

VALUE FOR MONEY IMPLEMENTATION PROGRESS REPORT

Review:	Investment Attraction & Global Partnerships	Flag	GREEN (Overall)
Report Date	16 May 2018	Report Period	March 2018 - May 2018

Status Overview for the Review

ATEED has now initiated work on all three elements emerging from the value for money review of investment attraction and global partnership. Initiatives 2 and 3 are on track to be finalised by end of June 2018. Initiative 1 is more significant in scope and will be a key deliverable for ATEED in its' 2018-19 work programme.

Initiative	Start Date	Completion Date	Flag	Work plan achievements
#1 Develop an Auckland investment story	April 2018	June 2019	A	Background research and analysis underway
#2 Investment attraction service	April 2018	July 2018	G	Review of best practice underway
#3 Better performance measures	April 2018	July 2018	G	Voice of the customer work underway

#1 Develop an Auckland Investment Story

The value for money review identified the need for a consolidated Auckland Investment Story that presents a shared understanding of Auckland's overarching urban growth and infrastructure development plan to guide investment attraction and financing projects and explains to potential investors the roles of each of the relevant council teams and how they work together. This will be a live environment providing real time investment opportunities to support business attraction to Auckland.

Amber - Due date has or will possibly be missed and this may affect the project critical path or a dependent project, or an issue has arisen that may affect this project or a dependent project.

Commentary:

The key findings of the review accepted that the delivery of investment attraction and global partnerships activities were necessary in a gateway city such as Auckland, were logically selected, well-targeted and prioritised. The Review noted that efforts had been made to improve co-ordination between Auckland and central government agencies, but that there would be benefits to be realised through the development of a consolidated investment story to guide investment attraction and financing projects. Based upon this, the proposed objectives for this project are as follows:

1. Clarify and codify the respective roles of Auckland agencies involved in investment attraction, resolving any areas of perceived overlap and/or duplication;
2. Consider how the activities of Auckland and national government agencies can be better aligned and integrated to ensure maximum reach and effectiveness;
3. Develop a coordinated Auckland Investment Story which
 - a. Clearly articulates Auckland's investment proposition
 - b. Focuses on unlocking maximum potential value from planned investments in transport and housing infrastructure across Auckland
 - c. Sets out tangible investment opportunities of interest and relevance to international investors
4. Establish an ongoing governance and reporting framework to track progress and support collective delivery

ATEED is currently undertaking background research to inform the above activities. Moving forward, the delivery of this programme of work will be led by ATEED's new General Manager, Strategy, which is currently under recruitment.

Issue

ATEED needs to complete the process of recruiting the new General Manager, Strategy position and then identify an internal project manager before progressing the full programme of work on the Auckland Investment Story.

#2 Investment attraction service

ATEED is undertaking a feasibility study to analyse the potential introduction of a fees for services model to offset costs. ATEED has undertaken initial desk-based review of models and has commissioned OCO Global to peer review the internal work and offer additional advice and guidance on current best practices in investment attraction activities and delivery models.

Green - Work will progress as planned, due date will be met or if the due date has been revised it will not affect the project critical path or a dependent project.

Commentary

Objectives of the feasibility study:

- Evaluate 2014 policy proposal and redefine scope
- Determine whether business attraction services provided to potential international investors will remain free-of-charge. The baseline assumption here is that they should.
- Explore the adequacy of a fee-for-service model in line with the “inward investment” model implemented by London & Partners, i.e. charging service providers for referrals by ATEED.
- Determine whether in-house “consulting services” provided by ATEED to Auckland companies should have a fee structure attached to them.

Based on the conclusions drawn in the feasibility study, a recommendation will be made whether or to proceed with a fee-for-service model. Should this eventuate, the objectives of the model itself will include:

- Increase non-rates revenue
- A level playing field with private sector
- Efficient allocation of ATEED resources
- Fair allocation of costs

Risk

Primary risk relates to implementation of findings of the feasibility study and potential impact on a) crowding out private sector advisory services b) negative impact on overall levels of FDI and ATEED’s perceived independence.

#3 Better performance measures

The introduction of better performance measures will allow Auckland Council and CCO’s to demonstrate that new business and investments attracted to Auckland benefit all Aucklanders. ATEED is currently looking at revising its performance measurement approach to reflect the organisation’s new strategic direction. Consequently, the s17a element is being run in parallel with the wider exercise to ensure efficiencies and integration.

ATEED’s draft SOI proposes 5 new performance indicators have been identified (reduced from 24) providing clarity around the value offered by ATEED to Aucklanders. These will be supported by a number of sub-KPI’s that are still in development:

- Value – GDP
- Jobs created / retained
- No of businesses integrated with
- Visitor Nights
- Customer Satisfaction (Voice of Customer Survey)

NOTE: sitting across these measures will be activity related to business attraction.

Flag information

Green - Work will progress as planned, due date will be met or if the due date has been revised it will not affect the project critical path or a dependent project.

Commentary:

ATEED is currently focusing on establishing a Voice of the Customer (VoC) Programme as a key means of gaining customer intelligence to help ATEED to design and refine our services to businesses. It is likely that this will include a Net Promoter Score of customers, partners and stakeholders who have interacted with ATEED. As part of the work, ATEED will work with GPS to ensure that elements relating to investment attraction are consistently captured, aligned and are applicable to activity across ATEED, GPS and the wider Council group. Neilson have been appointed to assist ATEED with this work programme and it is expected that the final model will be in place by 30 July.

Risk

Clarity around who is the customer and appropriate mechanism and frequency of engagement.

Ensuring the right sub-KPI's are developed to support the reporting on the top 5 measures.