

Reference Number: 2024/1126

22 August 2024

[REDACTED]  
[REDACTED]

Tēnā koe [REDACTED]

Thank you for email of 25 July 2024 requesting under the Local Government Official Information and Meetings Act 1987 (LGOIMA), information relating to Councils saving money. We welcome the opportunity to share Horowhenua District Council's approach to finding cost reductions and savings. Please see outlined below a response to each part of your request.

*As you know, with the current cost of living crisis, households across the country are having to tighten their belts. In Wellington, the Government has tasked the public service with finding savings and trimming back-office expenditure so that money can be redirected towards higher priority spending. According to Stats New Zealand, a notable driver of the high inflation over recent years has been the burden of increased council rates and charges across the country. We want to understand what measures that you, as a responsible elected official, have taken to ensure that council spending is going to the highest priority areas, isn't being wasted, and that the spending decisions within the council reflect the real-world economic situation being felt by Kiwis. Next month we will be publishing a new edition of our series "101 Ways to Save Money in Local Government" where we want to highlight those councils and political leaders who have found material and novel ways to save money for ratepayers.*

*As with previous years, we are inviting New Zealand's Mayors to nominate examples where under your watch you (or your officials) have found savings, and (where they are easily calculated or reasonably estimated) the savings amounts.*

### **Zero Based Budgeting**

Council's 2024-44 Long Term Plan budget was prepared using a zero based budget approach which means that budgets have been developed from zero as opposed to adjusting the prior long term plan budget to fit the following year/s. This was a change in process for staff responsible for activity budgets and ensured that the proposed budgets were based on requirement evidence. This resulted in some additional budget required in some areas, however savings were identified as part of this approach to partly offset the additional budget. Whilst its difficult to quantify the savings from this change in process, it is well worth mentioning as one of the steps we have taken to ensure a robust budget development process.

### **Long Term Plan 2024-44**

During the draft Long Term Plan process, Council consulted with the community on three options:

- Option 1: (current level of service): 23.6% rates increase to keep the current level of service
- Option 2: (Preferred option): 17.4% average rates increase with some reduced levels of service
- Option 3: Reduced Services to achieve a rate increase less than 17.4%.

Through community consultation and engagement, and the Hearings and Deliberations meetings, an increase of 16.6% was achieved with fixed costs such as depreciation, insurance, interest and inflation make up the majority of the increase.

In addition to the Zero Based budget process the following additional savings and revenue opportunities were identified and realised during the Long Term Plan:

Savings and Revenue Opportunities	Forecast amount
Three waters operational and maintenance contract savings by change in delivery model in bringing the contract in house.	\$893,000
Organisation Change proposal – Reduction of 26 roles	\$907,000
Reduce opening hours at Community Centres - close Te Awahou Nieuwe Stroom, Youth Space and Te Takeretanga o Kura-hau-pō on Sundays	\$77,000
Remove Adverse Events/Emergencies Fund from the budget	\$100,000
Reduce Council's investment in Waste Minimisation activities	\$100,000
Stop urban berm mowing throughout the district	\$240,000
Increase trade waste levies	\$214,000
Sell half of Council's Carbon Credits	\$450,000
	<b>\$2,981,000</b>

**Secondly, we would like to know what, if any, specific instructions have been issued by you (or your Council as a whole) to your Town Clerk/CEO (or other officials) about savings targets since the last local body elections. For example, Central Government has tasked certain government department heads to find at least 6.5 percent. Has your council tasked officials with a similar target? If so, how much?**

Council instructed the Chief Executive to find operational savings which was achieved through various initiatives. The main driver was through an organisation realignment which resulted in the disestablishment of 26 FTE roles from within the organisation. This equates to 6% of employee costs.

**Where that information exists, please provide the date of the request, and the relevant minute, communication, or instruction to the CEO/relevant officials. Please also include any examples where a council committee (such as Audit and Risk) have identified areas of possible savings (or cutting wasteful spending) since the election. If so, what, if any, reductions in spending were actually made (and from when)?**

Through the Chief Executive Performance Agreement 2023/24, an operational savings target of \$1M for the 2023/24 financial year was agreed upon. This also became a target for the entire organisation. These are evidenced through the Organisation Performance Reports which are presented to each Council meeting.

A full Operational Performance Report is prepared for every second ordinary Council meeting and a much briefer Interim Operational Performance Report is presented to Council meetings in between. You can find the reports here:

<https://www.horowhenua.govt.nz/Council/Documents/Organisation-Performance-Reports>

Officers were able to make additional savings and were able to achieve close to an additional \$1.8M in operational savings, far exceeding the \$1M target. These operational savings assisted to offset additional and unbudgeted interest costs.

These savings were achieved through organisation vacancy savings, Open Spaces maintenance savings, contract cost reduction in district planning professional services, and operational savings in community facilities and community experience.

### **System Change and Process Streamlining**

Other initiatives included looking at ways to perform operational roles more effectively and innovatively.

During 2023/24, an Innovation Framework was implemented for recording and tracking innovation achieved and efficiencies gained. The Innovation Framework was launched to the organisation, and supported by a portal which guided staff through the innovation process of finding time, money and better outcomes for our community. There are several examples of innovation in action that resulted in saved time and money:

- With the implementation of water meters taking place across the district, there is a significant amount of additional data entry required. The Information Services Team developed a robot (AI) which significantly reduced the amount of manual data entry for adding water meter information into financial systems and also for creating the new rate types. This innovation saved approximately 80 hours of staff time and approximately \$6,000 of consultancy costs with software partners.
- Recognising the unique skill set of one of our employees, a Customer Experience Ambassador was seconded to a Business Improvement role within the Parks and Property team. The goal is to identify and implement efficiencies and process improvements in daily activities and integrate them into our operations. This initiative has been highly successful, with several processes being automated. As a result, staff spend less time on routine tasks, allowing them to focus on higher-level responsibilities. Specific examples of improvements are detailed below:
  - Working together to change how monthly claims from our contractors are audited and processed, a SharePoint workspace was created for a pilot with one of our contractors. This workspace, combined with a streamlined CRM and workflow process, ensures that the monthly claim content is live and reviewed throughout the month. As a result, we receive the claim in an aligned format, eliminating the end-of-month bulk workload. Previously, processing the monthly claim and CRM for this contractor took up to five days; now, it takes less than one day each month, saving over four days of Parks and Property Officer hours each month, or 385 hours annually. Additionally, adjusting the CRM workflow and narrowing CRM parameters for unscheduled works has saved 85% of the time previously spent on CRM creation and reallocation. The new process is easy to use, transparent, efficient, and straightforward to report on and audit. This "one team" approach has been so successful that we are now rolling it out to several other contractors.
  - Using SharePoint, a Parks & Property FAQ page has been created for the Customer Experience Team to readily access while taking calls. This library is current, and the automations ensure that the Customer Experience Team is informed and confident in qualifying queries, informing the public, and knowing where the workflow will go. Additionally, email signature templates have been provided to streamline their responses. This initiative significantly reduces the time spent by the Parks & Property Team on processing CRMs and recategorizing them, thus avoiding delays in completion.
  - To support real-time visibility into team performance regarding capex budget responsibilities, a Capex Budget Register has been created through a collaboration with finance. This register changes the way spend is allocated, focusing on transparency, accuracy, and ease of reporting. As we begin using the register, we are continuously making improvements to ensure it works effectively for everyone. This initiative will save 4 hours per month by streamlining the extraction of accurate capex spend information and supporting reporting and forecasting efforts.

- The Community Kaitiaki role exemplifies our commitment to innovative thinking and challenging the status quo to achieve better outcomes for the community. Previously, we relied on a security company to maintain a presence and respond to potential issues. Now, this role interacts with visitors, fosters proactive relationships, and assists with facility-related tasks. Additionally, the role has been expanded to include the parking warden function.
- Implementation of Trapeze Pro into the Building Team during the year saved an estimated 1 hour and 20 minutes per building consent (new dwelling) or an estimated 490 hours, payback period for the implementation was tagged at 6.3 weeks.
- Strategically relocating and reorganising contents stored for our Council at 'Archives Central' which resulted in less cost. This involved identifying redundant or underutilised storage spaces, consolidating similar content to maximise space efficiency. Through this initiative, there is a saving in storage costs while enhancing accessibility and retravel efficiency for archived content.
- Changes to processes in the general consenting area saved time and effort for both the team and the customer, full impact not quantified although customer feedback was unsolicited and positive. Recent changes to debtor reporting for example, where BI has been employed to extract data previously run manually through reporting and collation, is anticipated to save over 300 hours per annum, also likely enhancing the timely recovery of debt.
- Implementation of Consult 24 submission management tool for the LTP. This tool streamlined input and analysis of submissions. The added capability, including ability to generate analysis reports reduced the time of officers processing the submissions by approximately 8-10 hours.
- Project Awatea – The intent of the project was to seek improvement in current delivery time frames for both Resource and Building consents whilst reviewing and enhancing the delivery of communications to the customer around these consenting processes. Key components of the review focused on customer outcomes, performance measurement, accountability and growth across the Housing and Business Development Group. To target this outcome the project team undertook a 'sprint' which included the addition of resources from across the organisation to assist in both leading, reviewing and improving the current process. This has resulted in a lift in delivery timeframes, enhancements to current processes and systems, and opportunities being identified for continuous improvement identified. Whilst we know this project has streamlined workload and processes, we have not yet translated this into what the financial savings will be.
- We've brought in a team member from another department to focus on process and business improvements within our Parks and Property team. This initiative has led to several enhancements in how we operate, reducing manual tasks for our officers and automating workflows for contractors. As a result, we've achieved greater efficiency and freed up more time for our officers to engage in meaningful work.
- We are currently analysing the cost structure of our Aquatic and Fitness programs to ensure these services are delivered efficiently and remain cost-neutral. This review aims to maximise the revenue potential of each class while identifying opportunities for improvement and optimization.

You are entitled to seek an investigation and review by the Office of the Ombudsman. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

Horowhenua District Council publishes responses to Local Government Official Information and Meetings Act 1987 (LGOIMA) requests that we consider to be of wider public interest, or which relate to a subject that has been widely requested. To protect your privacy, we will not generally publish personal information about you, or information that identifies you. We will publish the LGOIMA response along with a summary of the request on our website. Requests and responses may be paraphrased.

If you would like to discuss this decision or any of the information provided as part of this request, please contact Jacinta Straker (Group Manager Organisation Performance) on [Jacintas@horowhenua.govt.nz](mailto:Jacintas@horowhenua.govt.nz), or [LGOIMAOfficer@horowhenua.govt.nz](mailto:LGOIMAOfficer@horowhenua.govt.nz).

Ngā mihi



Monique Davidson  
**Chief Executive**