

COMPLETED

Priority Urgent

THE DEPARTMENT OF INTERNAL AFFAIRS

Te Tari Taiwhenua

Local Government Briefing

Hon Rodney Hide
Minister of Local Government

Copy to: Minister of Finance
Minister of Transport

Title: Monitoring the Auckland Transition Agency (ATA) progress with Auckland Governance Reforms.

Date: 24 July 2009

Key issues

Consider and confirm the approach to monitoring the progress of the Auckland Transition Agency (ATA) with the Auckland governance reforms.

Action sought

Note the contents of this briefing, consider recommendations and forward the report to the Ministers of Finance and Transport.

Timeframe

Contact for telephone discussion (if required)

Name	Position	Telephone		Suggested first contact
		direct line	after hours	
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Return to: David Williment

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Purpose of briefing

1. This paper proposes a framework by which the Ministers of Local Government, Finance and Transport can monitor the progress of the Auckland Transition Agency (ATA) with the Auckland governance reorganisation. It seeks endorsement of the underlying monitoring principles, process for engagement and reporting, information to be collected and assessed, and a reporting and meeting schedule for the period to 1 November 2010.

Executive summary

2. The paper describes the accountability relationship of the ATA to the Minister of Local Government for making arrangements to ensure the Auckland Council commences on and from 1 November 2010. It proposes a monitoring and reporting regime based on using the ATA's project management plans and reports as the base information for reporting on its progress; and the Department discharging a monitoring role to provide independent advice on the ATA performance and operations. The reporting would provide a vehicle for assurance to Ministers and stakeholders that the reorganisation programme is on track and that any identified issues and risks are being dealt with expeditiously.

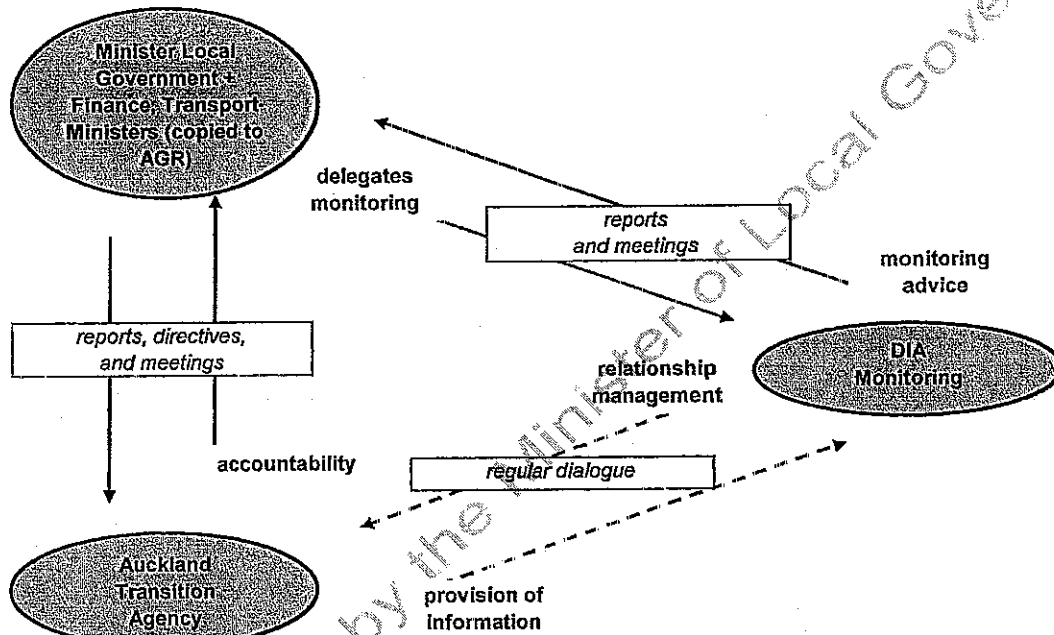
Background information

3. On 25 May 2009, the Local Government (Auckland Tamaki Makaurau Reorganisation) Act 2009 ("the Act") came into force to:
 - establish a single unitary authority to govern the Auckland region on and from 1 November 2010, and dissolve the existing local authorities that govern the Auckland region;
 - establish an entity to facilitate the transition to the new local government arrangements; and
 - require the existing local authorities and other local government organisations to support the reorganisation.
4. Section 13 (1)(c)(i) of the Act requires the ATA to report regularly to the Minister of Local Government on progress in relation to the reorganisation, and matters referred to in Schedule 15 (actual and potential conflicts of interest).
5. The ATA Board has been appointed, its executive staff members are in place and it is currently engaged in planning the detailed work programme. Up until now the ATA has been reviewing and confirming Council's Long-term Councils Community Plans and establishing its relationships with Councils. Progress with this local government work is on track.
6. The ATA Board is primarily responsible and accountable for delivering on the reorganisation programme. The overarching goal is the establishment of a functioning Auckland Council on and from 1 November 2010. In the light of the scale and complexity of the transitional arrangements, opportunities and risks, and the level of public interest, independent monitoring of the transition is required.

Comment

Overview of the Monitoring Relationship

7. The ATA Board is appointed by the Minister of Local Government and is accountable for the exercise of the powers and performance of the functions and duties of the ATA. The Executive Chair is accountable to the Minister.
8. The Department of Internal Affairs ("the Department") provides monitoring advice to the Minister and in doing so is required to develop an effective relationship with the ATA Board and organisation. See below a diagram setting out the relationships between the Minister, the ATA and the Department.



9. In order to get assurance that the ATA is making satisfactory progress with the reorganisation, the Minister requires independent advice on the progress and performance of the ATA. Elements of the advice will include:
 - the alignment of the ATA's plans with the government's policy and directions;
 - ownership interests in ATA being protected in the transition and establishment of the new council (including financial interests);
 - risks to the ATA's delivery of its agreed outputs and results.
10. There will be regular monitoring liaison meetings held between the Chair and senior managers of ATA and the Secretary of Local Government, or designates. These meetings will be supplemented by regular face-to-face meetings between the Ministers of Local Government, Finance and Transport with the ATA.
11. The Department will lead the monitoring activity, and will regularly engage with and integrate the issues and views of The Treasury, Ministry of Transport, and the Department of Prime Minister and Cabinet.

Monitoring Principles

12. The large scale of the reorganisation work programme and the need to work effectively with Council staff and stakeholders requires best practice project management and effective relationship management.
13. A set of principles have been selected that acknowledge that the ATA is not involved in business as usual tasks but has a significant, transformational programme of work to be delivered.
14. The monitoring regime needs to be flexible and responsive to address fast-changing developments both within the ATA work programme and in the Auckland local government sector. It is based on a facilitative and 'solutions-focussed' approach.
15. The monitoring principles include:
 - honest, open and timely communication (good faith principles);
 - timely access to pertinent information for information-sharing and monitoring purposes;
 - informal engagements prior to formal engagements where possible;
 - 'no surprises'; and
 - relationship is geared towards minimising transaction costs.

Monitoring Approach

16. Generally, monitoring of government agencies involves reviewing performance against a statement of intent and an output agreement. In the case of the ATA, these types of accountability documents do not apply.
17. The ATA is setting up a Programme Management Office (PMO) to overview and manage its work-streams. Therefore, it is proposed that the Department use the ATA's project and supporting work-stream plans and reporting documents as the baseline accountability documents.
18. Attached at Appendix 1 is a monitoring cycle that sets out the inputs and process for monitoring the ATA's progress with the Auckland Governance reforms.
19. In addition it is desirable that the monitoring work take a targeted risk-based approach, building on the ATA's own risk assessments. The Department will develop a risk management framework to assist in this regard.
20. It is proposed that the ATA reports progress against their plans on a monthly basis as well as advising on the identification and management of significant risks. It is envisaged that there would be two levels of reporting:
 - reporting across the project that provides a "big picture"; and
 - reporting at the work-stream level that provides more detailed progress in specific areas.
21. The extent of planning required and currently underway means that initially, the Department would expect more high level reporting in the first three months and subsequently more detailed reporting at the work-streams level.
22. The scale, complexity and risks associated with the work programme require a reasonably frequent reporting regime to Ministers.

23. The Department (in consultation with Treasury, Ministry of Transport and the Department of the Prime Minister and Cabinet) will review the ATA's report, seek any clarification from the ATA and will provide a monitoring report to the Minister for referral to the Ministers of Finance and Transport.

Monitoring Process and Steps

24. Appendix 2 sets out a proposed schedule of reporting deadlines to the Minister by the ATA and the Department, and a meeting schedule (at approximately three month intervals) with the ATA Board and Ministers of Local Government, Finance and Transport.
25. It is proposed that initially the ATA provide a six weekly report to the Minister of Local Government with copies to the Ministers of Finance and Transport. The first formal report is scheduled on 14 August 2009 and the second on 25 September 2009. After that it is proposed that reports be prepared on a monthly cycle for the Minister of Local Government with copies to the Ministers of Finance and Transport. The schedule is set out in Appendix 2 (highlighted in teal).
26. The Department will provide regular and objective accounts of progress, including positive results, any issues and/or concerns for Ministers. The timing of these reports is shown in Appendix 2 (highlighted in yellow). The ATA will have an opportunity to respond to any advice and outline any required mitigation. A record will be maintained of any agreed actions arising from the monitoring and review process. These will be reviewed for progress as part of the next monthly report.
27. In addition, the ATA Board and Secretary of Local Government will meet with the Ministers of Local Government, Finance and Transport. It is proposed that the first meeting will occur at the ATA premises in Auckland. A schedule of these meetings is set out in Appendix 2 (highlighted in orange).
28. The content of the ATA's report is set out in Appendix 3, which includes progress on:
- high level objectives;
 - project areas outputs/deliverables and results;
 - change plan and communication plan deliverables and results;
 - budget outturn and performance of APA's operations;
 - risks;
 - local government decision-making.
29. It is expected that the ATA will share an advance copy of its report with the Department, the Treasury and Ministry of Transport. Any immediate points of clarification or areas of concern will be raised by the Department (and on behalf of relevant officials) with the ATA at the earliest point.
30. The Department will objectively determine the range of information sources that are required to ensure that fair, reasonable and objectively accurate information is provided to Ministers in relation to the progress of the ATA.

31. Without limiting the range of information sources available to the Department, Appendix 1 sets out possible sources of evidence and information that could be used for reporting purposes.

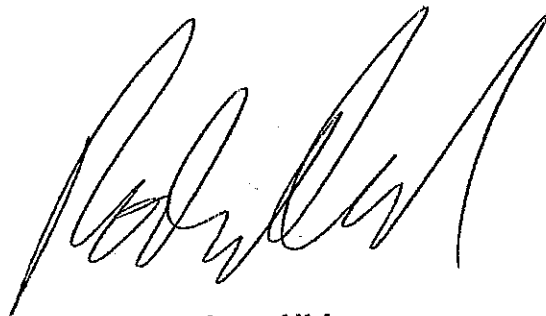
Recommendations

32. The recommendations are that you:

- a) Note the contents of this briefing paper. Yes/No
- b) Note that the ATA has been consulted in the preparation of this monitoring framework, and relevant officials from Treasury, Ministry of Transport and the Department of the Prime Minister and Cabinet. Yes/No
- c) Agree to the ATA reporting formally to you and the Ministers of Finance and Transport on its progress on a six weekly basis until 25 September 2009, and then reporting to you after that on a monthly basis, as set out in Appendix 2. Yes/No
- d) Approve the framework for the Department's monitoring of the ATA's progress with the Auckland governance reforms, including the process and the reporting template as set out in Appendix 3. Yes/No
- e) Agree to forward a copy of this briefing to the Ministers of Finance and Transport. Yes/No

pp. [Signature] (David Williment)

(for) Anne Carter
Deputy Secretary

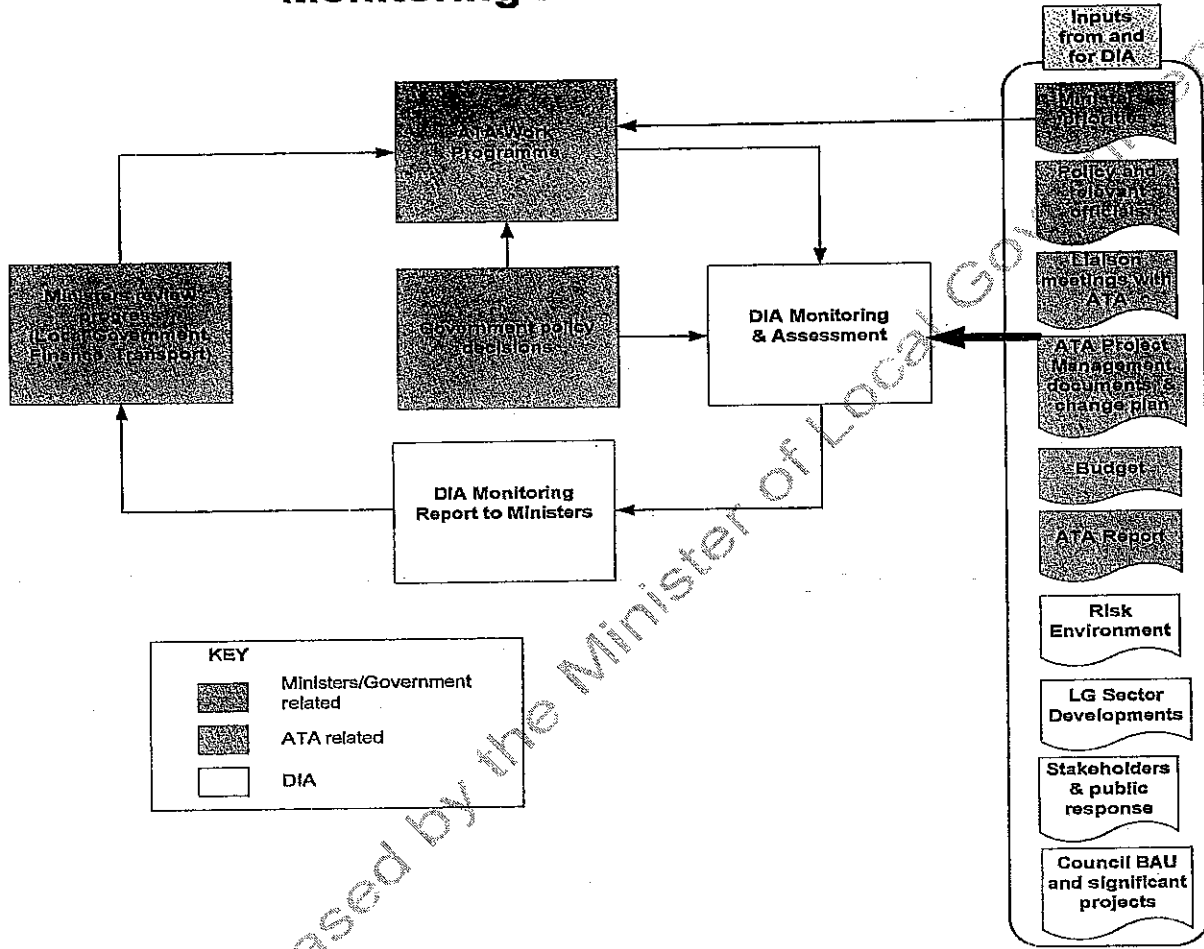


Hon Rodney Hide
Minister of Local Government

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Appendix 1

Monitoring Framework



Proactively Released by the Minister of Local Government

Appendix 2

Implementation of Auckland Governance Reforms: Reporting and Meeting Schedule

2009	August	Sept	Oct	Nov	Dec					
DIA Report to Minister (copied to Ministers of Finance, Transport)	21-Aug	2-Oct	30-Oct	27-Nov	22-Dec					
2010	Jan	Feb	March	April	May	June	July	August	Sept	Oct
DIA Report to Minister (copied to Ministers of Finance, Transport)		25-Feb	25-Mar	22-Apr	27-May	24-Jun	22-Jul	26-Aug	23-Sep	21-Oct

Appendix 3

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PERIODIC UPDATE ON AUCKLAND GOVERNANCE REFORMS

1 Purpose

Statement of purpose (update on the Auckland governance reforms).

2 Executive Summary

Summary of salient issues, significant milestones achieved, quick wins, priority ranked risks (including capability/capacity issues)

3 Project Plan Update

Update of project wide progress and issues in achieving:

- Project wide objectives/end points
- Change management plan and transition outcomes
- Key project plan deliverables (refer to high level milestone chart)
- Organisation structure and appointment of the Chief Executive and hand-over process

4 Work-stream Progress

More detailed progress update for each of the following work-streams on achieving their objectives, deliverables and milestones:

- Corporate work-streams (governance, human resources, customer/community services, legal, finance, business systems)
- Council Controlled Organisation, Trusts and Investments
- Property (inventory)
- Economic development (including Infrastructure)
- Regulatory and Environmental Services
- Planning and Policy

5 Review of Decisions

Update on all reviews carried out by the ATA on decisions made by existing local government organisations

6 Risk Management

This part of the report provides a comprehensive assessment of all risks, both actual and potential, that each Minister should be aware of, respectively. The risk portfolio should include a comprehensive identification of all risk areas for each Minister and include:

- Assessment of each risk area
- Update on new and emerging risks
- Identify mitigation actions
- Responsibilities for mitigating risks

7 Capacity and Capability Issues

Update on the available capacity and capability to deliver on the reforms.

8 Communications

Communication deliverables to existing local government organisations and the public of Auckland.

9 Budget

Update on the budget and financial issues.

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