

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 well-being, social and recreation, urban development, and transportation).

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 well-being, 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 Work 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 draft 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 (e.g. 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 (i.e. is it meeting the required level of service?); and economics (i.e. 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.

Throughout *Part 3: Our Work 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.

Other considerations

In addition to the considerations explained in the preceding sections, our decisions about which projects to support/provide are influenced by:

- legislative, regulatory and contractual requirements
- consistency with Council strategies and policies
- cost
- funding options
- whether someone else will fund/provide it if we don't
- whether we'll achieve significantly more benefits or incur significantly less cost by funding/providing the project now instead of later
- its relationship to existing Council services
- any risks involved.

We aim to manage the city's assets and finances prudently and to ensure that ratepayers get value for money. In preparing this draft plan, we carefully reviewed all capital spending and completed a review of our operational activities and revenue streams, to ensure they meet our strategic objectives and that the benefits justify the costs.

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