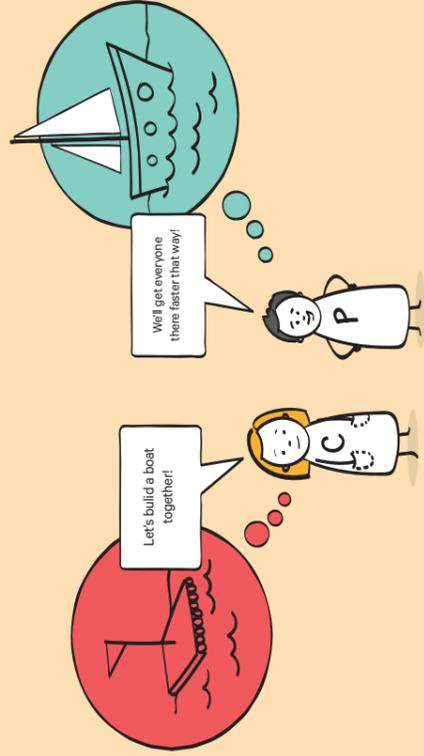


# 8

# Facility partnerships: areas for improvement

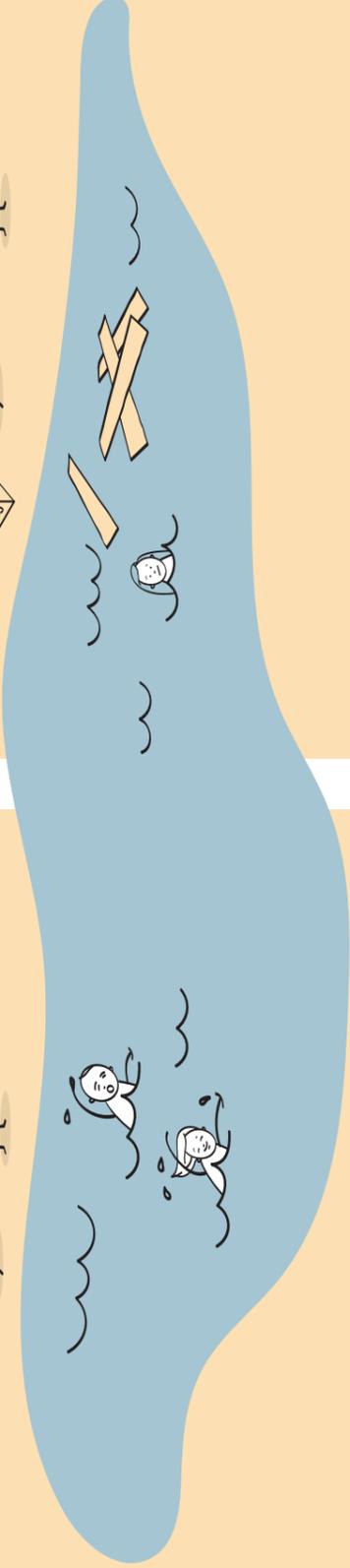
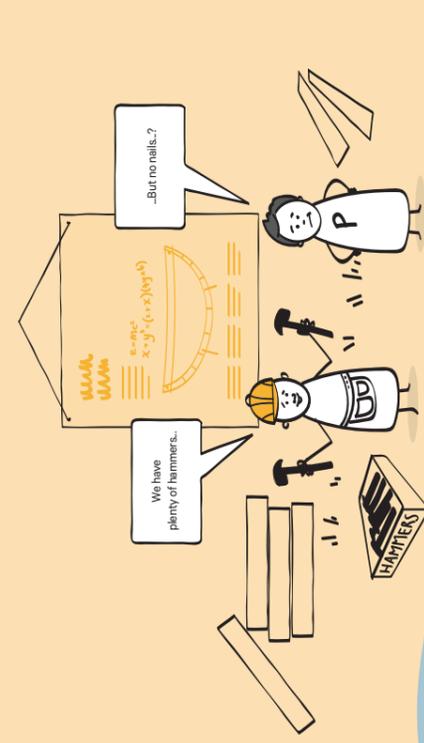
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We don't have a shared understanding of what partnership means



2

We don't always give partnerships what they need to succeed



Deciding

### Defining Partnership

Partnership is not a single thing. There are as many definitions, practices and expectations of 'partnership' as there are teams within council, and groups to partner with. This means people can be thinking and talking about the same thing entirely at cross-purposes, and not realise until something happens to expose the disparity. This confusion manifests everywhere.

### Shared aims and values

Many partnerships are treated as an end in themselves...we emphasise the 'what' and the 'how', rather than the 'why'.

Sometimes neither council nor partners are clear about why we are partnering: whether we have shared aims and values, and are realising sufficient benefits to continue with the partnership.

Often, upfront discussions have not focused on clarifying and documenting shared aims and values, and how these relate to the purpose and nature of the partnership.

### Responding to partnership opportunities

We will always need mechanisms to enable council respond to emerging opportunities, that balance flexibility with prudence, and consider lifetime costs and benefits. We don't often get this balance right when partnering reactively.

### Differentiating forms of Partnership

We don't differentiate between different types or forms of partnering, describe them consistently, or have a collective understanding of when and why each should be used.

### Lack of strategic approach

Our existing portfolio reflects that, as a region, we haven't been strategic in deciding which partnerships to enter:

- what we co-invest in and where
- when and how we co-invest for maximum impact
- how we leverage those investments over time

### Lack of enabling processes and tools

Although there is management support for implementing 'community-led' approaches across council, often our business practices don't reflect this. Staff responsible for dealing with partnerships or partnership assets may lack fit-for-purpose processes and tools to implement them as part of business-as-usual.

### Expanding our concept of partnering

Our facility partnerships 'approach' emphasises grants, but providing investment in-kind, a mix of investment types, or brokering may be more appropriate and sustainable ways for council to partner.

### Good things take time

Partnerships can take time - to establish, to be investment-ready, and to bear fruit. In many cases, we need to be more willing and able to commit for the long haul. Sometimes partnering may take longer than doing something ourselves, but we need to be patient if we are to achieve the outcomes - and realise the full value of our investment.

### Insecure and inadequate funding

Many partnerships are under-resourced, and partners may have unrealistic expectations of the council's ability to provide ongoing support.

Many partnerships receiving ongoing support are on annual funding agreements, which are time-consuming to negotiate and make it difficult for our partners to strategise, plan and invest for the longer term. Amounts received are not necessarily well-linked to the costs of delivery.

Yet, there is a perception on both sides that these cannot be readily renegotiated - either to increase support to recognise changing circumstances or new opportunities, or to decrease support due to poor alignment or performance.

### Treating different forms of partnership differently

The many different types or forms of partnering arrangements council has entered into require different treatment and expertise to function well, but this isn't reflected in documentation, process or practices at the moment.

### Lifetime costs

When partnerships are established, we need to properly understand their resource requirements and how sufficient income will be generated over the lifetime of the agreement. There is currently no requirement, and low capability, to forecast the lifetime costs of partnerships (including staff time and forgone revenue) to inform decision-making.

### Equity between partnerships

There is little consistency in how much funding partners get to operate a facility or deliver services. Some partnership facilities are heavily subsidised while others aren't, and there is little ability to renegotiate this. There is no mechanism to consider equity across the portfolio.

### Building issues

Some partners occupying council properties report poor experiences that affect their ability to deliver the outcomes they've agreed. These include property condition issues, and poor communication with council.

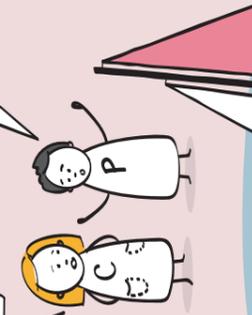
“For any voyage to be successful, the crew must arrive at their destination as friends who want to spend more time together...”

3

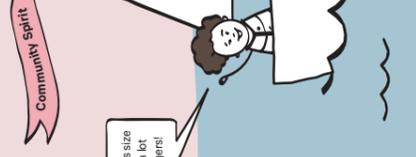
### Council and its community partners don't play to each other's strengths

We've built lots of boats, so we're confident this will be sea-worthy.

And we've done lots of sailing, but we might need help to skipper such a big boat...

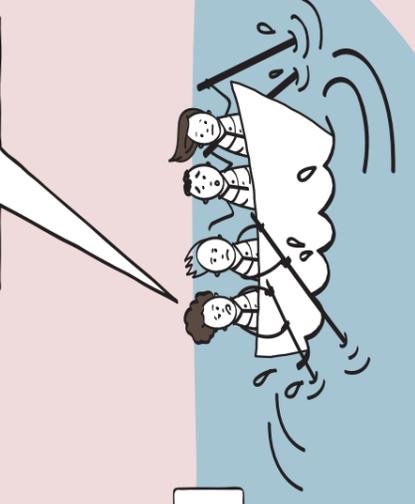


With a boat this size we can fit in a lot more passengers!



And everyone has chipped in for supplies!

Hang on a minute, are we all rowing in the same direction here?



4

### Council needs to partner on the inside if we're going to partner on the outside

## Managing

### Working with different types of partners

There are many potential partners for council - communities and community organisations, Māori (mana whenua, mātauranga and taure here), schools, institutions, agencies and businesses. We aren't explicit about the different ways we might partner with each of these.

### Partner capability and capacity

We often assume partners are capable of operating independently and self-sufficiently, with a minimum of support from Council. Partners may share this view themselves, and not ask for help, or ask for help too late. Many partner organisations are run by volunteers, and these groups can struggle to attract and retain people with the skills needed to govern and operate facilities. Knowledge of, and passion for, the activities that take place inside a facility don't necessarily mean the group can design or manage a facility.

We don't look to understand a partner's capacity and capability in sufficient detail when we enter a partnership, or monitor this through periods of change (on either side). This presents a substantial reputational and financial risk where responsibility for the asset ultimately vests back to Council.

### Optimising partner roles and responsibilities

Partners can bring passion, energy, networks, knowledge and expertise to a partnership. Council can bring a strategic network perspective and significant technical expertise.

Partner roles and responsibilities aren't being deliberately optimised to maximise partners' respective strengths and manage weaknesses.

### Assessing specialist expertise

Council employs many highly skilled technical specialists across the organisation. However, we aren't systematic about harnessing this expertise internally at key points - e.g. when assessing business plans, or agreeing outcome measurements - or enabling our partners to access it when needed.

### Facility design and build

Council's involvement in facility design, construction project management and fit-out has varied, with mixed results. Some projects have been poorly designed, poorly or cheaply constructed, or had insufficient budget for fit-out or ongoing maintenance.

### One partner, multiple investments

Council often invests in partners in multiple ways, but the processes, data / records, and outcomes for each are managed in isolation. This is inefficient for both sides, and reduces transparency for decision-makers.

### Navigating multiple touchpoints

Partners currently have multiple touchpoints across council. Most want a single skilled liaison to help them efficiently navigate and 'join the dots'.

For many, the closest thing to this is their local board. Strong relationships with local boards are helpful, but can lead to confusion between boards' governance role and facility management, and set up an adversarial dynamic between elected members and staff.

### Partnership behaviours

Trust, respect, shared planning and decision-making, and good communication are key partnering behaviours, and underpin every high-performing partnership.

Our partners report uneven experiences of partnering with us. Positive experiences tend to reflect interactions with individual staff and elected members who exhibit these behaviours.

### Silo-ed engagement with partners

Within council, there is no holistic view of the multiple relationships we have with a single organisation. 'Partner' status doesn't translate across business areas. Each team views and treats groups in isolation, according to their own business drivers.

Communication with partners is often lacking. This is made worse by the constant restructures at council, and high staff turnover. Our partners may receive conflicting information or instructions from us, or perceive council 'gives with one hand, and takes away with the other'.

### Partnering not seen as a practice

We don't currently treat partnering as a practice, in the way that we consider procurement and project management as cross-council practices and competencies. A consequence of this is that there is no community of practice around partnering, which would connect practitioners to each other and enable them to share expertise.

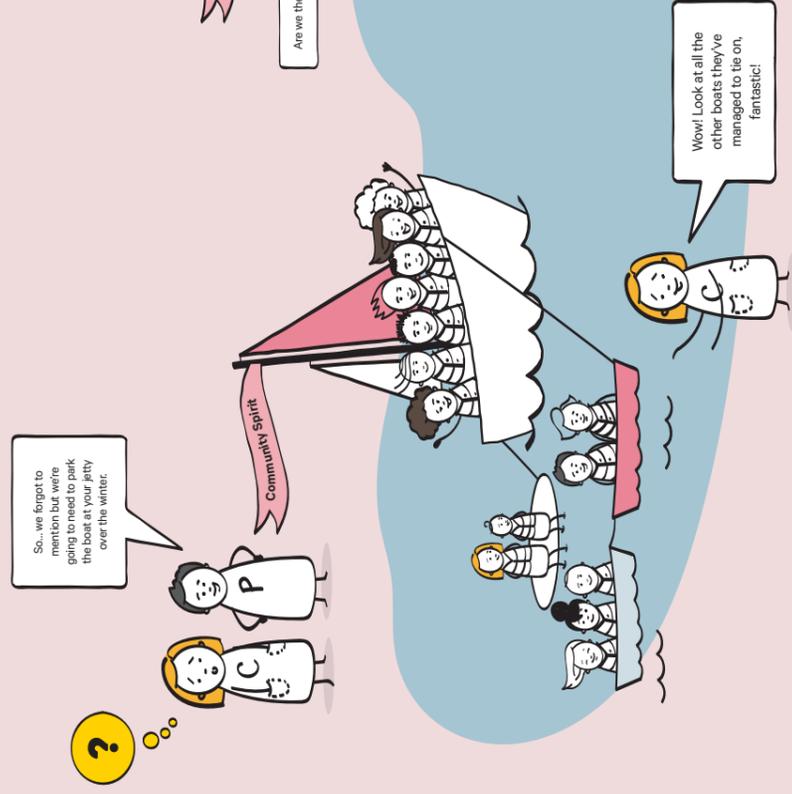
There are some exceptionally skilled partnership practitioners within council, able to apply legal, commercial, contract negotiation, relationship and asset development expertise. This expertise is currently dedicated to the management of higher value, higher risk partnerships. Other staff with responsibilities for partnerships have high levels of skill in some areas, but lack some of the key competencies necessary for effective partnering.

...otherwise their voyage is wasted as their migration will have failed, they will not build a new community together.”

– Hoturoa Barclay-Kerr

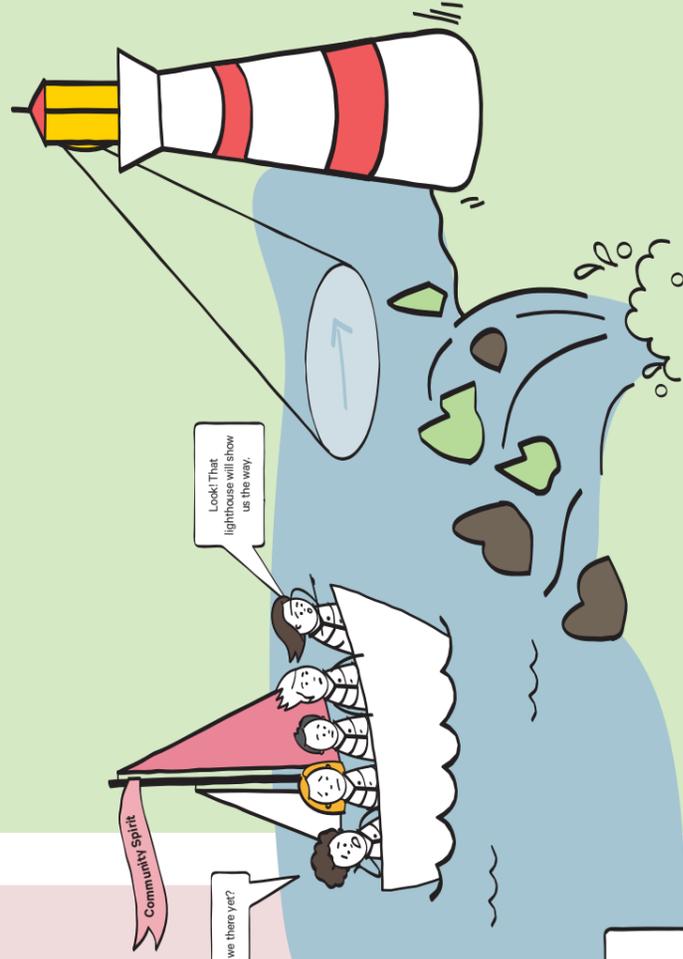
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We don't always count the true costs of partnership, or the real value



6

If we're not clear about the outcomes we want, we can't tell if we're succeeding (or failing)



Measuring

**Understanding 'community-led'**

"Community-led" initiatives are sometimes perceived as a cost-efficient way of delivering outcomes. If the community does it, the council won't have to. They're also assumed to be 'empowering' for the partner, by definition. However these concepts are elastic, and not yet consistently understood or accepted within council.

**Hidden value of community leases**

Use of council-owned assets by our partners is worth hundreds of millions of dollars a year to Aucklanders - but the value of this investment is effectively hidden, because these assets are not given an indicative market value or market rent.

**Short-term asset focus vs long-term facility sustainability**

Facility partnerships are fundamentally about relationships - but councils efforts have tended to focus on the planning and construction phases of capital projects, with an emphasis on delivering assets for subsequent management by community partners. Often, once the building is built or the asset developed, we move on to the next project in our 'pipeline'. Council staff have historically played a much smaller or no role in planning for subsequent facility governance and management, service sustainability / income generation, or measuring impact (i.e. benefits realisation), even though these aspects can ultimately determine long-term success and value.

**Costs and benefits spread across council**

The full costs and benefits of facility partnerships may cross multiple business areas within council, making it difficult to advise decision-makers and accurately budget for new partnerships.

**No clear road map for capital developments**

The process to develop new facilities on council land can take a very long time and involve multiple steps. This is particularly the case where the facility will be located on a site with complicating factors, as these will require detailed and costly assessments to satisfy regulatory requirements. Many community groups begin the partnership process unaware of these requirements, or the time and cost involved in navigating them.

**Transactional vs strategic focus**

There is a perception that some of councils partner-facing staff spend too much time on low-value transactional activities, at the expense of higher-value, strategic activities that could build the relationship and leverage the partnership's potential, such as:

- joint planning with the partner for the future of the facility
- supporting the partner to identify and address development areas
- sharing or explaining future plans for the site or local area which may impact the facility
- helping to develop new revenue sources or broker new opportunities
- clarifying expectations for the facility if circumstances change

**Accounting for staff time**

One of the most significant ways that council invests in facility partnerships is through the commitment of staff resource. Council staff spend time working directly with partners, as well as administering, reporting on and providing advice about partnerships. This time is generally not accounted for when determining the costs of a partnership.

**Lack of clear purpose makes review difficult**

Not all ongoing partnerships align with current priorities, and / or are able to show a clear return on investment. But a lack of clarity around purpose, or the nature and duration of the commitment we have made, makes it difficult to review, renegotiate or exit partnerships.

**Focus on short term, tangible results**

We've tended to emphasise the short term over the long term, building assets over providing services, and measuring fixed activities and outputs over understanding outcomes and benefits.

The KPIs that council favours measure facility usage and other fixed outputs. These are often poor proxies for measuring community outcomes, and skew our review towards measuring outputs over outcomes.

Collecting information to monitor KPIs still places a considerable burden on partners, especially smaller groups with few professional staff. Many do not feel the information is meaningfully reviewed or used by council.

**Difficulties measuring benefit**

Many of the benefits of a partnering arrangement are intangible or hard to measure. There is currently low capability to measure these types of benefits to inform decision-making.

Some partnership benefits will only be visible over time, but decision-making often takes place over shorter cycles.

The amount of investment provided may not justify the expense of sophisticated outcome monitoring.

**Reviewing and exiting partnerships**

Decision-makers are usually open to reviewing partnerships in their area. However they are unlikely to agree to renegotiate or exit poorly aligned / performing partnerships if:

- they do not consider the partner has been adequately supported by council to address these issues
- the implications, including the opportunity costs of remaining, have not been properly explored
- no alternatives to the partnership have been identified
- funds cannot be reallocated / repurposed within the same sector or area.