

Performance Management and Reporting

Activity Management Plan

Long Term Plan 2015–2025

As amended through the Annual Plan 2016/17

1 July 2016

Quality Assurance Statement

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1 Key Issues for the Performance Management and Reporting Activity

1.1 Community Outcomes

Everything that the Council does in its day-to-day work is focused on achieving community outcomes. All activities outlined in this plan aim to deliver the results required to achieve these outcomes, contribute to Council strategies and meet legislative requirements. Likewise, all Council capital and operating expenditure is directed towards a level of service that moves the community closer to these outcomes now or at some future point.

The effective management of Performance Management and Reporting for Christchurch means achieving the community outcomes that:

- Performance management and reporting services support the delivery of Council activities and services to the community, and thus contribute to all community outcomes.
- City assets, financial resources and infrastructure are well-managed, now and for the future
- Statutory obligations are met by the Council

Section 4 shows how these outcomes flow down into and influence the Council's activities and levels of service in relation to Performance Management and Reporting.

1.2 Procurement

The Procurement department directly works alongside the Council's business units to facilitate the procurement process across a diverse range of categories of operational and capital expenditure. It acts collaboratively, across the organisation, to ensure that the end to end process is consistent with the Council's Procurement Policy¹ (conformance) and optimises value for money resulting in better public value (performance).

The Council's procurement demands have almost doubled since the 2010-2011 earthquakes while at the same time, the environment in which the Council and the wider supplier community operates, has become increasingly dynamic and complex. These new demands have placed constraints on existing internal resources requiring a revised approach to procurement and increased focus on the effective use of the Council's people, processes and technologies. In addition they are accentuated by an expectation of a higher level of conformance with Procurement Policy, best practice guidance from a number of stakeholders, and the requirement to drive greater value to assist with overcoming fiscal challenges.

Based on the recommendations of a Ministry of Business, Innovation and Employment (MBIE) funded independent review in 2012, Procurement commenced a transformational project in 2013 with the objective of building greater capability and deriving greater value from the Council's significant expenditure. To date, substantial financial rewards have been identified (in excess of \$13 million) and are being delivered to the organisation. Further investment is required to ensure the continual evolution of the procurement function and the continuation of those rewards.

This Activity Management Plan reflects the adoption of the Council Procurement Policy in 2012 and the endorsement of an overarching Council Procurement Strategy in 2014.

1.3 Effects of growth, demand and sustainability

Describe how our population growth and demand affects the decisions Council will make in delivering services to ensure that they are sustainable and will meet the needs of the people of Christchurch into the future.

Population Growth and Demand:

The delivery of these services is unaffected by changes in population growth and demand.

¹ Council resolved to adopt an overarching Procurement Policy in September 2012. The policy outlines a number of fundamental principles that guide procurement practices across the organisation, consistent with the Office of the Auditor General: procurement guidance for public entities.

1.4 Key Challenges and Opportunities for Performance Management and Reporting

In working towards the community outcomes and influenced by population growth and demand, Council faces the challenge of making decisions that prioritise resources to deliver the best mix of services at the right level and in a sustainable way. The key challenges and opportunities that have been priorities by Council are below in Table 1-1.

Table 1-1

Key Issue	Discussion
<p>The majority of the services and activities delivered under this Activity Management Plan relate to legislative compliance and at present we are struggling to ensure we meet our compliance requirements. We are failing to deliver what we are supposed to, and we require additional resources to keep up.</p> <p>What has changed is both volume-related and complexity-related, particularly in relation to:</p> <ul style="list-style-type: none"> - Insurance claim analysis - Reporting (Strategy and Finance, Audit and Risk, CEO Report, Board of CCOs, increased requirements) - Financial Strategy - Additional Decision Support to Council and Managers - Funding partners requirements - Volume of work. <p>The Council is also under increased financial pressure and scrutiny and resources are focussed on cost effectiveness exercises, assisting the business on savings strategies and a need to be more accountable and transparent.</p> <p>The Council also needs to demonstrate increased capability and capacity to the Crown.</p> <p>In order to deliver expected levels of service within an environment of increased complexity, requirements and volumes additional staff resource is required.</p> <p>Mitigating these issues and demonstrating capacity requires additional resource.</p>	<p>\$600k additional</p>
<p>QV objection process and cost; under the last revaluation, ratepayers were not able to object to their valuation on the basis of earthquake damage incurred, (all valuations assumed no damage). This exemption will not apply in October 2016 and hence additional budget has been provided.</p>	<p>\$1m every 3 years</p>
<p>Procurement</p> <p><i>Increasing requirement to demonstrate that Procurement is creating better public value.</i></p> <p>Based on the Procurement transformational project (2013) the Procurement team has forecast cost savings to the organisation, estimated at in excess of \$13 million to date. These savings are reflected in the Council's current financial budgets.</p> <p>With the requirement for the Council to realise savings of at least 2% per annum for three years, or a minimum (compounded) \$48 million, the Procurement team is in a unique position to continue to work collaboratively with business units to realise additional savings and make a significant contribution to overcoming the organisations fiscal challenges.</p> <p>Key to the success of this initiative is the requirement to focus on the end-to-end procurement lifecycle, stages 1 – 8 (Refer Figure 12-1) to drive greater performance. Traditionally, procurement primarily focused on conformance - the 'go to market' stages 4 – 6. Figure 12-2 demonstrates the level of effort required through each stage to derive value optimisation.</p> <p>The introduction of a new level of service is proposed along with an investment in additional resources to ensure that the current focus on cost savings and performance continues.</p>	
<p>Procurement</p>	

Key Issue	Discussion
<p><i>Conducting procurement in an increasingly open and transparent manner.</i></p> <p>Under the Procurement Policy adopted in September 2012, and MBIE's - Government Rules of Sourcing², the Council's staff are required to act in an open and transparent manner. Supporting this requirement, a monitoring and reporting process to the Audit and Risk Management Committee has been implemented to identify issues of non-conformance with Procurement Policy and in particular, the Council's 'go to market' requirements.</p> <p>The intention of Council staff was that the monitoring and reporting requirements mirror the existing level of service reporting for operational goods and services (go to market through RFP/RFT over \$50k), and capital works (go to market through RFP/RFT over \$500k). The requirements of the audit and risk management committee have evolved overtime. There is now significant divergence between the level of services reporting and the audit and risk management committee expectations. This has created a high level of duplication, inconsistent reporting and an inefficient use of resource.</p> <p>Council staff are proposing to alter the existing level of service so the expectations of the audit and risk management committee are achieved and the comprehensive reporting is formally provided for both operational and capital expenditure. The change in reporting method will result in realignment to the current target for operational expenditure.</p>	
<p>Procurement</p> <p><i>Conducting procurement in an increasingly accountable way.</i></p> <p>The expectation that the Council's procurement is conducted in an increasingly accountable way requires the Procurement department to take a more comprehensive approach to procurement planning and execution. Where previously total spend over the term of the agreement was used as a primary indicator of the level of planning required, best practice would include risk and complexity as additional indicators. A more comprehensive approach to planning and execution will require additional capability and capacity within the Procurement team.</p> <p>Meeting stakeholder requirements and clearly evidencing that procurement is being conducted in an accountable manner will require increased rigour and robustness in the procurement planning and execution phases of the procurement process. This has two implications on resourcing. Firstly, existing processes will need to be evolved and new processes developed to meet the new requirements. Secondly, investment in people (capability and capacity) will be required to implement a more comprehensive approach.</p>	
<p>Procurement</p> <p><i>Supply market competitiveness.</i></p> <p>The supply markets in which the Council engage are increasingly dynamic and more competitive as a direct result of the Canterbury earthquakes in 2010-2011. This requires the Council to be a smart buyer that intimately understands its business needs and the market environment in which it operates. It also requires the Council to be an attractive customer to the supplier community and to forge closer links with existing and potential suppliers.</p> <p>The Council are making progress towards this objective with the implementation of the Procurement Strategy adopted by the Executive Leadership Team (ELT) in 2014. An increased focus on supply market analysis coupled with the recent appointment of a supplier relationship management role will strengthen the Council's understanding of and engagement with the supplier community. Coupled with new approaches to demand analysis, the Council are positioned to become a smarter buyer.</p> <p>The Council are in the process of reviewing a number of market facing procurement and contractual templates to increase user friendliness and the Council's attractiveness as a customer to the supplier community as well as developing supplier relationship management strategy and</p>	

² The Government Rules of Sourcing were published by the Ministry of Business, Innovation and Employment and came into force 1 October 2013. The Rules assist the design of processes that are robust and build confidence in government procurement practices. This ultimately demonstrates that government procurement is open, transparent and accountable and builds greater public trust that spending is well-planned and well-executed. While the Rules are not mandatory for the Council, they represent the government's standards of good practice for the sourcing stages of the procurement cycle and the Council are strongly encouraged to apply them.

Key Issue	Discussion
frameworks. Further investment is required in this area to fund legal expenditure to complete the review and refinement of go to market and contractual templates.	
<p>Procurement</p> <p><i>Increasing procurement activity and need to consider the 'ease of doing business' with Procurement.</i></p> <p>The Council's spend on goods, services and works have increased from \$600 million in 2010/11, to \$1.157m in 2012/13, across 2700 active suppliers. New demand drivers include Facilities Rebuild, Vbase and a range of new services and works associated with the City rebuild.</p> <p>This new demand places constraint on existing resources and plans requiring a revised approach to the procurement and a much more effective enabling of resources (people, processes and technology).</p> <p>The Procurement Transformation Project and the realignment of team resources have delivered improvements in the way in which the department plans and manages forward workload. Procurement projects are commenced well ahead of contract expiry and business requirement. The implementation of Kanban has assisted in providing greater visibility of forward workload and project delivery to milestones. A realignment of team resources in 2013 has resulted in a stronger alignment with business units, their requirements and a greater likelihood of early engagement in the procurement process.</p> <p>In the current environment, business units expect Procurement to act in an increasingly flexible and agile manner and be responsive to changing business needs. These expectations coupled with the need to drive greater value for money and conformance with Procurement Policy challenges the 'ease of doing business' and the teams' ability to respond to business unit needs. An opportunity exists to support procurement agility and flexibility in the current environment with additional resources.</p>	

2 Proposed changes to activity

Table 2-1 summarises the proposed changes for the management of the Performance Management and Reporting activity since the Three Year Plan 2013-16 Activity Management Plan.

Table 2-1 Proposed changes to activity

Key Change	Reason	Level of significance? What investigations are needed?	Options for consultation and engagement	Financial Implications (if any)
<p>In order to deliver expected levels of service within an environment of increased complexity, requirements and volumes additional staff resource is required.</p> <p>The majority of the services and activities delivered under this Activity Management Plan relate to legislative compliance and at present we are struggling to ensure we meet our compliance requirements. We are failing to deliver what we are supposed to, and we require additional resources to keep up.</p> <p>Mitigating these issues and demonstrating capacity requires additional resource.</p>	<p>What has changed is both volume-related and complexity-related, particularly in relation to:</p> <ul style="list-style-type: none"> - Insurance claim analysis - Reporting (Strategy and Finance, Audit and Risk, CEO Report, Board of CCOs, increased requirements) - Financial Strategy - Additional Decision Support to Council and Managers - Funding partners requirements - Volume of work. <p>The Council is also under increased financial pressure and scrutiny and resources are focussed on cost effectiveness exercises, assisting the business on savings strategies and a need to be more accountable and transparent.</p> <p>The Council also needs to demonstrate increased capability and capacity to the Crown.</p>			\$600k additional staffing resource
13.1.7 Signalling the intention to comply with GAAP by 2016 as a result of having all fixed assets valued on a timely basis.	Better information on asset condition becomes available each year as the SCIRT work progresses enabling the valuation to be carried out	N/A	N/A	Minimal
13.1.9 Signalling the return to the normal city-wide revaluation process	Market conditions are such that special OIC no longer required	N/A	N/A	N/A

Key Change	Reason	Level of significance? What investigations are needed?	Options for consultation and engagement	Financial Implications (if any)
<p>Procurement a. Strengthen focus, capability and capacity of Procurement to create better public value through the introduction of a performance level of service.</p> <p>Require approval to increase FTE establishment by 2.0 FTE from 1 July 2016 (From 16.0 FTE to 18.0 FTE)</p>	<p>The Procurement team have worked with business units to facilitate in excess of \$13 million of savings to date.</p> <p>With the requirement for the Council to realise savings of at least 2% per annum for three years, or a minimum of \$48 million (compounded),</p> <p>A transformation project is well advanced and Procurement is in a unique position to continue to work collaboratively with business units to continue to realise savings and make a significant contribution to overcoming the fiscal challenges.</p> <p>Further investment is required to enable the transformation project to continue and for the team to continue to better public value. This investment will also address the issue highlighted under "conducting procurement in an increasingly open, transparent and accountable way".</p> <p>A new performance level of service is proposed with a target of a 3:1 return on investment against Procurement department operational budget.</p>	High	\$368,000 per annum from 2015/16 onwards (partly offset by Property Consultancy review of current Property Holdings)	None
<p>Procurement b. Increased supply market competitiveness and need to increase the "ease of doing business" with procurement requires the development and implementation of new go to market templates and contract agreements.</p>	<p>As an integral part of the transformation project a number of procurement processes and key documents have been reviewed to ensure they are user friendly and to ensure that the Council are an attractive customer in an increasingly dynamic and competitive market.</p> <p>A number of templates have not evolved to reflect the changing market. In addition to the Council not maintaining its attractiveness to the supplier community the existing templates may not reflect contractual best practice and may present the organisation with some risk.</p> <p>Legal costs will be incurred to develop and implement new collateral.</p>	Low (Noting that a review of existing templates needs to be undertaken to quantify any contractual risk)	\$40,000 in 2015/16 \$20,000 from 2016/17 onwards	None

Key Change	Reason	Level of significance? What investigations are needed?	Options for consultation and engagement	Financial Implications (if any)
<p>Procurement</p> <p>c. Implement changes to the methodology for calculating the percentage conformance against the existing 13.4.4 Procurement is managed as a shared service delivery level of service target.</p>	<p>Currently, Procurement measure 'go to market' conformance for operational and capital expenditure via two separate methods.</p> <p>The existing level of service has traditionally been calculated at individual transaction level (against individual purchase orders) and the existing performance target of 95% reflects this calculation methodology.</p> <p>Alternatively, the reporting requirements to the audit and risk management committee, looks across multiple transactions (purchase orders) in any twelve month period for similar scopes of work and tests the go to market requirement accordingly.</p> <p>Investment was made in SAP during 2013 to enable the data to be interrogated in this manner and this method was not available to the Council when the level of service was drafted.</p> <p>There is currently duplication of effort and inconsistent reporting. The method utilised for the audit and risk management committee provides a strategic view and is the preferred, single, method going forward. This method is more challenging (as it tests conformance across multiple transactions in any twelve month period) and consequently a new target is proposed.</p>	Low	Nil	None

3 Activity description

3.1 Focusing on what we want to achieve

Council undertakes activities in order to deliver on the community outcomes for Christchurch. The outcomes that relate most directly to the management of the city's Performance Management and Reporting are that:

- Performance management and reporting services support the delivery of Council activities and services to the community, and thus contribute to all community outcomes.
- City assets, financial resources and infrastructure are well-managed, now and for the future
- Statutory obligations are met by the Council

3.2 How we will know we are achieving the outcomes

We will know we are achieving the above outcomes when we see the following results:

- The **long term, annual and operational plans are developed**
- **The implementation of long term, annual and operational plans is monitored.**
- **Business performance measures and corporate financial management are undertaken** to ensure the Council manages its resources in a fiscally responsible way. This also helps ensure that Council meets its statutory obligations.
- **Better public value is achieved.** Procurement facilitates the achievement of value for money and contributes towards realising better public value for the community.
- **Council procurement is conducted in an open, transparent and accountable way** consistent with the principles of the Council Procurement Policy and the Office of the Auditor General: procurement guidance for public entities.
- **Council is recognised as being an attractive customer** by the supplier community in an increasingly competitive and dynamic market.
- **Efficient processes are provided** for the procurement of goods, services and works.
- **Efficient processes are provided** for the management of contracts, for corporate and non-infrastructure assets.

The activities that follow in section 4 and the levels of service within them are all linked to the above results to ensure Councils stays focused on moving towards the community outcomes. This link aims to confirm why we are doing the activities – that they will realistically move us closer to our goals – and that service delivery remains relevant to strategic direction.

3.3 What services we provide

This activity includes the following services:

- Ensure CCC has quality plans and plan monitoring in place (LTP, Annual Plan, operational plans)
- Facilitate business performance management across CCC units (including planning, budgeting, reporting and decision support)
- Provide corporate financial management (including corporate and external reporting, financial policy, treasury and tax)
- Management of insurance programme
- Collecting Council's money (collection of rates and Council debts)
- Paying Council's bills (payroll and accounts payable)
- Procurement and Corporate Contract Management (all Corporate contracts excluding Facilities Maintenance)

There are no assets associated directly with this activity.

3.4 Benefits and Funding Sources

Who Benefits?

Customers include Christchurch City Council staff; Councillors (including Strategy and Finance Committee, Audit & Risk Management Sub-Committee); residents; financial institutions; insurers; Office of the Auditor General; Central Government; CCHL; CCTOs (including Vbase Limited, Tuam Limited, Civic Building Limited, Riccarton Bush Trust, Christchurch Agency for Energy Trust, The World Buskers' Festival Trust, Rod Donald Banks Peninsula Trust, Canterbury Earthquake Heritage Building Fund, Mayor's Welfare Fund Charitable Trust).

Who benefits?	
Individual	
Identifiable part of the community	Some
Whole community	Majority

Explanatory Comments:

Some funding is received from Environment Canterbury (ECan) in relation to charges for preparing and sending out their rates billing.

Who pays?

Funding - Fees / User Charges	Other revenue Grants & Subsidies	General rate	Targeted rate
10%	0%	90%	0%
Some		Majority	

Note, Funding Split % is derived from the 'Summary of Cost for Activity' (section 13).

Key:		Typically
Full	All or almost all the cost is funded from that source. If the comment is made in the general or targeted rate columns it does not preclude making minor charges for the service but indicates that the charges are a negligible part of the fund.	95%+
Majority	The majority of the activity is funded from this source.	50%+
Some	Some revenue is derived from this source.	<50%

Does this Activity generate surplus funds that can be applied to other areas? **Yes/ No**

3.5 Key legislation and Council strategies

- Local Government Act 2002 and subsequent amendments
- Health and Safety in Employment Act 1992
- Employment Relations Act 2000
- Chch City Plan, Building Act, Facilities Rebuild Project framework/delegations
- Public Works Act 1981
- Reserves Act 1977
- Council Procurement Policy

- Council Procurement Strategy
- Office of the Auditor General: procurement guidance for public entities
- The Government Rules of Sourcing
-

4 Levels of service and performance measures

Table 4-1 summarises the levels of service and performance measures for the Performance Management and Reporting activity. Development of the levels of service is discussed in detail in Appendix R. Shaded rows are the levels of service and performance measures to be included in the Long Term Plan. Non-shaded rows are non-LTP management level measures, agreed with and reported to Council but not included as part of the community consulted document.

Table 4-1

Performance Standards Levels of Service (we provide)	Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25	
					Year 1	Year 2	Year 3		
					2015/16	2016/17	2017/18		
Ensure CCC has high quality plans and plan monitoring in place (LTP, Annual Plan, operational plans)									
13.1.1	Implement the LTP / Annual Plan project plan		<i>There are scores of individual items and deadlines in any LTP project plan, this measure summarises detail into an overall 'on track' level of service.</i>	<i>Deliver all milestones on LTP project plan to due dates</i>	<i>Local Government Act 2002 Office of the Auditor General audit standards All NZ Councils</i>	<i>Deliver all milestones on LTP/Annual Plan project plan to due dates</i>	<i>Deliver all milestones on LTP/Annual Plan project plan to due dates</i>	<i>Deliver all milestones on LTP/Annual Plan project plan to due dates</i>	<i>Deliver all milestones on LTP/Annual Plan project plan to due dates</i>

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
13.1.2	Implement and evolve CCC performance framework		<p><i>For CCC to deliver better performance in future years will mean creating and executing effective performance management. This means ensuring the implementation of the LTP by creating organisational targets around it, creating plans for execution around those targets and ensuring linkages to individual performance plans. This also demands sophisticated performance monitoring mechanisms.</i></p> <p><i>Focus is on transparency and accountability for business results.</i></p>	<p><i>Performance Framework in place</i></p>	<p><i>Local Government Act 2002</i></p> <p><i>Office of the Auditor General audit standards</i></p>	<p>13.1.2.1</p> <p>Preserve integrity of CCC Performance Framework – all Performance Framework (Big Picture) linkages retained</p>	<p>13.1.2.1</p> <p>Preserve integrity of CCC Performance Framework – all Performance Framework (Big Picture) linkages retained</p>	<p>13.1.2.1</p> <p>Preserve integrity of CCC Performance Framework – all Performance Framework (Big Picture) linkages retained</p>	<p>13.1.2.1</p> <p>Preserve integrity of CCC Performance Framework – all Performance Framework (Big Picture) linkages retained</p>
						<p>13.1.2.2</p> <p>CCC levels of service meet 85% performance target at year end</p>	<p>13.1.2.2</p> <p>CCC levels of service meet 85% performance target at year end</p>	<p>13.1.2.2</p> <p>CCC levels of service meet 85% performance target at year end</p>	<p>13.1.2.2</p> <p>CCC levels of service meet 85% performance target at year end</p>

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
13.1.3	Conduct Resident Surveys, analyse and provide results to Council and staff		<p>CCC has surveyed residents for many years. Results are used by staff, Council and as LOS in various plans (including the LTP) and reports.</p> <p>The Residents Survey is based strictly on Council's products and services. There is another survey (Quality of Life) which is run across NZ cities, including Christchurch, to study high level demographic, environmental and other issues. This is separately funded and is not included in this level of service.</p>	<p>Two surveys per year, by the end of May</p> <p>(General Residents Survey and Point of Contact Survey)</p>	All major councils in NZ conduct resident surveys of some kind	Maintain: Two surveys per year, by the end of May	Maintain: Two surveys per year, by the end of May	Maintain: Two surveys per year, by the end of May	Maintain: Two surveys per year, by the end of May

Performance Standards Levels of Service (we provide)	Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
					Year 1	Year 2	Year 3	
					2015/16	2016/17	2017/18	
Facilitate business performance management across CCC units (including planning, budgeting, reporting and decision support)								
13.1.4	Facilitate group and unit planning and budgeting	<p><i>It is important to ensure the financial direction of Council is embedded within the planning and performance measures through-out all the Councils budgets and service plans. This is achieved by:</i></p> <ul style="list-style-type: none"> • <i>Assisting Directors in the management and co-ordination of the LTP requirements for the Groups</i> • <i>Review of Activity Management Plans to ensure they meet Council requirements & standard</i> • <i>Perform critical reviews of performance measures to ensure they are appropriate and KPIs are relevant</i> • <i>Collate the fees and charges schedule for Units ensuring fees/capital revenues are robust and deliver</i> 	100% of Timelines meet within agreed Deadlines	None available	13.1.4.1 Plans and budgets prepared within corporate timeframes	13.1.4.1 Plans and budgets prepared within corporate timeframes	13.1.4.1 Plans and budgets prepared within corporate timeframes	13.1.4.1 Plans and budgets prepared within corporate timeframes
					13.1.4.2 Management understanding and accountability for plans and budgets is clear via GM and UM signoff – 100%	13.1.4.2 Management understanding and accountability for plans and budgets is clear via GM and UM signoff – 100%	13.1.4.2 Management understanding and accountability for plans and budgets is clear via GM and UM signoff – 100%	13.1.4.2 Management understanding and accountability for plans and budgets is clear via GM and UM signoff – 100%

Performance Standards Levels of Service (we provide)	Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
					Year 1	Year 2	Year 3	
					2015/16	2016/17	2017/18	
		<p>revenue requirements</p> <p>Co-ordination of the financial budgeting process</p>						
13.1.5	Business Performance Reporting	<p>Monthly reporting on both operational & capital performance to General Managers and Unit Managers is important to ensure both Financial and Services delivery awareness is maintained to the highest level with-in the Council's Services. This needs to be provided in a manner that is understandable to the managers to allow them to both relate and react to the information. This also provides the basis for performance commentary to Council.</p>	<p>100% of Timelines meet within agreed Deadlines</p> <p>90% customer satisfaction with report format</p>	None available	<p>13.1.5.1</p> <p>Monthly integrated reporting completed and provided to Business Groups within agreed timeframes – 100%</p> <p>13.1.5.2</p> <p>Work with business units and groups to identify and record required remedial actions in Business Performance Report to ensure delivery of Council and organisational targets.</p>	<p>13.1.5.1</p> <p>Monthly integrated reporting completed and provided to Business Groups within agreed timeframes – 100%</p> <p>13.1.5.2</p> <p>Work with business units and groups to identify and record required remedial actions in Business Performance Report to ensure delivery of Council and organisational targets.</p>	<p>13.1.5.1</p> <p>Monthly integrated reporting completed and provided to Business Groups within agreed timeframes – 100%</p> <p>13.1.5.2</p> <p>Work with business units and groups to identify and record required remedial actions in Business Performance Report to ensure delivery of Council and organisational targets.</p>	<p>13.1.5.1</p> <p>Monthly integrated reporting completed and provided to Business Groups within agreed timeframes – 100%</p> <p>13.1.5.2</p> <p>Work with business units and groups to identify and record required remedial actions in Business Performance Report to ensure delivery of Council and organisational targets.</p>

Performance Standards Levels of Service (we provide)	Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
					Year 1	Year 2	Year 3	
					2015/16	2016/17	2017/18	
Provide corporate financial management (including corporate and external reporting, financial policy, treasury and tax)								
13.1.6	Group financial accounting and reporting	<i>Financial reporting supports Council's policy of transparency and accountability to ratepayers.</i>	<p><i>Currently provide:</i></p> <ul style="list-style-type: none"> • <i>Monthly forecasts</i> • <i>Quarterly report to Council</i> • <i>Annual Report</i> • <i>Budgets/ financial plans</i> • <i>Monthly reports to Strategy and Finance Committee</i> • <i>Quarterly reports to Audit and Risk Committee</i> • <i>Monthly reports to CCO boards</i> <p><i>Within statutory or otherwise agreed timeframes 100% of the time</i></p>	<i>Reports - OAG guidelines</i>	<p>Provide Group financial accounting and reporting within statutory or otherwise agreed timeframes.</p> <p>100% of the time:</p> <p>Financial sections of LTP or Annual Plan</p>	<p>Provide Group financial accounting and reporting within statutory or otherwise agreed timeframes.</p> <p>100% of the time:</p> <p>Financial sections of LTP or Annual Plan</p>	<p>Provide Group financial accounting and reporting within statutory or otherwise agreed timeframes.</p> <p>100% of the time:</p> <p>Financial sections of LTP or Annual Plan</p>	<p>Provide Group financial accounting and reporting within statutory or otherwise agreed timeframes.</p> <p>100% of the time:</p> <p>Financial sections of LTP or Annual Plan</p>

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
13.1.7	Financial management		<p><i>We receive unqualified audit opinions</i></p> <p><i>Financial Strategy is robust with all financial ratios well within policy guidelines</i></p> <p><i>All fixed assets valued in a timely fashion</i></p>	<i>Modified audit opinions</i>	<i>OAG guidelines, Accounting Standards</i>	<p>13.1.7.1</p> <p>Review CCC Financial Strategy annually</p>	<p>13.1.7.1</p> <p>Review CCC Financial Strategy annually</p>	<p>13.1.7.1</p> <p>Review CCC Financial Strategy annually</p>	<p>13.1.7.1</p> <p>Review CCC Financial Strategy annually</p>
						<p>13.1.7.2</p> <p>Ensure compliance with financial policies 100% of the time</p>	<p>13.1.7.2</p> <p>Ensure compliance with financial policies 100% of the time</p>	<p>13.1.7.2</p> <p>Ensure compliance with financial policies 100% of the time</p>	<p>13.1.7.2</p> <p>Ensure compliance with financial policies 100% of the time</p>

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
13.1.7 (cont'd)	Financial management		<p><i>We receive unqualified audit opinions</i></p> <p><i>Financial Strategy is robust with all financial ratios well within policy guidelines</i></p> <p><i>All fixed assets valued in a timely fashion</i></p>	Modified audit opinions	OAG guidelines, Accounting Standards	13.1.7.3	13.1.7.3	13.1.7.3	13.1.7.3
						<p>Deliver financial documents which receive an unqualified audit from OAG and no high risk areas identified by internal audit</p>	<p>Deliver financial documents which receive an unqualified audit from OAG and no high risk areas identified by internal audit</p>	<p>Deliver financial documents which receive an unqualified audit from OAG and no high risk areas identified by internal audit</p>	<p>Deliver financial documents which receive an unqualified audit from OAG and no high risk areas identified by internal audit</p>
						13.1.7.4	13.1.7.4	13.1.7.4	13.1.7.4
						<p>All significant, undamaged assets are valued and insured (subject to cost and insurance market availability)</p>	<p>All significant, undamaged assets are valued and insured (subject to cost and insurance market availability)</p>	<p>All significant, undamaged assets are valued and insured (subject to cost and insurance market availability)</p>	<p>All significant, undamaged assets are valued and insured (subject to cost and insurance market availability)</p>
13.1.9	Complete successful citywide revaluation, including roll maintenance		<p><i>City wide revaluations conducted every 3 years under normal valuation rules</i></p>	operating under OIC	<p><i>Valuer General guidelines</i></p> <p><i>Rating Valuation legislation</i></p>	100% in accordance with the standards and timeframes set out in the Rating Valuation Act, Regulations, and Rules and any Orders made in relation to them.	100% in accordance with the standards and timeframes set out in the Rating Valuation Act, Regulations, and Rules and any Orders made in relation to them.	100% in accordance with the standards and timeframes set out in the Rating Valuation Act, Regulations, and Rules and any Orders made in relation to them.	100% in accordance with the standards and timeframes set out in the Rating Valuation Act, Regulations, and Rules and any Orders made in relation to them.
Management of Insurance Programme									

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
13.1.10	Insurance Claims Management: All earthquake damaged Council facilities insurance claims are settled with best possible outcome for Council		<i>All claims are lodged and negotiations with insurers proceed on the basis of what's contained in the insurance policy</i>	<i>Claims lodged, negotiation limited</i>	<i>None available</i>	13.1.10.1 Monthly Earthquake Financial Report to Corporate and Finance Committee	13.1.10.1 Monthly Earthquake Financial Report to Corporate and Finance Committee	13.1.10.1 Monthly Earthquake Financial Report to Corporate and Finance Committee	13.1.10.1 Monthly Earthquake Financial Report to Corporate and Finance Committee
						13.1.10.2 Report to Council quarterly	13.1.10.2 Report to Council quarterly	13.1.10.2 Report to Council quarterly	13.1.10.2 Report to Council quarterly
Collecting Council's money (collection of rates and Council debts)									
13.1.11	Rates are collected (includes rates on behalf of ECan)		<i>Efficiently ensuring maximum timely payment of rates is critical for cashflow and balance sheet management.</i>	2013/14:95% (est) 2012/13: not avail 2011/12 93.98% 2010/11 96.83% 2009/10 97.14%	<i>97.7% based on results from 29 TLA's</i>	% rates paid in same year: at least 97%	% rates paid in same year: at least 97%	% rates paid in same year: at least 97%	% rates paid in same year: at least 97%

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25	
						Year 1	Year 2	Year 3		
						2015/16	2016/17	2017/18		
13.1.12	Debt is managed		<i>Efficiently managing debt levels is critical for cashflow and balance sheet management.</i> <i>This incorporates financial information captured in SAP, such as invoiced debt, but not consenting debts or central govt debts.</i>	2013/14: 98.67% 2012/13: not avail 2011/12 96.4% 2010/11 73.14% 2009/10 97.4%		% debt collected at 3 months: At least 96%	% debt collected at 3 months: At least 96%	% debt collected at 3 months: At least 96%	% debt collected at 3 months: At least 96%	
Paying Council's bills (payroll and accounts payable)										
13.1.13	Accounts Payable processed efficiently		<i>Efficiently meeting CCC trade terms is important for suppliers for their cashflow management, & meets Council's terms of trade</i> <i>Process improvements are needed to support the increase to this LOS.</i>	2013/14: 90.57% 2012/13: not avail 2011/12 84.29% 2009/10 84.39%	None available	% of Accounts Payable paid by 20th of month: At least 84%	% of Accounts Payable paid by 20th of month: At least 84%	% of Accounts Payable paid by 20th of month: At least 84%	% of Accounts Payable paid by 20th of month: At least 84%	
13.1.14	Manage un-cleared items on bank statements		<i>Ensures that any errors or delays are discovered and resolved monthly. (includes Rates, Accounts, Payroll and Debt)</i>	2013/14: Zero 2012/13: not avail 2011/12 No uncleared items > \$25k	None available	No uncleared items >\$25k on bank statement 3 days after month end	No uncleared items >\$25k on bank statement 3 days after month end	No uncleared items >\$25k on bank statement 3 days after month end	No uncleared items >\$25k on bank statement 3 days after month end	

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
13.1.15	Payroll is processed		<i>Ensures Councillors, staff and contractors are paid accurately and on time</i>	2013/14: > 99.8% 2012/13: not avail 2011/12 99.8% 2009/10 >99.9%	None available	At least 99.8% accuracy	At least 99.8% accuracy	At least 99.8% accuracy	At least 99.8% accuracy
13.1.16	General Ledger (GL) Accounts reconciled		<i>Reconciles front end ledgers (general and debtors) to bank accounts to provide identification of any errors which are then cleared.</i>	2013/14: 95% 2012/13: not avail 2011/12 95%	Audit NZ	At least 95%	At least 95%	At least 95%	At least 95%
Procurement and Corporate Contract Management (all Corporate contracts excluding Facilities Maintenance)									

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
13.1.21	Procurement and Corporate Contract Management is managed as a shared service delivery – Performance.	<i>Ensure that Procurement contributes to delivery of better public value</i>	<i>Procurement will work in a collaborative manner with the business to achieve a return on investment against the Procurement operating budget in the form of cashable tactical savings and cost avoidance.</i> <i>Measurement based on reasonable like for like comparisons.</i> <i>Ensure appropriate processes are in place and applied to govern the expenditure of public funds.</i>	<i>Previously not formally measured</i> <i>Informal YTD across last three financial years approximately 2:1</i>	<i>Office of Auditor General Procurement Guidelines set standards for process to follow.</i> <i>State Sector BASS Benchmarking Report 2010.</i> <i>http://www.treasury.govt.nz/statesector/performance/bass/benchmarking/2010-11/bnchmrk-2010-11.pdf</i>	Annual Return on Investment of 2.5:1 against Procurement operating budget averaged over 3 years.	Annual Return on Investment of 3:1 against Procurement operating budget averaged over 3 years.	Annual Return on Investment of 3:1 against Procurement operating budget averaged over 3 years.	Annual Return on Investment of 3:1 against Procurement operating budget averaged over 3 years.

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	2024/25
13.1.22	Procurement and Corporate Contract Management is managed as a shared service delivery – Conformance.	<p>Ensure appropriate standards are in place and applied to govern the expenditure of public funds.</p> <p>Ensure procurement conducted consistent with the Council's procurement policy.</p>	<p>% operational goods and services of more than \$100k (Excl. GST) put to market through RFP/RFT</p> <p>% capital works of more than \$500k (Excl. GST) put to market through RFP/RFT:</p> <p>Excludes:</p> <ul style="list-style-type: none"> purchases associated with emergency response and recovery activities where justification approved within delegated authority; procurement activity conducted by SCIRT or Vbase; Council authorised procurement activity in accordance with Office of Auditor General Procurement Guidelines; <p>where a market based approach is not feasible and the reasons are captured and reported.</p>	<p>Based on the current reporting methodology at \$50k</p> <p>2013/14: 94%</p> <p>2012/13: 93%</p> <p>2011/12: 94%</p> <p>2010/11: 91% as at Feb 2011</p> <p>2009/10: 86%</p> <p>*Estimate based on the proposed new reporting methodology</p> <p>2014/15: 84.6% (@\$50k)</p> <p>2014/15: 86.7% (@\$100k)</p> <p>Based on the current reporting methodology at \$500k</p> <p>2013/14: 95% (First time measured)</p>	<p>Office of Auditor General Procurement Guidelines set standards for process to follow.</p> <p>Government Rules of Sourcing apply to goods, services and refurbishment works exceeding \$100k (Excl. GST)</p>	<p>13.1.22.1</p> <p>% operational goods and services of more than \$100k (Excl. GST) put to market through RFP/RFT:</p> <p>86%*</p> <p>13.1.22.2</p> <p>% capital works of more than \$500k (Excl. GST) put to market through RFP/RFT:</p> <p>93%</p>	<p>13.1.22.1</p> <p>% operational goods and services of more than \$100k (Excl. GST) put to market through RFP/RFT:</p> <p>87%*</p> <p>13.1.22.2</p> <p>% capital works of more than \$500k (Excl. GST) put to market through RFP/RFT:</p> <p>94%</p>	<p>13.1.22.1</p> <p>% operational goods and services of more than \$100k (Excl. GST) put to market through RFP/RFT:</p> <p>90%*</p> <p>13.1.22.2</p> <p>% capital works of more than \$500k (Excl. GST) put to market through RFP/RFT:</p> <p>95%</p>	<p>13.1.22.1</p> <p>% operational goods and services of more than \$100k (Excl. GST) put to market through RFP/RFT:</p> <p>90%*</p> <p>13.1.22.2</p> <p>% capital works of more than \$500k (Excl. GST) put to market through RFP/RFT:</p> <p>95%</p>
<p>*NOTE: as outlined in Key Changes Section - Procurement, it is proposed that the reporting methodology for this level of service be aligned with the reporting requirements of the Audit and Risk Committee. The resulting change in performance targets above, reflect this change in reporting methodology rather than a change in the level of service.</p>									

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
13.1.23	Procurement and Corporate Contract Management Compliance Monitoring and Reporting	<i>Monitoring and reporting requirements as per the Council resolution dated 13th September 2012 completed in full, on time, to requirement.</i>	Report to Audit and Risk Management Committee monitoring compliance on time.	2013/14:100%		Report to Audit and Risk Management Committee monitoring compliance on time: 100%	Report to Audit and Risk Management Sub-Committee monitoring compliance on time: 100%	Report to Audit and Risk Management Sub-Committee monitoring compliance on time: 100%	Report to Audit and Risk Management Sub-Committee monitoring compliance on time: 100%

5 Review of cost effectiveness - regulatory functions and service delivery

The Local Government Act requires local authorities to review the cost effectiveness of current arrangements for delivering its services and regulatory functions

A review need not be undertaken if

- Delivery is governed by legislation, contract or other binding agreement that cannot be reasonably altered in the next two years.
- The benefits to be gained do not justify the cost of the review.

A review must be undertaken

- In conjunction with the consideration of any significant change to service levels
- Within two years before the expiry of any legislation, contract or other binding agreement affecting the service
- Not later than 6 years after any previous review.

A review must consider each of options 1 to 9 in the table below. Option 10 is discretionary.

Governance	Funding	Delivery	Option
CCC	CCC	CCC	1
CCC	CCC	CCO (CCC sole shareholder)	2
		CCO (CCC one of several shareholders)	3
		Other local authority	4
		Other person or agency	5
Joint Committee / Shared Governance	Joint Committee / Shared Governance	CCO (CCC sole shareholder)	6
		CCO (CCC one of several shareholders)	7
		Other local authority	8
		Other person or agency	9
Other arrangement	Other arrangement	CCC or other arrangement	10

This section considers reviews for regulatory functions and service delivery.

Service: Traffic Operations

Current Arrangements			
Governance	Funding	Delivery	Estimated Cost

Arrangements that cannot reasonably be changed in next two years			
Governed by Legislation	Contract or binding agreement	Not cost effective to review	Option

Service: Provide on-street parking spaces and infrastructure

Current Arrangements			
Governance	Funding	Delivery	Estimated Cost

Review of options			
Option	Date of Last Review	Findings	Estimated Cost

6 Long Term Infrastructure Strategy

6.1 Issues, principles and implications

Changes to the Local Government Act now require local authorities to consider their strategy and planning for infrastructure and assets over a 30-year timeframe:

- To provide early warning of investment gaps or risky levels of infrastructure-related expenditure.
- To provide a high level overview of the issues, options and implications, particularly relating to expenditure.
- Must take into account renewal, growth, levels of service changes, health, and resilience to hazards.
- Must cover the 5 mandatory activities, with additional infrastructure as appropriate.
- Has strong links to the Financial Strategy.

There are no assets associated directly with this activity.

7 Review of cost-effectiveness - infrastructure delivery

The Local Government Act requires local authorities to review the cost effectiveness of current arrangements for delivering infrastructure. The same criteria and options as defined in section 5 above apply (*Review of cost effectiveness - regulatory functions and service delivery*).

There are no assets associated directly with this activity.

8 Significant Effects

8.1 Effects

The significant negative and significant positive effects are listed below in Tables 8-1 and 8-2 respectively.

Table 8-1 Significant Negative Effects

Effect	Council's Mitigation Measure
Late reporting, non compliance with statutory deadlines , poor financial analysis	Increase resource. Staff levels have remained unchanged for some time, while requirements and the complexity of Council operations have increased

Table 8-2 Significant Positive Effects

Effect	Description
Accurate and transparent reporting in a timely fashion	Self explanatory
Compliance with statutory reporting requirements	
Professional analysis and advice to managers on financial and non-financial performance	
Optimising the insurance claim entitlements	

8.2 Assumptions

Council has made a number of assumptions in preparing the Activity Management Plan. These are discussed in detail in Appendix Q. Table 8-3 lists the most significant assumptions and uncertainties that underline the approach taken for this activity.

Table 8-3 Major Assumptions

Assumption Type	Assumption	Discussion
Operational	Assumed no significant change to the way Council operates	
Financial assumptions	That all expenditure has been stated in 1 July 2014 dollar values and no allowance has been made for inflation	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of the plans if inflation is higher than allowed for.

Assumption Type	Assumption	Discussion
Changes in legislation and policy, and financial assistance	That there will be no major changes in legislation or policy.	The risk of major change is high due to the changing nature of the government and politics. If major changes occur it is likely to have an impact on the required expenditure. Council has made no allowance for such changes
Audit & Risk Management Committee Reporting Requirements	There will be no further changes to the current Audit and Risk Management Committee reporting requirements and frequency	The need to change level of service 13.4.20 to align Audit and Risk Management Committee reporting requirements has previously been identified. Further changes to these requirements will potentially impact procurements ability to meet the LOS both in outcomes and resourcing.
Capital Procurement	The majority of capital procurement will continue to be provided out of the Facilities Infrastructure Group, & Council Facilities and Infrastructure Rebuild Group,	Any change to the current allocation of Capital procurement would require the Procurement team to reassess the current level of resourcing, expertise & levels of service.
SCIRT Wind-up	Any outstanding projects remaining with the wind up of SCIRT will be managed as per the capital procurement assumption above.	As above
CERA/CCDU Transition	If required, resourcing and funding will be provided for any projects resulting from the transition of CERA/CCDU	As above
NZTA Procurement Strategy	There is no change in the approved NZTA procurement strategy	In order to maintain NZTA funding the Council is required to adhere to the agreed NZTA procurement strategy. While there is close alignment between the NZTA and the Council's procurements strategy in principal, there are some practices which are only undertaken for NZTA funded procurements. Any additional changes to NZTA requirements may require additional procurement resource both to implement and on an on-going basis.

The major capital projects and their potential uncertainties are listed in Appendix Q.

9 Risk Management

This approach includes risk management at an organisational level (Level 1). The treatment measures and outcomes of the organisational level risk management are included within the LTP.

At an asset group level (Level 2), Council has identified 17 high risks, and has planned mitigation to reduce them to 10 high risks. Council has planned controls for the remaining 10 high risks but even with the controls, they remain high. Council has decided to accept these risks, which are listed in Table 9-1.

Table 9-1 Significant Risks and Control Measures

Risk Description	Current Control	Proposed Control	Target Risk Level
Insurance negotiations take longer than forecast	Negotiations, and lodging of claims are given a high priority	Maintain this approach	Medium
Failing to meet budget	Forecasts are reviewed monthly, and action taken as necessary to control or offset cost	Maintain this approach	Medium

10 Improvement Plan

In late 2012, the Council undertook an external review of the Procurement function, existing capability and value derived. Funded by the Ministry of Business, Innovation and Employment, specialist procurement consultancy PMMS reviewed the Council's procurement function. The methodology deployed enables the Council to be objectively benchmarked against other central and local government agencies and improvements measured overtime across eight categories. A holistic view of the Council's effectiveness under each of the categories is outlined below:

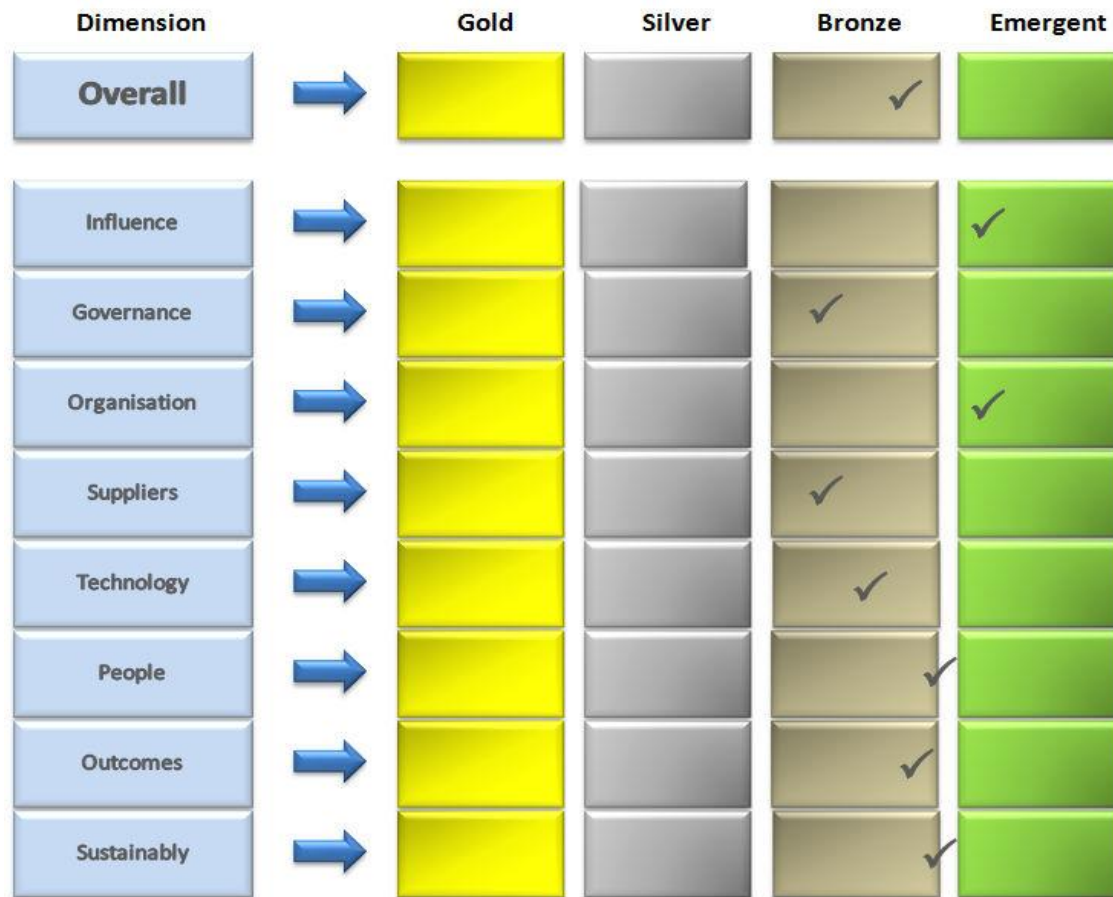


Figure 10-1 Procurement Effectiveness Rating for the Christchurch City Council - PMMS

The procurement effectiveness review identified a number of areas requiring enhancement and improvement to better meet and enable the Council's requirements, and to ensure a compliant, best value for money procurement approach. These requirements encompassed:

Table 10-1 Areas for Enhancement or Improvement

People	Process	Technology
<ul style="list-style-type: none"> § A requirement to grow capacity [Staff FTE numbers] § A requirement to grow capability [staff skills and knowledge] § A requirement to shift to a Centre Led Model § A requirement to move beyond simply safe guarders – to shapers and influencers. 	<ul style="list-style-type: none"> § A requirement to shift to a Centre Led Model that relies on robust reliable procurement data enabling smarter decision makers, benefits generation and realisation. § A requirement to create clarity of purpose for all staff, around the roles, responsibilities and deliverables of the Procurement team within the Council. § A requirement to codify, document and demonstrate primary § Procurement workflow processes for all staff. § A requirement to leverage strategic supplier relationships to generate and derive mutual benefits. 	<ul style="list-style-type: none"> § A requirement to create a single § source of Contract database knowledge (a database for contract information) § A requirement to leverage SAP's functionality to better enable spend analysis

Endorsement to implement the procurement effectiveness review recommended requirements was received by the Council's Executive Leadership Team in April 2013 and an improvement plan established and progressively implemented in line with resource availability. The shift to an enhanced future state of 'Silver-Gold' standard is estimated to take up to 36 months.

While many of the specific tasks and activities identified as part of this implementation plan have already been completed, the procurement team are committed to continuing on a journey of continuous improvement.

11 Operations, Maintenance and Renewals Strategy

11.1 Operations and Maintenance

There are no assets associated with this activity.

11.2 Renewals

There are no assets associated with this activity.

12 Key Projects

Table 12-1 details the key capital and renewal work programmed for years 2015 to 2025.

Table 12-1

Project Name	Description	Year 1 (\$)	Year 2(\$)	Year 3 (\$)	Years 4-10 (\$)	Project Driver
NIL						

Note: G = Growth, LoS = Levels of Service, R = Renewal

1. See Appendix F for a full detailed list of new capital works projects driven by growth and / or an increase in level of service.
2. See Appendix I for a full detailed list of renewal projects.

13 Summary of Cost for Activity

Figure 133-1

PERFORMANCE MANAGEMENT & REPORTING	Funding Caps in 2015/16 Dollars				Funding splits exclude EQ Costs from all calculations				Period of Benefit (years)	Comments
	2014/15 Annual Plan	2015/16	2016/17	2017/18	Funding - User Charges	Other revenue	General rate	Targeted rate		
	000's									
Operational Budget										
Finance/Financial Accounting	9,857	9,466	8,577	7,486						
Planning and Performance	1,074	833	823	1,052						
Mgmt Accounting and Business Performan	2,618	2,646	2,511	2,473						
Management of Insurance Programme	-	-	-	-						
Programme Management Support	-	643	645	637						
Activity Costs before Overheads	13,549	13,589	12,555	11,647						
Earthquake Response Costs	-	-	-	-						
Corporate Overhead	-	-	-	-						
Depreciation	-	-	-	-						
Interest	-	-	-	-						
Total Activity Cost	13,549	13,589	12,555	11,647	11% Some	0%	89% Majority			
Funded By:										
Fees and Charges	1,444	1,486	1,650	1,486						
Grants and Subsidies	-	-	-	-						
Earthquake Recoveries	-	-	-	-						
Internal Recoveries	10,033	10,514	10,905	10,161						
Total Operational Revenue	11,477	11,999	12,555	11,647						
Net Cost of Service	2,072	1,589	(0)	-						
Funded by:										
Rates	2,072	1,589	(0)	(0)						
Earthquake Borrowing	-	-	-	-						
	2,072	1,589	(0)	(0)						
Capital Expenditure										
Earthquake Rebuild										
Renewals and Replacements										
Improved Levels of Service										
Additional Demand										

14 Appendices

Figure 14-1 The Procurement Lifecycle - Ministry of Business, Innovation & Employment



Figure 14-2 Strategic Approach to Procurement - Ministry of Business, Innovation & Employment

Strategic approach to procurement

