase by the accumulated Local Government Cost Index inflation forecast by BERL.	Medium	Cost change factors are based on information developed for Council's by Business and Economic Research Limited (BERL). Significant variations to inflation would have an impact on Council's financial management.	Council will continue on the planned pathway for the Capital Works programme and review operational revenue & expenses each year.
Significant Assumption	Asset revaluation Asset values will increase by the accumulated Local Government Cost Index inflation forecast be BERL on the last valuation value. Revaluation occurs in 2021/22 and every third year therefore.	Medium	Changes in the valuation or life of Council assets may 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 with after each revaluation cycle.
Activity Report Level	Interest rates - Borrowing Expected interest rates on borrowing will be 2.5%.	High	The treasury report from Bancorp projects the ICC Borrowing interest rate are currently at 2.20% in 2020, and is expected to fall and remain under 2% for the next 10 years. Significantly higher interest rates would impact Council's financial position.	2.5% would allow some upside if the situation changed (interest rates increase or credit rating decreases); but Council have potential to go to 2.25% or 2% to lower costs.
Activity Report Level	Interest rates – Cash and Deposits Return on cash and term deposits are forecasted to expect a negative rate at some stage within 2020/2021.	Medium	Term deposit rates currently vary from 0.5% for under 6 months to a flat 1% for longer. Most forecasts still expect a negative rate at some stage within 2020/2021.	An assumption of 0.5% should be comfortable and if rates do increase again in the future, this will put Council in a more positive position.

Activity Report Level	Dividends from ICHL will be \$4.8m + CPI.	Medium	This would have a negative impact on Council's overall revenue and cash position, which would increase the burden on ratepayers.	Council will consider strategic reliance on dividends noting increased levels of economic uncertainty.
Activity Report Level	External Funding It is assumed Council will achieve the level of external funding as estimated.	High	The immediate impact of Covid-19 has been seen in the local community, with reduced funding available from major community funders including the Community Trust of Southland and Invercargill Licencing Trust and Foundation.	Council acknowledges the challenge of obtaining external funding at this time. Should Council not be able to obtain funding as indicated this would impact project scope and in some cases require further consultation.

The four wellbeings

The Local Government Act 2002 requires Council to take into account the social, cultural, economic and environmental interests of people and communities, and the reasonably foreseeable needs of future generations by taking a sustainable development approach. Sustainability can be defined as:

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

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

Social and Cultural

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

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

Working in partnership with Māori, Council is working to increase the visibility of Māori culture and contribution within the city.

Streamlining the grants process will enable increased flexibility and responsiveness to community need in a time of increased uncertainty. In addition a range of collaborations and shared services are supported with community organisations and regional partners.

Environmental

The Democratic Process Activity assists with environmental sustainability by addressing key issues of climate change, water quality outcomes and waste minimisation within the LTP process.

Economic and Financial

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

Support for the following key goals are provided through the managing of the relationship with Southland's Regional Development Agency "Great South":

- Grow the population
- Grow innovative businesses
- Diversify the economy
- Build a skilled workforce

These goals have been set to provide a pathway to achieving Great South's vision and to ultimately contribute to the overall success of the Southland region. By investing in these four goals, better lives through sustainable development will be achieved and more social and economic growth encouraged.

In response to the evolving situation presented by COVID-19, Great South has also identified the following short-term goals that will see Southland best-placed to encourage the resilience of its economy, people and place.

1. Retain jobs and a skilled workforce
2. Lead and facilitate the economic restart and rebuild
3. Champion significant projects
4. Identify opportunities to build resilience and diversify

Risk

The Council recognises that it is obliged to manage effectively and to review regularly its risks at a strategic, operational and project level. The Council has done this by developing a Risk Management Framework and a range of risk management processes that apply across the organisation. Risk assessment is a major consideration in planning and budgeting processes at all levels within the Council and is managed through the Risk and Assurance Committee.

Risk Identification and Assessment

Table 8

Health and Safety Risk Identification and Assessment

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

Note: risk schedules will be updated following implementation of corporate framework.

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

Summary of Key Risk Issues

A secondary risk is increasing and diversifying workload on a limited number of staff. The risk identified in the activity plan for the last LTP of loss of institutional knowledge has eventuated and is being managed. Additional staff have been added to the team with a range of new skills. However expectations amongst the community continue to rise at a time when Council is dealing with increasingly requirements as a result of regulatory changes and impact on business operations caused by natural disasters. There remains a health and safety risk to councillors and staff working under sustained stress and pressure.

Possible Approaches to Risk Mitigation

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

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

Resilience

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

*100 Resilient Cities*¹⁵ has four dimensions and three drivers within each:

- **Health and Well-being**
 - Meet basic needs
 - Support livelihoods and employment
 - Ensure public health services
- **Economy and Society**
 - Foster economic prosperity
 - Ensures social stability, security and justice
 - Promote cohesive and engaged communities
- **Infrastructure and Environment**
 - Provide reliable communication and mobility
 - Ensure continuity of critical services
 - Provide and enhance natural and man-made assets
- **Leadership and Strategy**
 - Promote leadership and effective management
 - Empower a broad range of stakeholders
 - Foster long-term and integrated planning

¹⁵ <http://www.100resilientcities.org/resilience>

The democratic activity can support resilience by building the skills of councillors, building stronger relationships with the community and supporting good decision making to enable effective prioritisation.

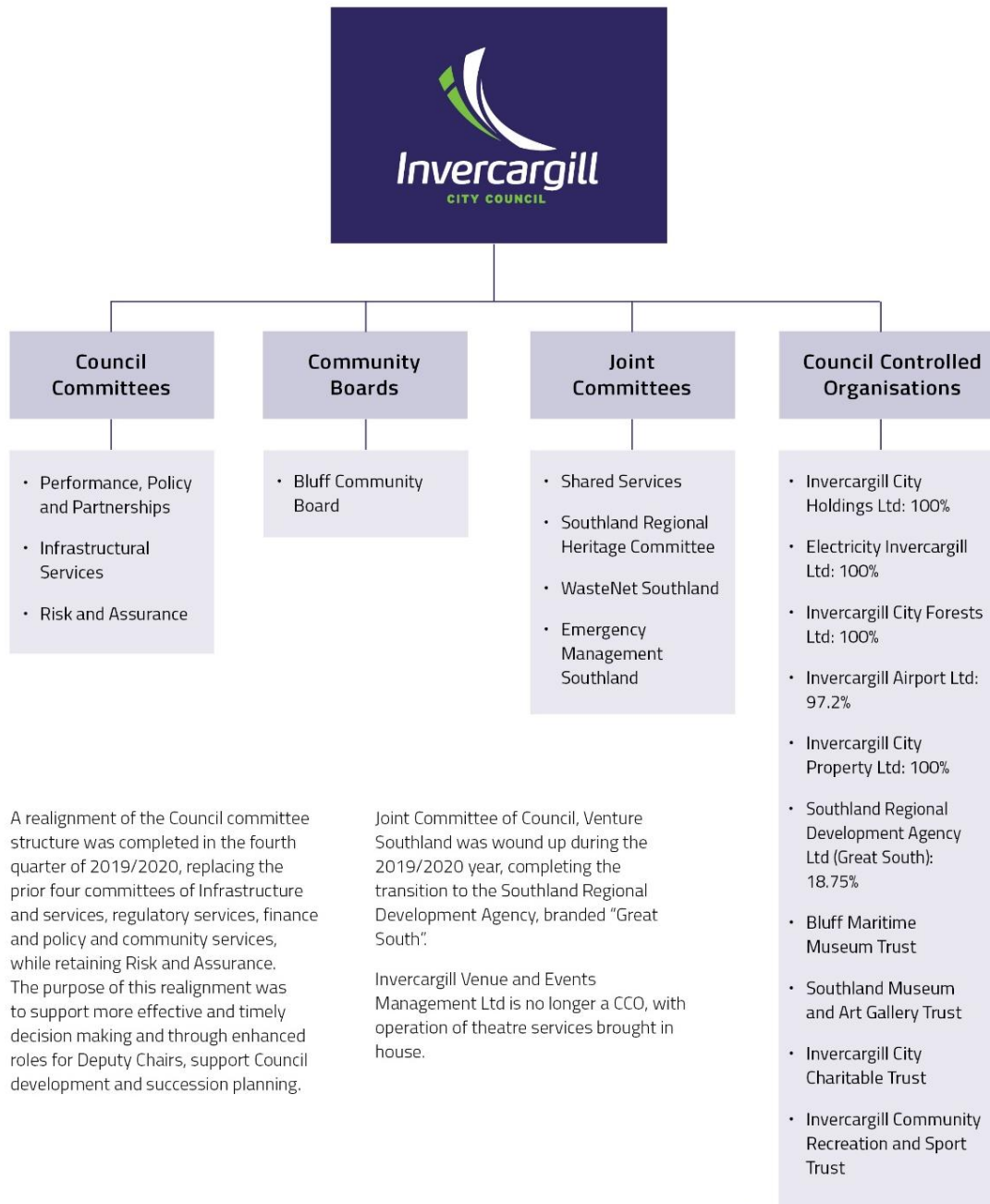
Business Continuity and Emergency Response Arrangements

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

The Democratic Process Activity is not an asset based activity and as such can continue to function following a significant emergency event. Nevertheless the impact of Covid-19 in 2020 revealed the challenges of continuing engagement and planning under an extended and evolving emergency management situation.

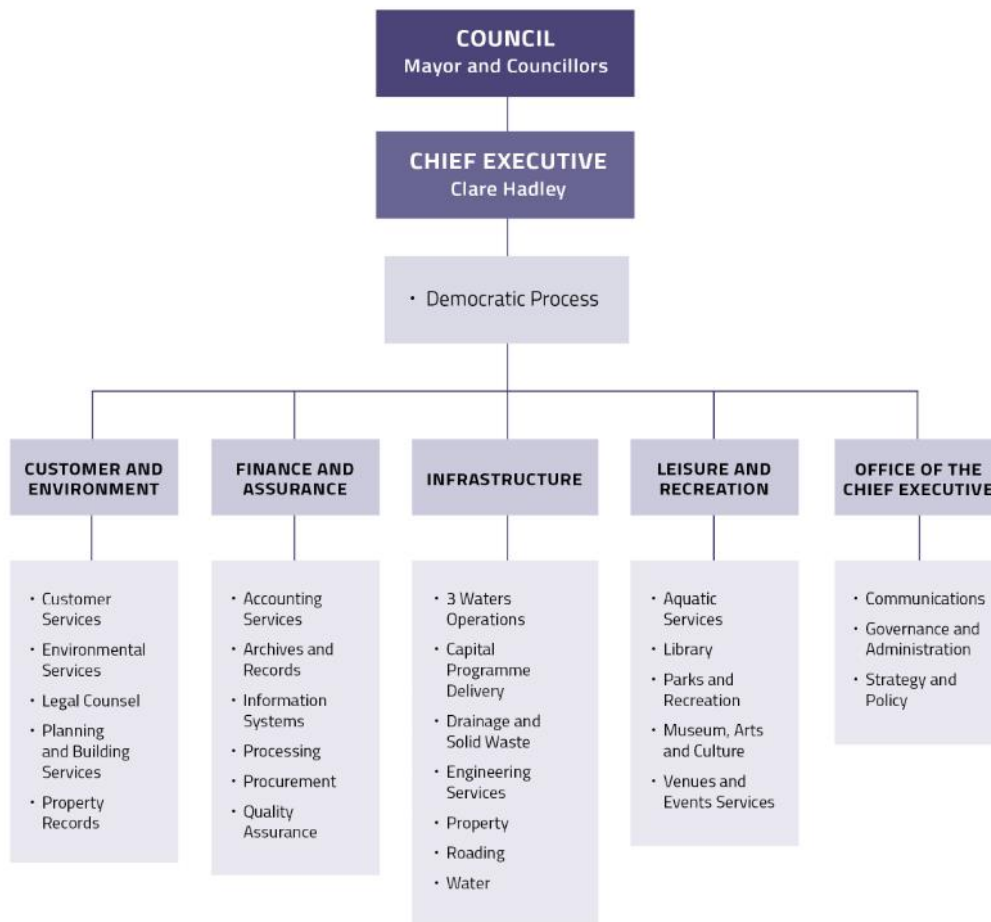
4. How we'll manage what we do

Council Structure



Invercargill introduced

Management Structure



As an in-house activity, governance is provided by the Performance, Policy and Partnerships Committee of Council. Policies, bylaws and strategic plans are approved for adoption by the appropriate Committee of Council. The Risk and Assurance Committee provides oversight for key planning processes, notably the Long-term Plan.

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

Nevertheless shared services are considered and undertaken within this Activity. This includes the delivery of economic development activities, including city centre coordination by Great South.

The administration of the Local Elections were contracted out in 2019, with staff in-house managing the election “on the ground” in the City and co-ordinating activities to promote the elections.

Managing the condition and performance of our assets

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

5. How we'll fund it

Activity	Source of Funding	
	Rates	Other Sources
Operations	✓	

Overview

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

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

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

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

How We Pay for the Activity

The Council's Funding Policy for the Democratic Process Activity is that the majority for services are of benefit to the public in general and these costs are recovered from the General Rate. The exception to this is the city centre coordinator function which is paid for by a targeted rate paid by businesses within the city centre. The Bluff Community Board is paid for by the Bluff Community Board only. This means that any increase in resourcing required by the Activity will be met by ratepayers. There is no off-setting revenue for an increase in services required from the Activity.

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

The cost centres comprising the Democratic Process Activity are:

- Mayor
- Councillors
- Chief Executive's office
- Bluff Community Board
- Local Body Elections
- Governance and administration
- Strategy and policy
- Economic development office
- City centre coordinator

Confidence Levels in Programmes

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

Reliability of Financial Forecasts

Staff related costs comprise the majority of operational expenditure within the Democratic Process Activity and as a result the reliability of the forecast is high.

Summary of Programme Assumptions

This Plan is based on the following assumptions:

- Due to the changing nature of Local Government legislation there will be a slow but steady increase in the services and programmes to be provided by the Democratic Process Activity.
- The additional resources provided for engagement as part of the organisational realignment in 2020 will be adequate to enable continuity of the programme.

Table 9*Democratic Process Total Expenditure OPEX and CAPEX 10 years*

	2020/21 Annual Plan (\$000)	2020/21 Forecast (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$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)
OPERATING												
Rates revenue	8,797	8,797	4,363	4,585	4,823	5,072	5,332	5,606	5,824	6,049	6,282	6,525
Subsidies and grants (Capital)	-	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (Operational)	25	25	25	26	26	27	28	28	29	30	31	32
Direct charges revenue	-	-	-	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-	-	-	-
Finance revenue	14	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	22	22	22	161	23	24	173	25	25	188	27	28
Internal charges and overheads recovered	247	-	-	-	-	-	-	-	-	-	-	-
Total revenue	9,105	8,844	4,410	4,772	4,872	5,123	5,533	5,659	5,878	6,267	6,340	6,585
Employee expenses	2,601	3,246	3,504	3,599	3,691	3,782	3,889	3,981	4,083	4,193	4,316	4,418
Administration expenses	465	526	416	717	438	451	794	473	484	880	511	525
Grants & subsidies expenses	3,032	2,482	2,650	2,662	2,672	2,783	2,794	2,805	2,917	2,930	2,943	2,956
Operational expenses	452	638	582	568	578	572	582	670	630	629	678	667
Repairs & maintenance expenses	12	12	12	12	12	12	12	13	13	14	14	16
Depreciation and amortisation	24	24	24	24	24	24	24	24	24	24	24	24
Finance expenses	17	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	702	-	-	-	-	-	-	-	-	-	-	-
Total expenses	7,305	6,928	7,188	7,582	7,415	7,624	8,095	7,966	8,151	8,670	8,486	8,606
OPERATING SURPLUS / (DEFICIT)	1,800	1,916	(2,778)	(2,810)	(2,543)	(2,501)	(2,562)	(2,307)	(2,273)	(2,403)	(2,146)	(2,021)
CAPITAL EXPENDITURE												
• to meet additional demand		-	-	-								
• to improve the level of service		-	-	-								
• to replace existing assets		-	-	-								
TOTAL CAPITAL EXPENDITURE		-	-	-								
Gross proceeds from sale of assets		-	-	-								

Table 10*Democratic Process Total Expenditure OPEX and CAPEX 30 years*

	2022-2026	2027-2031	2032-2036	2037-2041	2042-2046	2047-2051
	LTP	LTP	LTP	LTP	LTP	LTP
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
OPERATING						
Rates revenue	24,175	30,286	36,626	44,275	53,471	64,521
Subsidies and grants (Capital)	-	-	-	-	-	-
Subsidies and grants (Operational)	132	150	168	188	210	235
Direct charges revenue	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-
Finance revenue	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Other revenue	403	293	507	573	408	701
Internal charges	-	-	-	-	-	-
Total revenue	24,710	30,729	37,301	45,036	54,089	65,457
Employee expenses	18,465	20,991	23,593	26,300	29,332	32,701
Administration expenses	2,816	2,873	3,659	4,101	4,025	5,071
Grants & subsidies expenses	13,561	14,551	14,955	15,269	15,619	16,008
Operational expenses	2,882	3,274	3,628	4,055	4,517	5,013
Repairs & maintenance expenses	60	70	82	91	99	115
Depreciation and amortisation	120	120	120	120	120	120
Finance expenses	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-
Total expenses	37,904	41,879	46,037	49,936	53,712	59,028
OPERATING SURPLUS / (DEFICIT)	(13,194)	(11,150)	(8,736)	(4,900)	377	6,429
CAPITAL EXPENDITURE						
• to meet additional demand	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-
• to replace existing assets	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-

Figure 1

Democratic Process Operating Revenue – 10 Years

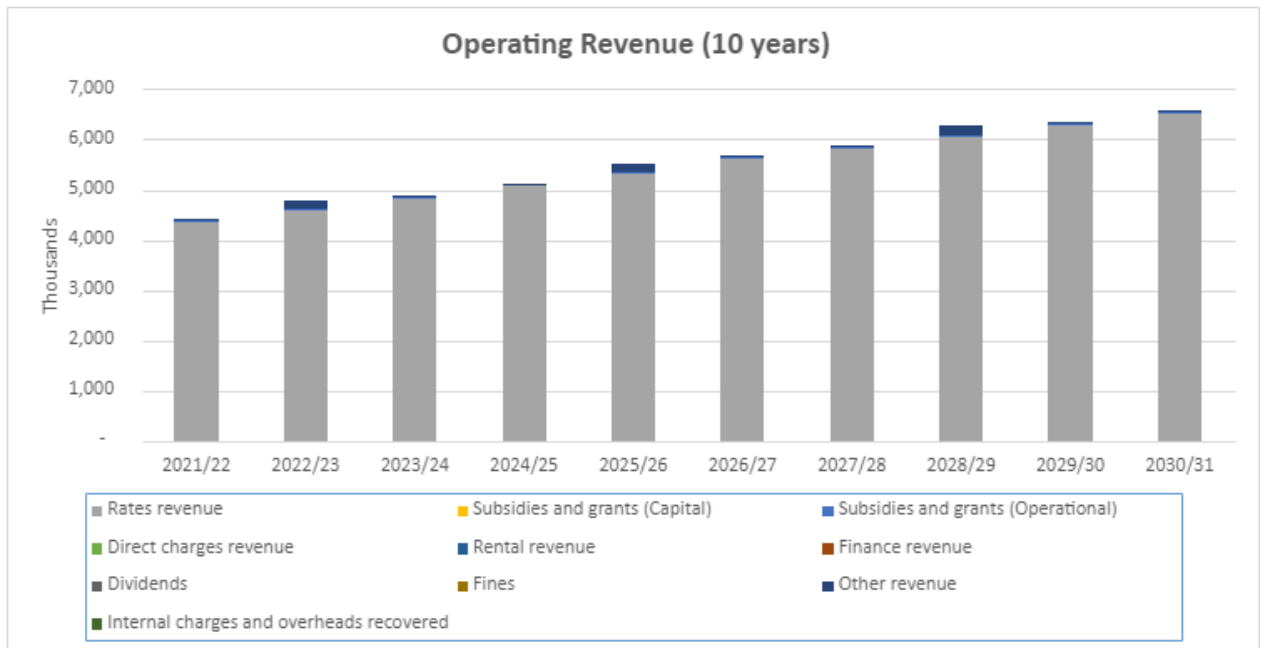


Figure 2

Democratic Process Operating Revenue – 30 Years

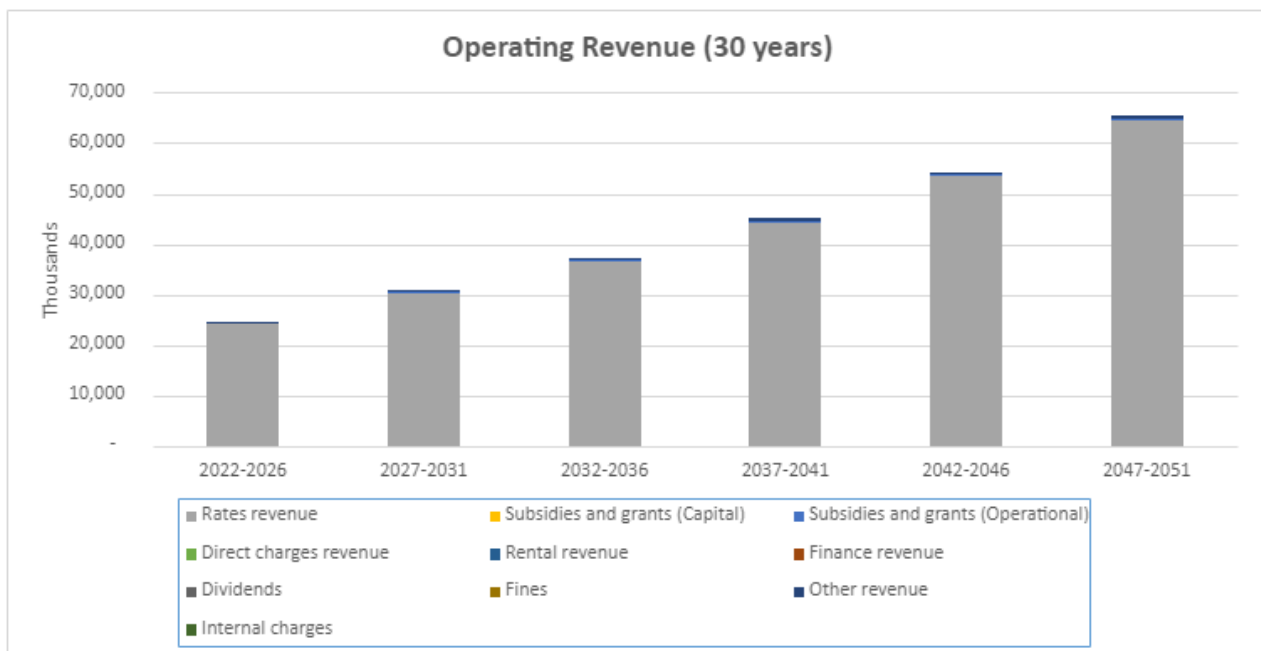


Figure 3

Democratic Process Operating Expenditure – 10 Years

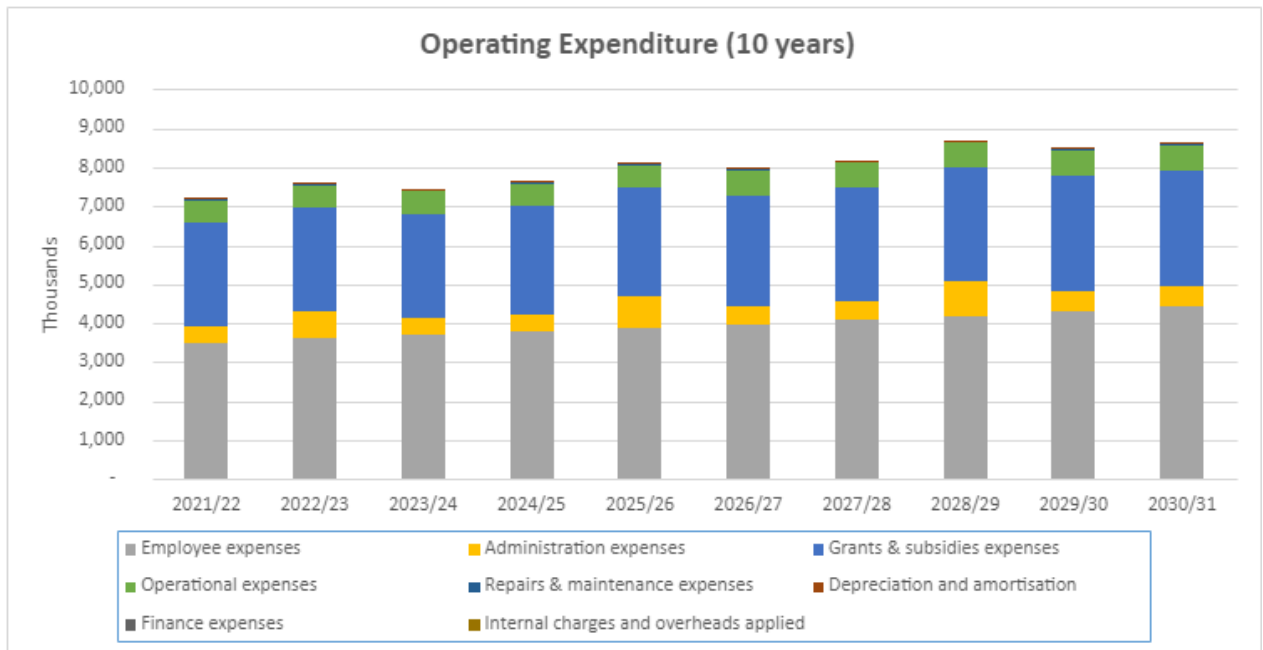
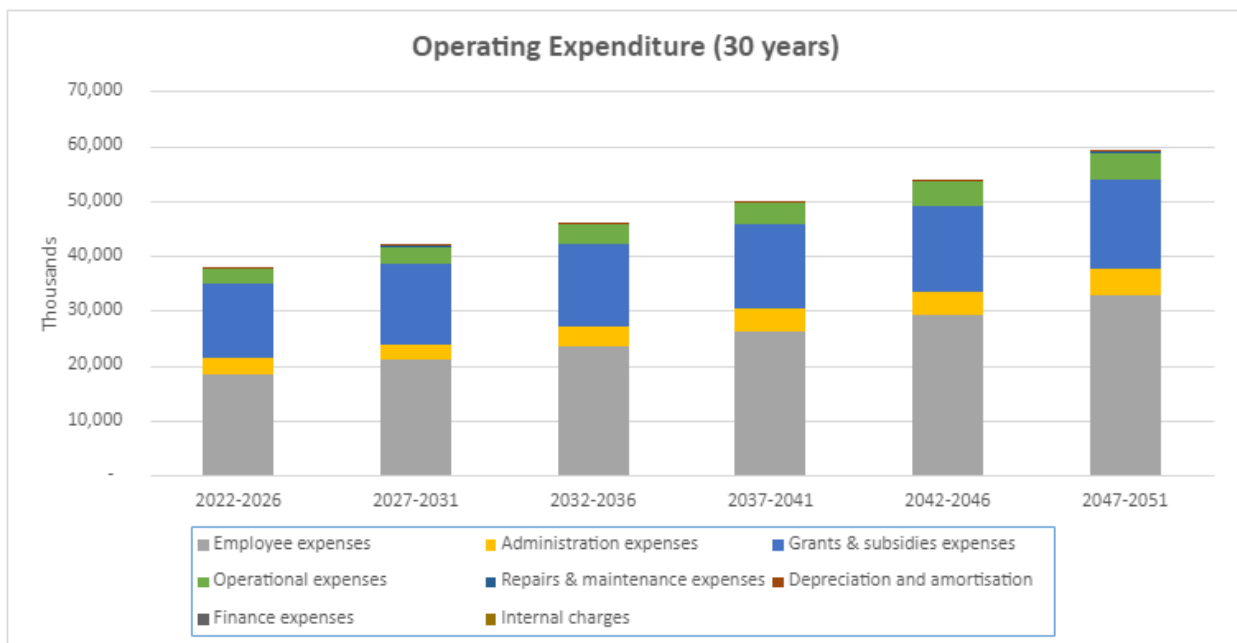


Figure 4

Democratic Process Operating Expenditure – 30 Years



6. How we'll know we're delivering

How we'll manage improvements

Council operates on a four-weekly cycle with meetings for the two committees of Infrastructural Services Committee and Performance, Policy and Partnership Committee. These Committees monitor and consider reports on levels of services for activities and assets alongside monthly financial accounts for each department. Committee 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.

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 the Council meetings. The Annual Report is a holistic overview of their performance.