

NOTICE IS HEREBY GIVEN THAT THE MONTHLY MEETING OF THE FINANCE AND POLICY COMMITTEE, WILL BE HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE, ON TUESDAY 13 NOVEMBER 2007, FOLLOWING THE CONCLUSION OF THE OPERATIONS COMMITTEE MEETING

**Steve Parry
CHIEF EXECUTIVE**

6 November 2007

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FINANCE AND POLICY COMMITTEE AGENDA

NOVEMBER 2007

1. CONSULTATION TOOLS - OPINIONMETER

(Memo from General Manager, District Assets - 26.10.07)

The Council reports against a range of performance measure statements which are listed in the Long Term Council Community Plan (LTCCP). These track how the Council is performing against the level of service provided by the Council for each Activity. The results of the performance measures are stated each year in the Annual Report and are audited by the Council's Auditor.

A number of these performance measures across a number of activities relate to satisfaction surveys or a percentage of people or users that are happy with the level of service provided. I have attached some examples of these measures to this memo.

Council officers have been investigating different ways to gather feedback from ratepayers and other users of services. There are a number of methods that can be utilised and best practice manuals recommend that using a variety of different tools will give the best result. This is because a wide variety of different types of people can contribute to the subject being surveyed resulting in a better feel of what the whole Community actually thinks.

We have been investigating two specific methods in detail to add to our "Consultation Tool Box". The first is the setting up an email feedback user group. We intend to invite ratepayers to join this group in conjunction with the sending out of the February rates notice. Random sub-groups will be selected from the main group and each of these sub-groups will each be requested to provide feedback on an issue. It is anticipated that the setting up of this service will incur only minor costs.

The second tool is a portable kiosk style survey station that can be placed on location to gather feedback. I have attached a brochure containing information about the station, essentially it caters for anything up to about ten questions with multiple choice answers.

It is very easy for the user as it is on location (eg at the Pool), they just key in the question number and their preferred option and it is all completed in the matter of a few minutes. The software provided with the station creates the survey forms, logs

the results of a survey on-line for analysis and produces a variety of reports of the results.

Council officers think that this tool would be of an immediate benefit by enabling us to begin to gather customer feedback data in time for the 2008 Annual Report. Therefore, I am asking the Council to consider approving the purchase of this tool and if so, in this financial year.

The tool has an initial purchase cost of \$3,850 for the station and an annual software licence fee and user account fee of \$1,900. The most appropriate cost centre for this asset to belong to is the Administration Cost Centre. This is because the asset will be able to be used by a variety of the Council's activities.

Fortuitously, there is a residual sum of \$10,000 of carry forwards remaining from the previous financial year that has not yet been allocated to a project. Therefore, this item could be funded from this money with little effect on existing budgets. The alternative would be to include the purchase sum in the 2008/09 years budget.

The annual operating cost of \$1,900 will only have a minor effect on the operational portion of the Administration Cost Centre and the 2008/09 operational budget would be able to be adjusted accordingly.

RECOMMENDATION

THAT the Council approve the purchase of an Opinionmeter,

AND THAT the Opinionmeter be funded using part of the \$10,000 unallocated carry forward for the Administration cost centre.

Examples of Performance Measures Containing Survey Information

- **The users of aquatic services are satisfied with the aquatic services provided as measured by a community survey every two years.**

A summary of current and future performance targets is as follows:

- As of May 2005, 72% of users were satisfied with the aquatic services provided.
- It is expected that by 2007, 80% of users will be satisfied.
- It is intended to have 85% user satisfaction by 2016.

- **The community is satisfied with the adequacy of public conveniences, as measured by a community survey every two years.**

A summary of current and future performance targets is as follows:

- This is a new measure. Nevertheless, 52% of the community was satisfied with the adequacy of public conveniences when surveyed in March 2005.
- It is intended to increase Community satisfaction to 70% by 2008, which is when the toilet upgrade projects have been completed.
- It is intended to maintain the 2008 levels of service and performance target for the remaining duration of the plan.

- **Communities in Gore District are satisfied with the roading network, as measured by community surveys conducted every two years.**

A summary of current and future performance targets is as follows:

- This is a new measure and a current baseline is not known.
- It is expected that by 2008, 70% of the community will be satisfied with the roading network, which is when the first two-yearly survey is planned.
- It is intended that the 2008 target will be maintained throughout the remaining life of the plan.

2. REQUEST FOR FUNDING ALLOCATION FROM RAYONIER FUND

(Memo from General Manager, Corporate Services – 01.11.07)

Attached is a letter of request from the Te Hono o te Ika a Maui ki Ngai Tahu Marae for funding, along with my initial response. As I have indicated in the initial response, the Council's direction has been that all the remaining Rayonier funds should be channelled to the completion of the Maitara Community Centre project.

RECOMMENDATION

THAT direction be given from the Council as to whether this request for funding should be considered further, or whether it should be declined due to the prior commitment of funds.

3. WAIKAKA AREA RATING COMMITTEE

(Memo from General Manager, District Assets - 02.11.07)

Cr Gardyne queried the absence of a Waikaka Rating Committee at the statutory meeting of the Council held on 24 October 2007. The background to this request was that there was a Council representative appointed to the Pukerau Area Rating Committee and there may have been an historical appointment to a Waikaka Area Rating Committee.

His Worship the Mayor advised that the matter would be investigated and a port would be made back to the Council. Therefore, this memo provides some background information to assist the Council in debating this issue.

The Pukerau Area Rating Committee

The Pukerau Area Rating Committee was set up in 1989 by the Southland County Council for the purposes of installing a stormwater drainage network in the town. This has been duly completed. Rates collected for the maintenance of the scheme are now included in the urban drainage rate collected for Gore and Mataura and the drains are maintained by Council staff as required.

The Committee meets with Council staff about once per year where any issues are discussed and then the appropriate actions implemented. The system seems to be working well and we recommend that the status quo continue.

The Waikaka Area Rating Committee

It does appear that a Rating Committee may have been established in Waikaka by the former Southland County Council in the mid-1980s for the purposes of paying for installation and maintenance of a sewerage scheme. Unfortunately, the Gore District Council does not have any reference to when the Committee was established or have any copies of minutes from subsequent meetings.

The installation of the Waikaka sewerage scheme was completed in 1987 and it appears that the Waikaka Progress League may have largely taken over any duties the Rating Committee may have had. There are records of regular meetings held between the Waikaka Progress League and Council staff which discussed a wide range of issues, including the operation of the sewerage scheme.

Over the last few years the Waikaka Progress League and Council staff has met two or three times a year to discuss issues relating to Waikaka and the sewerage scheme, to which the rate collected relates. This system appears to be working well and I suggest that any issues relating to the collecting of the drainage rate would be able to be resolved through the Waikaka Progress League.

It does appear that any historical Waikaka Area Rating Committee duties have morphed into what the Waikaka Progress League now deals with. I suggest that the way forward with this issue is to write formally to the Waikaka Progress League and ask if they wish to have a Council representative appointed to its Committee.

RECOMMENDATION

THAT the Council write to the Waikaka Progress League and ask if it would like a Council representative to be appointed to its Committee.

4. FINANCIAL REPORT FOR SEPTEMBER 2007

(Memo from Management Accountant - 06.11.07)

Operating Results

For the 3 months ended 30 September 2007, the Gore District Council recorded a surplus of \$244k. This is favourable by \$350k on the budget result for the same period.

Our performance for the period is summarised in the table below. The full results can be found in the statements at the end of this report.

Operating Results

September							Full Year LTCCP
Actual	Budget	Variance		Actual	Budget	Variance	\$000
\$000	\$000	\$000		\$000	\$000	\$000	\$000
			Revenue				
775	778	(3)	Rates	2,342	2,335	7	9,126
523	318	206	Other	1,027	1,039	(12)	4,842
1,298	1,096	202		3,369	3,374	(5)	13,968
			Expenses				
56	48	(8)	Democracy	101	128	27	679
1,026	1,296	270	Assets	1,996	2,261	265	10,638
397	381	(16)	Corporate Services	1,031	1,091	59	2,573
1,479	1,726	247		3,128	3,480	352	13,890
(181)	(630)	449	Surplus (Deficit)	244	(106)	350	78

Variance Explanation

Income

Overall income is unfavourable by \$5k. Income is tracking well at this stage of the year.

Rates

Instead of recognising the full rates strike in the first period this year, we are spreading the recognition of the revenue evenly over the twelve financial periods. This will give more meaningful bottom-line numbers throughout the year.

Expenditure

Overall expenditure is favourable by \$352k.

There are a range of smaller under spend variances primarily due to timing of operations. These are expected to come in line with budgets as the year progresses.

The main areas where expenditure has been low compared to budgets are:

- Essential Services
- Roothing
- Parks & Reserves
- Property
- Aquatic Centres
- Administration

From discussions with the Managers the variances are due to timing, and there are no items that are considered to be a problem.

For the two divisions that had small overspends, again this is due to the timing of operations. It is expected that these divisions will come back into line.

This year we have adjusted some areas of the budget for seasonal effects (eg electricity, heating expenses) and have also attempted to reflect larger one off expenses such as grants or insurance premiums in the period they should occur rather than dividing by twelve. This will give a more meaningful picture of the finances as the year wears on.

RECOMMENDATION

THAT the financial report for the three months ended 30 September 2007 be received.

Gore District Council
Statement of Financial Performance
1 July - 30 September 2007

September				Actual	Budget	Variance	LTCCP
Actual	Budget	Variance		Actual	Budget	Variance	LTCCP
\$000	\$000	\$000		\$000	\$000	\$000	\$000
Revenue							
775	778	(3)	Rates	2,342	2,335	7	9,126
39	11	29	Petroleum Tax	27	32	(4)	126
318	109	209	LTNZ Subsidy	321	328	(7)	2,084
166	194	(29)	Licenses Fees & Other Revenue	675	669	6	2,590
0	4	(3)	Interest and Dividends	3	11	(7)	42
1,298	1,096	202		3,369	3,374	(5)	13,968
Expenses							
56	48	(8)	Democracy	101	128	27	942
344	508	165	Essential services	738	873	136	3,101
287	276	(11)	Roads	786	827	40	3,059
189	234	45	Reserves & Sport Facilities	340	385	44	1,375
206	278	72	Property	132	177	44	788
56	54	(2)	Regulatory	168	159	(8)	719
90	97	7	Aquatic Centres	233	267	34	1,072
88	84	(3)	Heritage Precinct	256	244	(12)	1,113
164	146	(17)	Administration	375	421	46	1,721
1,479	1,726	247		3,128	3,480	352	13,890
(181)	(630)	449	Surplus (Deficit)	244	(106)	350	78

Balance Sheet

The major changes in the balance sheet are:

Assets

- Debtors are up on 30 June 07 due to an accrual for the LTNZ subsidy and other accruals
- Fixed assets have increased over the forecasted amount from the LTCCP due to the revaluation as at 30 June 07.
- Loans to community groups have dropped from \$210k (30 June 07) to \$10k with the renegotiation of the Ice Sports Southland loan.

Liabilities

- Term debt has fallen due to the repayment of Ice Sports portion of the Southland Building Society Loan.
- Creditors were up significantly due to timing of accounts payable in September. This has subsequently come into line with expectations.

**Gore District Council
Balance Sheet
As at 30 September 2007**

Actual 30 Jun 2007 \$000		Actual 30 Sep 2007 \$000	LTCCP 30 Jun 2008 \$000
	Equity		
135,468	Accumulated funds	138,251	138,466
166,040	Asset Revaluation Reserve	163,503	121,049
301,508		301,754	259,515
	Assets		
	Current Assets		
224	Bank	225	17
845	Debtors	1,442	900
1,573	Short Term Deposits	1,773	950
26	Inventory	38	0
2,668		3,479	1,867
	Non current Assets		
702	Investments	702	68
210	Loans to Community Groups	10	0
308,064	Fixed Assets	308,834	270,256
308,976		309,546	270,324
311,644	Total Assets	313,024	272,191
	Liabilities		
	Current Liabilities		
1,696	Creditors	3,035	1,525
	Non Current Liabilities		
8,298	Term Loans	8,094	11,013
142	Landfill Aftercare Provision	142	138
8,440		8,236	11,151
10,136	Total Liabilities	11,270	12,676
301,508	Net Assets	301,754	259,515

5. APPOINTMENT OF COMMUNITY OUTCOMES REGIONAL CO-ORDINATOR

(Memo from Chief Executive – 06.11.07)

Under the Local Government Act 2002, all Councils must identify community outcomes and report on progress on achievement of community outcomes every three years. In the case of Southland, a regional approach was taken to the identification of community outcomes through an expansive consultative project named “Our Way Southland.”

This project, which concluded in 2005, identified seven key outcomes that residents wanted for themselves, their families and their communities both now and in the future. These outcomes are important for the community’s present and future economic, social, cultural and environmental wellbeing.

These seven outcomes and indicative performance measures to assess their progress were included in each of the Southland local authorities 2006 Long Term Council Community Plan. Funding for this project was shared between the four local authorities in Southland.

Now that the community outcomes have been identified, each Council has an obligation to monitor progress towards their achievement. This progress report must be accomplished by 30 June 2009, and three yearly thereafter.

Recently discussion has taken place between officers of the four authorities to ascertain the best means by which to provide a progress report on the achievement of outcomes. As in the case with the identification of outcomes, it is the view of the officers that working together will be far more cost effective and less time consuming.

Accordingly, it is proposed a Regional Community Outcomes Co-Ordinator be appointed. The purpose of this position will be to co-ordinate the collection and reporting of community outcome indicators, to facilitate co-operation and communication between agencies leading to the co-ordination of projects and resources to work towards achievement of community outcomes and promote the concept and understanding of community outcomes and how activities lead to achievement of same.

With this in mind some of the key tasks before the new appointee will be:

- Prepare and publish an initial Our Way Southland Community Outcomes benchmark report by 30 April 2008. This is essential to enable a starting point to be established for accurate measurement of progress.
- Prepare a full report on proposed performance indicators in order that Shared Services Forum publishes a report on progress made by the community in achieving community outcomes by 31 October 2008.
- Initiate and encourage relationships with other sectors an interest in Our Way Southland initiatives, including Government agencies, Iwi, business, community and voluntary sector to foster an ongoing commitment to the outcomes.
- Act as a liaison between external parties and the Shared Services Forum with a view to encouraging regular dialogue around community outcomes to encourage/initiate the development of inter-agency programme/processes which support the achievement of community outcomes. This is likely to include the establishment of an annual forum attended by the key players such as the regions Mayors. Shared Services Forum and the heads of key agencies such as health, police, Ministry of Social Development and education.

It is important to emphasise that the outcomes belong to the community but the obligation to measure and report on progress rests with each local authority.

Surplus funds held from the Our Way Southland project can finance the appointment of a Regional Outcomes Co-Ordinator for the current financial year. However, there will be a funding contribution required by the Gore District Council in the 2008-09 year to continue the momentum with this position.

In my view this approach is the most cost effective means by which the Council can meet its statutory obligations in what can be a difficult and amorphous area. An appointment is expected to be made before Christmas.

RECOMMENDATION

THAT the information be received,

AND THAT the Council endorse the appointment of a Regional Community Outcomes Co-Ordinator.

6. LETTER OF APOLOGY – COLIN McINTYRE

(Memo from His Worship the Mayor – 06.11.07)

Attached is a letter of apology received from Mr Colin McIntyre following his interruption of the May Finance and Policy Committee meeting earlier this year.

RECOMMENDATION

THAT the information be received.