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

**Date:** Thursday, 6 September 2018  
**Time:** 10.30am  
**Meeting Room:** Room 1, Level 26  
**Venue:** 135 Albert St  
Auckland

**Komiti Tohu me te Arotake Tūranga Mahi, me te Rite o te Whiwhi ki Tā Tērā i Utu Ai / Appointments, Performance Review and Value for Money Committee**

**OPEN AGENDA**

**MEMBERSHIP**

**Chairperson**  
Hon Phil Goff, CNZM, JP

**Deputy Chairperson**  
Hon Christine Fletcher, QSO

**Members**  
Cr Josephine Bartley  
Cr Ross Clow  
Cr Chris Darby  
Cr Richard Hills  
Cr Penny Hulse  
Cr Desley Simpson, JP

**Ex-officio**  
Deputy Mayor Bill Cashmore  
IMSB Member David Taipari

(Quorum 4 members)

**Suad Allie**  
Governance Advisor

**31 August 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 (Delegations)

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, with the exception of Ports of Auckland Limited and Auckland International Airport Limited.

3. Receive updates on appointments to the council organisations Ports of Auckland Limited and Auckland International Airport Limited, as well as any relevant updates on shareholder voting undertaken at Auckland International Airport Limited annual general meetings.

4. Approve policies relating to the appointment of directors and trustees to CCOs and Cos.

5. 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.

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

7. 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.
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<thead>
<tr>
<th>ITEM</th>
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<th>PAGE</th>
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<td>Declaration of Interest</td>
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<td>Confirmation of Minutes</td>
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<td>Petitions</td>
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<td>41</td>
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<td>11</td>
<td>Consideration of Extraordinary Items</td>
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**PUBLIC EXCLUDED**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
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<tbody>
<tr>
<td>12</td>
<td>Procedural Motion to Exclude the Public</td>
<td>49</td>
</tr>
<tr>
<td>C1</td>
<td>Confidential: Panuku Developopment Auckland Limited : Appointment of chairperson</td>
<td>49</td>
</tr>
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</table>
1 Apologies
At the close of the agenda no apologies had 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 Thursday, 2 August 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.
7 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.”
Value for Money (s17A) quarterly progress reports

File No.: CP2018/15323

Te take mō te pūrongo / Purpose of the report
1. To provide an update on the implementation of the first five completed reviews in the Value for Money (s17A) review programme and to outline the intended actions for these reviews.

Whakarāpopototanga matua / Executive summary
2. In March 2017 the Finance and Performance Committee endorsed a Value for Money programme for the council group including approval to undertake the first four Value for Money (s17A) reviews. Subsequent approval was given in September 2017 to undertake a fifth review. The five reviews have been completed and approved. These are:
   - Three Waters
   - Domestic Waste Services
   - Communication and Engagement Services
   - Investment Attraction and Global Partnerships
   - Group Procurement.
3. This report provides a quarterly implementation progress report for the reviews and the recommendations.
4. Respective business managers across the group have developed implementation plans for these actions and the five attachments to this report provide information on each review area, how these actions will be implemented and current progress. These areas may change as the work is further scoped or developed, feasibility work is completed and dependencies are refined.

Ngā tūtohunga / Recommendation/s
That the Appointments, Performance Review and Value for Money Committee:

a) receive the progress updates for the Value for Money (s17A) reviews on:
   - Three Waters
   - Domestic Waste Services
   - Communication and Engagement Services
   - Investment Attraction and Global Partnerships
   - Group Procurement.
Ngā tāpirihanga / Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
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<tbody>
<tr>
<td>A</td>
<td>Three Waters Review Value for Money implementation progress report</td>
<td>11</td>
</tr>
<tr>
<td>B</td>
<td>Domestic Waste Services Review Value for Money implementation progress report</td>
<td>17</td>
</tr>
<tr>
<td>C</td>
<td>Communication &amp; Engagement Services Review Value for Money implementation progress report</td>
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</tr>
<tr>
<td>D</td>
<td>Investment Attraction &amp; Global Partnerships Review Value for Money implementation progress report</td>
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<td>E</td>
<td>Group Procurement Review Value for Money implementation progress report</td>
<td>27</td>
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</table>

Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Sally Garrett – Programme Manager, Value for Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Kevin Ramsay - General Manager Corporate Finance and Property&lt;br&gt;Matthew Walker - Acting Group Chief Financial Officer&lt;br&gt;Phil Wilson - Governance Director</td>
</tr>
</tbody>
</table>
VALUE FOR MONEY IMPLEMENTATION PROGRESS REPORT

<table>
<thead>
<tr>
<th>Review:</th>
<th>S17A - Three Waters Review</th>
<th>Flag</th>
<th>GREEN (Overall)</th>
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<tbody>
<tr>
<td>Report Date</td>
<td>20 August 2018</td>
<td>Report Period</td>
<td>June - August 2018</td>
</tr>
</tbody>
</table>

Status Overview for the Review

Council staff are progressing the action plan for responding to the S17A - Three Waters Review approved by Finance and Performance Committee in February 2018 (Resolution number FIN/2018/13). This includes:

- Developing an Auckland’s Waters Strategy
- Forming a joint working team to progress opportunities for savings through joint procurement, capital planning, and operations and maintenance across Auckland Council, Auckland Transport and Watercare.
- Developing a business case evaluating further opportunities to work collaboratively across the council family, including evaluating outsourcing of stormwater operations and maintenance from Auckland Council to Watercare
- Providing advice on options for integration between Watercare and Veolia in Papakura in the planning and provision of water infrastructure.
- Progressing S17A recommendations relating to economic regulation, the operating model for all water services and consolidation of environmental regulation as part of the second phase of council’s response to the Value for Money review.

Good progress on implementing this action plan has been made during the May to August 2018 period with $293 million of benefits forecast over the next decade.

- The Environment and Community Committee approved the budget, scope and timeframes for the Auckland’s Waters Strategy in June 2018 (Resolution number ENV/2018/78). Workshops with key subject matter experts across the council family and councillors to inform the strategy were held in July and August. Workshops have been scheduled with all local boards in September and October to seek their feedback on key issues to be covered in the strategy.
- Martin Jenkins has been jointly commissioned by Watercare and Auckland Council to carry out a feasibility assessment of the case for outsourcing stormwater operations and maintenance from council to Watercare. Results of this review will be reported back in December 2018.
- Financial estimates of savings to be achieved through the Value for Money review are consistent with those presented to the committee in the last quarterly update in early June 2018. They include:
  - Realisation of $179 million in benefits through Watercare capital expenditure that can be deferred or avoided without increasing operational risk.
  - Realisation of $1 million in benefits from joint programme delivery and procurement
  - Forecast of $108 million in additional savings from joint programme and project delivery work between Auckland Transport, Healthy Waters, and Watercare. A number of joint capital projects are either being developed or in construction.
  - Forecast $1 million in operational savings from incorporating the three waters strategy into Auckland’s Waters
  - Forecast of $3.6 million potential operational and maintenance savings. Further investigations are underway, through the Martin Jenkins review described above, to determine where additional efficiencies can be delivered.
  - Opportunities to avoid capital expenditure through innovation and process improvements project continue to be explored by Watercare. For example, new innovations in water treatment technology may remove the need for upgrades to water treatment infrastructure
  - Additional opportunities for procurement savings will be explored through the S17A review of procurement across the council family.
- These savings have been captured in the Long-term Plan 2018-2028.
### Benefit Realisation ($,000s)

<table>
<thead>
<tr>
<th>Benefit opportunity</th>
<th>Benefit forecast</th>
<th>Variance to opportunity</th>
<th>Benefit realised (to date)</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>$300,000</td>
<td>$292,692</td>
<td>$7,308</td>
<td>$181,069</td>
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</tbody>
</table>

### Commentary

Work is progressing on the actions approved by the Finance and Performance Committee in February 2018. As noted in the last update, approximately $181 million of benefits have been realised to date. While the majority of the benefits to date are from deferred capital expenditure and optimisation of projects, other opportunities are being explored to avoid expenditure while achieving desired outcomes. Future benefits forecast will mainly be achieved through joint project delivery and procurement efficiencies.

Note: All figures used are in real dollars (uninflated)

### Risk amount

The potential operational savings that have been identified above can be achieved through efficiencies in the council family’s operations and maintenance. However, these savings may be offset by the effects of growth and more extreme weather events, which increase the risk of flooding.

### Definition

- **Benefit opportunity** – this is the benefits identified by the Value for Money review
- **Benefit forecast** – this is the forecast benefit (of approved opportunities) following business unit review of the benefit opportunity. Note that not all benefits were valued as part of VM review so forecast may include additional benefits
- **Benefit realised** – these are benefits that have either been realised or have been included in the Long-term Plan
- **Benefit realisation plan developed** – Y/N – is there a documented plan to realise benefit from VM review

### RAG

- **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
- **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
- **Red** – due date has or will imminently be missed and this will affect the project critical path or a dependent project, or an issue has arisen that will negatively impact this project or a dependent project.
### Key Initiatives

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Start Date</th>
<th>Completion Date</th>
<th>Flag</th>
<th>Work plan achievements</th>
</tr>
</thead>
</table>
| Develop Auckland’s waters (three waters) strategy | November 2017| June 2019       |      | The scope, budget and timeframes of the Auckland’s Waters Strategy were approved by the Environment and Community Committee on 12 June 2018 (Resolution number ENV/2018/78).
|                                                 |              |                 |      | Incorporating the three waters strategy and policy within Auckland’s Water Strategy will result in operational savings of approximately $1 million, as this can be integrated with existing work programmes within the council family. |
| Consolidated Capital Planning                    | November 2017| Ongoing         |      | The S17A review estimated a benefit opportunity of $121 million savings from consolidated capital planning. As noted in the last update, $179 million of benefits from consolidated capital planning have been realised. These were captured in the Long-term Plan 2018-2028. |
|                                                 |              |                 |      | Watercare, Healthy Waters and Auckland Transport are now reviewing their Asset Management Plans to identify opportunities for alignment and greater efficiencies. Watercare are continuing to explore opportunities for how investment can be reduced through innovation and process improvement projects. For example, new innovation in treatment technology may remove the need for capacity upgrades to water treatment infrastructure, resulting in avoided capital expenditure. |
| Joint project delivery and Procurement          | July 2017    | Ongoing         |      | The S17A review forecast a benefit opportunity of $166 million from joint procurement of projects. To date $1 million has been realised and opportunities for a further $108 million of savings through joint project delivery have been identified. |
|                                                 |              |                 |      | To achieve this Watercare, Healthy Waters and Auckland Transport have identified locations where roading, stormwater, wastewater and water supply projects are needed in the same area. These projects are then being jointly procured and delivered. |
|                                                 |              |                 |      | This approach significantly reduces duplicated expenditure on traffic management and reinstatement of road surfaces. This ‘dig once’ approach also reduces the impact of construction on residents and local businesses, for example, through fewer closures of the road corridor. Some examples of projects that are underway using this joint approach include: |
|                                                 |              |                 |      | - Line Road – will replace both stormwater and wastewater pipelines in Line Road to reduce flooding and enable new development by Tamaki Regeneration Company. The project is being delivered by Healthy Waters with funding provided from Watercare for wastewater |
**Item 8**

Upgrades. Project design is underway and the project will soon go to tender.

- Tamaki College – will reduce flooding and enable growth in the Tamaki Regeneration Area which runs through the Tamaki College grounds and crosses Taniwha Street. Watercare are currently constructing a major trunk sewer upgrade along Taniwha Street in the same location. To achieve efficiencies, Watercare will construct the Healthy Waters project as a variation to their current contract and Healthy Waters will fund it.

- Morgan St – separation of the stormwater and wastewater network to reduce overflows and contamination to Newmarket Stream and enable intensification of development in the Carlton Gore Road area of Newmarket. The project is in construction and likely to be completed by September 2018. The project is being delivered by Healthy Waters but will improve operation of both the stormwater and wastewater systems.

- Picton Street – a joint project between Healthy Waters, Watercare and Auckland Transport to reduce overflows and contamination in the Waitemata Harbour by separating the stormwater and wastewater network. The aim is to start construction within this financial year.

Further opportunities have been identified, including the following:

- Western Isthmus (wastewater and stormwater improvements)
- Integrating wastewater works (e.g. branch wastewater pipes and shafts) with the Central Interceptor Project
- Aligning renewals and upgrades to existing infrastructure with the development of growth areas (e.g. Tamaki, Northcote).

Additional opportunities for procurement savings will be explored through the S17A review of procurement across the council family.

<table>
<thead>
<tr>
<th>Joint Operations and Maintenance Activities</th>
<th>March 2018</th>
<th>Ongoing</th>
<th>Further benefits being investigated</th>
</tr>
</thead>
</table>

A review of Watercare and Healthy Water’s operations and maintenance contracts has identified some activities which can be coordinated across the two organisations and jointly procured.

A benefit opportunity of $13 million for joint operations and maintenance was forecast in the S17A review. To date $3.6 million of potential benefits have been identified.

Martin Jenkins have been engaged by Healthy Waters and Watercare to carry out a feasibility assessment of the case for outsourcing stormwater operations and maintenance from council to Watercare. Results of this review will be reported back in December 2018.
### Benefit Forecast ($,000)

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<tr>
<td>Three waters strategy &amp; policy (avoided through development of Auckland's Waters Strategy)</td>
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<td>$8,814</td>
<td>$8,809</td>
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</table>

1Benefits realised upon tender award

2Preliminary operational efficiencies identified, further analysis to be reported in December

### Benefit Realised (per period)

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</table>
VALUE FOR MONEY IMPLEMENTATION PROGRESS REPORT

Review: Domestic Waste
Flag: GREEN (Overall)
Report Date: 16 August 2018
Report Period: May - August 2018

Status Overview for the Review

On 27 February 2018 the Finance and Performance Committee considered an update on the council’s plans for responding to the S17A – Domestic Waste Review. The committee also approved a $150,000 budget for the council to implement recommendation two of the S17A review – to conduct an independent strategic review of the case for council owning and operating waste services (Resolution number FIN/2018/14).

Actions that have been taken to implement the S17A review from the period May to August 2018 include:

- The Waste Management and Minimisation Plan 2018 was adopted by the Environment and Community Committee on 12 June 2018 (Resolution number ENV/2018/70). The plan incorporates a number of the key recommendations of the S17A review, such as:
  - Broadening council’s focus to reduce waste in the growing non-domestic waste segments,
  - Developing site waste management plans,
  - Developing an economic evidence base to quantify the environmental and other impacts of landfills
  - Undertaking market research with households and businesses.
- PriceWaterhouseCoopers has been engaged to conduct the independent strategic review of the case for council owning and operating waste services and non-strategic assets. A report back on the outcomes of this review is expected by December 2018.
- A review is being undertaken of council’s Waste Minimisation and Innovation Fund. Any recommendations for change arising from this will be brought to Environment and Community Committee by December 2018.

At this stage, it has not been possible to estimate the expected financial benefits from implementation of the S17A review. These will be quantified once the PriceWaterhouseCoopers review has been completed and the recommendations considered by council.

### Benefit Realisation

<table>
<thead>
<tr>
<th>Benefit opportunity $m</th>
<th>Benefit forecast $m</th>
<th>Variance to opportunity $m</th>
<th>Benefit realised $m</th>
<th>Variance to forecast $m</th>
<th>Benefit realisation plan developed</th>
<th>RAG</th>
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### Commentary

At this stage, it has not been possible to estimate the expected financial benefits from implementation of the S17A review. These will be quantified once the PriceWaterhouseCoopers review has been completed.

### Benefit Forecast (per period)

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### Benefit Realised (per period)

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<tr>
<td>Initiative</td>
<td>Start Date</td>
<td>Completion Date</td>
<td>Flag</td>
<td>Work plan achievements</td>
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<tr>
<td>#1. Total waste stream focus</td>
<td>Nov 17</td>
<td>Ongoing</td>
<td></td>
<td>A proposal to expand the council’s focus beyond domestic waste to the whole waste stream was adopted as part of the Auckland Waste Management and Minimisation Plan 2018 in June 2018. This includes a particular focus on commercial organics, construction and demolition waste and plastic waste. The first steps for implementation of this will be: • Supporting large housing developers to incorporate deconstruction methods for demolition material recycling as they remove homes to make way for new developments. An active project is currently underway with the Hobsonville Land Company. • Diversion of construction waste from landfill. This will be enabled by a construction waste brokering app built by Civilshare and supported by waste levy funding via a grant from the council’s Waste Minimisation and Innovation Fund. • Continued advocacy to central government to increase the waste levy and expand it to include a broader range of landfill types. • Advocacy and industry engagement for product stewardship on high priority products including tyres, electronics, batteries, chemicals and beverage containers.</td>
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<tr>
<td>#2. Strengthening Business Disciplines: The Strategic Case for Council owning and operating waste services.</td>
<td>Feb 18</td>
<td>Oct 18</td>
<td>PriceWaterhouseCoopers have been engaged to carry out a review of the case for council owning and operating waste services and non-strategic assets. To date the consultants have provided a short list of options for kerbside bins and associated services, the Waitakere Refuse and Recycling Transfer Station, Whitford Landfill and the network of Community Recycling Centres. The options will now undergo a full cost benefit and multi-criteria analysis process with a business case due for completion in October 2018. Recommendations of this business case will then be workshopped with councillors.</td>
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<tr>
<td>#3a. Strengthening Business Disciplines: Introducing a domestic waste funding principle.</td>
<td>Nov 2017</td>
<td>Ongoing</td>
<td></td>
<td>(i). Recommendation to submit new services to central government Waste Minimisation Fund if they are eligible. No new service has been introduced during the update period that qualifies for funding from the Ministry’s grant scheme. An application for funding to support establishment of three sites within the Resource Recovery Network was submitted to the May 2018 round. An outcome has not yet been notified.</td>
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<tr>
<td>Item</td>
<td>Description</td>
<td>Start Date</td>
<td>End Date</td>
<td>Status</td>
<td>Details</td>
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<tr>
<td>#3b. Strengthening Business Disciplines: Considering the Value of Council’s Waste Grants Scheme</td>
<td>Nov 17</td>
<td>Dec 18</td>
<td></td>
<td></td>
<td>Continued delivery of the council’s Waste Minimisation and Innovation Fund was included in the Auckland Waste Management and Minimisation Plan which was adopted in June 2018. A review of the fund to identify any opportunities for improvements and efficiencies is underway. ‘Lessons learnt’ have been taken from the last two funding rounds, with the application form and some processes updated. A report outlining any recommended changes to the fund will be provided to Environment and Community Committee by December 2018.</td>
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<tr>
<td>#3c. Promote national waste management scheme</td>
<td>Nov 17</td>
<td>Complete</td>
<td></td>
<td></td>
<td>Council has consulted with Ministry for the Environment staff who confirmed that this action is not required. Government advice for applicants is already provided on the Ministry for the Environment’s website and creating council resources would duplicate these.</td>
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<tr>
<td>#4. Site waste management plan: Support Businesses to Cost-Effectively Minimise Waste to Landfill</td>
<td>July 18</td>
<td>Ongoing</td>
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<td>An action for council and council-controlled organisations to require a site waste management plan as part of their procurement process was adopted as part of the Auckland Waste Management and Minimisation Plan 2018 in June 2018. This initiative will lead to a higher performance from providers when tendering for council and council controlled organisations physical works. Once in place, any businesses contracting on council projects will need to be able to provide and adhere to Site Waste Management Plans.</td>
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<td>#5a. Lift economic discipline:</td>
<td>June 18</td>
<td>Ongoing</td>
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<td>Actions to undertake more evidence gathering to assess the evidence base for diverting waste from landfill and carry out household behaviour studies were adopted as part of the waste plan in June 2018. They will now be implemented.</td>
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<td>#6. Get More Evidence on Whether to Advance the Case to Lift the Landfill levy</td>
<td>Nov 17</td>
<td>Ongoing</td>
<td></td>
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<td>Research on the costs-benefits of increasing the landfill levy has already been completed with reports commissioned from SLR and Eunomia. Continued council advocacy to raise the landfill levy was adopted as part of the waste plan in June 2018.</td>
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<td>#7. Consolidated Outcome-Driven Contracts</td>
<td>Nov 17</td>
<td>Dec 18</td>
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<td>Implementing outcome-based contracting will be considered as part of the procurement plan being currently developed for waste collection contracts. This procurement plan will incorporate any changes to council’s practices as a result of</td>
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<td>Flag information</td>
<td>outcomes of the PriceWaterhouseCooper review described above. It will be presented to Strategic Procurement Committee for approval by December 2018.</td>
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<td><strong>Flag information</strong></td>
<td><strong>Commentary:</strong> Project comment is required that briefly describes progress made and any issues that have arisen. All milestones due in the next three months require comment that briefly describes progress made and any issues that have arisen. If the status is <strong>Amber</strong> or <strong>Red</strong>, the comment must include a reason why and what action or suggested action is to be taken. <strong>Risk</strong> An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives. <strong>Issue</strong> A relevant event that has happened, was not planned, and requires management action. It can be any concern, query, and request for change, suggestion or off specification raised during a project. Project issues can be about anything to do with the project.</td>
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**Attachment B**

**Item 8**
VALUE FOR MONEY IMPLEMENTATION PROGRESS REPORT

<table>
<thead>
<tr>
<th>Review:</th>
<th>Communications &amp; Engagement</th>
<th>Flag</th>
<th>GREEN (Overall)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Date</td>
<td>06 September 2018</td>
<td>Report Period</td>
<td>June - August 2018</td>
</tr>
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</table>

Status Overview for the Review

Significant progress has been made by the council Communications* Department since the May update to implement all recommendations. This includes the completion of Initiatives One, Three and Five, namely the development of a Group Communications Framework, a new Communications Department Strategy and the Performance Measures required to assess the delivery of the new strategy.

Council Parent: Communications Department

The council’s Communications Department continues to make significant progress to implement all recommendations, including the completion and embedding of the new department strategy.

Embedding the new department strategy enables the department to more effectively determine allocation of the FY19 budget through clearer objectives, investment logic and linkages back to the organisational strategy and mayoral vision. A new set of KPIs for the department have been developed to assess the delivery of the new strategy.

Initiatives to meet our FY19 efficiency saving target of $0.4m have been identified and are currently being implemented. FY19 savings will be a result of reductions to operational budget and FTE numbers, including a reduction in print and distribution costs of at least 10%, an accelerated shift to ‘digital first’ and rationalisation of the Annual Report research.

Savings for beyond FY19 are currently being investigated. These include efficiencies resulting from commercial partnerships, expansion of the in-house design studio model, and running fewer low priority marketing campaigns. Some savings will require upfront investment to achieve savings in later years. Funding will be sought from council’s investment group when required.

Council Group

A completed Group Communications Framework and Action Plan was presented to Auckland Council’s ELT and the CCO Chief Executives in July. Quarterly review meetings will now be set-up with Auckland Council and CCO communications representatives to progress the opportunities identified in the Framework and Action Plan. These opportunities include efficiency and group procurement savings, effective media and issues management and collaboratively progressing the shift to digital first.

Auckland Council has successfully negotiated with iSentia a single media monitoring and analysis contract bringing the group together under one contract. The new contract delivers both 5% savings year on year for four years and additional services for the CCOs. We are currently allocating the cost of the contract across the council group.

The council group has set up and is developing a collaborative programme to improve engagement with Māori, initially focusing on engagement with mana whenua. The work being undertaken within the Māori engagement strategy programme by parent is being fed into this collaborative programme.

* The name of the department has changed to reflect the Citizen Engagement and Insights unit, including the Citizen Value Engagement project team, being transferred to the Governance Division from 30 June 2018.
## Benefit Realisation 2017/18

<table>
<thead>
<tr>
<th>Benefit opportunity</th>
<th>Benefit forecast $m</th>
<th>Variance to opportunity $m</th>
<th>Benefit realised $m</th>
<th>Variance to forecast $m</th>
<th>Benefit realisation plan developed</th>
<th>RAG</th>
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<tbody>
<tr>
<td>Council Parent:</td>
<td>Council Parent:</td>
<td>None</td>
<td>None</td>
<td>N/A</td>
<td>Underway for FY19</td>
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<td>$11.1m 10-years</td>
<td>$11.1m 10-years</td>
<td>Other initiatives being investigated</td>
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<td>Group Procurement:</td>
<td>Current estimate is</td>
<td>$1m-$1.5m 10-years</td>
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## Commentary

### Council Parent

The 5% efficiency target for FY19 is $0.4m from a budget of $13.1m. The Communications Department is on track to deliver to these savings targets.

### Definition

**Benefit opportunity** – this is the benefits identified by the Value for Money review

**Benefit forecast** – this is the forecast benefit (of approved opportunities) following business unit review of the benefit opportunity. Note that not all benefits were valued as part of VM review so forecast may include additional benefits

**Benefit realised** – this are benefits that have either been realised or have been included in the Long Term Plan

**Benefit realisation plan developed** – Y/N – is there a documented plan to realise benefit from VM review

**RAG** – Green 90%-100% of benefit forecast, Amber 70%- 90% of benefit forecast, Red less than 70% of benefit forecast

### Benefit Forecast (per period)

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### Benefit Realised (per period)

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### Key Initiatives

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<th>Initiative</th>
<th>Start Date</th>
<th>Completion Date</th>
<th>Flag</th>
<th>Work plan achievements</th>
</tr>
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<tbody>
<tr>
<td>#1 Develop a formal group strategy and plan</td>
<td>Jan 2018</td>
<td>Completed July 2018</td>
<td>Green</td>
<td>A completed Auckland Council Group Communications Framework and Action Plan was presented to the Auckland Council ELT and CCD Chief Executives in July 2018. A quarterly review group will be established to ensure progress on the initiatives identified in the Action Plan. This group will also have oversight of group procurement opportunities currently identified/being explored (refer Recommendation 6).</td>
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</table>
| #2 Implement cost efficiency plans (parent) | Jan 2018 | November 2018 | Green | Work on cost efficiency plans for FY19 is well underway. An efficiency target of $0.4m in FY19 will be met through a combination of reduction in FTE (achieved by not filling current vacancies in non-critical roles) and reductions in operational budget. Options for reducing core operating expenditure currently being investigated as part of the business planning process for FY19 include:  
  - Accelerating the shift from print to digital – including changes to Our Auckland to achieve savings of at least 10% on Our Auckland print and provide more effective engagement and reach from online and print channels  
  - More efficient and effective marketing campaigns, |
### Item 8

<table>
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<tr>
<th>#3 Planning process</th>
<th>Jan 2018</th>
<th>Completed July 2018</th>
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<tr>
<td><strong>The new Communications Department strategy is now embedded into the everyday workflow of the department. It is being used to prioritise both budget and resource across the department using clear objectives, investment logic and linkages back to the organisational strategy and Mayoral vision.</strong></td>
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<tr>
<th>#4 Māori engagement</th>
<th>Apr 2018</th>
<th>April 2019</th>
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<td><strong>The above initiatives are being fed into the group-wide programme now also being developed as noted below.</strong></td>
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**Parent:** Te Waka Anga Mua ki Uta and CE are continuing to progress key aspects of their joint strategy and action plan for addressing key Māori engagement challenges within the parent.

**Key supporting work-streams include:**
- Council-wide implementation of the Engagement Performance Framework Dec 2017 and associated practice standards
- Development and delivery of a Māori Information Portal, including improved Māori engagement calendar management, contacts and engagement process guides tools and systems
- Supporting development of Regional Mana Whenua Kaitiaki Forum 2018/19 work programme
- Extending Mataawaka/Māori communities engagement partnering pilot to improve breadth depth and effectiveness of Māori input into council decision-making

**Group:** A steering group has been convened to develop and deliver the programme of work to address challenges from a group-wide perspective with Phil Wilson as sponsor. It will report to the Te Toa Talkiri Executive Leadership Group (ELG).

The group has agreed to:
- focus on mana whenua engagement first; current mataawaka initiatives will continue, but the group-wide collaboration programme will focus on improvements in mana whenua engagement a for at least the first 12 months. The full programme is anticipated to cover a three-year period.  
- to review the various engagement forums and supporting systems and processes for effectiveness in line with CE expectations, and consider a centralised model for governance engagement 
- adopt a collaborative approach with mana whenua, shaping solutions in partnership

**The group-wide stocktake of issues, current practice, improvement programmes, gaps and opportunities is being refined into a detailed current state assessment and collaboration proposal for discussion with mana whenua in October.**
### Item 8

**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.
- **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.
- **Red** - Due date has or will imminently be missed and this will affect the project critical path or a dependent project, or an issue has arisen that will negatively impact this project or a dependent project.

**Commentary:**

Project comment is required that briefly describes progress made and any issues that have arisen.

All milestones due in the next three months require comment that briefly describes progress made and any issues that have arisen.

If the status is Amber or Red the comment must include a reason why and what action or suggested action is to be taken.

**Risk**

An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives.

**Issue**

A relevant event that has happened, was not planned, and requires management action. It can be any concern, query, and request for change, suggestion or off specification raised during a project. Project issues can be about anything to do with the project.

| #5 Performance measures | May 2018 | Completed June 2018 | The new Communications Department strategy includes KPIs for measuring the effectiveness of communication campaigns in terms of delivering the department’s mission to win the confidence of Aucklanders through communications that inform and inspire. These KPIs are included in the department’s FY19 business plan. Under the brand positioning of Together We’re Auckland, campaigns will be categorised into one of three types with appropriate KPIs for each. The three types are:
- Advise & Inform
- Invite & Celebrate
- Ask & Involve

KPIs have also been implemented to measure the delivery of the overall brand vision of Together We’re Auckland, and the delivery of the overall Communications Department mission. |

| #6 Joint procurement | May 2018 | Nov 2018 | The Communications Department and council Procurement have been working together to identify opportunities for savings through joint procurement across the group.

Opportunities identified that have been completed / significantly progressed:

1. Pool of freelance graphic designers

   Auckland Council has recruited a pool of casual contractors that will be utilised across the council group to help manage periods of peak workflow.

   The establishment of a pool of casual contractors reduces our reliance on agency contractors or our creative agencies in busy times, resulting in reduced cost. It also builds a pool of resource that has capability in working with Council and CCD brands and allows for flexibility and movement of resource across the group on an as needs basis.

2. Media Monitoring

   Auckland Council has successfully negotiated with Isenta a group contract for media monitoring and analysis. The new group contract will deliver 5% year on year savings over the next four years, resulting in $0.1m in savings across the group. Additional services are also available to some of the CCDs as part of the new contract.

   We are currently allocating the cost of the new contract across Auckland Council and the CCDs.

3. Public Notices

   Auckland Council and Auckland Transport are currently in the early phases of exploring potential for greater value for money through joining up procurement of public notice advertising. Advice from the Legal Department is currently being sought on how this could be achieved.

   We are also exploring the potential for one agency to handle all public notices on behalf of the Auckland Council Group. Initial investigations point to limited savings but further details will be provided in November. |
VALUE FOR MONEY IMPLEMENTATION PROGRESS REPORT

Review: Investment Attraction & Global Partnerships
Flag: ORANGE (Overall)
Report Date: 22nd August, 2018
Report Period: July 2018 - Sept 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. Initiative 2 is completed, 1 and 3 are delayed due to ATEED’s revised SOI and internal restructure. Initiative 1 is more significant in scope and will be a key deliverable as part of ATEED’s 2018-19 work programme.

Initiative | Start Date | Completion Date | Flag | Work plan achievements
--- | --- | --- | --- | ---
#1 Develop an Auckland investment story | Sept 2018 | Dec 2019 | A | Background research and analysis underway
#2 Investment attraction service | April 2018 | September 2018 | G | Review of best practice underway
#3 Better performance measures | April 2018 | December 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 explain 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 will be missed due to the internal restructure of ATEED. However, with the newly formed Economic Development Team, the outputs of this work will be aligned to meet a broader mandate and ensure that the work undertaken on establishing the Auckland Growth Monitor and Auckland Index is fed into this initiative.

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. A paper was completed by Patrick McVeigh (past GM Business Innovation and Skills) that establishes an approach for undertaking this initiative. Moving forward, the delivery of this programme will be led by ATEED’s new General Manager, Strategy, which is currently under recruitment.

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

#2 Investment attraction service

ATEED has completed the feasibility study to analyse the potential introduction of a fees for services model to offset costs. As outlined in the previous progress report, ATEED completed an initial desk-based review of models and 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. The feasibility study provides some clear recommendations based on best practices from other economic development organisations (EDOs) in the US, Australia, Canada and UK.

Green – As requested under recommendation 2 of the investment attraction and global partnerships Value for Money (s17A) Review 2017, ATEED has adequately investigated the scope for fees and determined through the feasibility study that the introduction of “fees for those investment attraction services that generate clear private benefits to the investors and businesses receiving the investment” (see p. 9. s17A Review) is not recommended.

Commentary
The key finding of the Investment attraction and global partnerships Value for Money (s17A) Review 2017 related to this work was that “some of the information, investigation, matching, facilitation and other brokerage-type services appear similar to those private sector firms would offer at a fee,” hence “some services may be candidates for cost recovery or user charges”. The feasibility study subsequently shows that the above is clearly misaligned with the reality of how EDOs provide services across the world, especially when it comes to international investors.

- Charging fees to potential investors is not common practice and certainly NOT RECOMMENDED. EDOs interviewed during the study are unanimous in rejecting the notion of charging potential investors for services as they see this role as being the key civic role of the organisation, and that fees would create a barrier to entry.
- Specific fees for other services (e.g. research, export support) are not commonplace and would likely be inconsistent with ATEED’s budget. These should be developed cautiously, if at all.

Finally, some EDOs rely on the use of partnership models as their main source of private funding. The findings from the feasibility study by OCO Global show that were ATEED to pursue other funding models in the future, a partnership model (for ATEED-specific example, see Auckland Convention Bureau) is potentially the most impactful approach. The most common approach seen among other EDOs is based on “referrals”, i.e. a set of partners who investors are referred to and are charged an annual membership fee by the EDO for doing so, along with other benefits and services. This is, however, outside of the scope of the s17A Review recommendations, and also raises a number of potential risks, especially around neutrality. It would also require additional staff for member acquisition, initial program implementation and servicing of members. It would be a high maintenance model with organisational infrastructure required to service the members. Additional marketing resource and back-end support may also be required. While this could be implemented in the future, ATEED does not consider this a short-term option for two reasons:

1. An ATEED Board Paper was written in November 2015 investigating alternative funding mechanisms across the entire organisation (i.e. not just for investment attraction). This paper also considered a partnership model as an option but the revenue potential was not considered very high and it was not pursued any further. Ultimately this work led to the implementation of the “Accommodation Provider Targeted Rate”, given that the targeted rate is quite recent and is still to “bed in”, now is probably not the ideal time for ATEED to introduce other funding mechanisms from a reputational standpoint.

2. At the time the s17A Review was conducted, investment attraction fell under the remit of ATEED’s Business Attraction and Investment (BAI) team, which has now been merged with the former “Business, Innovation and Skills (BIS) team to form “Economic Development”. As part of this process, the new Economic Development team strategy and service offering is still being mapped out.

Risk
None at this stage. Will need to be reviewed again should ATEED pursue “partnership model” in the future.

#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.

The ATEED SOI was presented to Councillors on 21.8.18 and was approved. ATEED’s SOI proposes 5 new KPI’s (reduced from 28) 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 (currently developing an impact model for attribution to accurately capture data)
- Jobs created (retrieved (developing an attribution model to accurately capture this data))
- No of businesses interacted with (continuation from ATEED’s historical KPI’s)
- Visitor Nights (currently capture visitor nights associated with business events and major events. Looking to develop a methodology to incorporate business marketing activity)
- Customer Satisfaction - Voice of Customer Survey (developing a voice of customer programme, initial pilot undertaken with the BAI team. Now looking to roll this out to the broader business following some additional refinement. Neilson was appointed to assist ATEED with this work programme. Anticipated to have the refined system in place by December, 2018, with full roll to the whole organisation subsequently)

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

Flag information
Orange - Work is progressing. Delays due to sign off on ATEED’s SOI.

Commentary:
Notes included with the Council report approving ATEED’s SOI:

“Staff have some residual concerns about the methodology for calculating the measures, but do not recommend any further changes to the statement of intent at this point. Instead, staff will work with ATEED over the next year in the review of the performance measures.”

ATEED is working with Council staff, including Council’s Chief Economist on this initiative to ensure that the methodology for calculating the measures is fit for purpose. 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.

Risk
Ensuring the right sub-KPI’s are developed to support the reporting on the top 5 measures.
**VALUE FOR MONEY IMPLEMENTATION PROGRESS REPORT**

<table>
<thead>
<tr>
<th>Review</th>
<th>Flag</th>
<th>Report Date</th>
<th>Report Period</th>
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<tbody>
<tr>
<td>Procurement</td>
<td>GREEN (Overall)</td>
<td>6 September 2018</td>
<td>July-September 2018</td>
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**Status Overview for the Review**

Significant progress has been made by Procurement across the council group in regard to the Quick Wins and Recommendations outlined in the Section 17a Procurement review.

**Group Source programme and Section 17a review**

The Procurement teams within the council group continue to collaborate and work together in line with the Group Source programme. This way of working began through Project Hari Hari in September 2015. The intention of this programme has been to leverage the capability, resources and buying power of all three organisation’s procurement teams to deliver significant value to the Auckland Council group and its ratepayers.

Now known as Group Source, this way of working continues to support collaboration across Auckland Council (AC), Auckland Transport (AT) and Watercare procurement teams. AC, AT and Watercare procurement staff share ideas, information and learnings to achieve a better outcome across the group. As the programme matures, collaboration has supported a more strategic approach. This is evident through the increasing number of Group frameworks and policies Group Procurement (AC, AT and Watercare procurement teams) formulate together to ensure Group procurement plans for success and achieve the best outcome for the group.

The Figure below shows the objectives and core principles of the Group Source programme.

**Objectives**
- Accelerate the Delivery of Procurement Benefits
- Transition to a leading-practice Procurement function

**Foundations**
- Collaborative Pan-Council Procurement
- Core Focus on Benefit Delivery
- Consistent Benefit measurement and Reporting
- Pan-Council Governance & Reporting
- Strategic Customer Relationships
- Strategic planning and pipeline build

**Enablers**
- Enhanced analytics and project management tools

The Group Source programme has now been running for nearly three years and has delivered more than $288 million in procurement benefit across the Auckland Council group.

**Benefit Realisation 2018/19**

<table>
<thead>
<tr>
<th>Benefit opportunity</th>
<th>Benefit forecast</th>
<th>Variance to opportunity</th>
<th>Benefit realised</th>
<th>Variance to forecast</th>
<th>Benefit realisation plan developed</th>
<th>RAG</th>
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<tr>
<td>To be confirmed</td>
<td>NPV $140M – 10 years</td>
<td>To be confirmed</td>
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Commentary

Council Group

In line with the collaborative working style, Procurement management across the group has worked together to both inform the Section 17a review and to address its recommendations. Since the review’s release Group Procurement management have worked through the Quick Wins and Recommendation sections as a unified group. Group Procurement management have outlined current state and planned future against each Recommendation.

In addition to addressing the Quick Wins and Recommendations out of the Section 17a Report Group Procurement management will also establish a Group Procurement Strategy that includes mandated group categories.

**Definition**

**Benefit opportunity** – this is the benefits identified by the Value for Money review

**Benefit forecast** – this is the forecast benefit (of approved opportunities) following business unit review of the benefit opportunity. Note that not all benefits were valued as part of VMF review so forecast may include additional benefits

**Benefit realised** – this are benefits that have either been realised or have been included in the Long Term Plan

**Benefit realisation plan developed** – Y/N – is there a documented plan to realise benefit from VMF review

**RAG** – Green 90%-100% of benefit forecast, Amber 70%-90% of benefit forecast, Red less than 70% of benefit forecast

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**Key Initiatives**

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<th>Initiative</th>
<th>Start Date</th>
<th>Completion Date</th>
<th>Flag</th>
<th>Work plan achievements</th>
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<tr>
<td>Quick Wins</td>
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<td>A. Complete a high level post-implementation review of SAP Ariba at the Council parent, including engagement with CCIOs, prior to any further deployment or investment. All entities should be involved and a future Group technology roadmap developed.</td>
<td>March 2018</td>
<td>Dec 2018</td>
<td>AC, AT and Watercare Procurement General Managers have set up a Procurement Digitisation Working Group with representatives from AC, AT and Watercare. The purpose of this working group is to create a Procurement Digital Roadmap across the group. This Roadmap will outline the approach to digitising procurement across the group while recognising individual, organisational requirements where appropriate. As part of the SAP Ariba Project closure process, AC completed a post implementation review which it has shared with AT and Watercare.</td>
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<td>B. Develop and implement a plan to proactively engage with Maori business and the Maori business community in procurement opportunities.</td>
<td>Dec 2017</td>
<td>Ongoing</td>
<td>In December 2017, the Group Sustainable Procurement Framework was endorsed by the Group Source Steering Committee. This framework has Te Ao Maori as a focus across all the well-beings (Economic, Environmental, Cultural and Social) and identifies some potential opportunities to proactively engage with Maori businesses through procurement opportunities. Pilot projects, such as the Manukau bus station (AT and The Southern Initiative) have proactively engaged with Maori business and these learnings will be rolled out across the group. The team is currently in the process of developing tools and supporting documentation to operationalising the Sustainable Procurement Framework across the Group.</td>
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C. Improve the reporting benefits realised to include year end forecast position. When a metric is not on track (red), require a ‘go to green’ plan detailing the actions to be taken, by whom and when for the metric to return to green (on track).

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<th>Jul 2018</th>
<th>Sept 2018</th>
<th>Description</th>
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<td>Led by AT, the Group is currently developing the reporting in Power BI. This tool is dynamic, live and specific allowing better forecasting. To enhance the benefit of the tool the specific information required for reporting on to provide more accurate forecasting is being identified. AC and AT Programme Leads will also be developing a ‘go to green’ functionality in Power BI to be used across the group.</td>
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D. Implement customer and supplier surveys at Auckland Transport to understand performance and identify improvement opportunities.

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<td>AC and Watercare have shared their respective surveys with AT. The Group will complete MBIE’s Procurement Capability Index (PCI) to get a better understanding of internal capability benchmarked against NZ’s best practice to complement a 360-degree view of procurement (including supplier / stakeholder feedback). Once completed, the capability model will be adapted to meet the specific needs of Council Procurement. AT is currently in the process of developing updated, external surveys based on PCI principles which will then distribute and analyse once completed. In future Group Procurement management see an opportunity to align the surveys across the Group.</td>
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E. Standardise, where appropriate, data standards, templates, contracts, frameworks across the Group to avoid duplication and reduce supplier cost.

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<th></th>
<th>Sept 2015</th>
<th>Ongoing</th>
<th>Description</th>
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|                |          |         | This recommendation is at the core of the Group Source Programme. Procurement staff at AT, AC and Watercare, have been and continue to work together to identify and mitigate duplication across the Group. This is done through information sharing and having visibility of the spend as a Group. Procurement staff across the group also aim to provide, as much as possible, a consistent procurement experience for suppliers and customers. This is evident through council’s policies, working groups and frameworks across the group including:
- Group Sustainable Procurement Framework
- Group Procurement Policy
- Procurement Digitisation working group
- Spend Visibility across group (standard category and supplier categorisation in place)
- Group Source Programme including agreed methodology for measuring and reporting on benefits.

In scope for future work in this area is to review and standardise procurement related processes, documents and templates including contract terms and conditions where possible. |

Recommendations

### #1 Design and implement a Group procurement operating model to effectively enable the Group Procurement Policy and participation from the council and all its council-controlled organisations.

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<th></th>
<th>Sept 2015</th>
<th>Jun 2019</th>
<th>Description</th>
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|           |           |          | The General Managers of Procurement (AC, AT and Watercare) have established a group operating model through the Group Source Programme. As mentioned above, Group Procurement is increasingly sets direction from a Group perspective rather than an individual organisational one. Group Procurement shares information, pipelines and work programmes.

To build on this model, management will formulate a Group Procurement Strategy. This approach has been approved by AT, AC and Watercare CFOs. The operationalisation of this strategy will further embed the strategic, collaborative approach across the group. This strategy is due to be completed and implemented by the end of this financial year. |

In the future, management will continue to build on the Group Source programme and principles to further a group approach. For example, creating Group Category Strategies. To support this, Group Procurement management will agree an approach to develop procurement capability across the group. |

### #2 Design and implement a consistent, Group-wide Supplier Relationship Management framework for identifying and managing key strategic supplier relationships, and consider assigning ownership of these to the Group’s executive teams

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<th>Jul 2018</th>
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<td>Category Leads across AC, AT and Watercare are currently developing a Supplier Relationship Management framework to be used across the Group. Increasing Procurement capability across the group will support this. A working group made up of AC, AT and Watercare staff will design a Group-wide Supplier Management framework to assist all categories. This will be drafted by December 2018 and will be implemented in the new calendar year.</td>
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</table>
### Value for Money (s17A) quarterly progress reports

#### 06 September 2018

**Attachment E**

#### Item 8

<table>
<thead>
<tr>
<th>#3 Design and implement a consistent, Group-wide procurement risk management framework for identifying, assessing and treating risks to allow the most appropriate procurement and financing approach to be adopted. This would acknowledge each entity’s differing risk profiles and governance structures.</th>
<th>Jul 2018</th>
<th>Dec 2018</th>
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<td>General Managers across AC, AT and Watercare Procurement have shared the current procurement risk management frameworks and the enterprise risk management frameworks with each other. The General Managers will create a working group to undertake a review of these to inform the creation of a value and risk matrix for procurements across the group. Where Group Procurement have shared risks across the group a common approach to mitigate these risks will be adopted by December 2018. Group Procurement will also work with Treasury and Finance to align risk appetites.</td>
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<tr>
<th>#4 Require all entities in the Group to establish an annual hard savings target for procurement and include this in the long-term plan budget, to be implemented by 30 June 2018</th>
<th>Jun 2018</th>
<th>End of Sept 2018</th>
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<td>Hard savings targets for this financial year will be discussed and agreed by the Group Source Steering Committee in September. This Steering Committee consists of the three Chief Financial Officers across the Group (AC, AT and Watercare). Once agreed, Group Procurement will include these in the next quarterly update.</td>
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#### 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.
- **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.
- **Red** - Due date has or will definitely be missed and this will affect the project critical path or a dependent project, or an issue has arisen that will negatively impact this project or a dependent project.

#### Commentary:

Project comment is required that briefly describes progress made and any issues that have arisen. All milestones due in the next three months require comment that briefly describes progress made and any issues that have arisen. If the status is **Amber** or **Red** the comment must include a reason why and what action or suggested action is to be taken.

#### Risk

An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives.

#### Issue

A relevant event that has happened, was not planned, and requires management action. It can be any concern, query, and request for change, suggestion or off specification raised during a project. Project issues can be about anything to do with the project.
2018 Board intern programme for Auckland Council's council-controlled organisations

File No.: CP2018/12328

Te take mō te pūrongo / Purpose of the report
1. To make decisions regarding the 2018-2019 board intern programme for Auckland Council's substantive council-controlled organisations (CCOs).

Whakarāpopototanga matua / Executive summary
2. The council’s board intern programme has in the past supported a diverse range of aspiring directors to develop skills, knowledge, board room experience and to establish relationships and networks. It leads to long-term benefits for the council, as well as external entities and organisations across the region.
3. The programme appoints an intern on a CCO board as a shadow (non-voting) director for 12 months and provides the person with a structured programme of training and development opportunities.
4. The board intern programme ran for three years (2014-2016) and did not take place in 2017.
5. This report seeks approval from the committee to re-commence the board intern programme for the 2018-2019 year and recommends the following amendments to the board intern process:
   (i) participation of a director from each CCO in the selection of a board intern, who would also have responsibility to manage a programme for their successful intern
   (ii) additional requirements for intern candidates, including that they:
       (a) reside in Auckland
       (b) have an employer’s letter approving participation in the 12-month intern programme
       (c) can provide a signed conflict of interest declaration.
   (iii) that staff and the participating CCOs review the 2018-2019 programme and report back to this committee at completion in December 2019.

Ngā tūtohunga / Recommendation/s
That the Appointments, Performance Review and Value for Money Committee:

a) agree that the Board Intern Programme be recommenced for the 2018-2019 year
b) strongly encourage the substantive council-controlled organisations to participate in the board intern programme

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

c) approve the following amendments to Auckland Council's 2018-2019 board intern programme:
   i) request that each substantive council-controlled organisation appoints a director as mentor for the 12-month programme whose role is to:
      1) participate in the process for selection of its intern
      2) develop and manage the 12-month intern programme to include:
         - monthly attendance at board meetings and one sub-committee meeting quarterly
Item 9

- opportunities for networking, participation in board discussion, assisting specific work-programmes (e.g. Audit and Risk sub-committee or Remuneration sub-committees)
- providing regular updates to Auckland Council

ii) requirements for appointed interns:
   1) to sign a formal agreement with the council-controlled organisation, committing to confidentiality requirements, the terms of a 12-month scholarship including attendance at board meetings, quarterly meetings, providing review feedback and proof of training attendance
   2) provide formal feedback quarterly to Auckland Council staff
   3) provide formal feedback twice yearly to the council-controlled organisation’s chair, director-mentor and other board members

d) approve the composition of the selection panel for board intern appointments as follows:
   i) a director-mentor appointed by each council-controlled organisation
   ii) an Independent Māori Statutory Board member
   iii) Councillor ………… from the enduring pool for appointments to council-controlled organisations

Horopaki / Context

6. In 2013, Auckland Council approved a director intern programme known as the board intern programme (CCOS/2013/62). Attachment A gives an outline of board intern programme including the original intention, core competencies and terms of appointment.

7. Over three years (2014, 2015, 2016) the council undertook an annual board intern programme, which has supported a diverse range of aspiring directors to develop skills, knowledge, board room experience and establish relationships and networks.

8. The intern programme is intended to achieve long-term benefits for the council, as well as assisting with the future governance of external entities and organisations across the region. Potential benefits of the programme include the following:
   (i) securing a larger diverse pool of potential board members to choose from for future appointments to both substantive and legacy CCO boards
   (ii) opportunity for aspiring board members to make a contribution to the community
   (iii) providing board interns with a better understanding of the council group, its processes and public service ethos
   (iv) enabling board Interns to develop relationships and networks with the chair and other board members.
   (v) helping Auckland’s corporate community by developing potential company directors.

Intern Programmes (2014, 2015 and 2016)

9. Four CCOs have participated in the three previous board intern programmes – Auckland Transport (three interns), Watercare Services Limited (three interns), Auckland Tourism, Events and Economic Development Limited (one intern) and Regional Facilities Auckland Limited (two interns).

10. The interns need to exhibit a strong commitment, motivation and desire to pursue directorship opportunities and skill requirements include:
   (i) being at a stage in their career where they are looking to develop governance skills and gaining board member roles in the next two to three years
(ii) having a range of skills and sector experience which includes community and public service
(iii) being able to commit enough time to undertake the programme effectively.

11. New criteria for candidates, includes that they:
   (a) reside in Auckland
   (b) exhibit strength of commitment for the board intern role
   (c) have an employer’s letter approving participation in the 12-month board intern programme
   (d) provide a signed conflict of interest declaration.

Tātaritanga me ngā tohutohu / Analysis and advice

Analysis

12. Staff have reviewed the council’s board intern programme and received input from two chairs who participated in the three previous years.

13. Feedback from the two CCOs (Watercare Services Limited and Auckland Transport) who have participated across all three board intern programmes is mostly positive. Both CCOs have a strong willingness for this programme to succeed for the board interns, the council and the CCOs.

14. Information (table at Attachment B) highlights the features of the programme that worked well across the three-year period and recommends areas for improvement to the board intern programme.

Advice

15. The two CCO chairs (Watercare Services Limited and Auckland Transport) that provided additional feedback, recommended that amendments to the programme focus on three areas, those being:
   (i) CCO participation on selection of candidates and programme management
   (ii) stronger criteria requirements for candidates applying to the intern programme
   (iii) signed agreement between appointed interns and each CCO.

Board intern programme for 2018-2019

16. Staff propose that council’s revised board intern programme should offer the following opportunities to aspiring directors:
   (i) a 12-month scholarship on a CCO board
   (ii) to be mentored by a CCO director
   (iii) to participate in board/sub-committee discussions
   (iv) a scholarship of up to $8,000 for governance training and up to $1,000 for generic costs payable by each CCO.

17. It is intended that the funding for governance training would cover the cost of the intern completing the Institute of Directors course, or something similar.

18. Staff discussions with each CCO will include:
   - a request to appoint a director-mentor to participate on the selection panel and develop and manage all aspects of the board intern programme
   - the preparation of an agreement between the board intern and CCO outlining the scholarship requirements including attendance at meetings and sub-committee meetings (as appropriate), participation in relevant discussion and appropriate work
provision of a structured mentoring programme
• a request that the CCOs approve and pays for governance training and generic expenses (such as transport and parking)
• director-mentors to participate in three quarterly meetings (three, six and nine months) with other CCOs and council staff to discuss the intern’s progress and ensure consistency within each CCOs programme.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views
19. Responsibilities associated with boards of CCOs is the delegated responsibility of the Appointments, Performance Review and Value for Money Committee. As such, local board views have not been sought on this decision.

Tauākī whakaaweawe Māori / Māori impact statement
20. Council’s Appointment and Remuneration Policy for Board Members of Council Organisations aims to achieve a diverse range of directors to all CCO boards.
21. This can have positive impacts for Māori by creating opportunities for Māori directors.
22. In line with the policy, an Independent Māori Statutory Board member to participate on the selection panel to provide a Māori perspective throughout the process.

Ngā ritenga ā-pūtea / Financial implications
23. The costs associated with these appointments to be met from existing CCO budgets. Staff suggest that each CCO approves the appropriate governance training up to (not exceeding) $8,000 and expenses (not exceeding) $1,000.
24. Staff note the current cost of company directors’ course through the Institute of Directors (non-residential five day in Auckland) is $7,650.00 (for members).

Ngā raru tūpono / Risks
25. There are risks associated with all board appointments including:
   (i) Reputational: appropriate screening for all candidates ensuring each meets the skill requirements for the intern position including:
      (a) a thorough due diligence process for all candidate applications in line with the council’s appointment policy
      b) short-listed candidates to complete the council’s consent form and a conflict of interest form prior to interview confirming that there is nothing that would disqualify them from being a board intern
      c) thorough reference checks of candidates who are approved for appointment to as the board intern to a CCO, conducted by the council’s Talent Recruitment team.
   (ii) Reputational: breach of privacy if confidential candidate information is released prior to final decisions being made by the committee. The risk that fewer and potentially less qualified candidates are attracted into future board intern programmes. To mitigate the risk staff will continue to highlight the need for maintaining confidentiality during the board intern appointment programme.
Ngā koringa ā-muri / Next steps
26. Following approval from this committee, staff from the CCO Governance and External Partnerships Department and council’s executive recruitment team will begin discussions with CCOs for the re-commencement of council’s board intern programme.

Ngā tāpirihanga / Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
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</thead>
<tbody>
<tr>
<td>A0</td>
<td>Board Intern Procedural Manual</td>
<td>37</td>
</tr>
<tr>
<td>B0</td>
<td>Table - Review and proposed improvements</td>
<td>39</td>
</tr>
</tbody>
</table>

Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Josie Meuli - Senior Advisor</th>
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<tr>
<td></td>
<td>Phil Wilson - Governance Director</td>
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</tbody>
</table>
3.2 Building a diverse pool of experienced directors

3.2.1 Board Intern Programme

The Board Intern Programme (BIP) is intended to support a diverse range of aspiring directors to develop skills, knowledge, board room experience and establish relationships and networks. It will achieve long-term benefits for the Auckland Council group, as well as assisting with the future governance of external entities and organisations across the region. Potential benefits of the programme may include the following:

- securing a larger diverse pool of potential board members to choose from for future appointments to both substantive and legacy CCO boards
- opportunity for aspiring board members to make a contribution to the community
- Board Interns will attain a better understanding of the council group, its processes and public service ethos
- Board Interns can develop relationships and networks with the Chair and other board members

3.2.1.1 Core competencies

Individuals who might be considered suitable candidates for the BIP, who are not current board members, may:

- be at a stage in their career where they are looking to develop into board member roles in the next few years
- have a range of skills and sector experience which includes community and public service
- be those who are able to commit the time and who have the support of their employer, if applicable
- have the motivation and desire to pursue directorship opportunities

Candidates must be eligible to be a company director (under section 151 of the Companies Act 1993) and be able to contribute approximately 8-10 hours per month for board meetings, mentoring from the Chair, Deputy Chair and other board members, possible training opportunities and networking. It is preferred that candidates are located in the Auckland region.

These roles are not remunerated but a scholarship programme is available (see section 3.2.1.3).

3.2.1.2 Terms of Appointment

The Terms of Appointment would consider the following criteria:

a) the Board Intern is appointed only for learning and professional development purposes, is not an employee or board member and has no authority to act on behalf of the CCO or Auckland Council or otherwise participate in decision making

b) the Board Intern will need to ensure it is clear (both through terminology and conduct) that they are participating as an intern only, so as not to be viewed as a deemed board member and therefore be subject to the liabilities that would arise from that
c) the Board Intern will be required to safeguard and keep confidential all board papers and other information about the CCO and Auckland Council in their possession (the CCO Board to address how electronic documents could be secured)

d) any conflicts of interest (any relationships or matters that give rise to an actual or potential conflict of interest) must be disclosed and dealt with as a matter of protocol

e) the Board Intern will be required to observe and comply with any requests or directions of the Chair, such as in relation to when they may speak or participate in discussions, and when they should remove themselves from discussions

f) any public or private statement the Board Intern wishes to make about involvement with the CCO must be pre-approved by the Chair

g) a statement that the CCO Board, via the Chair should have the right to terminate the arrangement at any time if they consider it is not progressing well or at the request of the Auckland Council.

The BIP is not an automatic fast-track route to a CCO board directorship. The primary consideration for all CCO board member appointments is that candidates display the necessary skills and experience to function as board members.

3.2.1.3 Remuneration

The Board Intern will not be a board member and therefore cannot be paid board member fees. A contractor or employee model is not appropriate as there is no delivery of service. The CCO Board Intern will be awarded a scholarship in lieu of expenses to cover associated costs of time, travel, car parking and also provided a formal governance course.

3.2.1.4 Appointment Process

An appointment process similar to that required for substantive CCOs will be implemented for the Board Intern programme which includes

- Advertising and Expression of Interest Programme
- Short-listing and interview of appropriately qualified candidates by the Board Intern Appointment Panel;
- Approval of candidates by the appropriate Committee.
## Attachment B

The information in the table below is made up from feedback from two CCO chairpersons (Auckland Transport and Watercare Services Limited) and observations from council staff during quarterly reviews with the board interns.

<table>
<thead>
<tr>
<th>What worked well</th>
<th>What could be improved</th>
<th>Staff recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council completes quarterly reviews with the board interns (as a group)</td>
<td>Maintain quarterly reviews</td>
<td></td>
</tr>
<tr>
<td>Interns given opportunities to assist in the CCOs work programmes (where appropriate)</td>
<td>CCOs continue to provide opportunities for the board interns to participate on specific work programmes such as Risk and Audit sub-committee work, recruitment and remuneration sub-committee processes</td>
<td></td>
</tr>
<tr>
<td>Past BIP programmes requested CCOs to participate</td>
<td>Council to strongly encourage all CCOs to participate in the BIP programme</td>
<td></td>
</tr>
<tr>
<td>Council and IMSB selected the board interns for each CCO</td>
<td>CCOs to delegate a director-mentor from the CCO board participate in the selection process of individual CCOs intern</td>
<td></td>
</tr>
<tr>
<td>CCOs mentoring and networking opportunities sporadic due to the availability of directors and senior staff</td>
<td>CCOs director-mentors to:</td>
<td></td>
</tr>
<tr>
<td>- develop a standardised mentoring-network-training programme for board intern</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- regularly meet with other CCOs to review the board interns progress and improve each CCO programme.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board intern training coordinated by the council (2014)</td>
<td>CCOs and interns agree the training requirements (IoD or other)</td>
<td></td>
</tr>
<tr>
<td>Board intern training coordinated and paid by the CCO (2015 and 2016)</td>
<td>CCOs to pay the training and expenses for the board interns</td>
<td></td>
</tr>
</tbody>
</table>
Appointment of chairperson of Panuku Development Auckland 2018

File No.: CP2018/14190

Te take mō te pūrongo / Purpose of the report
1. To update the committee on progress towards appointing the new chairperson of the Panuku Development Auckland (Panuku) board.

Whakarāpopototanga matua / Executive summary
2. There is the need to appoint a new Panuku chairperson due to the retirement of the incumbent on 31 October 2018.
3. The candidates for the chairperson vacancy have been evaluated against the competencies and skill requirements previously approved by this committee. These competencies and skill requirements are in the brief at Attachment A.
4. The selection panel has completed its recruitment process and has identified a preferred candidate to fill the chairperson vacancy.
5. A summary of the candidates’ competencies is provided in the confidential report on today’s agenda with a recommendation to appoint the preferred candidate as chair of Panuku.

Ngā tūtohunga / Recommendation/s
That the Appointments, Performance Review and Value for Money Committee:
a) note that a confidential report is included on today’s committee agenda that provides information to make decisions on the preferred candidate for the chair of Panuku Development Auckland.
b) note that the report is confidential due to the personal information contained in it.

Horopaki / Context
Links to strategies, policies and plans
6. The current Panuku board chairperson is due to retire on 31 October 2018.
7. The Appointments, Performance Review and Value for Money Committee (the committee) is delegated to appoint directors to council-controlled organisations. The committee agreed to a process for the appointment of a new Panuku chairperson on 1 March 2018 (APP/2018/1).
8. The board appointment process for appointing directors to any substantive council-controlled organisation board is outlined in the table following. This process is consistent with council’s appointment and remuneration policy for board members of council organisations.
9. The confidential report on this agenda provide advice and options to assist the committee to make decisions regarding the appointment of a new Panuku chairperson. This is the final step in the appointment process.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views

10. Board appointments to council-controlled organisations is the role of the Governing Body. Local boards can participate in the nomination process for each director vacancy. The nomination of a candidate requires the consent of that candidate.

Tauākī whakaaweawe Māori / Māori impact statement

11. Council’s appointment and remuneration policy for board members of council organisations aims to achieve a diverse range of directors to all boards.

12. This can have positive impacts for Māori by creating opportunities for Māori directors.

13. In line with the policy, an Independent Māori Statutory Board member (David Taipari) participated with the selection of the preferred candidate providing a Māori perspective throughout the process.

Ngā ritenga ā-pūtea / Financial implications

14. The costs associated with this appointment will be met from existing budgets.

Ngā raru tūpono / Risks

15. There are risks associated with all board appointments includes the following below:

   (i) Reputational: all candidates are appropriately screened to meet the skill requirements for directors of a board such as this and have appropriate governance experience especially within public-facing entities. To mitigate any potential risks of disqualified directors or under-qualified candidates:
      (a) a thorough due diligence process will be completed on all candidate applications in line with the council’s appointment policy
      (b) short-listed candidates have completed the council’s director consent form prior to interview which requires directors to confirm that there is nothing that would disqualify them from being a director
(c) thorough reference checks of candidates who are approved for appointment to the CCOs will be completed by Kerridge and Partners and presented for final approval at this committee’s October 2018 meeting.

(ii) Reputational: breach of privacy if confidential candidate information is provided to media outlets prior to final decisions being made by the committee. The risk is fewer and potentially less qualified candidates being attracted into future board appointment programmes. To mitigate the risk staff will continue to highlight the need for maintaining confidentiality during the board appointment programme.

Ngā koringa ā-muri / Next steps
16. Following approval from this committee, staff from the CCO Governance and External Partnerships department will liaise with Kerridge and Partners staff to ensure all candidates are notified of the committee’s decision.

Ngā tāpirihanga / Attachments

<table>
<thead>
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<tbody>
<tr>
<td>A4</td>
<td>Brief - Competencies and skill requirements Panuku Development Auckland (Chair)</td>
<td>45</td>
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**Auckland Council/PDA Overview**

Auckland Council is the governing body of Auckland, consisting of a Mayor, 20 Councillors and members of 21 local boards who make decisions on matters relevant to their communities. It has two complementary decision-making parts – the governing body and local boards – which make region-wide strategic decisions and local decisions respectively. Key to the Council’s operations is its group of six Council-controlled organisations (CCOs), all of which manage specific council assets, services or infrastructure.

Panuku Development Auckland (PDA) is part of this Council family. It helps to rejuvenate parts of the City – from small projects that refresh a site or building, to major transformations of town centres or neighbourhoods. The organisation manages around $2 billion of land and buildings that Auckland Council owns, by reviewing ways to generate income for the region, grow the portfolio or release land or properties that can be better used by others.

It identifies development opportunities and works with strategic partners to attract private investment, making it easier for others to take on the development of houses and commercial buildings.

Current projections suggest Auckland’s population could reach 2.01 million by 2033 – an increase of more than 517,000 people within the next two decades.

To cater for this growth there is a need for a step change in urban redevelopment and intensification of town centres and brownfields. PDA has the role and mandate to address this challenge.

**Strategy & Future Direction**

Panuku Development Auckland (PDA) is mandated by Auckland Council to contribute to the implementation of the Auckland Plan and encourage economic development by facilitating urban redevelopment that optimises and integrates good public transport outcomes, efficient and sustainable infrastructure and quality public services and amenities. PDA is also required to manage Council’s non-service property portfolio and provide strategic advice on Council’s other property portfolios. It looks to recycle or redevelop sub-optimal or underutilised Council assets and aims to achieve an overall balance of commercial and strategic outcomes.

19/03/2018

Kerridge & Partners
Role Description

Panuku Development Auckland (PDA) is seeking a new Chair, due to the retirement of Richard Aitken. It is expected that new Central Government policy, particularly in the area of housing and affordable housing supply, will have a significant material effect on PDA’s activity in its regeneration areas.

Therefore, the new Chair will lead the Board to show flexibility and responsiveness on the part of PDA to working with the Council on clarifying its role. The organisation is required to support Council in discussions with Government around the acceleration of housing provision, including affordable housing, while maintaining its specific focus on the redevelopment of brownfield sites. To that end, it must show active participation in the integrated governance of urban regeneration priority areas through close collaboration across all Council business units, CCCs and local boards.

PDA is also encouraged to aid the implementation of the Council’s new governance approach by re-allocating budget to service urban regeneration priorities.

It is also expected to prepare proactively, effectively and highly collaboratively for the Asia-Pacific Conference 2021 and the potential America’s Cup event, recognising the major urban renewal potential of both these major, international events to the City and their economic impact for New Zealand.

All CCCs must uphold the principles of the Treaty of Waitangi and promote Maori outcomes.

Key Requirements

- Very strong political understanding and experience of working with stakeholders and Central Government agencies.
- Significant leadership skills and strength of character.
- Knowledge of urban regeneration projects, strategies and major capital projects experience.
- Experience of working with Council and Central Government agencies to deliver measurable results, (such as in the provision of greater numbers of affordable homes).
- Strong commercial acumen. The ability to apply a commercial mindset to the deals and large-scale projects conducted by PDA to maximise the impact of funding and resources.
- Strategic partnerships and procurement knowledge.
- An awareness of environmental considerations and impacts of development.
- Strong community links and networks.

PDA Board of Directors

- Richard Aitken (retiring Chair)
- Dr Susan Macken (Deputy Chair)
- Richard Leggat
- Paul Majurey
- Mike Pohio
- Martin Udale
- David Kennedy

PDA Senior Leadership Team

- Roger MacDonald (Chief Executive)
- David Rankin (Chief Operating Officer)
- Rod McLean (Director, Design and Place)
- Allan Young (Director, Development)
- Cark Gosbee (Director, Corporate Services)
- Ian Wheeler (Director, Portfolio Management)
- Angelika Cutler (Director, Corporate Affairs)
Candidate Specification: PDA Chair (March 2018)

Timeline

- Briefing meetings with Auckland Council and research begins
- Calibration meetings with Auckland Council to discuss initial research findings
- Longlist meetings with Auckland Council. Candidates invited for interview with Kerridge & Partners
- Kerridge & Partners interviews
- Shortlist reports submitted to Auckland Council
- Agree shortlisted candidates with APR Committee members
- Selection Panel briefings and shortlist interviews
- APR Committee members agree preferred candidates
- Due diligence to be carried out for preferred candidates
- Decisions and announcements by APR Committee members

19/03/2018

Kerridge & Partners

Panuku Development Auckland buys, manages and sells property on behalf of Auckland Council and CCOs, making key decisions to add value to Council property assets. Development led by Panuku focuses on urban areas to facilitate an increase in housing supply, particularly affordable housing and housing for the elderly.

The Chair of PDA has a crucial role to play in steering a strong and sustainable future for Auckland. The organisation is facing some critical long-term challenges, particularly by the need to provide a vastly increased number of affordable homes.
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 Confidential: Panuku Development Auckland Limited: Appointment of chairperson

<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 candidate(s) for the role of chair on Panuku Development Auckland Limited.</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>
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</table>