



Governance and Strategy Group



Community Outcome

A Sustainable And Livable
Environment and
A Vibrant and Thriving Economy

The Governance and Strategy Activity is the activity that has the overall responsibility for the operation of the democratic aspects of the district and helping guide its strategic direction. It also includes the Economic Development and Māori Engagement Activities of Council. The elected members of the community, combined with the technical expertise of staff, provide the direction and objectives for Council's activities in the district.

Governance is not only a legal requirement, but a commitment to delivering value for money and prudent management that contributes to all community outcomes.

Governance

The Governance activity includes the democratic arm of the Council as the elected body, together with the 3 Community Boards. It also includes their support functions. It provides the primary legal and other support functions to the Mayor and Elected Members together with the General Management Team.

GOVERNANCE CONTRIBUTES BY

- Support provision of compliant local governance
- Administer community funding programmes.
Communicate Council decisions

¹ Please refer to the Governance section of the Long-Term Plan (LTP) 2012/13 and the Annual Plans 2013/14 and 2014/15 for further information on priorities



KEY PROJECT

– development so far –

Local Government Reorganisation

What we said we would do in 2013/14

Progressing an application for Unitary Authority status.

What we did in 2013/14

The Local Government Commission has completed public hearings into the proposed reform of Council structures and now analysing the information before deciding its next steps.

What we plan to do in 2014/15

The Commission will now be giving careful thought to ideas and questions raised during the submission process. The process are guided by a number of requirements in law and the amendments to the Local Government Act, currently before the House.

COMPLETED

– what we have achieved in 2013/14 –

- Conducting the 2013 local body election and inaugurating the new Council and Community Boards.

CHALLENGES AND DISAPPOINTMENTS

– where are we now? –

- New amendments to the Local Government Act (2002) will require implementation through the LTP 2015/25.

THINKING AHEAD¹

– key priorities planned for 2014/15 –

- Council, through the leadership of Mayor John Carter and Councillors, is intent on developing positive relationships with communities, non-governmental organisations, Māori and other local authorities. Council is especially committed to creating an organisation that is more customer-centred – “going the extra mile” and “listening to our community”. As part of this commitment, the organisation will complete a restructure to refocus the organisation and change internal service structure to meet the needs of the community. The organisation needs to have a greater strategic approach to managing the Council and its activities, improve community engagement, have a higher performing organisation to deliver quality services and greater collaboration and consultation with Iwi / Māori and other organisations.



- Council will continue its drive to see more focused community engagement and community based decisions by empowering Community Boards with fuller involvement in Council decisions and more consultation with communities before decisions are made.
- Council will focus on the development of the Strategic Planning and Visioning Frameworks and

Performance Measurement Frameworks to set platforms for the LTP 2015/25, and will continue with improving its provision of effective services to the community. Planning will be influenced by the final outcome of the Local Government Commission's draft proposal for the reorganisation in Northland.

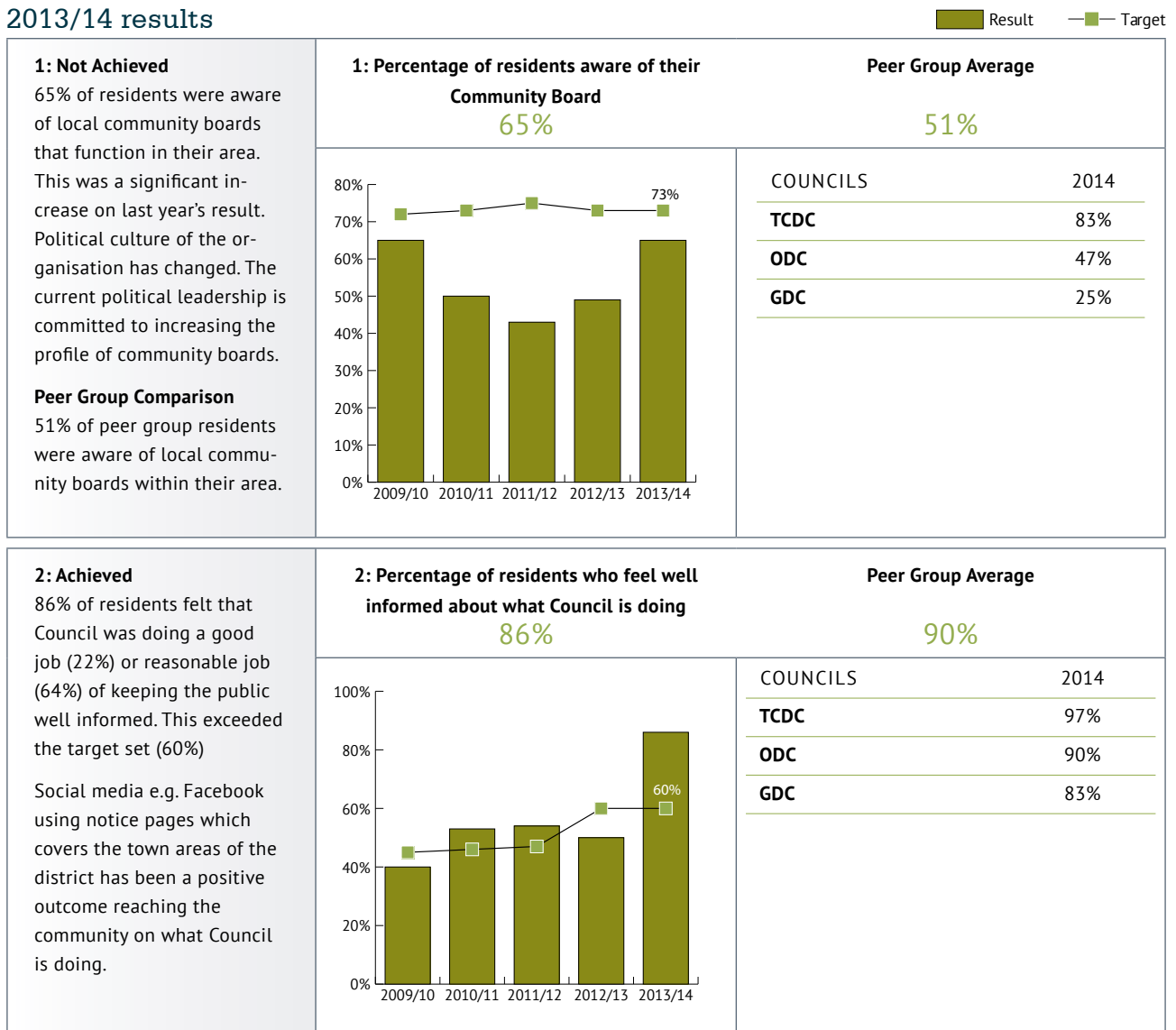
Activity Performance Indicators

– *what you have told us* –

The information below includes:

- How residents rated their satisfaction on use of a selection of Council services and facilities;
- The activity service and performance results; and
- A peer review comparison with three Councils (Thames-Coromandel District Council (TCDC), Opotiki District Council (ODC) and Gisborne District Council (GDC) looking primarily at customer satisfaction with Council's facilities and services.

2013/14 results



2013/14 results

Result Target

3: Not Achieved
 50% of residents were extremely satisfied (13%) or satisfied (37%) with the ease of accessing Council information and services. This result was an increase on last year's measure. Presently recruiting a person to manage FNDC website improvements which will significantly improve ease of access to Council information.

Peer Group Comparison
 The combined peer group average increased to 62% from 54% in 2011.

3: Percentage of residents satisfied with ease of access to Council information
 50%

Peer Group Average
 62%

COUNCILS	2014	2012
TCDC	50%	53%
ODC	63%	53%
GDC	72%	53%

Year	Result (%)	Target (%)
2009/10	60	68
2010/11	40	68
2011/12	42	69
2012/13	43	60
2013/14	50	60

4: Achieved
 Results are based within FNDC website on page views for meetings and strategic documents. From 2013 Council introduced a cost producing a printed copy of agenda minutes and strategic planning documents. Printing requests have reduced and access to FNDC website for agenda minutes and strategic planning documents has increased.

4: Number of website hits for agenda minutes and strategic planning documents
 9,929

Year	Result	Target
2009/10	9,000	8,000
2010/11	6,000	8,000
2011/12	40,000	8,000
2012/13	10,000	8,000
2013/14	8,000	9,929



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Community Outcome
A Sustainable and Livable
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Strategic Planning

The Strategic Planning Activity provides the overall, long-term direction for the district. It includes the development of the Long-Term Plan, and intervening Annual Plans. The Strategic Planning Team manages these documents and the public consultative processes. As part of their functions the team is responsible for reviewing the community outcomes and a number of key policies.

STRATEGIC PLANNING CONTRIBUTES BY

- Support provision of compliant local governance
- Administer community funding programmes.
Communicate Council decisions

COUNCIL'S STRATEGIC PRIORITY

– in action –

Sustainable Growth Strategy (also known as The Far North's Future 30/50 Project)

What we said we would do in 2013/14

Draft scenarios will be prepared based on the research phase and will go out for consultation. Adoption is expected in late 2013 or early 2014.



What we did in 2013/14

Following a series of workshops, Council decided at this stage not to release the findings of the research phase to the public, or the draft possible future scenarios. The Sustainable Growth Strategy project team has progressed with an evaluation of the alternative approaches to development with a single sustainable development strategy for the District being developed. A draft outline was developed, for consideration by Council.

What we plan to do in 2014/15

Finalise the Growth Strategy

COMPLETED

– what we have achieved in 2013/14 –

Growth Strategy

Prepared and presented six alternative development scenarios (as options this Council could take), and shortlisted four to be fully developed for analysis. Prepared an evaluation framework to assess the relative merits (pros and cons, costs and benefits) of the alternative development options.

Workshops with Council and with General Management Team led to refined thinking on the purpose of the project, and on the nature of the products required of the process.

Work associated with implementation programming were able to be incorporated into the draft Annual Plan 2014/15.

Annual Plan 2014/15

Completed the Annual Plan 2014/15 on time.

CHALLENGES AND DISAPPOINTMENTS

– where are we now? –

Growth Strategy

- Limited progress on developing Local Area Blueprints.
- Critical information gaps were identified (in relation to land use/zoning and infrastructure capacity and condition assessments) – which could not be addressed in the current year.

Local Government Act

- Early 2014 Government released amendments to the Local Government Act which affected a number areas of business and in particular development contributions. The Council made a submission on the bill which is presented to the select committee by the Mayor. Unfortunately our suggestions were not adopted in the final bill.



THINKING AHEAD¹

– key priority planned for 2014/15 –

Forward Planning

It is very important that the Far North has a clear vision for the future, as this will help ensure cohesive and focused decision making that will have positive and sustainable long term outcomes. Council will undertake a visioning exercise, working with Far North communities, that will provide a foundation for all strategic planning, both within and outside of Council. The impact of the amendments to the Local Government Act reflect the new infrastructure and core services focus. These include:

- Significance and Engagement policy, which introduces new requirements about how Council will consult
- More detailed and complex consultation document
- 30 year strategy for infrastructure, including financial impact
- Development Contributions
- Mandatory performance measures for Core Services.

Activity Performance Indicators

Production of Annual Plans and Long-Term Plans is business as usual. Therefore this activity does not have any associated activity performance indicators but does contribute to the overall community outcomes for the Governance and Strategy Group.

¹ Please refer to the Strategic Planning section of the Long-Term Plan (LTP) 2012/13 and the Annual Plans 2013/14 and 2014/15 for further information on priorities



Governance and Strategy Group



Community Outcome
A Vibrant and Thriving Economy

Economic Development

Council's Economic Development Activity works to strengthen the district economy and attract new business to the Far North by promoting it as an investment destination. This includes working to ensure that Council delivers on its promise to be a business friendly organisation. It also works with businesses and education providers to ensure that appropriate and timely skills training is available to the community.

ECONOMIC DEVELOPMENT CONTRIBUTES BY

- Council's processes aid the establishment of new business and industry. Council supports major events that contribute to the economy of the district. All towns are encouraged and supported to develop their town centres and communities to attract new business investments, tourism and community resilience which locals will be proud of.



COUNCIL'S STRATEGIC PRIORITY

– in action –

Minerals

What we said we would do in 2013/14

Continue to work in partnership with NZ Petroleum and Minerals and regional stakeholders. This is to ensure good public information provision for the region and the district as well as a joint approach to any potential investors.

What we did in 2013/14

At the start of 2013/14 Council continued to actively market public information for both the region and the district. As a result of successfully carrying out this work plan with region partners and NZ Petroleum and Minerals Council curtailed and concluded its marketing of public information in the latter half of 2013/14.

What we plan to do in 2014

Minerals marketing of public information will not be a strategic priority in 2014.

This is because the minerals work plan was satisfactorily carried on in the previous year and there is no need to continue this activity at this level from a strategic viewpoint.

KEY PROJECT

– development so far –

Economic Strategic Plan

What we said we would do in 2013/14

Preparation of a strategic business plan and working with Far North Holdings Ltd to strengthen the district's economy and market the district's attractions such as Pou Herenga Tai – Twin Coast Cycle Trail.

What we did in 2013/14

Council's direction was to focus on completing the Growth Strategy for the LTP 2015/25. This information is critical to finalising the Economic Strategic Plan.

What we plan to do in 2014/15

Delivery of an evidence based Economic Development Strategy. Review the current models of delivery of the Economic Development Strategy.

COMPLETED

– what we have achieved in 2013/14 –

- In 2014 Council has an additional budget of \$30,000 for Focus Projects. Focus Projects is a new initiative that will provide funding for community led town projects, supporting and celebrating the town's uniqueness along with providing a community strengthening activity. Inspired by the Focus Paihia Community Trust, it is expected that the budget will provide for Focus Projects in 3 townships over the next year.

CHALLENGES AND DISAPPOINTMENTS

– where are we now? –

- There has been serious delays in the construction of Pou Herenga Tai Twin Coast Cycleway to June 30 2014 because of a shortfall in funding available to complete the trail. Council is to put a case before the Government for additional funding in 2014. Currently estimates of that cost are being prepared and will form part of Council's case for more funding.

THINKING AHEAD¹

– key priorities planned for 2014/15 –

- Continue to engage with Northland Inc. on economic development opportunities within Northland and the Far North district.
- Continue to support the marketing of the Bay of Islands Brand.

¹ Please refer to the Economic Development section of the Long-Term Plan (LTP) 2012/13 and the Annual Plans 2013/14 and 2014/15 for further information on priorities

Activity Performance Indicators

- The activity service and performance results in 2013/14 is detailed below:

2013/14 results

Result Target

<p>1: Achieved</p> <p>Tourism sector:</p> <ul style="list-style-type: none"> Bay of Islands Marketing Group established and supported by Far North Holdings Limited and Council to promote the district to the domestic market; Supported Northland Inc. International (Regional Tourism Operator) Tourism Marketing; and Secured three national events being: NZ Powerboats, Tall ships with ATEED and Bathtubs. <p>Primary Sector:</p> <ul style="list-style-type: none"> Oyster farming project in the Bay of Islands supported. 	<p>1: Council supports 3 industry projects</p> <p>3</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Result</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>3</td> <td>3</td> </tr> <tr> <td>2013/14</td> <td>3</td> <td>3</td> </tr> </tbody> </table>	Year	Result	Target	2012/13	3	3	2013/14	3	3
Year	Result	Target								
2012/13	3	3								
2013/14	3	3								
<p>2: Not Achieved</p> <p>Fully functioning website and marketing materials created and liaison with the emerging cycle trail businesses has been achieved. These marketing products cannot go fully live until the cycle trail is fully constructed.</p>	<p>2: A marketing strategy is developed and implemented</p> <p>*Amended KPI focus (as part of the 2013/14 Annual Plan adoption) due to Council resolution to establish a business unit.</p> <p>90%</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Result</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>90%</td> <td>100%</td> </tr> </tbody> </table>	Year	Result	Target	2013/14	90%	100%			
Year	Result	Target								
2013/14	90%	100%								



Governance and Strategy Group



Community Outcome
Services That Support Sustainable
and Livable Environment and
A Vibrant and Thriving Economy

Māori Engagement

Council has a number and range of statutory functions that require recognition and respect of the Crown's responsibility to take account of the principles of the Treaty of Waitangi as well as improving opportunities for Māori to participate in Council's decision-making processes. The opportunity and ability for Māori to participate enables them to provide for their well-being while recognising and providing for the relationship of Māori, their culture and traditions, with their ancestral lands, water, sites Wahi Tapu and other Taonga.

As part of their function, the Māori Engagement Activity is tasked with facilitating and liaising with Iwi/Hapu to give effect to Council's responsibilities.

MĀORI ENGAGEMENT CONTRIBUTES BY

- To align Māori social and development outcomes so that there are clearer opportunities and efficiencies when providing for the social, cultural, environmental and economic development and well-being of Māori within the Far North



COUNCIL'S STRATEGIC PRIORITY

– in action –

Maori Engagement

What we said we would do in 2013/14

Council indicated in the LTCCP 2009/19 that it supported developing effective Māori engagement by reflecting a commitment to the principles of the Treaty of Waitangi and by promoting Māori development by providing assistance to Treaty claimants.

What we did in 2013/14

Council has identified a renewed commitment to improving the way it engages with Māori and is developing a Māori Strategy alongside Iwi/ Māori.

What we plan to do in 2014

To establish ways of improving Council's engagement with Māori and will also lead to developing strategic relationships in a positive way that will bring mutual benefits to both Māori and the wider community.

COMPLETED

– what we have achieved in 2013/14 –

- Worked with a number of Māori Landowners, Ahu Whenua Trusts and Landcorp to scope out economic development opportunities for Māori Land.
- Worked with Māori landowners to develop a Honey contracting company looking at contracting out labour services
- Development of the Ngawha Springs Mineral Pools will result in the Domain Reserve being leased to Parahirahi C1 Trust to help enable their redevelopment proposal. To support this lease a Memorandum of Intent will be developed between the Trust and Council.
- A Māori Strategy on Relationships and Engagement has been endorsed which will provide the opportunity for Council to engage Māori on a range of matters, but specifically in relation to:
 - The Treaty of Waitangi
 - Māori Representation
 - Māori Consultation
 - Māori Economic and Social Development; and
 - Capacity Building.



CHALLENGES AND DISAPPOINTMENTS

– where are we now? –

- Working through Manawhenua dynamics preparatory to raising Council business.
- Managing Tangata Whenua values with Councils expectations.
- Obtaining buy in from other parts of the organisation as to how things should proceed when dealing with Māori.
- Talking to the right people, and developing long term relationships.
- Adequate staff resources to be engaged to address the increased number of projects.
- The focus and priority for Tangata Whenua was not Council business but instead were Treaty Settlements.
- The Te Haumi project where the goal post kept changing because of information and requests by another consenting authority was causing confusion for Tangata Whenua.

THINKING AHEAD¹

– key priorities planned for 2014/15 –

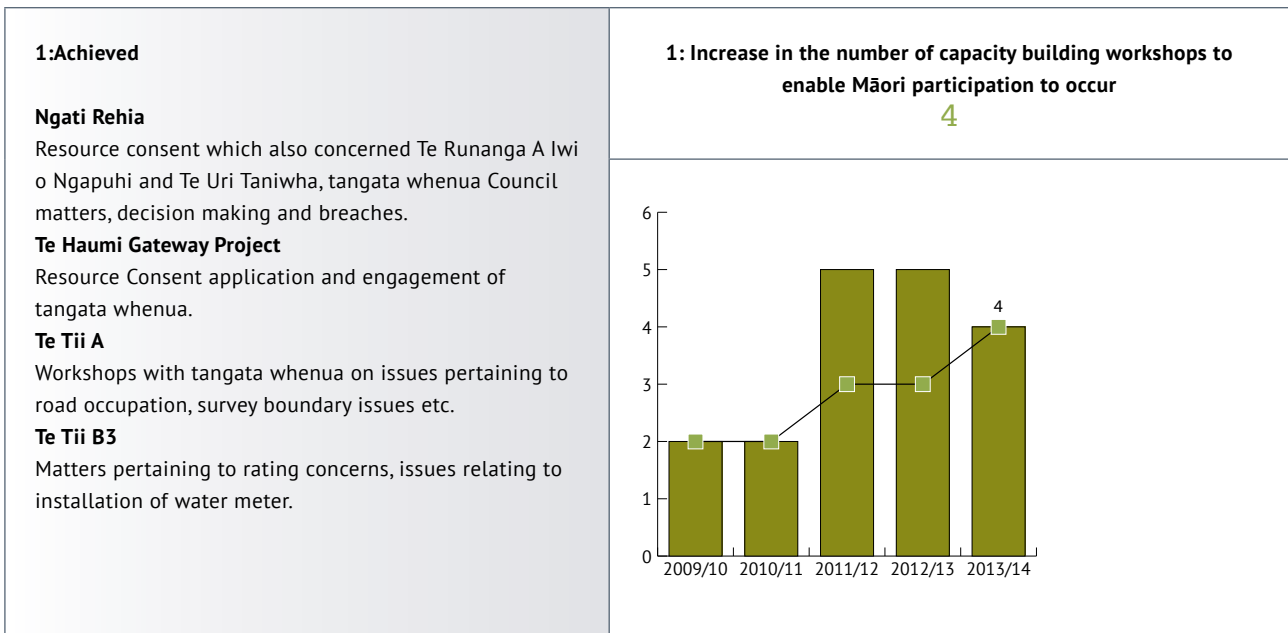
- Developing Partnership Agreements and Memoranda of Understanding to underpin Council's relationship with Iwi/Māori as well as reflecting Council's commitment to the principles of the Treaty of Waitangi.
- Working alongside Treaty claimants to develop strategic relationships that supports and enables economic, social, environmental and cultural opportunities that brings mutual benefits to both Māori and the wider community.
- Exploring incentive schemes and other opportunities to enhance the use of Māori land to encourage its productive use.
- Working with Māori on key infrastructure projects of mutual interest (e.g. water supply and water quality within the district).

Activity Performance Indicators

- The activity service and performance results in 2013/14 is detailed below:

2013/14 results

■ Result —■— Target

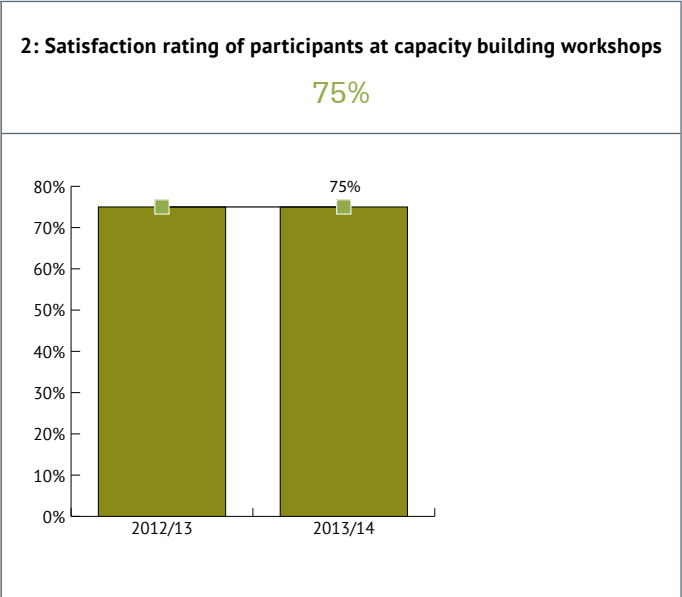


¹ Please refer to Māori Engagement section of the Long-Term Plan (LTP) 2012/13 and the Annual Plans 2013/14 and 2014/15 for further information on priorities

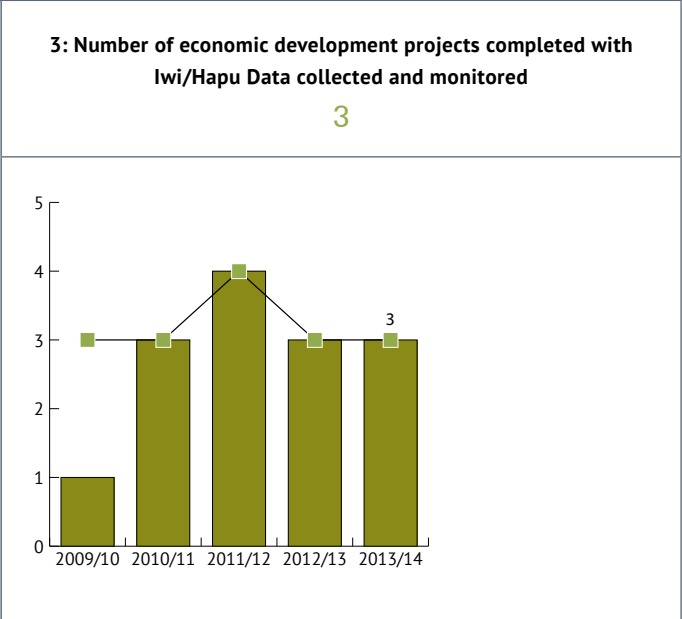
2013/14 results

Result Target

2: Achieved
 Satisfaction surveys for the capacity building workshops above, instances are recorded but measured by matters being resolved and a working relationship established by the relevant groups.



3: Achieved
 Three projects completed in 2013/14.





Governance and Strategy Group

Financial Information

Financial Summary

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	ACTUAL 2014 \$000s	COUNCIL BUDGET 2014 \$000s	VARIANCE \$000s
INCOME				
Rates Income	1	12,146	11,157	989
Fees, charges & targeted water supply rates		105	86	19
Development & financial contributions	2	0	374	(374)
Other Income		349	323	26
Total Operating Income		12,600	11,939	660
Expenditure				
Direct Costs	3	9,396	7,268	(2,128)
Indirect Costs	4	738	889	151
Activity Expenditure		10,134	8,157	(1,977)
Depreciation		4	30	26
Interest expense		564	920	355
Total Operating Expenditure		10,703	9,107	(1,596)
Net Operating Surplus/(Deficit)		1,899	2,833	(936)
Capital Statement				
Net Operating Surplus		1,899	2,833	(936)
Loans		92	258	(166)
Other Funding		14	(1,556)	1,570
Total Funding		2,005	1,534	471
New Work		181	258	77
Renewal Works		897	827	(70)
Loan Repayments		2,979	449	(2,530)
Total Capital Expenditure		4,057	1,534	(2,523)
NET SURPLUS/(DEFICIT)		(2,052)	0	(2,052)

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number.

The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

Variance To The Annual Plan 2013/14

1. Rates Income is showing a favourable variance of \$989k predominantly due to:
 - a. An increase in penalty rate income of \$684k and an increase in general rate income of \$305k.
2. Financial contributions are showing an unfavourable variance due to \$374k relating to operational development contributions was not received.
3. Direct costs are showing an unfavourable variance of \$2,128k predominantly due to:
 - a. Professional fees are showing a favourable variance of \$204k as an SCP was not required as there was no LTP amendment;
 - b. Bad debt provisions, remission of rates and penalties are \$2,317k more than budget.
4. Indirect costs are under budget \$151k due to a decrease in corporate allocations.

Key Capital Projects

FOR THE YEAR ENDED 30 JUNE 2014

	ACTUAL 2014 \$000s	COUNCIL BUDGET 2014 \$000s	VARIANCE \$000s
NEW WORKS			
Administration services	47	0	(47)
Information management	91	258	167
Building services	44	0	(44)
Total New Works	181	258	77
<i>Renewals</i>			
Accounting services	28	526	498
Administration services	514	258	(256)
Information management	346	0	(346)
Telephony infrastructure	0	43	43
Building services	9	0	(9)
Total Renewals	897	827	(70)

Significant Acquisitions Or Replacements Of Assets For 2013/14

The LGA 2002 requires councils to provide information regarding any significant assets acquired or replaced during the year. Council carried out no works of a significant level for this activity during the year.



Governance and Strategy Group



A Reflection of Our Bi Cultural Community

Information below demonstrates the activities that Council has undertaken in the 2013/15 year to establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes.

MĀORI DEVELOPMENT

Māori development, in collaboration with other departments, will play a key role in addressing the following areas:

- Māori representation;
- Māori economic & social development;
- Internal capacity building; and
- External engagement.

The above emphasis is twofold:

- Council has obligations under the Local Government Act 2002, to establish processes to give Māori the opportunity to contribute to decision making and to consider ways to foster Māori development and capacity through better engagement; and



- Develop a more strategic alignment with Iwi / Māori through greater engagement, programmes & /or initiatives. This was a major input into the LTP through the submission process.

In view of Council's intention to become a Unitary Authority, it has signalled its support in principle for having dedicated Māori seats if unitary authority status is achieved. Council has also shown its commitment by resolving to investigate non electoral options for engagement and involvement of Māori in its decision making.

Council is mindful of the challenges faced by Māori landowners and supports opportunities that enable development on Māori freehold land to occur. Whilst Council only administers a small component of Māori freehold land development, Council acknowledges that development will require greater collaboration with key stakeholders including the Māori Land Court, Te Puni Kōkiri, Social Housing Unit, Māori Trusts, Iwi authorities and other central government agencies.

These development opportunities will be project driven with a number of capacity building workshops provided on a case by case basis e.g. Council may facilitate papakainga development workshops to empower participants to gain a better understanding of the provisions applicable to papakainga within the District Plan.

With regards to the internal capacity building, the waiata roopu continually provides consistent support and has participated at a range of council functions, including pōwhiri/ welcoming ceremonies, poroporoakī /farewells and civic functions like citizenship ceremonies.

External Engagement

With regards to external engagement forums, Council is in the process of canvassing strategic and collaborative relationships with central government agencies and Iwi authorities within the district. This relationship building process seeks to align Māori social and development outcomes so that there are clearer opportunities and efficiencies when providing for the social, cultural, environmental and economic development and wellbeing of Māori within the Far North.