

# Our strategic approach

## What we're aiming for – Council's outcomes

The Council's outcomes are our overall 10-year aspirations for the city. They were developed in response to the city and regional community outcomes processes and reflect the community aspirations set down in those processes. However, there are differences. The Council outcomes reflect areas of the city we are able to influence, whereas community outcomes reflect the community's overall aspirations including areas we have limited ability to influence (for example, affordability of public health services and diversity of the media). The Council outcomes also take into account other considerations, such as:

- the roles we are required by law to play – for example, resource management/urban planning roles
- our existing high-level policies (which have themselves been the subject of extensive consultation)
- strategic analysis of each of our key activity areas (governance, environment, economic development, cultural wellbeing, social and recreation, urban development, and transportation – see *Strategies* below).

Of our outcomes, the first six can be characterised as seeking a high quality of life. The remaining seven can be characterised as seeking sound city foundations.

## WELLINGTON CITY COUNCIL OUTCOMES

- |                            |   |
|----------------------------|---|
| 1. More liveable           | 8. More sustainable                     |
| 2. Stronger sense of place | 9. Safer                                |
| 3. More compact            | 10. Healthier                           |
| 4. More eventful           | 11. More prosperous                     |
| 5. More inclusive          | 12. More competitive                    |
| 6. More actively engaged   | 13. More entrepreneurial and innovative |
| 7. Better connected        |   |

In the Introduction to each chapter of *Part 3: Our Work in Detail*, we provide more detail on what each outcome means for the city and how we propose to work towards them.

### Strategies

To guide us as we work towards achieving our outcomes, we have developed strategies for each of our key activity areas: governance, environment, economic development, cultural wellbeing, social and recreation, urban development, and transportation.

The strategies explain:

- the key challenges facing the city
- the outcomes relevant to that area

- the steps we can take to achieve the outcomes
- the measures we'll use to monitor progress
- our areas of focus for the next three years – these are stepping stones towards the outcomes, and they guide our decisions about where we should place our emphasis over this period.

We provide a succinct account of these in the introductions to each of the chapters in *Part 3: Our Activities in Detail*. We also provide a strategy tree in each chapter – a diagram that shows the links between the outcomes we seek and our activities.

## Activity reviews and outcomes assessments

Much of what's outlined in this long-term plan is a continuation of the programmes we've been running for years. In other cases we're aiming to address strategic gaps in light of the changing environment.

As part of our planning and policy process, we review all Council activities. These reviews are aimed at ensuring our activities support our overall strategic approach and also at identifying areas where more efficient use of resources might allow us to support new activities. This work includes taking account of how we have performed in recent years. (For a full account of what we achieved see our *Annual Report 2007/08*.)

## Asset management

We manage about \$6 billion worth of assets – things like buildings, roads and footpaths, pipes and drains, the landfill, swimming pools and recreation centres, the Town Hall, and heaps of land. We need to know that these assets can meet people's needs – that stormwater drains won't overflow in heavy rain, for example, and that roads won't be left to develop potholes. To assure ourselves that we're managing things right, and to ensure that our decisions about asset renewals and replacements are consistent with our overall strategic approach, we've developed asset management plans.

For each of these plans, we go through a comprehensive process to figure out:

- what assets we have
- how old they are
- what condition they are in (we call this 'condition assessment' or 'condition audit')

- whether they are meeting current needs
- how much longer they can last for
- whether demand will go up in future (because the population is growing or people are doing things differently)
- what maintenance work, upgrades and renewals will be needed to meet demand in the next 10 years or so
- how much it will all cost.

Each of our asset management plans defines the 'levels of service' we expect from each asset. This includes things like the condition it needs to be in to meet users' needs (eg how smooth roads need to be), or its compliance with New Zealand Standards or legal requirements or resource consents.

For most assets, we develop a 'lifecycle management strategy' which aims to achieve the required levels of service while using money as efficiently as possible. This approach helps us to determine when we should deal with problems only when they arise and when we should carry out a programme of preventative maintenance and upgrades to ensure problems don't arise. Major maintenance needs are identified by inspections of each asset's condition and by reviewing customer complaints. When we're deciding whether to renew or replace an asset, we'll consider: risk (i.e. how much of a problem will it be if the asset fails?); asset performance (is it meeting the required level of service?); and economics (is the maintenance costing us more than replacement would?).

We keep our asset information on various computer systems. CONFIRM is a software system that has information about most of our assets, their condition and maintenance programmes, and any customer feedback or complaints made to our

Contact Centre. We also have geographical asset databases, a property information system, and various other asset databases for specific areas of operation.

Our asset management plans are monitored and updated on an ongoing basis as new information becomes available about asset condition, service levels, demand and so on. As well as these ongoing updates, we aim to completely review each plan annually within two months of the start of the financial year to incorporate Council decisions about strategy, new initiatives, budgets and performance measures. Our asset management plans are also externally peer-reviewed to ensure they are consistent with industry best practice.

## Deciding when and how to intervene

The responsibility for local authorities to look after 'well-being' was introduced by the Local Government Act 2002. 'Well-being' is a very broad concept. It means that Councils are responsible not only for core infrastructure such as water supply and transport networks (though core services remain very much the focus of our work) but also for helping the community achieve its aspirations for – among others – prosperity, social cohesion, inclusiveness, and safety.

It is left to local authorities, working with their communities, to determine whether well-being is served by Council action, and if so what type of action the Council should take.

The range of options open to us includes:

- advocacy – using local knowledge/expertise to encourage others to act or fund services that contribute to well-being
- facilitation – bringing others together or providing guidance so others can act

- regulation – requiring others to act in particular ways, either to comply with legislative requirement or bylaws
- funding – either directly or through partnerships that leverage external funding, or
- providing a service – directly owning assets and providing services such as pools, libraries, roads, and water pipes.

Well-being may be best served by the Council directly providing a service – such as water supply or waste management. Or it may be best served through the Council taking a facilitation role, aimed at achieving benefits for the community without imposing significant costs on ratepayers.

Whether we take action at all, and what type of action we take, depends on a range of factors including:

- legislative requirement
- contractual obligation
- community expectation
- costs, benefits, and risks
- impact on others (for example, if we provide a service will someone else withdraw).

In addition, for this long-term plan, we have been guided by a set of principles which reflect the environment we are currently operating in (see below).

## *Making progress in a challenging environment*

The past decade has seen significant investment in Wellington.

Based on strong economic performance, the Council has sought to strengthen infrastructure and basic services – road, water, waste – while also supporting the city's transformation as a place to live, visit, and do business.

In the last decade or so, Westpac Stadium has opened, the waterfront progressively transformed, Waitangi Park completed, the St James and Embassy Theatres redeveloped, the Karori Sanctuary conserved, and the city's entertainment calendar ignited with events such as Cuba Carnival, the Sevens, WOW, Homegrown, and Diwali.

There has also been significant investment in core services – for example in new water reservoirs, upgrades of the stormwater network, and development of the transport network.

Wellington now is a more vibrant city, with more to see and do, more entertainment on offer, and an economy that is based on knowledge, culture, creativity and innovation, and tourism, as well as on finance and government.

In the next few years, the city will face some challenges.

Along with other cities, we will be called on to respond to:

- the global economic slowdown
- pressure on household budgets
- a changing climate and the first real steps towards lower carbon lifestyles
- the need to engage with citizens about decisions that affect their lives
- competition from other cities
- a population that is growing, and ageing, and has more diverse wants and needs, and
- changing technology, which is influencing lifestyles and public expectations.

We are responding to those challenges and continuing to take Wellington down the path towards being a world-class, affordable city.

In determining the Council's programme for the next decade, we have considered:

- **Affordability** – We have sought to keep the rates increase within acceptable levels. We have done this by maintaining

most services at current levels, and seeking to deliver services as efficiently as possible. We have also sought to target new funding where it brings most benefit. The feedback we've received confirms that residents would not support cutting services in order to reduce the rates burden, and nor would they support significant increases in user charges.

- **Agility** – Since local authorities were made responsible for 'well-being', their role has changed from being a provider of core services to a broader role of helping residents achieve their aspirations for the city. This means being able to respond to a wider range of demands, while also being able to react to a volatile economic environment. It also means being clear about when our role is to support or advocate, rather than building and maintaining costly assets in order to provide services directly.
- **Competitiveness** – We focus resources on areas that make the most difference to Wellingtonians' well-being and to the city's competitive advantage. As an example, even in a more challenging economy we are maintaining our investment in events. Reducing this investment would compromise Wellington's reputation as a vibrant city and as New Zealand's arts and culture capital – with long term implications for tourism, jobs, and the attractiveness of the city as a place to live.

- **Demand management** – Meeting increasing demand for water supply means new reservoirs and pipes have to be built, bringing financial and environmental costs. Likewise, the transport system cannot expand indefinitely to meet demand for private cars; alternatives such as public transport or walking produce fewer carbon emissions and are much kinder to household budgets. And, although Wellingtonians are doing a great job at recycling and reducing household waste, there is still some way to go to achieve a zero waste economy, which is the most efficient and sustainable option. For these reasons, we seek to reduce or manage resource use and demand where possible. Examples of demand management include introducing artificial turf which can be used more often and for longer periods, reducing the need to open up new sports fields; promoting transport choices; and encouraging people to use facilities outside of 'peak' times.

*Throughout Part 3: Our Activities in Detail, you'll see panels labelled 'Managing our assets'. These tell you about the specific assets we use in that area and any major renewals or upgrades we're planning.*