

I hereby give notice that an ordinary meeting of the Chief Executive Officer Review Committee will be held on:

**Date:** Wednesday, 28 September 2016  
**Time:** 1.30pm  
**Meeting Room:** Board Room, Ground Floor  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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## **Chief Executive Officer Review Committee**

### **OPEN ADDENDUM AGENDA**

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#### **MEMBERSHIP**

**Chairperson** Hon Christine Fletcher, QSO  
**Deputy Chairperson** Mayor Len Brown, JP  
**Members** Cr Bill Cashmore  
Deputy Mayor Penny Hulse  
Cr Penny Webster  
Cr George Wood, CNZM

(Quorum 3 members)

**Tam White**  
**Democracy Advisor**

**26 September 2016**

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## Discussion on Chief Executive's Performance

File No.: CP2016/21299

### Purpose

1. This meeting provides the CEO Review Committee with an opportunity to reflect on the performance of the Chief Executive during the current 2013-2016 term and provide feedback to help inform the next three year term.

### Executive summary

2. Mr Stephen Town was appointed by the current Governing Body in November 2013 and commenced in January 2014. The Governing Body formally reviewed Mr Town's performance in December 2015 and the next formal review is scheduled for the end of 2016. This meeting provides the CEO Review Committee with an opportunity to reflect on the Chief Executive's performance during the current term and provide feedback to help inform the next three year term.
3. To assist the committee in its conversation, significant achievements are listed in the main body of this report. A more comprehensive list of achievements is contained in the council's annual reports for the periods 2013/14, 2014/15 and 2015/16.

### Recommendations

That the Chief Executive Officer Review Committee:

- a) reflect on the performance of the Chief Executive during the current 2013-2016 political term.

### Comments

4. Mr Town was appointed by the current Governing Body in November 2013 and started in January 2014, following an international search for a suitable candidate. This meeting provides the committee with an opportunity to reflect on the current 2013-2016 term and provide feedback to help inform the next three year term.
5. To assist the committee in their discussion, the following main achievements have been secured in the current three year term. A more comprehensive list of achievements and milestones is contained in the council's annual reports for the periods 2013/14, 2014/15 and 2015/16:
  - Developed and adopted the Unitary Plan, which was the largest planning exercise in New Zealand local government history.
  - Entered into a Housing Accord with the government to increase Auckland's housing stock. Under this agreement we have enabled 154 Special Housing Areas with a total potential yield of nearly 65,000 dwellings.
  - Completed the Future Urban Land Supply Strategy which sets out the order in which land is supplied for development. The strategy applies to development in the Future Urban zone over the next 30 years and represents a close collaboration with our communities, industry stakeholders and CCOs.
  - Signed an ownership and funding agreement with the government for the development of the City Rail Link (CRL). This follows a lengthy negotiation with the Crown and precedes an equally comprehensive engagement to finalise the establishment documents by the end of 2016.
  - Agreed with the government the Auckland Transport Alignment Project (ATAP) which sets out a clear direction for the development of Auckland's transport system over the next 30 years. The next phase of the project is to identify how the \$4 billion funding gap will be bridged.

- Informed the establishment of the government's \$1 billion Housing Infrastructure Fund (HIF), which provides an additional funding stream to increase the availability of development ready land for new housing.
- Worked to strengthen the relationship with central government. Over the past three years, the council has secured major agreements with government, including the CRL funding and ownership agreement, the Auckland Transport Alignment Project, the Housing Accord and the Housing Infrastructure Fund. The processes that have led to these agreements provide a good foundation for further joint work.
- Supported the Port Future Study to look at long term options for meeting Auckland's port needs. The next steps will be considered by the incoming Governing Body.
- Concluded the CCO review and oversaw the establishment of Panuku Development Auckland.
- Refreshed the Southern Initiative (TSI) programme and brought in new management and a refocused way to meet our objectives. TSI is creating an environment that enables communities to affect positive change for themselves. It is a different way of working because council's primary role is to be a facilitator and catalyst for change rather than taking responsibility for delivering the change ourselves.
- Brought together the 158 bylaws made by former councils to create consistent rules across Auckland. The Integrated Bylaws Review and Implementation programme won the Prime Minister's Award at the Institute of Public Administration New Zealand Public Sector Excellence awards (2016).
- Increased the council's capacity to process consent requests. Over the past three years the number of building consents granted have increased by 24 per cent and the number of resource consents granted by 16 per cent. The increase in throughput has coincided with new regulatory training requirements which we have managed concurrently.
- Piloted new initiatives, such as the Consenting Made Easy programme which will increase the speed and capacity to process consents and simplifying the interaction for the customer.
- Prepared the organisation for the introduction of much stricter Health and Safety requirements. From 2016-2018, council will enhance its approach to health, safety and wellbeing. Good practice and continuous improvement will be consistent across all the council's business units and our "health and safety starts with me" culture is inherent in everyone's attitude and behaviour.
- The Chief Executive has refreshed the Executive Leadership Team to place a greater emphasis on skills required to implement the Auckland Plan, transform the organisation and deliver value for money for ratepayers.
- Launched the council's Performance Plan in 2016 which is the council's first organisational or corporate strategy since amalgamation. The strategy includes three year goals, a roadmap of initiatives over the three year horizon and a set of performance measures that we are looking to improve.
- Co-developed with IMSB the council's Māori Responsiveness Framework, Whiria Te Muka Tangata, to better enable the council family to identify and progress activities that will deliver on the Auckland Plan's transformational shifts including the Māori transformational shift.
- Completed the Long-term Plan 2015-2025 providing \$18.7 billion of investment to spend on new assets as well as looking after existing ones.
- Made targeted savings in the LTP of a further \$41 million for the 2015/16 year on top of the previous gains of \$183 million, and this is expected to increase going forward.

- Continued to manage debt at a sustainable level. While total group debt is estimated to be \$7.5 billion this is still a prudent level in comparison to council's income. This prudent approach to debt is a key reason why council has maintained an AA Standard & Poor's credit rating and Aa2 from Moody's Investor Services, confirming the council's prudent fiscal management and strong debt servicing capability.
  - Initiated a review of the council's balance sheet to generate a debate on how the council could finance infrastructure and services. The work undertaken by EY and Cameron Partners will continue over the next 12 to 18 months.
  - Maintained a ceiling on council parent staff numbers. Staff numbers for the council parent have increased by 78 FTEs or 1.3 per cent over the past three years. The marginal increase over the past three years sits within the context of the continuing programme of insourcing more expensive contractor roles (which then increases FTE numbers), and the increase in demand for services such as consenting as the region grows (the region has grown by 94,000 in the previous three years or 6 per cent).
  - Staff costs for the parent have levelled at \$484 million as at 30 June 2016, down \$5 million on the previous year. We are placing a strong focus on keeping staff numbers and costs to a minimum while maintaining current service levels.
  - Developed the council's cadet, intern and graduate programme which will help build high performance by connecting young, diverse talent with opportunities to work and learn in Auckland Council.
  - Council is building strategic partnerships to realise Auckland's potential through business, philanthropy, community and public funders working together. Nearly \$17 million of partner investment has been secured over the past year into partnership initiatives including basketball courts, walking and biking paths, arts and sport facilities and programmes, community and cultural festivals, digital innovation, environmental initiatives and youth employment.
6. The next formal review of the Chief Executive is scheduled for the end of 2016.

## Consideration

### Local board views and implications

7. Local board views have not been sought for this report. The Chief Executive regularly attends the monthly local board chairs forum to discuss major items with the local board chairs. Input was sought from local board chairs as part of the Chief Executive's formal performance review at the end of 2015.

### Māori impact statement

8. Auckland Council has an important role in enabling Māori communities to fully contribute to and benefit from Tamaki Makaurau/Auckland becoming the te pai me te whai rawa o Tamaki (the world's most liveable city). The council has implemented Te Toa Takitini to identify, invest in and track progress on activities that deliver on the Auckland Plan.

## Implementation

9. There are no implementation issues.

## Attachments

There are no attachments for this report.

## Signatories

Author	Michael Quinn - Executive Officer
Authorisers	Stephen Town - Chief Executive Christine Etherington - People & Capability Director

**Item 9**