

Terms of reference

Value for Money Review (s17A) : Parks & Open Spaces Service Management

[Sentient ID #XXXXXX]

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WHAKAMAUA KIA TINA!



1 Document control

1.1 Document purpose

This Terms of Reference (ToR) outlines the purpose of the review, the way it will be structured, governed and how it will be executed.

1.2 Document history

Version	Date	Update by	Update details
1	24 August 2017	S Garrett	Consultation Draft
2	31 August 2017	S Garrett	Management Feedback

1.3 Document Approval

Role	Signature	Date

Comments:

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2 Introduction

2.1 Finance and Performance Committee resolution

1. At its meeting on 21 March 2017, the Finance and Performance Committee approved a three-year programme to review effectiveness and value-for-money across the major activity and service lines of Auckland Council group, to ensure that its services continue to best meet Auckland's needs for good-quality infrastructure, local public services and performance of regulatory functions into the future.
2. These reviews will assist in informing the 2018 Long-term Plan and subsequent Annual Plans.

2.2 Statutory requirements

3. This programme meets Auckland Council's statutory obligations under section 17A of the Local Government Act 2002 (LGA02). Under s17A, Auckland Council "must review the cost effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services and performance of regulatory functions".
 - Good quality is defined in s10 of the LGA02 in relation to local infrastructure, local public services and performance of regulatory functions to mean infrastructure, public services, and performance that are efficient, effective and appropriate to present and anticipated future circumstances. The Auditor-General has defined "cost effectiveness" to mean "the relationship between the levels of resources used (cost) and progress towards a predetermined outcome".
 - Local infrastructure, local public services and performance of regulatory functions include essentially all of council's functions.
 - The transition provisions (Schedule 1AA of the LGA02) in relation to s17A require that the first reviews need to be completed by August 2017. After that, s17A requires that reviews are conducted every 6 years, or when:
 - council is considering a significant change to relevant service levels;
 - a council contract or binding agreement in relation to delivery of infrastructure, service or regulatory function is expiring within the next 2 years.
 - There are exceptions to the review requirements where:
 - the delivery of that infrastructure, service or regulatory function is governed by legislation, contract or binding agreement such that it cannot reasonably be altered within the following 2 years;
 - Auckland Council is satisfied that the potential benefits of undertaking a review in relation to that infrastructure, service or regulatory function do not justify the costs of a review.

2.3 Value for Money Review: Parks and Open Spaces

4. The Parks and Open Space service management activities subject to this review include both regional and local parks and open spaces including sports fields, walkways, cycle ways and reserves within those reserves and open spaces are also included. The review scope excludes cemeteries and community facilities such as aquatic, leisure centres and library service management which will be subject to a separate review of community facility services.

5. With over \$1 billion in capital expenditure and over \$2 billion in operating expenditure over the next ten years; this budget category represents a major opportunity for a value for money review by council.
6. Given a value chain approach to this review it will cover the overall management of the Park and Open Spaces services. Thus the organisational scope of this review will include relevant elements of Auckland Council's Community & Social Policy, Community Facilities, Parks, Sport & Recreation Unit and City Parks Services. It will include the activities associated with policy development, planning, acquisition, maintenance and renewals expenditure the services.
7. The outcomes, levels of service and performance targets set out in the Auckland Plan and the Long Term Plan (including the Maori Responsiveness Framework, relevant management plans and related programmes) will form the a baseline for the review.

2.4 Objectives

8. The objective of the review is to:
 - 8.a Evaluate the value for money in managing local and regional parks and open space services across the council
 - 8.b Consider the relative merits of alternative options for the governance, funding and delivery of those services in supporting council's objectives and outcomes.
9. In undertaking the inquiry the review will consider the barriers, challenges and issues in achieving council's parks and open space outcomes and objectives and how shortcomings and failures are or can be mitigate
10. The review will consider how the organisation is set up to deliver the policies and plans associated with the services and given the current services, the allocation of resources, and performance in delivery of those services, is optimal in terms of meeting council's objectives and adding the most value for the level of expenditure.

2.5 Lines of Inquiry

11. Guided by policy, the review will generally consider:
 - 11.a The value that has been delivered by the council to date. Looking ahead it will also address how policy is and can be reflected in a coherent and accessible management plan or strategy including performance measurement. How it is being implemented currently and in the future will also be part of the review.
 - 11.b How the current organisation is set up to deliver in the future across the park and open space value chain given the policies, strategies and plans currently in place. This will cover a consideration of the legislative framework and the operating model where multiple functions and entities within and associated with council are accountable for different facets of the parks and open spaces value chain. This would involve an assessment of how this and the enabling systems work within council.
 - 11.c Whether the current governance, funding and service delivery arrangements are the best approach to deliver value for money and achieve the key outcomes for council. This will include an assessment of whether the delivery of parks and open space services and their purpose and functions are optimal in terms of meeting council's objectives and community needs. It will also include a consideration of the value of (for example) community engagement, shared decision-making partnering approaches, promotion and external funding sources.
 - 11.d What future improvement opportunities present for managing parks and open spaces services and what are their potential value

3 Review Methodology

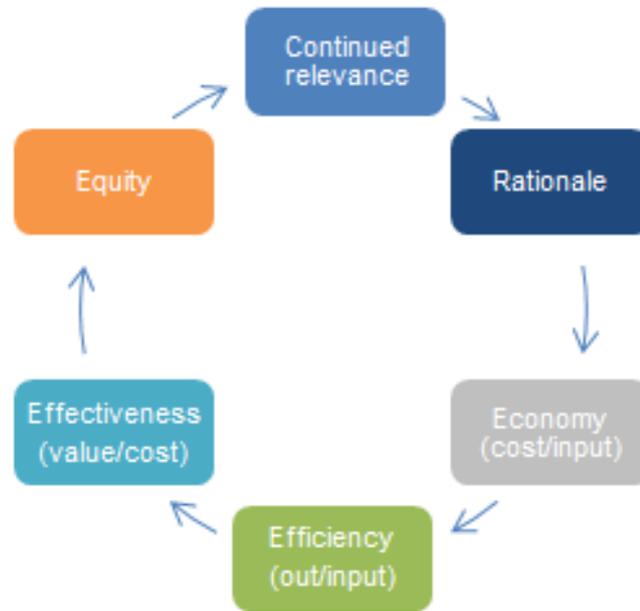
12. The review is concerned with value for money in a broad sense – i.e. how well the existing policy and institutional arrangements deliver on council’s strategic objectives and desired outcomes for Aucklanders. This extends beyond the legislative requirement in s17A to look at cost efficiency, effectiveness and appropriateness of services.
13. Each value for money review is undertaken using the same evidence based value for money methodology and drawing on a range of data sources set out in the diagram below.



4 Approach

14. The review will be undertaken by a specialist project team within Finance, supported by an external independent reference panel (with expertise in public finance, public policy/public management and local government operations), under the direction of a governance structure as set out below.
15. The review takes a “time-boxed” approach meaning each of the three parts to the review is completed within four weeks and is completed within three months. The review is undertaken in four parts described below:
- 1) **Terms of Reference:** The approval of the review’s service and organisational scope, its objectives, the general lines of inquiry and governance structure.
 - 2) **Current State Assessment:** In this part of the review we seek to understand the current operating approach and framework. It assesses the current drivers of value, the issues and challenges of delivering services, identifies value delivered and future improvement opportunities. This phase will result in the production of a current state assessment report which will include high level opportunities for improving value for money through changes to the level or mix of services provided, to business practice, or to organisational arrangements.
 - 3) **Options Assessment:** In this part, we consider the relative merits of the opportunities and alternative arrangements for governance, funding or delivery of those services in supporting Auckland Council group’s objectives and desired outcomes. We analyse the opportunities and value their potential in a set of “value propositions”. We evaluate governance, funding and service delivery options in terms of their impact on the 4Es which are set out in the chart below. We identify the action required to deliver the value

on the most significant of the improvement opportunities, and to provide orders-of-magnitude estimates.

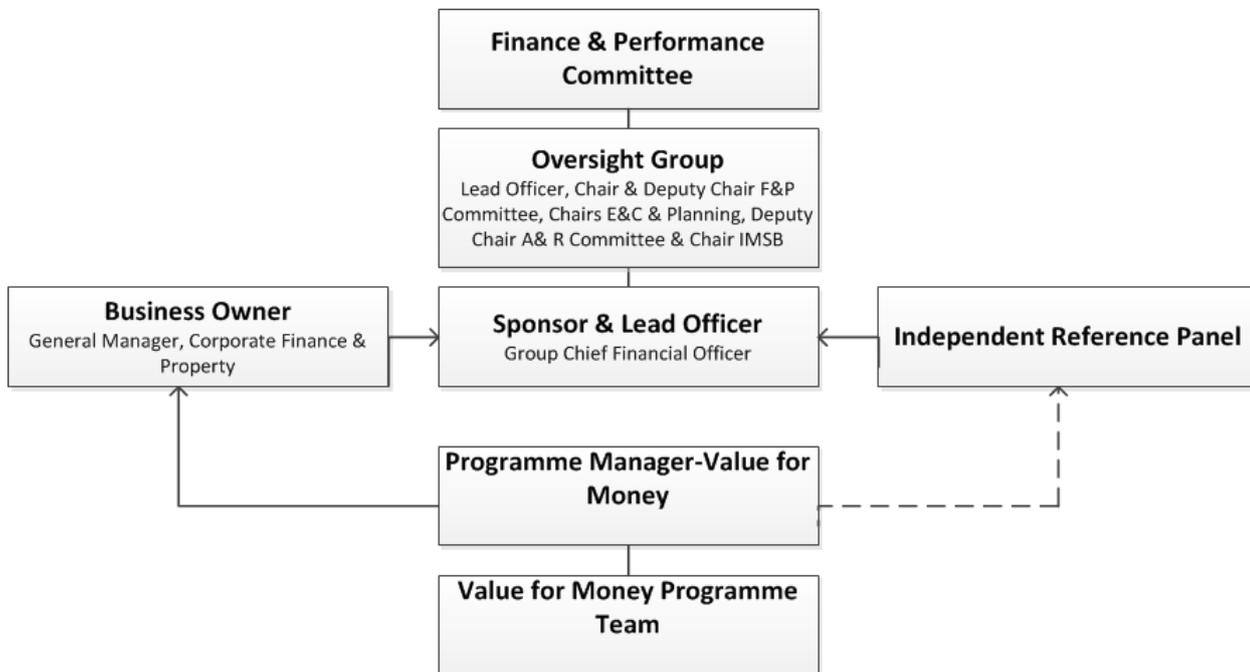


- 4) **Final report:** This includes a summary of the reviews findings and makes recommendations on the next steps requires delivering the value that the review has identified.
16. The review team will prepare progress reports on each part of the review for consideration by the independent reference panel and report progress on key milestones to the political oversight group.
17. The review team will consult with relevant parties in council in developing the material for the assessment.
18. The review team will consult with council and the Independent Maori Statutory Board in preparing the final report.

5 Governance and roles

5.1 Governance

The governance structure for the review is set out in the chart below



5.2 Roles

Programme /Review Roles	Responsible	Purpose & Responsibilities
Programme Sponsor/Lead Officer	Group Chief Financial Officer	<ul style="list-style-type: none"> Programme sponsor who champions the group value for money programme and has accountability for the programme overall Authorises (and recommends to the Finance and Performance Committee) key programme reports
Programme Business Owner	General Manager Corporate Finance and Property	<ul style="list-style-type: none"> Business owner who ensures the programme is adequately resourced to deliver on its objectives Authorises (and recommends to the Sponsor) key programme reports Resolves issues and manages risks escalated by the Programme Manager Briefs the Programme Sponsor and the Steering Group Engages stakeholders to assist with timely responses to information requests and

		<ul style="list-style-type: none"> socialisation of deliverables Ensures the participation and co-operation of business resources
Programme Champion	Director Finance and Policy, Mayoral Office	<ul style="list-style-type: none"> Responsible for communications to the Chairs of the CCOs Resolves CCO-related issues escalated by the Sponsor or Business Owner Champions the group value for money programme
Programme & Review Oversight	Oversight Group	<ul style="list-style-type: none"> Provides political oversight to monitor progress of the programme at key milestone points
Programme Review & Oversight	Chair and Deputy Chair Finance and Performance Committee	<ul style="list-style-type: none"> Primary programme customer who will approve the terms of reference and receive the draft reports and findings
Programme Review	Finance and Performance Committee	<ul style="list-style-type: none"> Receive and consider proposals and recommendations for value for money review proposals and the final reports from value for money reviews
Independent Advice & Quality Review	Independent Reference Panel	<ul style="list-style-type: none"> A core panel of three members with expertise in public finance, infrastructure, public policy, economics and /or local government governance experience supplemented by subject matter experts for particular reviews as required Reporting to the Lead Officer Panel members will be asked to: <ul style="list-style-type: none"> Provide input (which may be by way of comment, suggestion or recommendation) as appropriate on objectives, lines of inquiry, issues, options and recommendations for the Programme. Review and comment on documentation as requested by the project team, which may include: <ul style="list-style-type: none"> That the research, analysis and evaluation undertaken is appropriate to support the objectives, lines of inquiry, options and recommendations for consideration; appropriate consistency across the Programme; coherent drafting, reasoning and content. Help promote confidence in the Programme.
Independent Specialist with Industry Knowledge (SME)	Parks & Open Spaces Expert –To be determined	<ul style="list-style-type: none"> Advising the expert panel, provide independent expert advice and commentary on the assessment and evaluation of opportunities as they arise based on industry experience with

		similar undertakings.
Programme Management	Programme Manager-Value for Money	<ul style="list-style-type: none"> • Co-ordinates, recruits and manages programme office resources and approach and is responsible for the delivery of the agreed programme plan to schedule and budget. • Develops the programme plan, review methodology and the production of the associated deliverables for authorisation by the Business Owner, the Sponsor, the Steering Group and Finance and Performance Committee. • Develops and manages the programme calendar and associated engagement requirements including steering group management and the supply of documentation to the expert review panel. • Briefs the Programme Business Owner and Sponsors regarding project status, risks/issues and decisions required.
Senior Financial Analyst		<ul style="list-style-type: none"> • Defines and supervises the collection of the data requirements needed for evidence-based value for money reviews from council and CCOs to support the programme methodology. • Analysing financial and non-financial records and plans, reports relating to past and planned expenditures and revenues including relevant reviews and benchmarking to distil relevant performance-related trends, issues, opportunities. • Works on the application of the public service value for money analytics and modelling between expenditure, inputs, outputs and outcomes
Senior Economist		<ul style="list-style-type: none"> • Defines and develop the value for money modelling approach and value-based data requirements for each review including key value drivers and public policy/outcomes for each review • Supervises the collection of the data requirements needed for evidence-based value for money reviews from council and CCOs to support the programme's value-based methodology • Analysis of records and plans, reports relating to past and planned expenditure, revenues and social, economic, environmental and cultural outcomes to distil relevant performance-related trends, issues, opportunities. • Oversees the application of the public service value for money analytics including the relational modelling between expenditure, inputs, outputs and outcomes and draw

		conclusions and insights from this work.
Financial Analyst		<ul style="list-style-type: none"> Supporting the senior financial analyst, collect the data requirements needed for evidence-based value for money reviews from council and CCOs to support the programme methodology. Assists with the analysis including modelling of financial and non-financial records and plans, reports relating to expenditures and revenues including past reviews and benchmarking to distil relevant trends, issues, and opportunities.
Advisor-Te Ao Maori		<ul style="list-style-type: none"> provides the reviewers with advice to assist the review to take account of Māori perspectives including tikanga Māori, the Tiriti o Waitangi/Treaty of Waitangi, and cultural, social, economic and environmental Māori aspirations relevant to the review; assists with the development opportunities and options that will improve the knowledge, understanding of Māori in relation to the review's findings and recommendations

5.3 Stakeholders

The key stakeholders in this review are as follows.

- Mayor Phil Goff
- Chairperson Ross Clow – Finance and Performance Committee
- Deputy Chairperson Desley Simpson – Finance and Performance Committee
- Chairperson Penny Hulse – Environment and Community Committee
- Chairperson Chris Darby – Planning Committee
- Deputy Chairperson Greg Sayers – Audit and Risk
- Chairperson David Taipari – Independent Maori Statutory Board
- Kelvin Norgrove, Policy Project Manager, Independent Maori Statutory Board
- Taha MacPherson - Chief of Staff, Mayoral Office
- David Wood- Director Finance and Policy, Mayoral Office
- Stephen Town – Chief Executive Auckland Council
- Sue Tindal – Group Chief Financial Officer Auckland Council
- Dean Kimpton – Chief Operating Officer Auckland Council

- Local Board Chairs
- Finance and Performance Committee
- National Secretary, PSA

5.4 Dependencies

There are no dependencies for this review

5.5 Schedule

Milestone	Due Date
Terms of reference approved	19 September 2017
Current state assessment	20 October 2017
Options Assessment	17 November 2017
Findings & recommendations	8 December 2017
Final Report	20 January 2017