

Auckland Council CCO Review, Current State Assessment (Council Perspective)

February 2014

Introduction

The Auckland Council is undertaking a review of its council controlled organisations (CCOs) to determine whether there is a need to change the scope of activities and functions within any CCO, the structures that they operate within, or any of the accountability mechanisms.

The purpose of this current state assessment is to reflect on how well the CCO model is perceived to be working, what has gone well over the last three years, what issues have arisen, and to identify issues and opportunities that the review needs to consider. The assessment is based on feedback provided at meetings with most councillors and with senior staff across the Auckland Council.

Local boards and the IMSB were also invited to provide comment. As the timeframes were very tight local boards and the IMSB were informed that any feedback received by 15 February would be reflected in the assessment, but that feedback received through March and April could be incorporated into the review at a later stage. Three local board members had provided feedback at the time of this report being prepared.

In addition to this report, PricewaterhouseCoopers (PwC) has been commissioned to prepare a parallel report that considers issues and opportunities from a CCO perspective.

The current state assessment has helped to inform the terms of reference for the review. Work on revising the draft terms of reference has proceeded alongside the preparation of this report.

This report is structured under five headings:

- **Strategy, policy, and CCO objectives.** This considers how CCO objectives are set and what issues have arisen with strategy development and objective setting.
- **Delivery.** This section highlights what progress has been made over the last three years as well as areas where progress has been slower.
- **Accountability.** This covers the formal accountability framework as well as communication and engagement over issues.
- **Integration.** This section outlines that there was considerable feedback that it is important for the council and CCOs to be seen as one council group, as well as reflections on some of the mechanisms for achieving this.
- **Other issues.**

A large amount of feedback was collected for this assessment, much of it more detailed than what is appropriate for this report. The report focuses on high-level themes and specific examples that illustrate the high-level themes. As the review progresses, the additional information collected will inform individual workstreams.

In any assessment of this nature the detailed feedback is inevitably more about issues and what is not working than what is working well. There was considerable feedback that although there have been teething problems there have also been many successes. The level of collaboration has also increased significantly over the past three years.

Executive Summary

The majority of the feedback was that the CCO model is largely delivering well for Auckland, and that significant progress has been made over the last three years. Many people commented that three years is not long to establish a new way of operating and that the level of collaboration and trust between the council and its CCOs has developed considerably over that time. Feedback indicates that some councillors are looking to the CCO review to fine-tune what is already working well. Others are expecting that it will address issues that have distracted from the progress that has been made or impacted on delivery.

Strategy Policy and CCO Objectives

- There are different views about the relative roles of the council and its CCOs in developing mid-level strategy – i.e., the translation of the Auckland Plan into policies and strategic plans.
- There is also a lack of consistency in current practice about how involved CCOs are in developing mid-level strategy. ATEED, Waterfront Auckland, and Auckland Transport have strategy development functions which has at times created tension with Auckland Council strategy functions especially at the interface.
- Most feedback was that Auckland Council should drive strategy and policy for its CCOs, but that CCOs have an important role to play in providing strategic advice.
- The general view is that CCOs are strongly geared towards achieving their core objectives and priorities. Councillors are also looking for CCOs to contribute to the council's wider policy objectives.
- There was some acknowledgement that the council may need to provide more clarity about its public policy priorities for CCOs and that currently there may be too many expectations with limited guidance over priorities.

Delivery

- The overall view was that CCOs have been a large part of the major progress that has been made by the Council over the last three years. There have been many delivery highlights such as development of the Auckland waterfront area, ATEED and RFA's success in delivering major events, and the Council and Auckland Transport getting government commitment to the City Rail Link (CRL).
- Where delivery has been slower the view was that other factors such as a difficult economic climate have been responsible. Feedback was that three years is not very long to assess the delivery of transformational outcomes which by definition require long timeframes to achieve.

Accountability

- The majority of feedback indicated that the formal accountability framework between the council and its CCOs needs to be simplified and streamlined, with more rigorous debate when priorities are being communicated through the letter of expectation. Most people consider that reporting needs to be more focused on key deliverables and financial performance.
- Informal accountability and communication is seen as just as important as the formal accountability framework.
- There was strong feedback that when issues or problems arise in relation to a CCO's activities, the public and media hold elected members accountable and not CCO boards of directors.
- However, most feedback was that the "no surprises" policy works most of the time.

Integration

- A large amount of feedback related to the council and its CCOs operating more effectively as a group rather than as a council with 7 independent subsidiaries.
- There were a number of reasons for this including that cooperation and integration is needed to ensure that overlaps are well managed; that customers and ratepayers get seamless delivery from the council group; and that efficiencies are maximised.
- There is recognition that a strong culture of collaboration within council and its CCOs will go a long way towards achieving what it required but that other mechanisms such as cross agency working groups, greater use of shared services, and a more standardised approach to corporate strategy, may be required.

Other Issues

- There was a range of other feedback over issues that the CCO review is expected to consider. For example, a number of councillors have questioned whether the current number and configuration of CCOs is optimal. Issues relating to local boards, how CCOs contribute to outcomes for Maori, and public input to CCO decision-making were also raised.

Strategy, Policy, and CCO Objectives

Introduction

The role of Auckland Council Controlled Organisations is to meet the objectives set by the shareholder, Auckland Council. In the case of Watercare and Auckland Transport these entities have additional statutory objectives, responsibilities and obligations.

CCO objectives, other than those with a statutory basis, should derive directly from council strategy and policy. Two issues have been identified in relation to strategy development and CCO objectives. Firstly, that there is a lack of consistency over how involved CCOs are in the development of council strategy. Secondly there can be tension between CCOs focussing on their core objectives, and the importance that the council places on CCOs contributing to wider group objectives.

Strategy development – role clarity

At the highest level the Auckland Plan sets out council strategy which drives shareholder objectives for CCOs. Business or implementation planning is the responsibility of CCOs. However, there is a gap between high-level strategy and implementation planning and significant variation across CCOs in the extent to which CCOs are involved in developing or contributing to more detailed strategy and policy. Some specific issues that have been highlighted include:

- Auckland Council and Auckland Transport both have transport strategy functions. On paper they have distinct roles – for example Auckland Council Transport Strategy Unit leads strategic advice on the Auckland Plan, provides modelling advice using the regional land use and regional transport models, and prepares submissions on legislative change. Auckland Transport has legislative responsibility for preparing the Regional Land Transport Plan, including prioritising the transport programme. However, a some tensions have been identified such as:
 - Auckland Council Transport Unit takes a broad view of transport strategy including how transport relates to land use, social outcomes, environmental outcomes etc. Auckland Transport’s perspective is the delivery of an efficient transport system, which is a narrower focus (see next section on core objectives versus group objectives).
 - Auckland Transport has signalled an intention to undertake its own passenger transport patronage modelling in the future, alongside NZTA. This could result in Auckland Transport and Auckland Council developing diverging views on long-term patronage targets.
 - Auckland Transport’s prioritisation is influenced by projects which receive NZTA subsidies. While this maximises external funding, it can mean that Auckland Transport’s priorities are not fully aligned with the Auckland Plan.
- ATEED and Auckland Council both have roles in strategy development as well as in implementation. For example, ATEED developed the Major Events Strategy while the council is responsible for the Events Policy which is the umbrella policy.

The main issues relate to economic development rather than major events or tourism. The council adopted an Economic Development Strategy (EDS) as part of the Auckland Plan, while ATEED is developing the Growth and Competitiveness Framework. There has been some concern that ATEED should be delivering on economic development outcomes rather than preparing more strategies.

- There is no central repository of strategy developed for RFA. In the absence of council strategy, RFA produced the draft Stadium Strategy aimed at rationalising the use of its stadiums to achieve efficiencies. What was not perhaps anticipated by RFA was the high

level of community and political interest in the future of these venues. The council has taken over the responsibility for public consultation on the Stadium Strategy and so has partially stepped in to the strategy space.

Through the review the council will need to develop greater clarity about its role in strategy development and in how to manage the interface between the council role and CCO role. While feedback was that council must drive strategy at the level of the Auckland Plan, there were different views about CCO involvement in more detailed strategy development – i.e. the translation of the Auckland Plan into the next tier of strategy such as strategic action plans.

Some councillors view CCOs as delivery agents only, while other could see merit in CCOs having active involvement in developing strategy. Some councillors commented that a level of tension between the council and its CCOs is to be expected and is not necessarily a problem. There was also feedback that highlighted the importance of those involved in implementation also being involved in strategy development.

There was feedback from councillors that CCOs have an important role to play in providing strategic advice and that they are seeking more opportunities to have strategic conversations with CCOs at workshops and/or in relation to specific projects. Workshops with Watercare and Waterfront Auckland were mentioned as particularly successful examples.

At a staff level there was a view that the Auckland Council must retain control of public strategy and policy because it will always take a broader view than CCOs. There was also a view that the council should retain strategic capability to enable staff to provide contestable advice. If CCOs control too much of the “strategy chain” it is difficult for the council to challenge the advice that they are receiving from CCOs.

Core objectives versus group objectives

A benefit of the CCO model is that it allows a strong and sustained focus on the CCO’s core business objectives. The general view is that CCOs are strongly geared towards achieving their core objectives and priorities. Councillors are also looking for CCOs to contribute to the council’s wider public policy objectives and priorities. However, tensions can arise as CCOs seek to balance competing objectives and priorities. Feedback included:

- For ACPL, RFA, Waterfront Auckland, and ATEED the main issue raised was that they often prioritise economic or commercial objectives over other public objectives. For example, Council’s attempts to have ACPL and Waterfront Auckland play a role in affordable housing have had limited success to date. While there is a strong councillor support for ATEED and its delivery of major events, there is also some concern that there is now too much emphasis on events that will make an economic contribution rather than a less tangible contribution to Auckland’s identity and pride. RFA’s Stadium Strategy is seen by some as another example of commercial objectives taking priority over community considerations.
- Watercare understandably places a very high priority on health and safety and protection of its assets. The land within water catchment areas is a significant element of the city’s recreational capacity and will become more so as the city grows. These areas also have high conservation values. There are issues around public access to these areas due to perceived risk to public safety and also constraints on the control of plant pests, which are impacting on the effective management of these areas and compromising achievement of recreational and conservation outcomes.
- Auckland Transport’s primary legislative purpose is to create an efficient and effective transport system. But transport has a critical role to play in relation to the council’s place-making and other wider objectives. For example, road design that is efficient and effective from a transport perspective may have a negative impact on pedestrians, or on the local community. The Auckland Plan directs Auckland Transport to achieve the appropriate balance between movement and place functions, and where there is a conflict to give greater emphasis to the place function than in the past.

There have been a number of instances of disagreement between the council and Auckland Transport, for example in relation to election signage bylaws, and the East West

Link. These issues could be seen as Auckland Transport giving greater priority to its core objectives than to other public policy considerations.

As the review proceeds the council will need to consider whether it has provided sufficient clarity about its objectives and priorities for its CCOs. There was acknowledgement that the council may need to provide more clarity about its policy priorities and that currently there may be too many expectations with limited guidance about priorities. This risks diluting the focus and effectiveness of CCOs. It was also noted that some expectations may require tradeoffs or have a financial cost. One councillor noted that CCOs need to get better at highlighting the trade-offs to councillors and encouraging them to make policy decisions or decisions about prioritisation.

Delivery

CCOs deliver core public services on behalf of the Auckland Council; therefore the question of how well they are perceived as delivering is an important part of the current state assessment.

Delivery highlights

The overall view was that CCOs have been a large part of the major progress Council has made in the last three years. Feedback highlighted many successes with CCO delivery including:

- Waterfront Auckland has delivered high quality public infrastructure to the Auckland Waterfront which is transforming the public's use of this area.
- Auckland Transport and Auckland Council have secured government commitment to the CRL, which is a critical transformational project.
- Watercare is recognised nationally and internationally as an operationally excellent service provider, meeting high performance standards for water and wastewater, particularly in the metropolitan area. It has a great record in terms of delivering its projected capital expenditure programme, and kept price increases below council's rates increases.
- Ports of Auckland, under the governance of ACIL, has achieved impressive productivity growth over the last three years, dividends have exceeded forecast, and are projected to rise in the future.
- Many of the businesses within the RFA portfolio are performing well with growing visitor numbers including the Auckland Zoo and Art Gallery.
- ACPL has identified and obtained approval to sell \$100 million of property assets.
- RFA and ATEED are making a significant contribution to the world's most liveable city through the increased number and variety of events on offer in Auckland. ATEED's success in delivering major events was frequently mentioned. Strong growth in visitor numbers to Auckland was also noted.

While some councillors were strongly of the view that CCO model has contributed to these successes others commented that major projects, such as waterfront development, were already planned by legacy councils. There was also some feedback that the CCOs have some very good staff but the council could achieve the same results if the staff worked directly for council.

Some results not yet visible

Despite these successes there a number of areas where results have not yet been apparent.

Examples raised included:

- Waterfront Auckland has been building public infrastructure but is only now starting to attract private sector investment.
- ATEED has made less progress in delivering on its economic development objectives in comparison with tourism and major events results.
- Auckland Transport has made significant investment in passenger transport infrastructure and operational improvements, but this has not yet translated to patronage growth and is unlikely to until 2015.
- POAL is still in negotiations with the Maritime Union of New Zealand over a collective agreement, although it does have an agreement with a new union.
- RFA has not achieved any significant rationalisation of its facilities, nor has it made significant progress in integrating its "partially integrated" entities. These were both part of its establishment objectives.

The majority of councillors did not blame the CCO model for slow delivery in these areas but acknowledged other factors including:

- Weak economic conditions – which have undoubtedly been a factor in relation to Waterfront Auckland’s ability to attract private investment.
- Insufficient funding. For example the council needs to consider what it can reasonably achieve in relation to ATEED’s economic development function with investment of \$10 million a year in an economy worth \$66 billion (regional GDP). This is an LTP matter but one which may be guided by the CCO review.
- Three years is not long enough to assess the delivery of transformational outcomes which by definition require long timeframes. For example slow patronage growth for passenger transport is not a major concern as it is understood that there is a lag between investment and patronage growth.
- Difficult outcomes to achieve under any structure. For example RFA owns or has an interest in a range of facilities, some of which may not have been built if a regional approach had been taken at the time of investment. One councillor noted that RFA has a very difficult job and that this is of some concern. The council decision to delay consultation on the Stadium Strategy until after the Unitary Plan consultation was also noted.

Councillor views on ACIL and the failure of POAL to negotiate a collective agreement with MUNZ varied. Some councillors were very concerned about their inability to have direct oversight of the industrial dispute process, and blamed the CCO model for this. Others shared the concern to an extent but considered that it is necessary to maintain an arms-length arrangement between POAL and the council.

Council Delivery

Of some concern was whether the CCO model will allow the Council to deliver on the major initiatives that it is responsible for, but which require the cooperation of CCOs. This is discussed under the Integration section.

Accountability

When activities are undertaken by a CCO the council has less oversight and control than it does of its own departments. Loss of some control is inevitable even with a robust accountability framework in place. Nevertheless many councillors consider that the accountability framework could be improved and would like the review to address this. There was as much emphasis on informal accountability – including improved communication, as the formal accountability mechanisms used by council and its CCOs.

Informal Accountability

Almost all councillors highlighted that when issues or problems arise in relation to a CCO, the public and media hold elected members accountable (including local board members), not CCO boards of directors. While boards are accountable to their shareholder this is not the same as coming under intense public scrutiny over specific issues. Many examples were provided including a lack of communication regarding Auckland Transport no longer being funded to mow berms in the old Auckland City Council area; and the decision by the Auckland Zoo to move the Japanese Gardens.

One councillor commented that the small things shouldn't be so instrumental in judging the performance of CCOs, but that this is the reality because CCO activity like any council activity affects people's everyday lives. Another said that the 90% that is working well is lost because of the 10% that goes badly.

In some cases these issues arise because boards have not included public factors or undertaken consultation prior to decision-making. In other cases there is simply a lack of communication with the public, with councillors and/or with local boards. Despite this, most councillors thought that the "no surprises policy" where CCOs are expected to warn elected members of issues of public interest, is working most of the time. Some councillors noted that it's often difficult for CCOs to find the time or forum to brief elected members at short notice because of the heavy workloads of elected members. Some also commented that certain issues are impossible to predict as sensitive. There was also a view that the problem is not confined to CCOs and that sometimes decisions made by council departments cause similar problems.

Some councillors focused on organisational complexity as a barrier to effective communication. With the governing body, a large number of council committees, 21 local boards, the IMSB, the Mayor's Office, and seven CCOs, it is often difficult for CCOs to know how, and with who to communicate.

Auckland Transport's elected member liaison positions were cited as an example that is working very well for many councillors. Auckland Transport was also seen by many councillors to communicate well with local boards although there was a concern that local board liaison staff are not always in a position to resolve the issues raised.

Formal Accountability

Most councillors do not believe that the formal accountability mechanisms and processes are working as well as they could. A number of issues were raised including:

- There are too many accountability mechanisms and they are not being used effectively.
- Councillors would like more opportunity have rigorous debate over the letter of expectation and draft SOI and some commented that they would like more information on how this process works.

- Quarterly reporting briefings are too long and detailed and need more emphasis on financial performance. Current reporting is seen as an opportunity for CCOs to promote what they have achieved rather than engage in meaningful dialogue with councillors over performance and non-performance.
- Getting answers to questions is difficult and having to question CCOs in a public forum is not ideal because some councillors are reluctant to press for answers or raise their concerns.
- The CCO Governance and Monitoring committee is no longer a committee of the whole (unlike the previous Accountability and Performance Committee) and so some councillors do not have visibility of CCO performance.

There was a consistent view that the accountability framework needs to be simplified and streamlined with more rigorous debate when priorities are being communicated through the letter of expectation and more detail over deliverables especially where ratepayer funding is provided.

Most councillors favoured short and simple reporting with more focus on financials and reporting against key projects and performance measures. Some thought that quarterly reporting was too frequent and that six monthly reporting would meet their needs as long as the standard of reporting was high.

There was also considerable feedback about the Council committee structure including that it adds another layer of complexity to an already complex model, and that it potentially duplicates existing governance and accountability structures.

Integration

A large amount of feedback related to the council and its CCOs operating more effectively as a group. Most people believe that CCOs acting independently whether it be through branding; using their own corporate processes and systems or commissioning their own professional or legal advice rather than using that provided by the council, is not in the best interests of the group. There was also a concern from some that the changes in regional governance have replaced geographic silos with functional silos. Council staff commented on the lack of trust between council and CCO staff and reluctance to share information. Many acknowledged that it works both ways.

There were a few councillors who did not share these concerns and felt that CCOs need to remain independent to operate effectively. One councillor commented that it is important to have tension to get good debate and was not convinced that council needed to be seen as one family.

Overall the smaller CCOs are seen as more collaborative partly because they make greater use of shared services and their size makes it easier to connect with the right people. Watercare is seen as the most independent of the CCOs, using its statutory provisions and the fact that it generates its own revenue to distance itself from the group. Auckland Transport is seen as large and difficult to navigate with a technical/engineering rather than public service bent, especially at levels below senior management.

However, despite the challenges there is acknowledgement that there has been significant improvement in many areas over the last three years with much greater levels of collaboration. Some senior staff members commented that there would be teething problems with any new structure, and that the problems were not confined to working with CCOs.

One Council Group

There are a variety of reasons why the CCOs operating as part of one council group rather than independent subsidiaries is seen as important by most people.

- CCOs have overlapping responsibilities with each other and with the council. Cooperation is needed to ensure that overlaps are managed properly and that agencies are taking an integrated approach to delivering the council's key strategic priorities.

For example, although Auckland Transport was the key agency with respect to Quay Street, Waterfront Auckland, RFA and ATEED all had an interest in the project as did the Waitemata Local Board and the Council's City Transformation team. These overlaps are being addressed by the newly formed City Centre Integration Group (CCIG).

Another example is that all CCOs with the exception of ACIL are very important to the council's ability to achieve the urban form and housing outcomes envisaged by the Auckland Plan and reflected in the proposed Unitary Plan. This is particularly relevant for Auckland Transport and Watercare because they provide the infrastructure needed to support development. ACPL also has the potential to play an important role in facilitating high quality medium density development in appropriate locations.

- Auckland Council customers and ratepayers want one point of contact with the Council and its CCOs. For example, people want to be able to pay their water bill and rates bill at the same time, and ring one phone number regardless of whether their issue relates to Auckland Transport, Auckland Council or Watercare.
- It is important to offer consistent standards to public facing services and activities. Creation of bylaws is one example. Auckland Transport and Auckland Council both have bylaw

making powers including where parallel bylaws are required inside and outside of the roading corridor. Auckland Council's approach to making bylaws is community focused with local boards playing an important role developing bylaws for their areas. On the other hand Auckland Transport has taken a technical road safety approach to developing bylaws.

- There was a strong view that ratepayers need to understand that their rates are funding activities of the CCOs (with the exception of Watercare). For example, a councillor commented that the Big Gay Out was a fantastic event but that the sponsorship message referenced ATEED and not Auckland Council. For the same reasons, the council has required CCOs to act consistently with its brand navigation group guidelines (BNG). Progress and issues in achieving compliance with these guidelines has been reported to the council on a number of occasions (for example, Accountability and Performance Committee 5 September 2012 and 12 June 2013).
- There was consistent feedback that CCOs applying their own corporate strategies and using their own systems and processes has the potential to create problems and can be inefficient. Many examples were cited and the following are a small subset:
 - Although risk management is a core function of a board of directors, there is a strong view that the council needs greater visibility of CCO risks. This is partly because CCO risks are reputational risks to the council, and partly because financial risks also affect council. At the December Risk and Audit Committee meeting the committee asked management to consider how the Audit and Risk committee can have greater oversight of CCO risks.
 - All CCOs except for Auckland Transport and Watercare use the council's remuneration framework under the shared services agreement, but often find reasons to go outside the band when setting remuneration. A number of senior staff also commented that a more integrated approach to HR would allow the council to offer greater opportunities for career development within the group, for example by encouraging secondments and remuneration consistency.
 - Communication teams are well integrated at an operational level with a daily meeting between staff across the group. However in terms of presenting a coherent message there are opportunities to better coordinate or leverage group communications. For example, from an events perspective, the public is interested in what is on offer rather than who is promoting various events.
 - There is a cost associated with duplication of corporate structures across CCOs. To an extent this is unavoidable and may be made up for by greater efficiency within the CCO, however there is a general view that there are still opportunities to save money.

Mechanisms for achieving better integration

People had different views about what is needed to achieve better integration, and about the effectiveness of mechanisms currently being used.

- Cross agency groups - The City Centre Integration Group, the Housing Project Office (HPO), and the Integrated Consents Management Process are three examples of cross-agency initiatives to achieve coordinated responses and better outcomes. As well as council and CCO representation these groups may include central government or other stakeholders. The HPO is the most formalised of these groups with staff seconded from Watercare and Auckland Transport. The manager of the HPO reports to the steering group which includes chief executives of the Auckland Council, Auckland Transport, Watercare, other senior council staff including a senior advisor from the Mayor's Office. The Project

Director reports directly to the steering group rather than to the council Executive Leadership Team (ELT).

Staff had varying views about the effectiveness of these mechanisms. Senior managers involved in these processes were optimistic and believed they would work, given sufficient time. These structures provided not only greater cooperation and coordination but a mechanism for escalating problems rather than the Auckland Council Chief Executive having to be brought in to resolve every conflict between CCOs or between the council and a CCO.

Other staff felt that there was evidence of greater collaboration at senior management level but this had not yet filtered down into the organisations. Some staff saw more opportunities for cross agency groups, particularly place-based groups, but were also wary of creating multiple steering groups.

- There are a number of possibilities for achieving greater integration around corporate policies and processes. There was a lot of feedback about the need for group corporate strategies or policies that the council and all CCOs would comply with. These would draw on best practice across council and the CCOs.

There was also a view that there are more opportunities to extend shared services and gain efficiencies and consistent standards across the group. An underlying issue is that CCOs tend to consider shared services purely as a commercial arrangement rather than what is best for the group. For example Auckland Transport has indicated that they would like to operate their call centre in-house rather than under Auckland Council shared services, however this would work against the council providing an integrated customer service experience and consistent standards.

- There were many comments that what is needed is a strong culture of collaboration across the Auckland Council group, and an attitude that “we are all in this together.” These comments were often aimed at the council as well as at CCOs. Some people commented that where things work well it comes down to personal relationships but when someone leaves problems can arise because attitude is specific to individuals rather than part of organisational culture.
- In some circumstances people felt that structural change, or changes to roles and responsibilities may be necessary to achieve a more coordinated approach.

Other Issues

There was a range of other feedback not fully reflected in the discussion above.

Number and configuration of CCOs

A number of councillors commented that the CCO review needs to decide the optimal number of CCOs, and there was a general view that seven may be too many. Many councillors felt that there was duplication in the current structures although one councillor commented that what is often perceived as duplication is just overlapping responsibilities and these will always exist in any structure. Some areas that councillors would like investigated, to ensure current arrangements are optimal are:

- Overlaps between RFA, ATEED and Auckland Council in the delivery and marketing of events.
- Overlaps between ACPL, and Waterfront Auckland and Auckland Council in urban development. The idea of investigating an urban renewal agency was also raised.
- ACIL directors are seen as having some skills that could be useful to ATEED.
- The allocation of economic development delivery responsibilities between Auckland Council and ATEED.
- Whether Auckland Transport's mandate is too broad and some of its public facing functions should be brought in house, recognising that this would require legislative change. Legislative change so that Auckland Transport could delegate place-making functions to local boards was also raised.
- The merits of a three waters approach to water services delivery.
- Ownership of facilities owned by RFA but located on the waterfront.
- Entities governing by and associated with RFA which report to their own boards.

Maori Responsiveness

Although the IMSB has not yet had the opportunity to provide its input, there have been issues raised by others about CCO's contribution to the Maori Responsiveness Framework. The main issue has been CCOs not being able to report their expenditure on projects that contribute to Maori outcomes. There was also a resolution from the 7 August 2013 CCO Strategy Review Subcommittee asking for general improvements in CCO Maori contribution reporting.

Local boards

Local board feedback on the current state will also be considered as the review progresses. Local boards have an interest in the extent to which CCOs can contribute to their priorities, in projects being undertaken in their areas, and in being kept up to date on wider regional projects. Local board members are also often the first to deal with public enquiries or complaints about issues relating to CCOs. The interaction between CCOs and local boards has been a source of some tension since amalgamation although there have been considerable improvements over the three-year period. A report to the 12 December 2012 Accountability and Performance Committee provided an overview of the relationship between local boards and CCOs and associated issues, and a follow up report on 13 September 2013 to the Strategy and Finance Committee outlined local board feedback on proposals to address issues.

Public input to CCO decisions

An issue raised by some councillors was the need for more public input to some CCO decisions. The need for a council-wide public engagement strategy that includes CCOs was mentioned.

CCO Governance

Several councillors have raised issues about the appointment of directors to CCOs. One suggestion was to appoint some board members to more than one board to encourage cross pollination of ideas and a group perspective. Note that this is currently not permitted under the council's Board Appointment and Remuneration Policy but the policy could be amended.

Some councillors have also asked that the advantages and disadvantages of having members of the Governing Body sitting on Auckland Transport should be investigated. This would include reviewing the remuneration for councillors on the Auckland Transport Board.

CCO funding

There has been some discussion about whether funding arrangements for CCOs are too flexible or not flexible enough. Some councillors felt that CCOs should be given more freedom to determine their priorities, while some felt that more tightly specified funding contracts should be considered.