I hereby give notice that an ordinary meeting of the Appointments, Performance Review and Value for Money Committee will be held on:

**Date:** Thursday, 3 May 2018  
**Time:** 9.30am  
**Meeting Room:** Room 1, Level 26  
**Venue:** 135 Albert St  
Auckland

**Appointments, Performance Review and Value for Money Committee**

**OPEN AGENDA**

**MEMBERSHIP**

<table>
<thead>
<tr>
<th>Chairperson</th>
<th>Hon Phil Goff, CNZM, JP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy Chairperson</td>
<td>Hon Christine Fletcher, QSO</td>
</tr>
<tr>
<td>Members</td>
<td>Cr Josephine Bartley</td>
</tr>
<tr>
<td></td>
<td>Cr Ross Clow</td>
</tr>
<tr>
<td></td>
<td>Cr Chris Darby</td>
</tr>
<tr>
<td></td>
<td>Cr Richard Hills</td>
</tr>
<tr>
<td></td>
<td>Cr Penny Hulse</td>
</tr>
<tr>
<td></td>
<td>Cr Desley Simpson, JP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ex-officio</th>
<th>Deputy Mayor Bill Cashmore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IMSB Chair David Taipari</td>
</tr>
</tbody>
</table>

(Quorum 5 members)

Suad Allie  
Governance Advisor

30 April 2018

Contact Telephone: (09) 977 6953  
Email suad.allie@aucklandcouncil.govt.nz  
Website: www.aucklandcouncil.govt.nz

**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Terms of Reference

Responsibilities

The Council Appointments, Performance Review and Value for Money Committee is established to:

1. Review the chief executive’s performance and to recommend to the Governing Body the terms and conditions of the CE’s employment including any performance agreement measures and annual remuneration

2. Make appointments to Council-Controlled Organisations (CCOs), Council Organisations (COs) and exempt CCOs and COs

3. Approve policies relating to the appointment of directors and trustees to CCOs and COs.

4. Monitor and report to the Governing Body on the implementation of service delivery reviews required under s17A of the Local Government Act 2002, and the recommendations arising from those reviews

5. Approve the scheduling of the forward s17A work programme, and recommend to the Governing Body the terms of reference for individual reviews

6. Request reports on Auckland Council parent and CCO value for money, savings and effectiveness-focused initiatives that are beyond the scope of s17A reviews, and make recommendations on these reports to the Governing Body.

Powers

All powers necessary to perform the committee’s responsibilities.

Except:

(a) powers that the Governing Body cannot delegate or has retained to itself (section 2)

(b) where the committee’s responsibility is limited to making a recommendation only

(c) the power to establish sub-committees
Exclusion of the public – who needs to leave the meeting

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Independent Māori Statutory Board

- Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
- Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Other staff who need to because of their role may remain.

Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

Council Controlled Organisations

- Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.
<table>
<thead>
<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apologies</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Declaration of Interest</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Confirmation of Minutes</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Petitions</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Public Input</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Local Board Input</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Extraordinary Business</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>Notices of Motion</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Value for Money (s17A) Review programme</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>Consideration of Extraordinary Items</td>
<td></td>
</tr>
</tbody>
</table>

**PUBLIC EXCLUDED**

| 11   | Procedural Motion to Exclude the Public                                          | 39   |
| C1   | Shortlist candidates for three director vacancies on the Auckland Regional Amenities Funding Board | 39   |
| C2   | Chief Executive's Employment Review: Part One                                     | 39   |
1 **Apologies**

An apology from Cr P Hulse has been received.

2 **Declaration of Interest**

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 **Confirmation of Minutes**

That the Appointments, Performance Review and Value for Money Committee:

a) confirm the ordinary minutes of its meeting, held on Wednesday, 4 April 2018, including the confidential section, as a true and correct record.

4 **Petitions**

At the close of the agenda no requests to present petitions had been received.

5 **Public Input**

Standing Order 7.7 provides for Public Input. Applications to speak must be made to the Governance Advisor, in writing, no later than one (1) clear working day prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of thirty (30) minutes is allocated to the period for public input with five (5) minutes speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

6 **Local Board Input**

Standing Order 6.2 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to five (5) minutes during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give one (1) day’s notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 6.1 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.
Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"An item that is not on the agenda for a meeting may be dealt with at that meeting if-

(a) The local authority by resolution so decides; and

(b) The presiding member explains at the meeting, at a time when it is open to the public,

(i) The reason why the item is not on the agenda; and

(ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting."

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"Where an item is not on the agenda for a meeting,

(a) That item may be discussed at that meeting if-

(i) That item is a minor matter relating to the general business of the local authority; and

(ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion."

Notices of Motion

There were no notices of motion.
Te take mō te pūrongo / Purpose of the report

1. To approve the terms of reference for two new value for money reviews so that they can be recommended to the Governing Body for final approval.

Whakarāpopototanga matua / Executive summary

2. At its 22 March 2018 (GB/2018/57) meeting the Governing Body approved the terms of reference for the Appointments, Performance Review and Value for Money (APRVFM) Committee. This incorporated the oversight for the value for money review programme under section 17A of the Local Government Act 2002.

3. The review programme is in the process of being reset in consultation with the executive leadership team and will be confirmed and tabled at the next APRVFM Committee. In the interim, this report is seeking approval from the APRVFM Committee for the next two terms of reference for the following activities:
   - group Information, Communication and Technology (ICT)
   - group Customer Services.

4. These reviews have been selected as they both build on previous review work that looked at communications and engagement for customer services and group procurement for ICT. They are also likely to have a bearing on the possible development of a group corporate support strategy. Both reviews are part of the governance and operational support in the Long-term Plan 2018-2028 which represents a large group expenditure over 10 years ($4.2 billion in operating expenditure and $1.3 billion in capital expenditure) and both undertake activities that are common across the group.

5. The reviews are in place of earlier proposals indicated in the 21 March 2017 programme. The original reviews impact the Finance function namely finance, financial planning and transactional services. After consultation with the business it is recommended that the original reviews be deferred until after the long-term planning workload has peaked and managing year end is undertaken as the function’s workload is very high at present.

Ngā tūtohunga / Recommendation/s

That the Appointments, Performance Review and Value for Money Committee:

a) approve the terms of reference for the following two value for money reviews, so that they can be recommended to the Governing Body for final approval:
   - group Information, Communication and Technology
   - group Customer Services reviews for commencement in May 2018

b) note that an indicative and revised value for money review programme together with a detailed evaluation of review priorities will be presented to the next Appointments, Performance Review and Value for Money Committee meeting.
Tātaritanga me ngā tohua / Analysis and advice

Previous decisions:

<table>
<thead>
<tr>
<th>Date</th>
<th>Committee</th>
<th>Recommendation Number</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 March 2017</td>
<td>Finance and Performance</td>
<td>FIN/2017/23</td>
<td>endorsed a value for money programme for the council group and approved four terms of reference</td>
</tr>
<tr>
<td>21 September 2017</td>
<td>Finance and Performance</td>
<td>FIN/2017/128</td>
<td>two terms of reference (group procurement and parks &amp; open spaces) were approved</td>
</tr>
<tr>
<td>6 November 2017</td>
<td>Finance and Performance</td>
<td>FIN/2017/153</td>
<td>the first four completed reviews were endorsed by the F&amp;P Committee for implementation by the council</td>
</tr>
<tr>
<td>22 March 2018</td>
<td>Governing Body</td>
<td>GB/2018/57</td>
<td>approved oversight for the value for money (S17A) programme be moved to the Appointments, Performance Review and Value for Money (APRVFM) Committee</td>
</tr>
</tbody>
</table>

6. The value for money review programme is in the process of being revised and reset in consultation with executive leadership team and will be confirmed shortly and tabled at the next APRVFM Committee. The next two reviews proposed in this report have been endorsed for approval by the council’s executive leadership team.

7. This report is seeking approval from the APRVFM Committee to recommend to the Governing Body the next two new terms of reference attached in Attachment A and Attachment B:
   - Group Information, Communication and Technology (ICT)
   - Group Customers Services

8. The reasons for proposing these next two reviews include:
   - Acknowledgement that the group shared services strategy work is about to get underway. The value for money review will complement the development of the strategy by reviewing areas of significant group expenditure with high levels of potential duplication customer services and ICT.
   - The two new reviews seeking recommendation today build on two previously approved and underway reviews (namely communications and engagement for group customer services and group procurement for group ICT). These are also likely to have relevance in the development of a group corporate support strategy both representing a large group spend and both having activities that are common across the group.
   - Feedback received verbally from the business on the capacity to accommodate review work given the current workload of certain functions. For example, the Finance function and the workload associated with obtaining approval for the long-term plan and managing year end over the next quarter.
   - Considering Auckland Tourism, Events and Economic Development is undertaking a review of its purpose and, given this review, it is desirable that the continuation of the economic development review await the outcomes of that work.
• Reviews including an investment scope (covering Ports of Auckland Limited) need to consider the timing with reference to central government’s anticipated port study.

**Ngā tāpirihanga / Attachments**

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Terms of Reference Group Information, Communication and Technology VfM Review</td>
<td>13</td>
</tr>
<tr>
<td>B</td>
<td>Terms of Reference Group Customer Services VfM Review</td>
<td>27</td>
</tr>
</tbody>
</table>

**Ngā kaihaina / Signatories**

<table>
<thead>
<tr>
<th>Author</th>
<th>Authorisers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sally Garrett - Programme Manager – Value For Money</td>
<td>Kevin Ramsay - General Manager Corporate Finance and Property Matthew Walker - Acting Group Chief Financial Officer Phil Wilson - Governance Director</td>
</tr>
</tbody>
</table>
Terms of reference

Value for Money (s17A) Review: Group Information & Communication Technology

March 2018
[Sentient ID #XXXXXXXX]
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

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Update by</th>
<th>Update details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final</td>
<td>26 March 2018</td>
<td>S Garrett</td>
<td>Final to accommodate the Appointments, Performance Review and Value for Money (APR) Committee governance changes</td>
</tr>
</tbody>
</table>

1.3 Document Approval

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Contents</td>
</tr>
<tr>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
</tbody>
</table>
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.

2.2 Statutory requirements

- 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.

3 Review Framework

3.1 Services Covered: Information and Communication Technology (ICT)

The proposed ICT review will cover all the current and future planned technological services, activities and expenditure and resources associated with the creation, dissemination, storage and management of information in Council and its council controlled organisations. It includes the devices used to communicate, the software applications and hardware, the communication networks and the associated support services.
It includes ICT policies and strategies, the operational uses, people and governance in supporting the following ICT service areas:

- **Online services**: The digital systems used to enable online customer services including transactions
- **Business intelligence systems**: Including the systems that automate the collation, analysis and presentation of geographic information, financial information, management information and metrics including information about business performance and relevant progress indicators across an organisation.
- **Business systems**: Including the database applications through to the large enterprise resource planning and transactional systems supporting the operation of revenue collection and payments.
- **Back office systems**: including finance, human resources, procurement, customer and facilities management systems to manage operations
- **Infrastructure**: Including the communication networks and other infrastructure for the modern working environment such as desktop computers, printers, laptops, video conferencing, telephones, data centers and servers, software applications and email.

### 3.2 Objectives & Lines of Inquiry

- The objective of the review is to evaluate the value for money of ICT services across the council group and consider the relative merits of alternative options for the governance, funding and delivery of those services in supporting Auckland Council’s collective objectives and outcomes.
- In reviewing ICT’s value for money, the review will be inquiring:
  - How investment in ICT has or plans to contribute towards achieving business objectives and outcomes involving a review of strategies, business plans and major projects.
  - If ICT is improving user access to good quality, timely and consistent information and enabling more informed decision-making.
  - How ICT is supporting better financial, asset, capital and customer service management and users.
  - How the group ICT organisations have progressed in evolving the efficiency and effectiveness of systems and services including securing benefits from increased collaboration including the extent to which group buying power for ICT shared solutions, contract negotiations and procurements have been exploited to gain cost efficiencies.
  - The review will consider if the systems are designed and operated in a way that they are affecting the required systems improvements and are flexible enough to enable continuous improvement, both for service users but also for front line staff or other parties providing services.
  - What future improvement opportunities present for ICT services and what is their potential value.
  - Whether the current portfolio of ICT services, the allocation of resources, and performance in delivery of those services, is optimal in terms of meeting council group’s objectives.
  - Whether the current governance, funding and service delivery arrangements for ICT services are the best approach to deliver value for money and achieve the key outcomes for Auckland Council group.
3.3 Scope

- The review will consider ICT services across the Auckland Council group including council and the substantive CCOs.
- 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. Noting that this extends beyond the legislative requirement in s17A to look at cost efficiency, effectiveness and appropriateness of services.
- In undertaking the review it is expressly acknowledged that Auckland Council and its CCOs are designed to operate with significant independence in delivering ICT services as each organisation has distinct mandates, objectives, budgets and performance objectives.

4 Review Methodology

- Each value for money review is undertaken using a consistent evidence based value for money methodology.

5 Approach

- 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 overleaf.
- 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) Terms of Reference: The approval of the review’s service and organisational scope, its objectives, the general lines of inquiry and governance structure.
  4) 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.
  5) 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
Value for Money Review: Group ICT Value for Money

Terms of reference
governance, funding and service delivery options in terms of their impact on the four
well beings. We identify the action required to deliver the value on the most significant
of the improvement opportunities, and to provide orders-of-magnitude estimates.

6) **Final report:** This includes a summary of the reviews findings and makes
recommendations on the next steps required to deliver the value that the review has
identified.

- 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 APR
  Committee.
- The review team will consult with relevant parties in the council in developing the material
  for the assessment.
- The review team will consult with council and the Independent Maori Statutory Board
  on relevant matters in preparing the final report.
6 Governance and roles

6.1 Governance

The governance structure for the review is set out in the chart below.
### 6.2 Roles

<table>
<thead>
<tr>
<th>Programme /Review Roles</th>
<th>Responsible</th>
<th>Purpose &amp; Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme Sponsor/Lead Officer</td>
<td>Acting Group Chief Financial Officer</td>
<td>• Programme sponsor who champions the group value for money programme and has accountability for the review aspects of programme.</td>
</tr>
<tr>
<td>Auckland Council Executive Leadership Team (ELT)</td>
<td></td>
<td>• Reviews and recommends to the Appointments, Performance Review and Value for Money Committee the forward timetable of review work and the review reports.</td>
</tr>
<tr>
<td>Programme Business Owner</td>
<td>General Manager Corporate Finance and Property</td>
<td>• Business owner who ensures the programme is adequately resourced to deliver on its objectives.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Authorises (and recommends to the Sponsor) key programme reports.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Resolves issues and manages risks escalated by the Programme Manager.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Briefs the Programme Sponsor and the Steering Group.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Engages stakeholders to assist with timely responses to information requests and socialisation of deliverables.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ensures the participation and co-operation of business resources.</td>
</tr>
<tr>
<td>Programme Supporter</td>
<td>Director Finance and Policy, Mayoral Office</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Responsible for communications to the Chairs of the CCOs.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Resolves CCO-related issues escalated by the Sponsor or Business Owner.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Supports the group value for money programme.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Programme Review &amp; Oversight</th>
<th>Chair and Deputy Chair APR Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Primary programme customer who will approve the terms of reference and receive the draft reports and findings.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Programme Review</th>
<th>APR Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Receive and consider proposals and recommendations for value for money review proposals and the final reports from value for money reviews.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Independent Advice &amp; Quality Review</th>
<th>Independent Reference Panel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• Reporting to the Lead Officer.</td>
</tr>
<tr>
<td></td>
<td>• Panel members will be asked to:</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• Review and comment on documentation as requested by the project team, which may include:</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• Help promote confidence in the Programme.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Independent Specialist with Industry Knowledge (SME)</th>
<th>ICT Expert -TBD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td>Programme Management</td>
<td>Programme Manager-Value for Money</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Senior Financial Analyst</th>
<th></th>
<th>Terms of reference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Analyzing 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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Work on the application of the public service value for money analytics and modelling between expenditure, inputs, outputs and outcomes.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Senior Economist</th>
<th>Terms of reference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Define 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.</td>
</tr>
<tr>
<td></td>
<td>• Supervise 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.</td>
</tr>
<tr>
<td></td>
<td>• Analyse 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.</td>
</tr>
<tr>
<td></td>
<td>• Oversee 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 form this work.</td>
</tr>
</tbody>
</table>
### 6.3 Involved Parties

The key parties involved in this review are as follows.

- Mayor Phil Goff - Chairperson
- Deputy Mayor Bill Cashmore (ex officio)
- Christine Fletcher - Deputy Chairperson
- Ross Clow – APR Committee
- Desley Simpson – APR Committee
- Penny Hulse – APR Committee
- Chris Darby – APR Committee
- Richard Hill - APR Committee
- Chairperson David Taipari – Independent Maori Statutory Board & APR Committee (ex officio)
- Kelvin Norgrove - Policy Project Manager, Independent Maori Statutory Board
- Taha MacPherson - Chief of Staff, Mayoral Office
- David Wood - Director Finance and Policy, Mayoral Office
- Margaret Devlin – Chair Watercare Services
- Dr Lester Levy – Chair Auckland Transport
- David McConnell – Chair Auckland Tourism, Events and Economic Development
- Rt Hon Sir Don McKinnon – Chair Regional Facilities Auckland
Value for Money Review: Group ICT Value for Money

- Keith Taylor – Chair Auckland Council Investments Ltd
- Richard Aitken – Chair Panuku
- Stephen Town – Chief Executive Auckland Council together with the executive leadership team comprising the Chief Operating Officer-Dean Kimpton, Matthew Walker – Acting Group Chief Financial Officer Auckland, Jim Quinn-Chief of Strategy, Phil Wilson-Governance Director, Patricia Reade –Director People & Performance, Ian Maxwell- Director Community Services, Penny Pirrit-Director Regulatory Services, Barry Potter-Director Infrastructure and Environmental Services.
- Shane Ellison – Chief Executive Auckland Transport
- Richard Morris – Chief Financial Officer Auckland Transport
- Roger McDonald – Chief Executive Panuku
- Carl Gosbee –Director Corporate Services Panuku
- John Crawford – Chief Executive Auckland Council Investments Ltd
- Chris Brooks – Chief Executive Regional Facilities Auckland
- Simon Tran – Chief Financial Officer Regional Facilities Auckland
- Nick Hill – Chief Executive Auckland Tourism, Events and Economic Development
- Joy Buckingham – Chief Financial Officer Auckland Tourism, Events and Economic Development
- Raveen Jaduram – Chief Executive Watercare Services
- Brian Monk – Chief Financial Officer Watercare Services
- Local Board Chairs
- National Secretary, PSA

6.4 Dependencies

There are no dependencies for this review.
6.5 Schedule

To be Determined
Terms of reference

Value for Money (s17A) Review:
Group Customer Services Management

March 2018
Sentient ID #XXXXXXXX
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

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Update by</th>
<th>Update details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final</td>
<td>27 March 2018</td>
<td>S Garrett</td>
<td>Final to accommodate the Appointments, Performance Review and Value for Money (APR) Committee governance changes</td>
</tr>
</tbody>
</table>

1.3 Document Approval

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

3 Page
Contents
1 Document control........................................................................................................................................3
2 Introduction................................................................................................................................................7
3 Review Framework......................................................................................................................................7
4 Review Methodology..................................................................................................................................9
5 Approach ..................................................................................................................................................9
6 Governance and roles.................................................................................................................................10
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.

2.2 Statutory requirements

- 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.

3 Review Framework

3.1 Services Covered: Customer Service Management

- The review will cover the management of customer services in the Auckland Council group including the people, process, systems and organisational features and resources involved in interacting with customers. It includes activities associated with taking care of the customer’s needs through the provision of services and assistance before, during, and after the customer’s requirements are met.
All customer service and customer support processes, channels, segments experiences and interactions (including digital) are included in the review with the exception of citizen and community engagement (which was assessed as part of the completed communications & engagement value for money review).

3.2 Objective & Lines of Inquiry

The objective of the review is to evaluate the value for money of customer service management across the council group and consider the relative merits of alternative options for the governance, funding and delivery of those public services in supporting Auckland Council group’s objectives and outcomes.

In undertaking the review it is expressly acknowledged that Auckland Council and its CCOs are designed to operate with significant independence in delivering customer services as each organisation has distinct mandates, objectives, budgets and performance objectives.

In reviewing value for money, the review will be inquiring into:

- the cost effectiveness of Auckland Council group’s customer service management, compared with relevant public sector benchmarks and best practices;
- the performance of Auckland Council group’s customer service management, including an assessment of the economic, environmental, social and cultural value delivered in respect to the relevant entities strategies and outcomes being sought;
- Whether the current governance, funding and service delivery arrangements are the optimal to deliver value for money and achieve the prescribed outcomes for the Auckland Council group.
- The review will include a consideration of options for improving value for money, alternative service delivery and governance options such as out-sourcing, insourcing and shared services and making recommendations to improve value for money in customer services in support of Auckland Council group’s objectives and prescribed outcomes.
- What future improvement opportunities present for customer services and what is the potential value of those opportunities
- Whether the current portfolio of customer services, the allocation of resources, and performance in delivery of those services, is optimal in terms of meeting the relevant objectives for services.
- Whether the current governance, funding and service delivery arrangements for customer services is the best approach to deliver value for money and achieve the key outcomes for Auckland Council group.

3.3 Scope

The review is to consider customer services across the Auckland Council group including council and the substantive CCOs. It excludes citizen and community engagement services.

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. Noting that this extends beyond the legislative requirement in s17A to look at cost efficiency, effectiveness and appropriateness of services.
4 Review Methodology

- Each value for money review is undertaken using the same evidence based value for money methodology and drawing on a range of data sources.

5 Approach

- 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.
- 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 analyses 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 four well-beings. 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 required to deliver the value that the review has identified.

- The review team will prepare progress reports for consideration by the independent reference panel and report progress on key milestones to the Appointments, Performance Review and Value for Money (APR) Committee.
- The review team will consult with relevant parties in the council in developing the material for the assessment.
- The review team will consult with council and the Independent Maori Statutory Board in respect to relevant matters in preparing the final report.
6 Governance and roles

6.1 Governance

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

![Governance Structure Chart]

6.2 Roles

<table>
<thead>
<tr>
<th>Programme /Review Roles</th>
<th>Responsible</th>
<th>Purpose &amp; Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme Sponsor/Lead Officer</td>
<td>Acting Group Chief Financial Officer</td>
<td>• Programme sponsor who champions the group value for money programme and has accountability for the review aspects of programme.</td>
</tr>
<tr>
<td>Auckland Council Executive Leadership Team (ELT)</td>
<td>ELT</td>
<td>• Reviews and recommends to the Appointments, Performance Review and Value for Money Committee the forward timetable of review work and the review reports.</td>
</tr>
</tbody>
</table>
| Programme Business Owner                        | General Manager Corporate Finance and Property   | • Business owner who ensures the programme is adequately resourced to deliver on its objectives.  
• Authorises (and recommends to the ELT) programme review reports.  
• Resolves issues and manages risks escalated by the Programme Manager.  
• Briefs the Programme Sponsor and the ELT.  
• Engages stakeholders to assist with timely responses to information requests and socialisation of deliverables.  
• Ensures the participation and co-operation of business resource. |
<table>
<thead>
<tr>
<th>Programme Supporter</th>
<th>Director Finance and Policy, Mayoral Office</th>
<th>Terms of reference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>• Responsible for communications to the Chairs of the CCOs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Resolves CCO-related issues escalated by the Sponsor or Business Owner.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Supports the group value for money programme.</td>
</tr>
</tbody>
</table>

| Programme Review & Oversight | Chair and Deputy Chair APR Committee | • Primary programme customer who will approve the terms of reference and receive the draft reports and findings. |

| Programme Review | APR Committee | • 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 | • 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: |
|                                     |                             | • 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: |
|                                     |                             | • 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. |

<p>| Independent Specialist with Industry Knowledge (SME) | Customer Services Expert - TBD | • 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. |</p>
<table>
<thead>
<tr>
<th>Programme Management</th>
<th>Programme Manager-Value for Money</th>
<th>Terms of reference</th>
</tr>
</thead>
</table>
|                      |                                  | • 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 APR 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 Sponsor regarding project status, risks/issues and decisions required. |

| Senior Financial Analyst | | • 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.  
• Analyzing 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.  
• Work on the application of the public service value for money analytics and modelling between expenditure, inputs, outputs and outcomes. |

| Senior Economist | | • Define 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.  
• Supervise 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.  
• Analyse 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.  
• Oversee 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 form this work. |
6.3 Involved Parties

The key parties involved in this review are as follows.

- Mayor Phil Goff - Chairperson
- Deputy Mayor Bill Cashmore (ex officio)
- Christine Fletcher - Deputy Chairperson
- Ross Clow – APR Committee
- Desley Simpson – APR Committee
- Penny Hulse – APR Committee
- Chris Darby – APR Committee
- Richard Hill - APR Committee
- Chairperson David Taipari – Independent Maori Statutory Board & APR Committee (ex officio)
- Kelvin Norgrove - Policy Project Manager, Independent Maori Statutory Board
- Taha MacPherson - Chief of Staff, Mayoral Office
- David Wood - Director Finance and Policy, Mayoral Office
- Margaret Devin – Chair Watercare Services
- Dr Lester Levy – Chair Auckland Transport
- David McConnell – Chair Auckland Tourism, Events and Economic Development
- Rt Hon Sir Don McKinnon – Chair Regional Facilities Auckland
6.4 Dependencies

There are no dependencies for this review
6.5 Schedule

To be determined.
Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Appointments, Performance Review and Value for Money Committee:

a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Shortlist candidates for three director vacancies on the Auckland Regional Amenities Funding Board

<table>
<thead>
<tr>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Particular interest(s) protected (where applicable)</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
<td>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains private information about the candidates that have applied for the three vacancies on the Auckland Regional Amenities Funding Board.</td>
<td>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
</tbody>
</table>

C2 Chief Executive's Employment Review: Part One

<table>
<thead>
<tr>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Particular interest(s) protected (where applicable)</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
<td>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, during this item, the committee will discuss the performance of the Chief Executive, including discussion about the meeting of objectives, terms of employment and general performance. The agenda item also includes information supplied by external parties which has been supplied on the basis of confidentiality.</td>
<td>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
</tbody>
</table>