

Organisational Review

Decisions



Thames-Coromandel District Council

30 March 2012

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Organisational Review

(a) Introduction

On 15 February 2012 a Proposal for Consultation on an Organisational Review of Thames-Coromandel District Council was sent to all staff. The February proposal continues a Review that began in July 2011 with the first phase of consultation being completed at the end of August 2011.

The August 2011 Review (Phase 1)

The August 2011 Review introduced a number of concepts which were confirmed in the February 2012 proposal. These included Asset Managers taking responsibility for the entire functions, and the concept of 'home' and 'away' teams to manage responsibilities between Area Offices and Thames Office. Some staffing proposals were also confirmed including the appointment of a Chief Financial Officer.

However, the August 2011 Review was not endorsed by elected Council. Council's concerns were that the Review had not addressed several strategic needs. The first was financial and the deepening crisis at council caused by the recession. The second was "community empowerment" and the strategic direction of the Council to empower Community Boards and their decision making.

The 15 February 2012 Review (Phase 2)

The second phase of the Review released on 15 February 2012 had a number of new drivers. Firstly, with Council recording over \$100m in debt and rates over 14% above the national average, TCDC had got into a serious financial position. This Review coordinates with the Chief Executive's organisation-wide budget review targeting 5% to 10% operational savings. Secondly, elected Council has asked that the proposal delivers on a model of "community empowerment". Thirdly, the proposal aimed to enable a new culture including enhanced community partnership, stronger customer service, and more empowered leadership at a staff level.

The Review Process

As part of the consultation the Chief Executive met with 62 individual staff members and 14 different teams or groups. Ninety-two written submissions were received from

individuals or on behalf of teams of staff. This level of personal engagement by the Chief Executive and the staff response is unprecedented, and everyone who has had input into any of these submissions is to be congratulated. These submissions have been used to shape the Chief Executive's decisions and a number of submitters will be able to identify their ideas in the outcomes contained in this document. The decisions differ from the proposal in many ways and were heavily shaped by submissions.

Wherever possible decisions have been made and explained within this document. Hopefully this will give staff certainty going forward. That said, it has not been possible to address all areas and there will be on-going changes as we move into a new future. Some of these changes will not be able to be achieved until after other changes to systems and processes are implemented. In other words, there will be an implementation timetable aiming for most change by 30 June 2012.

Some initiatives that are still on-going are the investigations into the outsourcing of Information Services (Records) and Information Management (ECM). Until the results of these investigations are known, the structure of these teams will remain unchanged.

Finally, the process used in managing staff changes has been, and will continue to be, firstly to redeploy where-ever possible and only terminate employment due to redundancy as a last resort. For some staff this means that their current job description has been assessed against the job description of a new position to determine if it is significantly different. Where the changes are not significant that staff member has been slotted into the new role. The situation where teams have been down-sized and there are more staff than positions available has not occurred, this has enabled staff to be redeployed without the need for a competitive process.

(b) Review Outcomes

Budgets and numbers in Table 1 are compared with the budget for salaried staff who were rated for at the start of this financial year (1 July 2011) for a baseline. Obviously, most affected positions have already left over the course of the year and prior to the 15 February Review. The Review has been an 8 month process already. This Review took the decision not to replace those positions.

Table 1. Review Outcomes

Numbers Affected		
Number of staff budgeted 1 July 2011:	205	
• % of staff cost to total operational expenditure 1 July 2011:	17.5%	
Number of staff budgeted 1 July 2012:	173	
• % of staff cost to total operational expenditure 1 July 2012:	16%	
Total reduction of budgeted staff:	32	
Costs and Savings		
Cost of redundancies:	\$315,353. These costs are covered inside the 2011 salary budget, and determined by staff contract redundancy clauses, and long service and other leave entitlements.	
Savings in salary 2011 to 2012:	\$1,300,000 (est.)	
Savings in salary over the Ten Year Plan:	\$17,000,000 (est.)	
Where were they reduced?		
Reductions in management:	No: 6	\$680,000
Reductions in 'back office' or support roles:	6.5	
Other things of note:		
Number of other staff retained but removed from rates funding:	3	
Number of staff still affected by outsourcing proposals currently being assessed:	12	
Number of positions moved from District Office to Area Office Management:	16	
Shared Services arrangement: Civil Defence, Valuations, Road Safety with investigations into Solid Waste and GIS proposals.		

From Table 1, the cost of \$315,353 (out of the 2011 budget), has been spent on redundancy and leave entitlements to achieve some \$17,000,000 in Council's Ten Year Plan. The total

cost is recovered by September 2012. The impact of outsourcing proposals is not factored in as these are not yet finalised. Compared to the Government's recommended standard that staff salaries be no more than 23% of operational revenue, TCDC has now achieved 16%.

Review is a Process

Whilst a number of structural decisions are being taken in this document, it is noted that some areas are still subject to outsourcing proposals including part of IT, Records, Invoicing, Payroll (after 12 months), and also the possible in-sourcing of Compliance functions. The outsourcing proposals still affect 12 staff. It is also noted that the Review is only a small part of a context of reviewing, line-by-line, the organisation's budgets, and preparing an alternative baseline of expenditure which reflects the economy and the drop-off of Council's 'non-rate' income, but still ensures that the services and assets of Council are responsibly delivered and maintained. This figure will be between \$3.5m to \$6m (to be confirmed in April 2012). The Review also sets up a number of new structures and accountabilities which will be responsible for reviewing costs and resourcing in their own areas. These include the Building Business Unit, and raised accountabilities for Area Managers and Community Boards over the future structures of 'local services'.

The Council will remain under a "sinking lid" approach where every vacancy in future will lead to an assessment of its need before refilling the role.

(c) Directions

The Review has aligned the structure and enabled a leadership of seven significant directions being signalled by Council:

1. Boosting frontline Customer Services

The Review has identified the need to enhance frontline customer services for resource consenting and building services. The structure has now provided for Case Managers for resource consent applicants who will stay with their customer right through the process (similar to the model used by banks for their applicants). A strategy is still being worked on in the building area, with the intent to implement fully by 1 July. This will include:

- Case Management for all resource consent and building consent applicants;
- A case management approach to business customers;
- A single point of contact for significant projects including businesses, who can advise and coordinate through the varying consent and licensing requirements of the Council, without entering the area of 'conflict of interest'.

2. Community Empowerment

The structure delivers on the new strategic direction of Council to empower local decision-making at Community Board level by elevating Area Managers to direct reporting to the Chief Executive, increasing their span of responsibility over projects in their areas, resourcing them with new Community Development Officer positions, and returning more local services under Community Boards. The approach recognises that local areas are considered by elected Council as the best decision makers over local issues, enables alternative structures to be established to run community services and facilities (such as Trusts), and will assist the District to react quickly and flexibly to growth related issues in future, post the recession. The Community Empowerment model will be resolved by Council's 18 April meeting.

3. Community Partnership Focus

The structure delivers on the Council's commitment to rebuild and extend relationships with its communities and strategic partners. New Community Development Officers based in Thames (and also prepared at this stage to cover Coromandel), Whangamata (covering Tairua and Pauanui), and Mercury Bay, will work with community organisations who are partners with Council either in a funding sense or in a strategic priority sense. They will

also lead a number of community projects which are significant to Council. Within the structure is the continued "Strategic Relationships" role, but moved from a third tier position to a position directly reporting to the Chief Executive and Mayor. This role will extend our relationships with Iwi (which is a growing strategic focus), lead significant projects (includes Moanataiari subdivision), deal with a number of complex negotiations and issues, and secure government and regional support for District priorities.

4. Reduced use of consultants and external suppliers of services

The process of exploring the restructure and cost savings has led to the insourcing of considerable expenditure currently outsourced to professional service providers. During the Review, staff successfully identified a number of areas for improvement and agreed that in a time of recession it made more sense for the Council to not be outsourcing work for which its own staff could be doing. This will lead to the reduction of professional services and consultant budgets organisation-wide and the signal of 'insourcing' compliance functions which are currently provided under contract. Clearly affected will be casual and fixed term contractors as Council brings its work back in-house. In order to assist the Council to gain coordinated control over a legal budget amounting to around the \$850,000 mark in 2011, a new Legal Unit has been formed to channel all requests for legal support, address some of these itself, and to choose the right level of legal firm (and its charging) commensurate to the risk. Although this is new since the last proposal, it has received endorsement from staff, and a reduced legal budget will reflect the savings the Unit will target. That degree of savings will make up for salaries and overheads of the Unit.

5. Enhanced management of Building Services

The structure will establish a new Business Unit for building services including BCA functions and some TLA functions. The Business Unit will operate in a semi-autonomous way from the Council with a relationship guided by an agreed budget and KPIs. The Business Unit will be accountable for its outcomes and budgets. It will have a reporting and monitoring relationship with Council, and an industry Advisory Group of local sector users advising and liaising regularly. The Building Business Unit will be tasked with excellent customer service, streamlined systems, efficiently managing its own costs and internal staff structures, and within an agreed budget based on the Revenue and Financing Policy of Council and number on consents being processed. The 'line' between BCA and TLA functions is one which will be an ongoing discussion, although a line has been drawn in the sand by this structure.

6. Boosting Asset and Project Management

The restructure brings key operational functions associated with many asset areas under Asset Managers, where currently there are split accountabilities between different

professional staff. What this aims for is more ownership, oversight, responsibility and accountability for assets and their operational management under fewer responsible asset managers. This offers the potential for more drive and strategic leadership. But in this change there is nothing but appreciation for the professionalism and direction provided from the Operations Team, who are now largely re-employed within specific Asset Teams. Considerable time was spent over assessing the value of Asset Data Management. The review concluded that these functions have saved the Council many tens of thousands of dollars by improving asset data accuracy leading to more accurately costed renewal and maintenance programmes, and reducing legal challenges from inaccurate data.

7. Greater support for Strategic Policy Development

Changes to Strategic Policy with the removal of the Group, resignation of the Group Manager, and downsizing of Policy functions may be construed as a 'watering down' of Policy. However, the reality is far from this. Strategic Policy is now moved directly under the CE (whose professional background is in Strategic Policy). This will enable the work of the Strategic Policy unit to progress with highest level support and mandate. The position of the unit will mean that the scope of work will also undoubtedly change to reflect the strategic priorities of the organisation and the elected Council at the highest level.

(d) Issues with the review

In the course of this Review, there were a number of significant issues and limitations identified.

Raised expectations on Second and Third Tier Managers

This Review clearly outlines enhanced responsibility and accountability on second and third tier managers to take their own decisions, not to be too "risk adverse", manage their own areas' budgets, assets, whole services, and people resources. This is a substantial culture change and will prove stretching for many. In some areas of Council's structure, staff preferred a proliferation of team leaders. The culture change required to get more staff confident and comfortable when taking decisions themselves without deferring to a team leader will be a training focus for 2012.

CE span of responsibility

The structure review has led to a flatter leadership structure for the Council, with fewer middle management positions, and more direct reports to the Chief Executive. The benefit of this approach is faster and more high level decision-making provided for. This has led to more direct reports including the three Area Managers, and several third tier staff managers. To manage this requires the Chief Executive to have strong confidence that the people in these positions show good judgment, strong track record including of taking responsibility and accountability, and can make decisions which are right. The longer term structure of senior management may be reviewed if the flatter structure cannot be made to practicably work.

Government Regulation

The Review was also affected by the limitations imposed by Government regulation. An example is the Building Services area where the 15 February Proposal raised questions about the resourcing of this area in a time of recession. Making the Review difficult was the required IANZ Accreditation framework the Council must work under, and the advice of Government appointed IANZ Auditors that the Unit was in fact under-resourced, in their view. This actually led to the appointment of an Officer full-time into the role during the Review period, where reduction was mooted in the proposal. The community cannot afford for Council to fail accreditation or risk losing the ability of its Inspectors to process Building Consents or conduct inspections. It is very serious. This has prompted the decision to move the Building Teams into a 'Building Business Unit' where the Unit will be responsible itself for its level of resourcing given financial constraints on it by the amount

of money the Council will allocate to it for its operations. The Unit is in the best position itself to bring any efficiencies and process improvement and will be required to do so without the prompting of higher level intervention.

Unknown impacts of Community Empowerment

It is clear that there will be considerable change in the support services areas of Council in future as more activities considered as 'local' move toward community partnerships or trusts. This will substantially affect workloads in back-office functions and will be monitored over time. Of course, the timetable for such changes will be in the hands of Community Boards themselves who may or may not choose to entertain alternative structures.

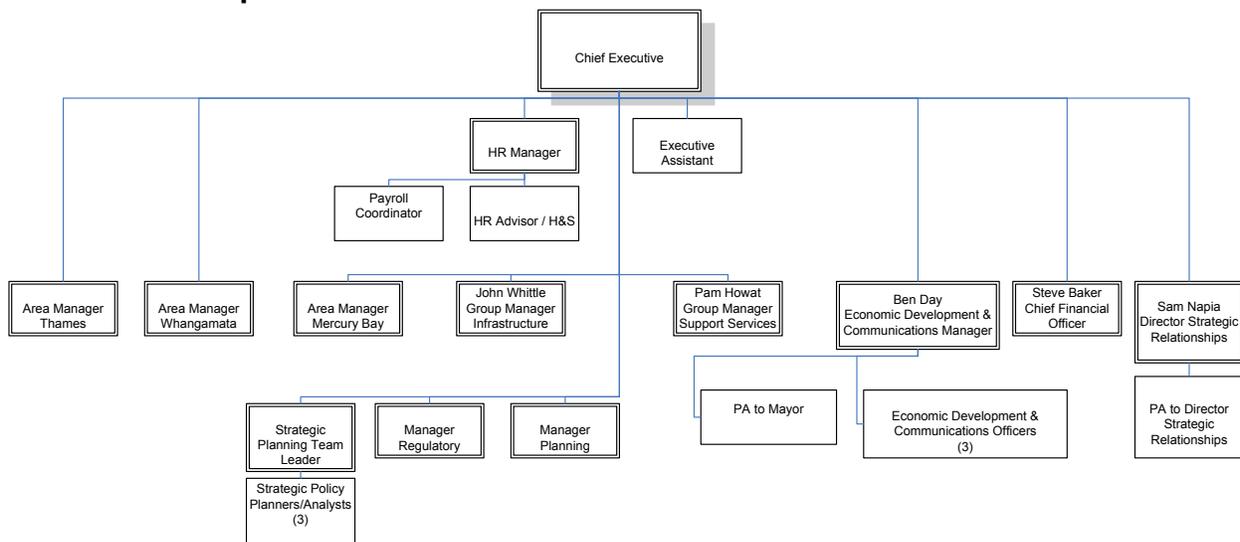
History of Outsourcing

The District went through a phase of significant outsourcing many years ago that has not been viewed as positive by most people spoken to in 2012. It is said that the desire to reduce staff numbers had a trade-off in the loss of decision-making control over significant functions. Outsourcing proposals in this Review constantly brought up references to the negatives of this past experience.

(e) Structure

The following represents the 2012 structure and the reasons behind the decisions taken.

Executive Group



Decisions

1. The decision is that this group remains largely unchanged from that set out in the Proposal.
2. The "Strategy Team" will consist of the Chief Executive, Group Manager Infrastructure, Group Manager Support Services, Chief Financial Officer, Director Strategic Relationships and Projects, Economic Development and Communications Manager, Human Resources Manager and one Area Manager (Area Manager with team leadership duties). There will be an "open seat" available for the other Area Managers as they are available.
3. Appointments made are:
 - a. Strategic Relationships Manager to be appointed as Planning Manager on secondment for a period of 12-months. This is a transitional arrangement. At the conclusion of the secondment period an assessment will be made as to where this

unit should sit. Options include remaining as a report to the Chief Executive, forming part of another group, or under another Group Manager.

- b. Personal Assistant to the Group Manager, Environmental Services to be appointed as Personal Assistant to the Director Strategic Relationships and Projects and will be available for wider CEO Group Support.
- c. The Webmaster to be appointed under the Communications & Economic Development Unit (title to be determined by the Officers).

4. The Strategic Planning team will report to the Chief Executive through a Team Leader. The number of staff in this team will reduce to four including a Team Leader after the Ten Year Plan decisions are released (by 30 June 2012)

5. Administration for the Strategic Planning team will be provided by Governance support. The Personal Assistant to the Director Strategic Relationships and Projects will also be able to provide support across the group as required. The current Personal Assistant to the Group Manager Environmental Services will move into same role for the Director Strategic Relationships and Projects.

6. Health and Safety responsibilities that are currently under the Facilities Team will move to the Human Resources Advisor. Payroll will also become a Human Resources function and outsourcing of Payroll will be considered by March 2013.

7. Two positions will be added to the Economic Development and Communications Team. One of these will be the current Webmaster position. This cost will be offset by a commensurate reduction in this unit's consultant and other budgets.

Pros	Cons
<ul style="list-style-type: none"> • Enables the Chief Executive to be close to what have been complex, strategic, and contentious areas and associated issues. • Allows for top level involvement in future developments such as iwi negotiations. • Brings community governance and engagement to the "top table" in terms of the organisation's structure. • Recognises the growing and future importance of Economic Development within the District. • A flat structure drives responsibility and accountability down the organisation. • There are fewer layers compared to the current structure over many critical areas. • Strategic Policy benefits from direct access to the Chief Executive. 	<ul style="list-style-type: none"> • The wide span of control for the Chief Executive. • The structure will not be as simple as it could be for some time to come. • The third tier managers over Strategic Policy, Planning and Regulatory are exposed to a higher level of expectation in decision-making and responsibility than they would currently be expected to perform at.

Reasons for Decision:

- There is a requirement for the CE to express more leadership directly over a number of significant projects, from economic development to the District Plan.
- Empowering Community Governance has been a major thrust of this Review and its importance must be reflected at level 2 in the organisation, and the wider structure.
- These are a number of "big ticket" items that we need to be prepared for including; co-governance, Economic Development Agency structure, aquaculture, performance and funding of Destination Coromandel etc that need to be driven at the top level by the Director Strategic Relationships, and Economic Development and Communications Manager.
- There is a requirement for the current level of staffing in the Strategic Planning until the completion of the Ten Year Plan project.
- The need for greater emphasis on financial management, and people issues required at the top level through the Chief Financial Officer and Human Resources Manager.
- There is a need for high quality strategic financial and commercial advice to help guide Council in to the future through a new level 2 role of Chief Financial Officer
- Health and Safety is a natural fit with Human Resources but cannot justify a full-time position in an organisation such as TCDC under financial duress. Much of this role is already required through operational contracts.
- There will be an increasing focus on electronic media in the future. Therefore moving the Webmaster to the Economic Development and Communication Unit is a natural progression, with continued support from IT noted.

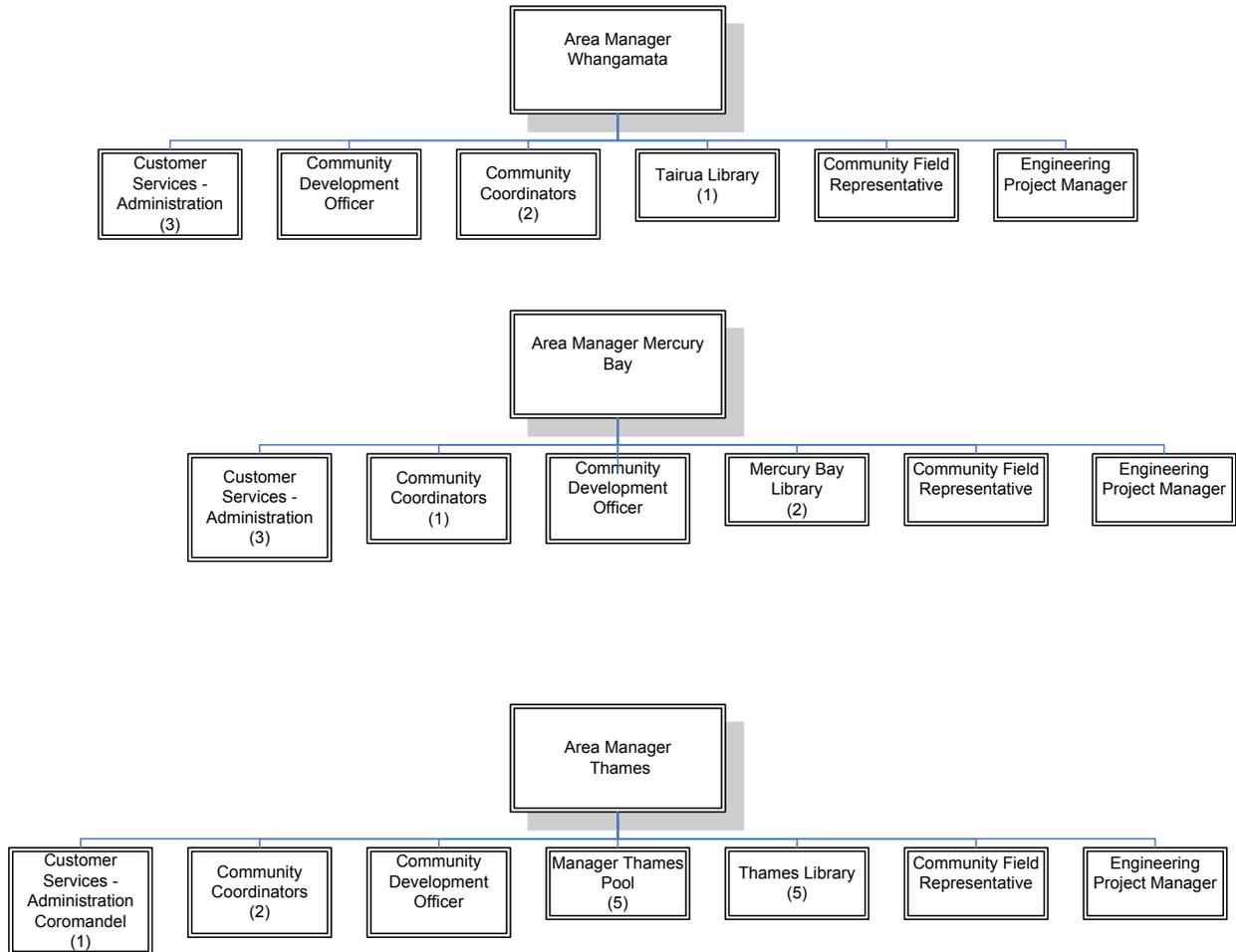
8. Positions to be advertised at this level are:

- Area Managers Thames, Whangamata, Mercury Bay
- Regulatory Manager
- Economic Development and Communications Officer (x1)

9. Positions to be disestablished:

- The Policy & Planning Group is disestablished, including the following roles:
 - Group Manager, Policy & Planning (disestablished)
 - Strategic Relationships Manager (redeployed)
 - One Strategic Policy Planner (disestablished)
 - Strategic Policy Manager (redeployed)
 - Policy & Planning Co-ordinator (disestablished)
 - Strategic Policy Project Co-ordinator (disestablished)
- The Environmental Services Group is disestablished, including the following roles:
 - Group Manager, Environmental Services (redeployed)
 - Personal Assistant to the Group Manager, Environmental Services (redeployed)

Service Centres-Area Offices



Decisions:

10. Three Area Managers will be appointed (Thames, Whangamata, and Mercury Bay). They will report directly to the Chief Executive at a second tier level. In alignment with the Community Governance model Area Managers will have responsibility for the management of Local Activities. To be manageable these will be distributed across the Area Manager positions. The roles will require elevated skills to manage engineers, complex engineering projects, and staff structure and a level of efficient resourcing themselves. One Area Manager will have a team leadership management responsibility.

11. To assist the Area Manager and to promote closer liaison with and empowerment of the community, a Community Development Officer will be appointed for each area office as a separate and new position.

12. Area Coordinators will be known as Community Coordinators. The building of order papers will occur in Thames by the Governance team enabling these roles (Community Coordinators) to provide support to the Community Development Officer for issues associated with their respective Board areas. There will be one Community Coordinator for each Board area (including Coromandel). Community Coordinators will still provide on-site support for their respective Board and members, attend Board meetings, take minutes and complete actions from those minutes. They will also support the Area Manager in their dealings with other committees. Community Coordinators will also provide support to the Community Development Officer with issues/projects/community groups within their respective Board areas. It is expected that Area Manager appointees will finalise these job descriptions to suit their needs.

13. Customer services will be an 'area' responsibility with combined Customer Services and Administration Officer roles to provide flexibility and address security issues. Three of these roles will be allocated to Whangamata and Mercury Bay to assist with local activities, and to provide a personal assistant role, coordination, and support to the Area Manager and other roles such as the Project Manager and Community Field Representative. The Area Manager will confirm position descriptions to suit their offices.

14. Customer services functions for the Thames Area Office will be performed by the central Customer Services team located in the Support Services Group.

15. To progress local projects and local growth visions, Engineering Project Managers will be appointed to each area. These will be from the current CAPEX Projects Team. They will form part of the area "home" team but be part of a district project "away" team. The Thames project management position will be responsible for the coordination and allocation of projects to ensure that workloads are balanced and that the best skills set are matched to each project. This position will also provide technical leadership across the District.

16. In the Organisation Structure diagram the number of positions is shown. Reporting lines will be at the discretion of the Area Manager to arrange to ensure optimal span of control for their particular circumstances.

17. Parks and Reserves Field Representatives will now report to respective Area Managers with a change in title to Community Field Representatives.

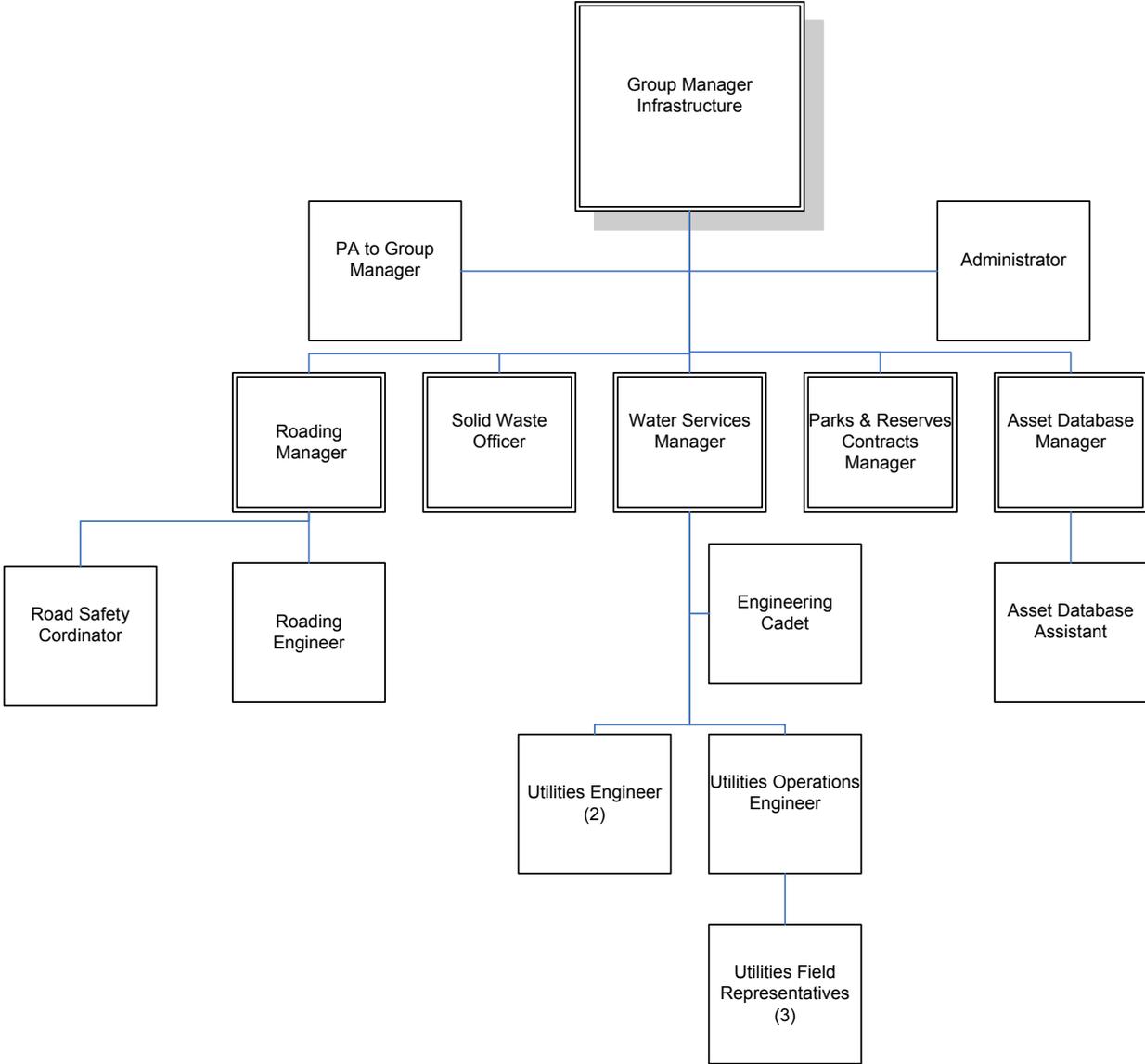
18. Specialist technical advice will be available from a central point for Park and Reserves, Property, Legal etc. These technical specialists will also manage district-wide contracts.

Pros	Cons
<ul style="list-style-type: none"> • Promotes closer liaison with and empowerment of the community to advance Council's strategic direction. • Local projects are managed locally. • Decisions are made as close to the "coal-face" as possible. • Decision-making will be quicker. • Communications and project accountabilities are clearer, but still need to be supported by protocols. • Continues to provide support and customer/ community interface where needed. • Efficiencies are maintained through the centralisation of some processes. • Allows for structural flexibility so the needs of each Area can be met and puts the responsibility for staff into Area Manager roles. • It is more cost effective for the Thames office to be provided with a customer service function from the central team. 	<ul style="list-style-type: none"> • Some increased costs in Area Offices to resource strategic goals. • Will require elevated and competent management and leadership to coordinate activities and projects across areas. • Decision-making may occur in isolation to District-wide strategy. • Standards may vary between Areas. • Non-standard processes may develop between Areas. • Overhead cost reallocations to other functions will occur. • There are serious staffing impacts from this change.
<p>Reasons for Decision:</p> <ul style="list-style-type: none"> • A major Council objective is community governance and empowerment for reasons well outlined. An effective structure is required to deliver this concept. Council will confirm the Community Empowerment Model on 18 April 2012. • The Area Office structure allows the delivery of a higher level of service to both Boards and communities. • The structure complies with the concept of processes where there can be economies of scale but having the interface and decision-making as close to the customer/community as possible. 	

Positions to be advertised include:

- Community Development Officers (3),
- Area Coordinator (Thames, Mercury Bay)
- Customer Services Representative/Administrator (Whangamata, Mercury Bay)
- Community Field Representative (Mercury Bay)

Infrastructure Group



Decisions:

19. The Water Services Manager will provide end-to-end management of the "value-chain" of the Water Supply, Storm Water, Waste Water and Land Drainage activities. To achieve this outcome an operational element will be added to this team in the form of the Utilities Operations Manager and Utilities Field Representatives.

20. The Parks and Reserves Contracts Manager will negotiate, manage and monitor District-wide parks and reserves contracts. This role will also provide technical leadership and mentoring to the Community Field Representatives located in Area Offices. This is essentially the current Parks and Reserves Team Manager role without the "home team" line responsibility for Field Representatives. The Property Officer will transfer under the Facilities Manager position in the Support Services Group.

21. The Asset Database Manager will report to the Group Manager. This is to reflect that the role and future work programme covers more than just the three waters (as in the February 15 proposal). The Asset Database Assistant role will be retained.

22. The Solid Waste Officer position is dependent upon the outcome of negotiations with Hauraki and Matamata-Piako District Council on a shared service. Other areas that will need further investigation are the staffing for the management and operation of the Trade Waste bylaw and the operation of the bio-solids plant to be established at Whitianga. In the mean-time this position will be filled by the current Solid Waste Officer.

23. The Projects Team will be dis-established with Project Engineer title being changed to Engineering Project Manager and reporting to Area Managers. The CAPEX Programme Manager will become a Project Manager reporting to the Thames Area Manager. This position will retain the CAPEX programme coordination role and act as an "Away" team coordinator for the other Project Managers. As administrative support will be provided by the respective Area Office the Temporary Project Coordinator role will no longer be retained.

24. The Roding Team structure is unchanged.

25. Activity managers will be responsible for health and safety of staff and contractors within their activity. Advice and support may be sought from the Human Resources Advisor.

26. The Customer Services team will be transferred under the Support Services Group.

Pros	Cons
<ul style="list-style-type: none"> • More accountability and responsibility to asset managers. • Opportunities provided for better communication of issues between operations and asset management. • Possibility of better whole-of-service and asset planning. • Enables the community empowerment model better. • A group more focussed on infrastructure needs. 	<ul style="list-style-type: none"> • Will require good communication between activity managers and the Area Managers on local issues. • Could lead to issues with the level of strategic and high level support for local facilities management.
<p>Reasons for Decision:</p> <ul style="list-style-type: none"> • This structure allows staff to focus on core infrastructure issues with the transferring of Customer Services to support. • There are clear lines of accountability and responsibility but it will need work to ensure the benefit is realised. • Impacts to staffing positions regarding facilities are acknowledged as empowering the council's strategic direction. • The Asset Database Management team is cross functional in nature and therefore it is more logical that it sits under the Group Manager. Its value in retention is in the degree of savings to be made from accurate asset data knowledge held by Council not by contractors. • Council would be exposed to considerable risk if the Asset Database Assistant position was dis-established losing control of its own asset condition information. If privately held there could be conflict of interest with contractors having both the information and setting the budget based on it. 	

Positions to be dis-established include:

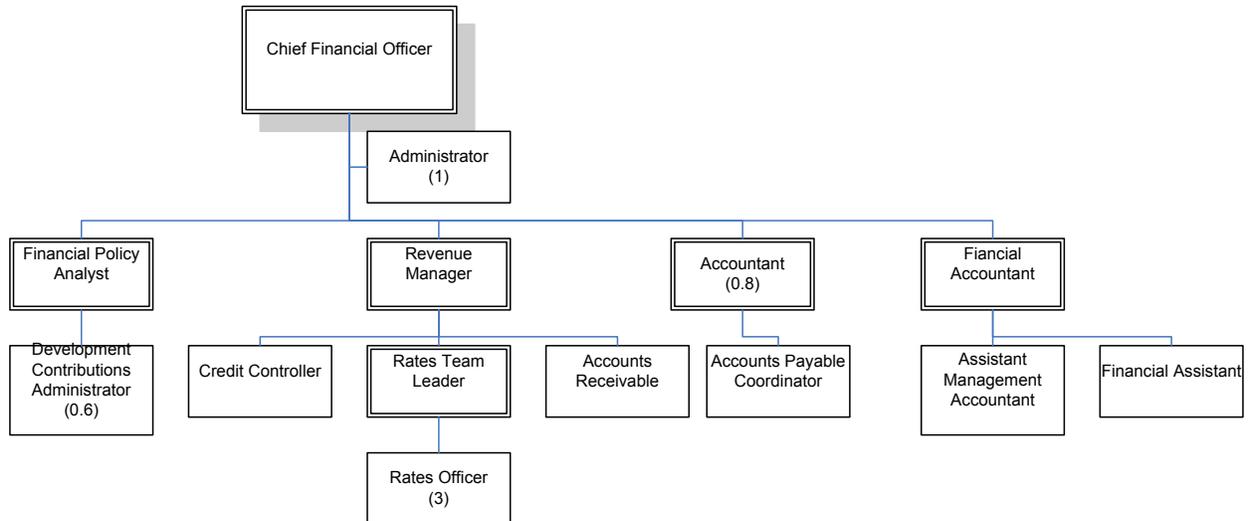
- Operations Manager, (disestablished)
- Community Services Manager, (disestablished)
- Operations Administrator, (disestablished)
- Temporary Project Co-ordinator (disestablished)
- Capex Programme Manager (redeployed)

No new positions will be added to this Group.

Appointments to be made include:

- Parks & Reserves Team Leader to the Parks & Reserves Contract Manager role
- Capex Programme Manager to the Engineering Project Manager (Thames) role

Finance Group



Decisions:

27. An administration role has been added to this Group to provide support to the Chief Financial Officer and wider team. This will be filled by redeployment.

28. The proposal to merge the Accounts Payable Administrator and Payroll Administrator positions will not proceed at this point in time but will be reviewed within 12-months. A number of process and systems improvements will need to be put in place before this can be accomplished and it is advised that it will take up to 12-months. The Payroll Coordinator will now report to the Human Resources Manager during this period

29. The Rates Team has already been reduced by one FTE. However some temporary assistance may be required to deal with initiatives evident in the draft Ten Year Plan regarding changes to local funding, remissions and associated rating system change.

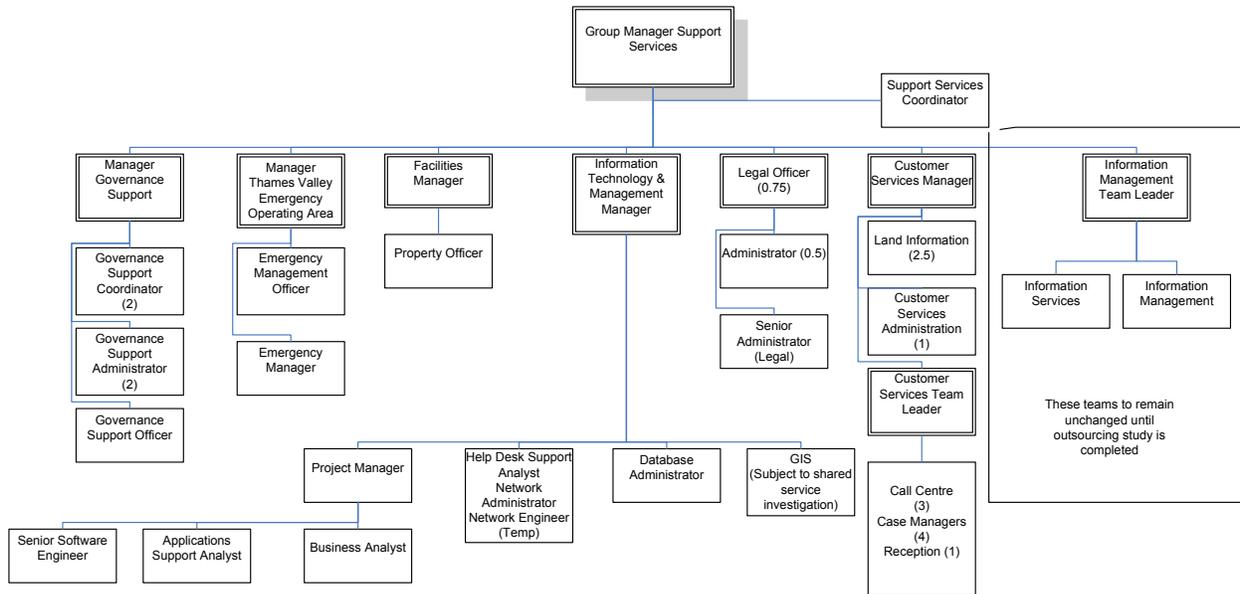
30. The Management Accountant position is to be dis-established with staff reporting to this position distributed between the Accountant and the Financial Accountant. Some additional assistance may be required for this area in the short to medium term.

Pros	Cons
<ul style="list-style-type: none"> • Finance is moved to Level 2 in the organisation and becomes more of an integral part of the Strategy Team. This is appropriate to drive financial leadership in very challenging economic times. 	<ul style="list-style-type: none"> • It will take some time before efficiency gains are realised in areas where improvements have been identified. However, this would be the same under any structure.
<p>Reasons for Decision:</p> <ul style="list-style-type: none"> • Going forward, Elected Members and senior staff will require an enhanced and more dedicated level of financial advice both strategic and commercial. Council is dealing with a high rates and debt environment. • Efficiencies will be made in the medium term but before this can occur the automation of various processes needs to be implemented. • Natural staff turn-over is currently providing the opportunities to review resource levels. 	

Positions to be dis-established are:

- Rates Officer
- Management Accountant

Support Services Group



Decisions:

31. A Legal Team will be established. This team will provide support to the Property Officer, provide "first-line" legal advice, prepare legal actions/prosecutions, manage the acquisition of outside legal advice and establish an accessible "library" of previous legal opinions for future reference. A legally qualified person will head up this team and will be assisted by two staff. Firstly, a Senior Administrator (Legal) who will provide compliance and enforcement support by processing and quality reviewing enforcement files, preparing files for court, preparing correspondences in relation to investigations as well as support to the Legal Officer. The second (part-time) position will take over from the disestablished Development Planning Officer role the processing of all RMA and LGA certification applications and coordination of all bonds and Council Seal Documentation. Administering Environment Court appeal decisions will also rest with this team. All legal budgets will be pooled under this team for assessment and management. The total budget will be reduced by the expenditure of the team in establishment.

32. The title Governance Support team will be retained instead of Administration team. Information Management (ECM) and the Contracts/Purchasing/Vehicles positions will not be included in this team. These positions will report directly to the Group Manager.

Judicial support currently provided from the resource consenting team will move to Governance with a close relationship maintained. The person filling this role may also be used in a Duty Planner role if they would like to continue developing planning skills.

33. An additional Governance Support Coordinator and a Governance Support Administrator will be added to this team. This team will "build" the order papers for Council, Committees and Boards. In addition they will support the Judicial and Audit Committees, and provide wider administrative support.

34. The Contracts/Purchasing/Vehicles position will retain the title of Facilities Manager and will retain the insurance function and also take responsibility for the execution of the Property Strategy. The current Property Officer position will move from the Service Delivery Group and report to this position. The Facilities Coordinator (Health & Safety) position is to be dis-established.

35. The position of Business Process Analyst will be dis-established. The incumbent will be invited to assist with the change process of this Review for a period of six-months when that duty will be reviewed. This role has provided an excellent basis for the organisation to learn from to self-improve their own areas. The award winning TCDC commitment is recognised and the Council has benefitted significantly from this role over the years.

36. The Property Manager position contained in the 15 February 2012 consultation document is deleted from the structure.

37. The Administration Manager position contained in the 15 February 2012 consultation document is deleted from the structure. The role would have added in an unnecessary layer of management.

38. The Land Information (LIM) team consisting of 2.5 FTE will form part of Customer Services. This team will move to a self-funding basis in terms that it has no impact on rates.

39. The Customer Services Manager and team will report to the Group Manager Support Services. The reason for moving the team from the Infrastructure Group is a better fit with other "support" services, and to allow the Infrastructure Group to concentrate on its serious infrastructure issues. The Land Information Officer will report to the Customer Services Manager and the current team, with the exception of the Customer Services Representatives in the Area Offices who will report to the respective Area Managers, will be retained and two planning staff will be added to the team. This will enable an increased range of services being available at the "front counter", including duty planning functions.

A "case management" philosophy is being explored where customers are assigned a Customer Services planning staff member who will work with that customer until the issue is brought to a conclusion. This team will develop an organisation-wide Customer Services strategy. With newly proposed case managers joining the team, the overall workload effect of the team will be monitored and a sinking lid policy seems likely.

40. The central Customer Services team will provide services for the Thames Area Office.

41. A study on the viability of the out-sourcing of Information Management (ECM), and the Information Services (Records) teams is being undertaken. These are being dealt with separately outside of this process and in the meantime staff will report as shown on the organisation chart.

42. The Information Systems Network team will remain for the medium-term with significant savings having now been made (in excess of \$9.5m over the term of the Ten Year Plan) in both operational and capital expenditure budgets. An outsourcing proposal received by Council will not proceed due to cost. In March 2014 (towards the end of the current help desk outsource contract), we will investigate further options for the provision of wider IT services. This could include tendered or shared services, combining the different functions into one tender and comparing against in-house provision at that time. A sinking lid policy will also be applied in this area, with the replacement of staff only where there is sufficient justification.

Pros	Cons
<ul style="list-style-type: none"> • Gathers the major support components of the organisation under one Group. • Enables savings to be made by keeping legal work in-house where possible. • Provides a flat structure that reduces layers in the organisation. • Enhances the customer service ethos through an organisation-wide strategy and delivers an improved consenting service. • Drives responsibility and accountability down the organisation. • Centralises processes where possible. 	<ul style="list-style-type: none"> • Still uncertainty for some staff around outsourcing. • The risk of outsourcing to deliver lower levels of service for no better total cost. • Business process mapping will be reliant on Activity Managers, not a dedicated officer, and may well be adversely affected.
<p>Reasons for Decision:</p> <ul style="list-style-type: none"> • To allow enhanced customer service for consent applicants. • The requirement for greater efficiencies is met and under continued consideration. • To make consenting processes easier and to address simple issues by a strategy of "instant consenting". • The need to control the amount of money the organisation pays for advice from outside agencies is better controlled. • Responsibility and accountability needs to be driven down the organisational structure. • Health and Safety is a responsibility on management and contract managers with back-up from Human Resources and can be managed sufficiently. • Business process mapping should primarily rest with staff to self-improve their own areas, and Council has had a number of years to learn the business process mapping skills, from an award-winning staff member and team. 	

Positions to be dis-established are:

- Facilities (Health & Safety) Coordinator,
- Business Process Analyst (after a 6 month period),
- Land Information Support Officer 0.25 FTE,

Positions to be advertised in this Group are:

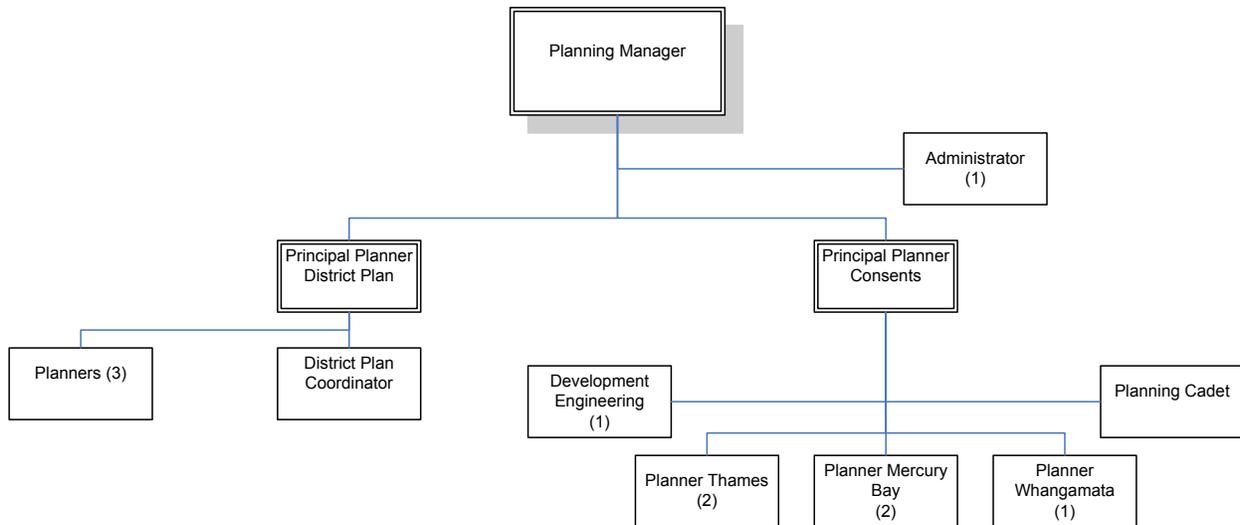
- Governance Support Coordinator,
- Governance Support Administrator (2),
- Application Support Analyst

Appointments to be made include:

- Development Planning Officer (part-time) to part-time Legal Administrator,
- Legal Officer,
- Planning Technician to CS Planning,
- Resource Consent Planner to CS Planning
- Senior Compliance Administrator to Senior Administrator (Legal)

Duties to be undertaken by these staff members have been assessed as less than 20 per cent different from the current role and therefore not a significant change.

District Planning & Consenting



Decisions:

43. The current Development Planning Administrator position is retained. However, it will report to the Planning Manager (Peter Wishart is seconded for 12 months).

44. The District Planning and Consenting teams will come under the same unit to better facilitate integrated knowledge, practical experience, and flexible work arrangements.

45. The development engineering function will now report to the Principal Planner Consents. The Planning Cadet will also report to this position for the duration of the cadetship (two years).

46. The number of planners will be reduced from eight to five and be located around the District to be available from Area Offices.

47. Where possible TCDC consents for projects etc will be processed in-house, to ensure direct costs to Council and applicants are reduced and work is maintained for Council planners.

48. Submissions indicate that this number of planners should be sufficient to process 100 per cent of Resource Consents within the prescribed timeframes at current levels of

business. The Planning Team have provided the following to assist the Review to determine appropriate workloads and number of planners:

Table 2: TCDC Consent Processing (2007 to 2011)

	2007	2008	2009	2010	2011
No. of consents received	622	496	392	372	369
No of consents processed by staff	500	354	326	343	359
% consents processed by staff	80.39%	71.37%	83.16%	92.20%	97.29%
No consents processed by consultants	122	142	66	29	10
% processed by consultants	19.61%	28.63%	16.84%	7.80%	2.71%
No. of Council consenting planners	8	8	6	6	5
Avg Consents by Council planner	62.5	44.25	54.33	57.00	71.80

Table 3: Consent Numbers and Total Staffing Numbers for Group 3 Territorial Authorities 2010/2011 (MfE)

	Consents to Decision	Senior Planners	Planners	Planning Technicians
New Plymouth	564	1	10	3
Waikato District	460	6	9	4
Waipa District	421	1	0	0
Tauranga City	417	4	7	3
Hutt City	411	3	4	0
Palmerston North	371	3	4	0
Thames-Coromandel	369	2	5	1
Hamilton City	354	2	6	0
Far North	350	2	5	4
Rotorua District	334	2	3	2
Hastings District	331	2	3	1
Average	401	2.6	5.1	1.7

Table 4: Resource Consents Processed within Statutory Timeframes

Date	Performance
June 07 to June 08	80%
June 08 to June 09	93%
June 09 to June 10	95%
June 10 to June 11	98%
June 11 to January 12	100%

From these tables it is clear that the number of Council planners at TCDC has reduced over time and the number of consents processed has substantially increased, as has performance to timeframe. On a national level, TCDC is processing a "city" workload at below the national average of planners. This is recognised in this Review as exceptional and a testament to the team and its leadership.

In a building consenting framework, the following results demonstrate the fall-off of consents and reduction on staff. Complicating this picture is the onset of Government-forced accreditation and auditing which has increased inspections and paperwork associated with most consents.

Table 5: Building Consent Processing (2007-2011)

	2007	2008	2009	2010	2011
Building consents received and assessed by planners	1659	1360	1169	1137	969
Number of staff assessing building consents	2	2	2	1.5	1.5

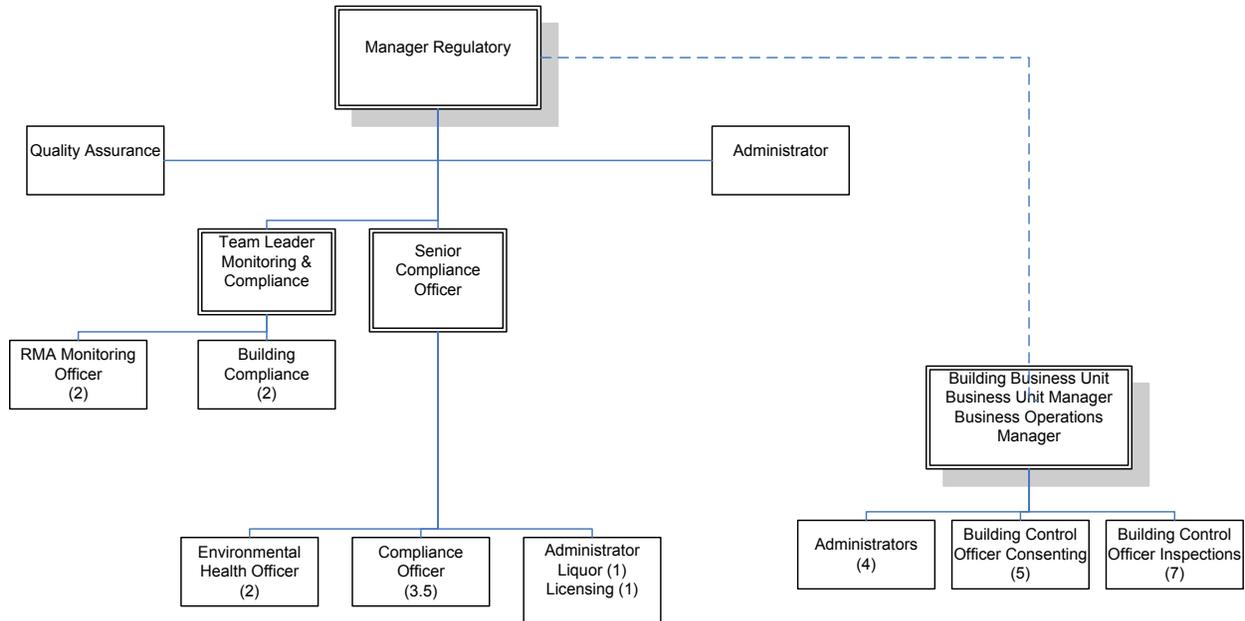
The following outlines Pros and Cons of decisions taken:

Pros	Cons
<ul style="list-style-type: none"> • Allows for greater interaction, co-ordination and flexibility between District Planning and Consenting. • Cost savings by keeping work in-house. • Better internal communication throughout the consenting process. • Allows multi-skilling of planning staff between resource consent and district plan disciplines. 	<ul style="list-style-type: none"> • Development engineering may feel isolated professionally from the engineering discipline. • There are varying positions on the merits of combined Planning and Consenting teams. • The 'Development Planning Manager' will need to be monitored as it is no longer in the structure.
<p>Reasons for Decision:</p> <ul style="list-style-type: none"> • The requirement to maximise the number of consents processed in-house in the most efficient and effective manner. • Information by way of submissions from the Planning Team indicates that five planners processing consents is likely sufficient to meet statutory timeframes for the volume of consents processed during recession. • Need for a stable District Planning team with sufficient capacity to meet the timeframes of the District Plan project. • Need to stream-line the resource consenting process and to encourage new customer initiatives. 	

Positions to be dis-established:

- Development Planning Officer,
- Consent Planners (x 4),
- Development Planning Manager

Regulatory Team



Decisions:

49. A Regulatory Manager is to be appointed as a new role at third tier but reporting directly to the Chief Executive. The Manager may make some changes to the structure of the Team once appointed, with the consultation of their staff.

50. The Building Consenting Authority (BCA) team will become a semi-autonomous business unit within the Council. The Business Unit will be ring fenced financially and will be expected to be prudently managed within the funding, pricing and customer service parameters set by Council. This change will target set-up by 1 July 2012 after the accreditation process has been completed. The Regulatory Manager will manage the relationship with this Business Unit by monitoring the levels of performance stipulated in a Service Level Agreement. There will be a Trades Advisory Group established to ensure that the Business Unit remains in touch and collaborates well with the major clients and sector. This business unit will not be a Council Controlled Organisation as defined in the Local Government Act but remain part of this organisation. The Unit will be responsible for managing its own structure and staff resources within the funding provided by Council.

51. A request from the building team has been signalled for an additional 1.5 FTE to schedule building inspections. This function is currently undertaken by Customer Services and if this change eventuates then staff may need to be transferred into this team. In the meantime there is a requirement for four administrators in the Building team. Additional resourcing to the Business Unit would only be contemplated by the Building Unit once the funding agreement is agreed with Council, and the resourcing impacts of that agreement are known.

52. A team of three RMA monitoring staff and two building compliance staff will be established with one of these people being the Team Leader reporting to the Regulatory Manager. Over time there will be "cross-training" between these functions as far as practicable so that a "one officer-one visit" can address multiple issues. It is acknowledged that staff submissions called for multiple team leaders and this has not been adopted.

53. It is the intention that bylaws compliance will be brought back "in-house" with a Senior Compliance Officer being the team leader and reporting to the Regulatory Manager. At this stage the requirement in this team will be for Compliance Officers (3.5) Environmental Health Officers (2) and two administrators for Liquor and Licensing. This resourcing has been modelled by Craig Birkett and has demonstrated a cost saving of some \$130,000 from in-sourcing. This proposal was considered by Council's Regulatory Committee on 29 March 2012.

54. As with the RMA monitoring/Building Compliance team staff within this team will be expected to become multi-skilled as far as practicable so that on a visit to a premises an Environmental Health Officer can also carry out a liquor licencing function.

55. Contractors will still be retained for after-hours noise control and stock control.

Pros	Cons
<ul style="list-style-type: none"> • Allows for efficiencies for customers and Council to be gained through the multi-skilling of staff. • Greater control and cost effectiveness by bringing Bylaws in-house (est. savings of \$130,000). • More self-autonomy for the building functions of Council. • More community connection to the Building Unit. 	<ul style="list-style-type: none"> • The Building Unit agreement may lead to the Unit taking its own decisions around resourcing which could impact staff. • The Building Unit will need to take greater responsibility and accountability for results and this is a substantial change in management and style. • The Building Unit has more say over its operations which may be contrived both as greater risk or an improvement. • The retention of TLA building compliance functions under Council (not the BCA) has received both support and opposition by submissions. There are good arguments both ways.
<p>Reasons for Decision:</p> <ul style="list-style-type: none"> • Obvious opportunities to create efficiencies through multi-skilling of staff. • To transform building service to align better to cost, customer service and local industry. • No more than two team leadership positions were supported as Council's culture is moving to officers taking more responsibility and accountability for work decisions themselves and growing in their ability to apply sound judgements. It is acknowledged that more training for staff to do this will be provided. This will include a higher level of technical skill within the Monitoring and Compliance Team to fully cover all Territorial Authority building functions. • In-sourcing of compliance is supported to bring greater cost savings and control over this significant function. The initiative is supported by staff and an alternative concept to address employment opportunities. 	

Positions to be disestablished:

- Manager - Building Compliance & Policy,
- Environmental Services Manager

Appointments to be made:

- ES Administrator - Licensing to Licensing Administrator,
- Compliance Administrator to Liquor Administration.
- Manager, Building Compliance & Policy to Regulatory Manager

(f) Overall Staff Movements:

The following table outlines changes in staffing as a result of the review process. It outlines changes from the staffing budget as proposed 1 July 2011 to 1 July 2012.

Table 6: Change in staff from 1 July 2011 budget

Permanently Disestablished	Redeployed
Group Manager, Policy & Planning	
Group Manager, Environmental Services	Director, Strategic Relationships
Strategic Relationships Manager	Planning Manager - 12 month secondment
PA to Group Manager, Environmental Services	PA to Director, Strategic Relationships
Policy & Planning Co-ordinator	
Strategic Policy Manager	Strategic Planning Team Leader
Strategic Policy Planner x 2	
Capex Programme Manager	Project Manager (Thames)
Facilities (Health & Safety) Co-ordinator	
Development Planning Manager	
Community Services Manager	
Resource Consent Planners x 4	Customer Services - Planner Governance Support Administrator
Manager, Building Compliance & Policy	Regulatory Manager
Business Process Analyst	
Environmental Services Manager	
Senior Monitoring & Investigations Officer	Team Leader, Monitoring & Compliance
Planning Technician	Customer Services - Planner
Strategic Policy Project Co-ordinator	
Temporary Project Co-ordinator	
Senior Compliance Administrator	Senior Administrator - Legal
Development Planning Officer	
Operations Manager	
Operations Administrator	
Area Managers (current positions)	
Rates Officer	
Pool/Building Compliance Officer	
Development Planning Assistant	

LIM's Officer x 0.25	
Projects/Asset Engineer	
Senior Development Engineer	
Graduate Policy Planner	
Environmental Services Administrator x 2	
Development Planning Administrator	
Information Services Officer	
Senior Building Compliance & Policy Officer	
Management Accountant	

New Roles
Area Manager x 3
Regulatory Administrator
Senior Compliance Officer
Economic Development & Communications Officer
Compliance Officer x 3.5
Finance Administrator
Legal Officer
Governance Support x 2
Community Development Officer x 3

Subject to Outsourcing Proposals
Information Services Officer x 4
Information Services Team Leader
Network Engineer
Helpdesk Support Analyst
Temporary Junior Network Engineer
Information Management Team Leader
Information Management Officer x 2
Senior Software Engineer