

# CCO REVIEW RECOMMENDATIONS

AUGUST 27, 2020

<b>Recommendations</b>	<b>Number</b>
<b>Recommendations that can be approved in principle now and progressed over the next 6 months</b>	<b>25</b>
<b>Recommendations that require further analysis and development by both council and CCOs</b>	<b>9</b>
<b>Recommendations that are for CCOs to consider and implement</b>	<b>26</b>
<b>Recommendations requiring local board input and consideration</b>	<b>3</b>

## **Recommendations that can be actioned now**

Twenty-five recommendations can be approved for actioning now. A summary of these are provided in Table 1. Staff recommend that the governing body agree the following recommendations and request the Auckland Council chief executive to implement these improvements and report back to the CCO Oversight Committee on how they will be implemented and by when.

Note that recommendation 1 (the proposed merger of ATEED and RFA) is the subject of a separate report. The Review's recommendations relating to Panuku require further analysis and consideration of practical matters such as the optimum timing (for example the development of a property strategy, a review of property functions, transfer of non-service asset disposal function to council and any subsequent changes to company constitution, and establishing funding). It is proposed that these recommendations are considered as part of the long-term plan process and the asset recycling programme of work.

**Table 1: Summary of Recommendations that can be actioned now**

<b>Re c.</b>	<b>Recommendations that can be actioned now and request Auckland Council chief executive to implement</b>
<b>15</b>	The council formulates a three-waters strategy and includes a reference in the strategy to Watercare's obligation to consult the council about the broad direction of pricing and water services.
<b>16</b>	Watercare and Auckland Transport submit their asset management plans and detailed supporting information to the council every year so it can assess how well the plans give effect to its urban growth strategy.
<b>19</b>	The council reviews the way it requires CCOs to monitor and report on risks and risk mitigation measures.
<b>20</b>	The council establishes a small team to draw up detailed, implementable strategies that give CCOs more strategic direction, starting with strategies on water, economic development and stadiums.
<b>21</b>	The council establishes a strategic planning process in which CCO boards and the governing body hold workshops to discuss CCO work programmes and priorities, with the results fed into each CCO's letter of expectation and statement of intent, as well as into the annual budgeting and planning processes.
<b>22</b>	The council prepares a statement of expectation setting out its expectations of each CCO and of CCOs generally.
<b>23</b>	The council develops a template CCOs must use when drafting their statements of intent, as well as a set of common key performance measures they must include, to ensure consistency in length, detail, presentation and benchmarks.
<b>24</b>	CCOs' first and third quarterly reports concentrate more on any emerging risks or any developments that may require CCOs to adjust their priorities.
<b>25</b>	The council creates a senior position responsible for day-to-day management of council-CCO relationships to take some of the load off its chief executive.
<b>26</b>	Councillors have a day-long induction at the start of their three-year term on their responsibilities as CCO shareholders, the separation of governance from management, and how to best govern CCOs as arm's-length organisations.
<b>27</b>	The governing body spends half a day each year visiting each CCO to better understand its business and culture and to informally build relationships.

<b>28</b>	The council reviews the liaison councillor role at the start of the 2021 financial year.
<b>29</b>	The council rewrites its governance manual so the focus is squarely on its expectations of CCOs, removing policies to a separate document and requiring incoming directors and senior managers to read the manual.
<b>30</b>	The council gives its CCO governance and external partnership unit more resources to strengthen monitoring of CCOs.
<b>31</b>	The council updates and clarifies its no surprises policy.
<b>32</b>	The council draws up a protocol governing information requests between the governing body and CCOs.
<b>35</b>	The council, working with the Independent Māori Statutory Board, the Mana Whenua Kaitiaki Forum and CCOs, clarifies for CCOs what each of these three entities' respective roles are at the governance level, and how CCOs should engage with each entity.
<b>43</b>	CCO boards have a more ethnically diverse membership and include more individuals with relevant subject matter expertise and public sector experience.
<b>48</b>	CCO chairs meet four times a year to strengthen relationships, build trust and generally provide a forum to share information and views.
<b>49</b>	The quarterly meetings of council and CCO executive leadership teams have a formal agenda.
<b>50</b>	New council and CCO staff receive instruction during their induction on the need for CCOs to operate at arm's-length but also to be accountable to the council.
<b>51</b>	CCO chief and senior executives' job descriptions include requirements about collaborating with the council, following council directions and meeting council expectations.
<b>58</b>	The council monitors CCOs' compliance with its brand guidelines.
<b>60</b>	The council includes a selection of CCOs' reports among its own selection for external review each year, and considers reviewing elected members survey questions to get a clear picture of satisfaction with CCO engagement and advice.

## Recommendations that require CCOs and the council to work together

Twenty-four recommendations will require CCO boards to agree and implement. Table 2 lists those actions that staff recommend the governing body request the council's chief executive to work with the CCO chief executives to implement.

**Table 2: Recommendations that require CCOs and the council to work together**

Re c.	Recommendations where the Auckland Council chief executive is requested to work with CCO chief executive(s) to implement
2	The merged entity explores, at the council's direction, the critical need for joint management and operation of the city's four stadiums with the Eden Park Trust.
3	The council explores with the War Memorial Museum and MOTAT bringing both institutions into the merged entity and seeks such legislative change as is necessary.
4	Auckland Transport and the council jointly prepare the regional land transport plan, the draft of which the council endorses before going to the CCO's board for approval.
5	Auckland Transport and the council form a working group to clearly delineate their bylaw-making powers and formalise the result in a memorandum of understanding.
7	Auckland Transport and the council explore urgently with the Ministry of Transport and the New Zealand Transport Agency how to streamline funding processes.
17	The council, Watercare and Auckland Transport resolve consent processing delays and if this does not happen, the council assumes responsibility for assessing the water and transport components of consents.
18	The council reaches agreement with Watercare and Auckland Transport on clear, measurable minimum performance levels expected of them when reviewing consent applications, and establishes a formal mechanism to allow objections to the way both CCOs enforce their codes of practice.
36	The council urgently completes the Māori Outcomes Framework, which should include guidance on how CCOs engage with mataawaka, and afterwards CCOs update and align their Māori responsiveness plans accordingly.

<b>37</b>	CCOs use a template for their Māori responsiveness plans and collaborate with one another and seek input from Māori entities during the drafting process.
<b>38</b>	CCOs continue to work with the Independent Māori Statutory Board to monitor and report more effectively on Māori responsiveness plans.
<b>39</b>	CCOs engage directly and at a more senior level with the Independent Māori Statutory Board and the Mana Whenua Kaitiaki Forum to work on joint initiatives that benefit Māori.
<b>40</b>	Ngā Mātārae, the Mana Whenua Kaitiaki Forum and CCOs arrange a hui to establish a more co-ordinated and meaningful way of working together to reduce the number of meetings Māori entities are expected to attend and contribute to.
<b>41</b>	The council and CCOs review the quality of the service their call centres provide, including by ensuring an up-to-date, group-wide phone directory is on hand containing job descriptions and contact details of all staff.
<b>44</b>	The council and CCOs have common values and expectations of staff and management behaviour that collectively set the tone for the broader culture of all council organisations.
<b>45</b>	CCOs appoint a lead agency when working jointly on projects.
<b>46</b>	The council, Auckland Transport and Panuku jointly communicate to the public about urban development and transport infrastructure matters.
<b>47</b>	CCO chief executives establish a group, led by the council's chief executive, that meets monthly to deal with any common or significant problems, risks or developments.
<b>52</b>	Job descriptions refer to the need to contribute to Māori outcomes.
<b>54</b>	CCOs report regularly on the nature of the complaints they receive and how long they take to resolve them.
<b>55</b>	CCOs' statements of intent contain a key performance indicator on complaint-handling.
<b>57</b>	The council updates its brand guidelines to ensure the pōhutukawa logo is used in a clear, consistent and flexible way on all council-funded services, activities and facilities, including when used alongside CCO operational brands.

<b>59</b>	CCOs follow the council's quality advice standards and encourage staff to participate in its quality advice training.
<b>61</b>	The council and CCOs work together to draw up group policies on shared services, the development of leadership talent and remuneration.
<b>63</b>	CCOs discuss their proposed collective bargaining strategy with the council.

Two recommendations require council to request the Panuku board to consider and respond. These are:

- R9 - Panuku clearly outlines how its activities and investments contribute to meeting its performance targets
- R12 - Panuku cuts its overheads and adopts a more focused approach to redevelopment.

## Recommendations that require further analysis

The following nine actions will require further analysis from both council and CCO staff and staff recommend that the Auckland Council chief executive works with the relevant CCO chief executive(s) on how best to implement. Table 3 provides a list of these recommendations.

**Table 3: Recommendations that require further analysis**

Re c.	Recommend further analysis is undertaken and request that the Auckland Council chief executive works with the CCO chief executive(s) on how best to implement
8	The council identifies a more stable source of funding for Panuku during the preparation of the next long-term plan.
10	The council amends the Panuku constitution to make clear its twin purpose of redeveloping urban areas and managing the council's non-service property.
11	The council assumes responsibility from Panuku for disposing of non-service properties (excluding those in the CCO's own unlock-and-transform areas).
14	Panuku continues to manage the council's non-service property until the council produces a property strategy and considers whether to combine all property services in one place.
33	The council exercises its statutory powers under section 92 of Local Government Auckland Council Act 2010 if it has any concerns that a CCOs is not acting consistently with any strategy.
42	The council gives CCOs guidance on how to balance public and commercial interests and amends their constitutions to make explicit that each CCO must meet both objectives.
56	The council and CCOs explore options to give ratepayers a more effective voice in what happens in Auckland and also how, short of court proceedings, to challenge CCO or council decisions.
62	Shared services have formal supplier/purchaser agreements, with agreed service levels.
64	The council makes compliance with the procurement policy mandatory on all CCOs to reduce costs and minimise duplication.

## Recommendations that require local board input and consideration

Three recommendations relate specifically to local boards:

Recommendation 6 requires Auckland Transport to urgently review how it designs, consults on, funds and implements minor capital works, including how it involves local boards in the design of its annual work programme. It is recommended that AT work with local boards on how to implement this recommendation.

Recommendation 34 specifically relates to local boards and how they work engage with CCOs. Staff propose that feedback is sought from local boards on whether this recommendation is supported.

Recommendation 53 requires CCOs to make more effort to coordinate on how they consult the community on and implement local projects. Staff recommend that CCOs boards are requested to work with local boards to implement.