

**AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE,
LINCOLN, WAITAKERE CITY, ON MONDAY, 13 JUNE 2005,
COMMENCING AT 9.30 AM.**

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PART A - OPENING OF MEETING

1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 CONFIRMATION OF MINUTES

Meeting Minutes - Monday, 9 May 2005

RECOMMENDATION

That the minutes of the Meeting of the Finance and Operational Performance Committee held on Monday, 9 May 2005 as circulated, be taken as read and now be confirmed.



PART B - PRESENTATION

4 WAITAKERE PLAYHOUSE THEATRE TRUST - UPDATE ON REDEVELOPMENT

The Chairperson has consented to Trustee representatives from the Waitakere Playhouse Theatre Trust to make a presentation to the Finance and Operational Performance Committee in relation to an update on the redevelopment of the Waitakere Playhouse Theatre Trust and associated financial matters.



PART C - LEGAL AND CONSTITUTIONAL

5 AFFIXATION OF COMMON SEAL

EXECUTION OF DOCUMENTS: 28 April to 31 May 2005

Nº	NAME	PARTICULARS
3357	WCC - Housing New Zealand Ltd	Drainage & Sewerage easement in gross - CTs.129246 & 129247 - 195A Don Buck Road - SPW 19688
3358	WCC - Housing New Zealand Ltd	Water supply easement in gross - CTs.129244 - 129251 inclusive - 195A Don Buck Road - SPW 19688
3359	WCC - AN Lydiard & P McCormick	Drainage easement in gross - CTs.159586 - 159595 inclusive - 42-44 Candia Road - SPW 21793
3360	WCC - AN Lydiard & P McCormick	Water supply easement in gross - CTs.159586 - 159595 inclusive - 42-44 Candia Road - SPW 21793
3361	WCC -Ruth Andrews	Temporary Warrant of Appointment - Enforcement Officer under the Building Act 2004 and Local Government Act 2002
3362	WCC -Ruth Andrews	Temporary Warrant of Appointment - Enforcement Officer under the Fencing of Swimming Pools Act 1987
3363	WCC - Ruth Andrews	Temporary Warrant of Appointment - Enforcement Officer under the Resource Management Act 2002
3364	WCC - Disna Pathirage	Warrant of Appointment & Evidence of Identity - No.WCC189
3365	WCC - AV & RM Nicholson	Memorandum of Encumbrance - 66 Scenic Drive road encroachment
3366	WCC - BA & AJ Davies & BR Perkins	Easement granting ROW over NA113016 in favour of NA18C/544 & NA18C/545
3367	WCC - MI Glucina	Easement granting ROW over NA113016 in favour of NA18C/546
3368	WCC - Ganet Investments Ltd	Easement granting ROW over NA113016 in favour of NA18C/547
3369	WCC - BA & AJ Davies, BR Perkins, MJ Glucina & Ganet Investments Ltd	Easement granting ROW
3370	WCC - Mobile Power Communications Ltd	Fencing agreement - 36 Toru Street - SPW 22213

N ^o	NAME	PARTICULARS
3371	WCC - FM & RK Maxwell & Veronica House Ltd	Water supply easement in gross - CTs.190472-190476 - 39 Landing Road Stage 1 - SPW 21464
3372	WCC - Western Developments (2003) Ltd	Drainage easement in gross - DP 345898 - 25 Willerton Avenue - SPW 21767
3373	WCC - Western Developments (2003) Ltd	Water supply easement in gross - DP 345898 - 25 Willerton Avenue - SPW 21767
3374	WCC - Wei Wang & Nan Yi	Drainage Easement in gross - CTs.188753-188766 - 262 Royal Road - SPW 21964
3375	WCC - Wei Wang & Nan Yi	Water supply easement in gross - CTs.188753-188766 - 262 Royal Road - SPW 21964
3376	WCC - Harold Vincent O'Rourke	Evidence of Identity
3377	WCC - HQ Wang & SM Li	Drainage easement in gross - CT.191056 - 63 Seabrook Avenue - SPW 21621 (Amended)
3378	WCC - HQ Wang & SM Li	Sewerage easement in gross - CT.191055 - 63 Seabrook Avenue - SPW 21621 (Amended)
3379	WCC	Release and discharge of Memorandum of Encumbrance No.5637958.2 - FDU1 & FDU2 DP 205998B
3380	WCC - 239 Titirangi Road Ltd	Drainage easement in gross - CTs.203959-60 - 239 Titirangi Road SPW 22168
3381	WCC - 239 Titirangi Road Ltd	Water supply easement in gross - CTs.203952, 203954, 203955, 203957-203964 - 239 Titirangi Road - SPW 22168
3382	WCC - CA & HJ Gruebner & MR Carter	Drainage easement in gross - CTs.175315 & 175316 - 1 Andelko Place SPW 20484
3383	WCC	Withdrawal of Caveat 470631.1 - CTs NA765/189 & 194 - John Henry Centre Parking lots near cnr Dora/Catherine Streets, Henderson
3384	WCC	Surrender of Drainage Easement - CT.4B/412 - 81 Sturges Road, Henderson
3385	WCC - MJ Stringer	Deed of Waiver - s.40 Public Works Act - 3B Sunnyside Road - resolution 1289/2003
3386	WCC - PG White	Deed of Waiver - s.40 Public Works Act - 6B Lucinda Place, resolution 1977/2004
3387	WCC - Prestigious Developments Ltd	Drainage easement in gross - CT.NA139D/320 - 27 Eastglen Road - SPW 21288
3388	WCC - EEH & LE Allen	Drainage easement in gross - CTs.40844 & 40845 - 3 Church Street, Swanson - SPW 21465
3389	WCC - Waitakere Properties Ltd	Declaration of Trust (in duplicate) - 9 Moselle Avenue - CT.NA134D/258 - resolution 655/2005
3390	WCC - Waitakere Properties Ltd	Memorandum of Transfer - CT.NA134D/258 - resolution 655/2005
3391	WCC - Henderson Real Estate Ltd	Lease of 39 Glenmall Place, Glen Eden - resolution 2287/2004
3392	WCC - Karl Charles Hickey	Warrant of Appointment & Evidence of Identity - No.WCC190
3393	WCC - Arturo Floresca	Warrant of Appointment & Evidence of Identity - No.WCC191

RECOMMENDATIONS

- 1 That the Affixation of Common Seal report be received.
- 2 That the action taken in affixing the Common Seal on the documents as set out in the agenda report be adopted.

Report prepared by: Magdalene Conceicao, Executive Officer (Legal).



PART D - FINANCE

6 OPERATING AND CAPITAL EXPENDITURE SUMMARIES

PURPOSE OF THE REPORT

The purpose of this report is to inform the Finance and Operational Performance Committee as to the level of the year to date operating and capital expenditure by unit compared to budget.

STRATEGIC CONTEXT

Through the Long Term Council Community Plan processes, the Council approves operating and capital expenditure. The Council follows good practice for procurement of goods and services and ensures that funding has been provided from appropriate sources.

ISSUES

A1 This report covers expenditure for the 10 months to 30 April 2005. The financial summaries is attached at page A1.

If any further information is required in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

CONCLUSION

Expenditure for the 10 months to 30 April 2005 is tracking well against operational budgets.

RECOMMENDATION

That the Operating and Capital Expenditure Summaries report be received.

Report prepared by: Bob Preston, Group Manager: Financial Management.



7 STATUS OF SPECIAL FUNDS

PURPOSE OF THE REPORT

The purpose of this report is to inform the Finance and Operational Performance Committee on the status of Council's Special Funds.

BACKGROUND

Special funds are those funds held or designated by Council for a specific purpose or purposes. With the exception of the Auckland Regional Services Trust funds which are held in a separate bank account, the balances of these funds are used to offset Council's borrowing requirements. Interest is allocated to funds where applicable.

STRATEGIC CONTEXT

Special fund movements are recommended through the Long Term Council Community Plan and Annual Plan adoption process. Special funds are classified as either "Restricted Funds" or "Non-Restricted Funds". Restricted funds are those funds that have been received by Council from a third party or parties and are to be used for a specific purpose or purposes. Non-restricted funds are funds established by a Council resolution to use and set aside its own funds and also to meet a specific purpose or purposes.

ISSUES

A2 The Special Fund report is separated into restricted and non-restricted funds. The balances and summary transactions for the 10 months ended 30 April 2005 is attached at page A2.

If any further information is required in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

CONCLUSION

Special Funds are being held or designated for a specific purpose or purposes. The fund balances have been reported as required.

RECOMMENDATION

That the Status of Special Funds report be received.

Report prepared by: Bob Preston, Group Manager: Financial Management.



8 **BORROWING AND INVESTMENT REPORT**

PURPOSE OF THE REPORT

The purpose of this report is to provide the Finance and Operational Performance Committee with an update on borrowing and investment activity for March 2005.

BACKGROUND

Waitakere City Council enters into treasury related financial contracts in the ordinary course of its business. It is the role of Council's Funds Management section to manage such contracts and the impact that they have on the organisation. All funds management transactions are governed by the Liability Management and Investment Policy, prepared in compliance with the Local Government Act 2002. As a requirement of that Policy this report informs the Committee on the current and future movements of Council's debt and cash investments and provides a general commentary of financial market conditions.

A3-A8

The relevant portfolio and graphs reflect the estimated position as at 30 April 2005 and are attached at pages A3 to A8.

STRATEGIC CONTEXT

Council's Funds Management function actively manages a large portfolio of various debt and investment instruments. The benefit of borrowing is that it enables Council to carry out the projects identified in the Annual Plan and Long Term Council Community Plan, while spreading the costs for those projects over time to recognise the future benefits. Borrowing funds therefore assist Council with its entire loans funded strategic initiatives. The Liability Management and Investment Policy requires that a report detailing the management of the portfolio be presented to the Finance and Operational Performance Committee on a regular basis. The report must include information on the following subjects:

- Cash/Debt position;
- Forecasted borrowing profile;
- Interest rate profile;
- Risk management;
- Material transactions;
- Market commentary;

This report addresses the requirement of the Policy and may include other information that is relevant to the Funds Management function.

FINANCIAL IMPLICATIONS

The active management of the treasury portfolio seeks to minimise Council's borrowing costs and maximise investment returns of liquid assets. The Funds Management function is also charged with seeking investors, thus ensuring that there is sufficient liquidity available for the organisation to continue its work programme. New Zealand financial markets are significantly volatile and therefore interest rate risk management is a key responsibility of the Funds Management function. Detailed financial information included within this report is intended to give assurance of the prudent management of Council's portfolio.

Council approved a new loans funded capital works programme for the 2004/2005 year, including carry forward projects from the 2003/2004 year, through the 2004/2005 Annual Plan to a maximum gross debt of \$239.468 million. Interest expense for the 2004/2005 year is budgeted to be \$9.668 million.

Council maintains Standard and Poor's Credit Ratings of A-1+ short term, and AA-long term (stable).

ESTIMATED SUMMARY OF BORROWING AND INVESTMENT MOVEMENTS TO APRIL 2005

Council's estimated gross term debt position has increased by \$3.86 million since March 2005, with an estimated closing balance at April month end of \$138.584 million. Estimated working capital borrowings of \$18.051 million as at 30 April 2005 have been funded using unsecured bank facilities and internal borrowing.

SIGNIFICANT FUNDING TRANSACTIONS ENTERED INTO DURING APRIL 2005

- New forward start interest rate swap, notional value \$10 million starting 15 December 2005, maturing 15 December 2015, Waitakere City Council pays fixed interest of 6.82% and receives New Zealand 90 day bank bill interest rate (mid);
- New forward start interest rate swap, notional value \$10 million starting 15 December 2005, maturing 15 December 2015. Waitakere City Council pays fixed interest rate of 6.82% and receives New Zealand 90 day bank bill interest rate (mid);
- New forward start interest rate swap, notional value \$10 million starting 21 April 2006, maturing 21 April 2011. Waitakere City Council pays fixed interest rate of 6.54% and receives New Zealand 90 day bank bill interest rate (mid);
- Sinking Fund investment of \$2 million for 41 days at an interest rate of 6.94%;
- Sinking Fund investment of \$1,604,378.34 for 41 days at an interest rate of 6.94%.

FINANCIAL MARKET COMMENTARY

Market Overview

After the tone set by the Reserve Bank of New Zealand at its Official Cash Rate announcement on the 28 April, short term interest rates remained relatively stable over the past month. The 90 day bank bill has continued to hold above 7%. Longer term rates have been substantially more volatile with the 10 year swap rate decreasing to below 6.50%.

The New Zealand currency has also remained relatively stable.

The question in the financial markets is whether the Reserve Bank of New Zealand will increase the Official Cash Rate further this year or are the economic indicators truly demonstrating that the economy is slowing. A slowing economy should remove some of the built up pressure on capacity utilisation and therefore remove some inflationary issues. Most economists now believe that the Official Cash Rate will remain steady for the duration of this year at 6.75%.

Up Coming Dates

Monetary Policy Statement	9 June 2005
Official Cash Rate announcement	28 July 2005

CONCLUSION

All transactions covered by this report have complied with the requirements of Council's Liability Management and Investment Policy.

RECOMMENDATION

That the Borrowing and Investment report be received.

Report prepared by: Bruce Wilkin, Treasury Manager.



PART E - GENERAL

9 QUARTERLY PERFORMANCE REPORT - THIRD QUARTER 2004/2005

PURPOSE OF THE REPORT

This purpose of this report is to enable the Finance and Operational Performance Committee to monitor the achievement of the quarterly performance targets and includes performance results for the third quarter of the Annual Plan 2004/2005.

BACKGROUND

The performance measures in the Annual Plan relate to the Council's strategic objectives for the City. These performance measures are reported when available on a quarterly basis.

STRATEGIC CONTEXT

The performance measures in the Annual Plan relate to strategic objectives and provide a way of measuring the extent to which the objectives are being achieved. This report provides an opportunity for the Committee to review performance results and identify any issues relating to meeting targets or the strategic objectives. It is important to note that the current performance measures and targets will be revised alongside the development of the Long Term Council Community Plan 2006/2016.

ISSUES

Third Quarter Results (January - March 2005)

A9-A13

The performance results for the third quarter of 2004/2005 are summarised below. The complete list of the third quarter results for 2004/2005 are attached at pages A9 to A13.

Of the 27 performance results reported in the third quarter of 2004/2005, 78% are on track to meet or exceed target, with no measures unreported.

Positive Results

- Numbers of visits to the West Wave Aquatic centre continues to increase and are higher than the previous year's figures;
- Number of businesses participating in environmental initiatives continues to increase;
- The 'Youth Citizen Project' and the 'Youth Engagement Project' are progressing with the aim of increasing children and youth's understanding of, and involvement in, the development of the city.
- Water (supply) quality in Waitakere City remains high grade with 100% compliance with the Ministry of Health's Drinking Water Standard for NZ (2000).
- Less inorganic waste per person deposited at the Transfer Station, compared with previous year's results.

Key Issues

- Number of visits to the Massey Leisure Centre is less than the previous year's figures. Lower numbers are attributed to declining demand and increased competition for sport leagues, less room hireage (of the Don Buck Room) and a decision to lower pre-school gym programmes. Change in management (3 times in the last 12 months) may have also impacted visitor numbers. Council officers are working with Leisure centre staff to complete a growth and diversification plan (by 30 June 2005);
- There is more city council collected domestic waste per person being deposited at the Transfer Station. The introduction of larger bins for recycling from 1 July 2005 and the potential for a separate kitchen food waste collection service are initiatives to effectively reduce domestic waste.

CONCLUSION

Of the performance measures reported in the third quarter, the majority are on track to meet target. The fourth quarter results will be reported to the Finance and Operational Committee in September 2005.

RECOMMENDATION

That the Quarterly Performance Report - Third Quarter 2004/2005 report be received.

Report prepared by: Janelle Anthony, Strategic Planner, Monitoring.



10 APPLICATION BY TE WHANAU O WAIPAREIRA TRUST FOR WAIVER OF PART OR ALL PENALTY INTEREST CHARGES - FORMER MORTGAGE ADVANCE - PROPERTY AT 423-429 WEST COAST ROAD, GLEN EDEN

PURPOSE OF THE REPORT

The purpose of this report is to present to the Finance and Operational Performance Committee an application by Te Whanau O Waipareira Trust for the waiver of all or part of the penalty interest charges incurred by the Trust in respect of the former mortgage advance by Council to the Trust on the property at 423-429 West Coast Road, Glen Eden. It is anticipated that representatives of the Trust will attend the Committee meeting in conjunction with this report to briefly present their case to the Council.

BACKGROUND

As Council will be aware, in 1998 Council entered into a commercial mortgage arrangement with Te Whanau O Waipareira Trust in order to assist the Trust to buy land adjacent to Hoani Waitiiti Marae for application to the proposed Wananga Tertiary Institute planned adjacent to and around the marae. The mortgage advance was originally envisaged being for five years, although this period was extended in 2003 so that the repayment date became due on 20 June 2004. At that stage, with no physical progress having been made towards the development of the Wananga and the Trust aiming more toward commercial development outcomes, Council required the loan to be repaid. As Councillors will also be aware, there was significant delay in Te Whanau O Waipareira Trust making repayment of the loan, and the default provisions of the mortgage arrangement came into effect. These provided for interest to be paid by the Trust to Council at a range of 14% per annum, which contrasted with the standard rate of 8% per annum.

The Trust repaid the mortgage on 10 December 2004. At the time of repayment the Trust signalled to Council that it might wish to make application for the penalty component of the interest charges from 1 July 2004 until the date of repayment to be waived by Council. Council officers advised at the time that this would be a decision for the Council and would not be a recommendation from staff.

STRATEGIC CONTEXT

Council endeavours to operate its financial arrangements on a good practice public sector basis and in line with leading commercial practices where appropriate. When Council is lending money, penalty clauses serve to act as an incentive for borrowers to comply with the terms of agreements made, and to ensure that any additional costs incurred by Council if terms of agreements aren't complied with are covered.

In relation to this application, Te Whanau O Waipareira Trust is a significant entity within the Maori and wider communities of Waitakere City. Council has worked with the Trust on a range of initiatives over the years, and is likely to continue to need to work with them from time to time. A Memorandum of Understanding between the two organisations was under development, but was put on hold while the parties worked through issues relating to the mortgage repayment.

ISSUES

Application from Te Whanau O Waipareira Trust

A14-A15

Attached at pages A14 to A15 is a copy of a letter from the Chief Executive of Te Whanau O Waipareira Trust, Mr Reg Ratahi. The letter sets out the Trust's basis for its request, which centres mainly around their difficulty in obtaining substitute financing to repay the Council given negative publicity that the Trust experienced around the time that repayment was due. Much of this publicity was related to the actions of Board members and former employees of the Trust.

The Trust recognises in its letter that Council incurred additional costs and inconvenience from the Trust's inability to make repayment on time. The Trust recognises that Council should not be out of pocket because of its actions, and would be happy to accept partial waiver of penalty interest charges so that the Council's additional costs caused by the Trust's delayed repayment can be met.

Alongside these considerations, Council should also consider that the loan was a commercial arrangement. Penalty interest rates were specifically incorporated into the agreement to discourage late repayment or default. The additional interest charges kept pressure on for repayment and met the costs incurred by the lender. No bank would be likely to consider repaying penalty charges in similar circumstances.

Council Costs from Delayed Repayment of Loan

The additional costs to Council from the delayed repayment of the loan by the Trust are estimated to be in the order of \$18,000, being \$15,000 in additional internal legal time and \$3,000 in additional financing costs. These are made up of costs from required amendments to Council's treasury arrangements and legal and staff costs associated with exploring and finalising new arrangements. The Trust met external legal costs associated with the delayed repayment at the time of the repayment.

The total penalty charges, being the difference between the 8% standard charges and the 14% penalty charges for a period of 163 days is \$53,577. Given these two sums, the maximum amount that Council should consider repaying to the Trust is \$35,577.

In the final analysis, this is a political decision. The Trust has set out its case for waiver and its reasons for delayed repayment. There are sound reasons for the penalty charges to stand. Given that Council officers drew up the original commercial loan arrangements that specifically envisaged penalty charge provisions for delayed repayment, staff do not suggest to Council that the waiver of part of the charges is appropriate.

RESOURCES

Council has currently met all costs associated with the loan arrangement. The amount of the penalty charges over and above Council's actual costs were not budgeted for.

CONCLUSION

Te Whanau O Waipareira Trust have applied to Council to have refunded some of the penalty interest charges incurred by their delayed repayment of the loan advance of the land at West Coast Road, Glen Eden. Such a refund is not recommended by staff. A decision in this regard is required from the Committee.

RECOMMENDATION

That the Application by Te Whanau O Waipareira Trust for Waiver of Part or all Penalty Interest Charges - Former Mortgage Advance - Property at 423 - 429 West Coast Road, Glen Eden report be received.

Report prepared by: Ross McLeod, Director: Corporate & Civic Services.



11 CUSTOMER SERVICES IMPROVEMENTS AND CUSTOMER SERVICES CHARTER

PURPOSE OF THE REPORT

The purpose of this report is to provide an update to the Finance and Operational Performance Committee in terms of a number of customer services initiatives that have been designed to enhance the experience of customers in their interactions with the Council and to recommend the adoption of a Customer Services Charter.

BACKGROUND

In the Annual Plan 2002/2003, Council strongly signalled its intentions, under the umbrella of the "Friendly face of the Council", to provide "improved service to everyone".

Since then, a number of key steps have progressively been taken to enhance the quality of customer service. These include:

- an increased use of the Call Centre by most Council services to ensure that contact by telephone is met by dedicated Customer Services Representatives;
- the introduction of the One Stop Shop, reinforced by the establishment of the Development Relationships Team, to ensure that consistent and integrated services are provided for the development community;
- the establishment of the Developer's Relationship Group;
- the establishment of a Customer Services Champions Group, comprising staff from all levels of the organisation, committed to promoting the adoption of good customer service practice throughout their units;
- the establishment of a Public Service Excellence Group to develop customer-focused recruitment, induction, and other development processes;
- the establishment of the position of Group Manager: Customer Services midway through last year and the subsequent development of a customer services enhancement programme;
- the imminent introduction of a Customer Services Charter and related complaints systems and processes in July 2005; and
- the commencement of planning for enhanced customer service for visitors to Waitakere Central.

STRATEGIC CONTEXT

Customer Service is an established pre-requisite of any public serving entity. Council has set itself a number of strategic platforms which to be delivered effectively and with impact, demand a higher than average customer service ethos from the organisation which drives and implements them.

It is not only a matter of what we do, but how we do it that substantially impacts on a positive outcome for our citizens and ratepayers. This entails not only a focus on those actions that directly interface with citizens and ratepayers, but also a clear dependency on others in the organisation, calling for stronger and more positive co-operation and attitudinal changes in a number of areas to achieve higher organisational standards of co-operation and service.

ISSUES

Over the past 2 years there has been a concerted drive to enhance customer service, with the momentum gathering impetus in the past 12 months to meet ever increasing customer demands, mainly fuelled by legislative changes. The Resource Management Act and Building Act changes are prime examples.

A key driver to service enhancements has been a strong customer focus by the Chief Executive Officer aimed at building organisation-wide capability to deliver flexible and responsive services. This focus:

- places customer service at the heart of everything we do;
- recognises our diverse customer base (from new immigrants with minor requirements, but with little understanding of the workings of local government, to developers involved in major, complex developments);
- continues the strive towards providing a seamless service delivery approach; and
- encourages a commitment to continuous improvement of customer service.

Details of key outcomes are outlined below.

Contact via the Call Centre

The Call Centre is the prime contact for telephone calls into Council with responsibility for also receiving emails to Council's prime address (info@waitakere.govt.nz).

Over the past two years a concerted focus on maintaining the Call Centre's on-going high customer service performance has been recognised in the annual CRM Contact Centre Awards, based upon the assessment of both email and telephone processing, with the following placements:

- 2003 - 2nd in the Local Government sector, 8th overall (85 participants);
- 2004 - 1st in the Local Government sector, 5th overall (85 participants);
- These performances, along with operational resourcing imperatives have been drivers behind the recent migration of Library and West Wave calls into the Call Centre, leading to a 20% increase in callers now exposed to this high quality service. With emails to Council's prime address currently increasing at 15% per annum, improvement options are under on-going consideration to maintain the Call Centre's performance levels in the face of increasing demands.

One Stop Shop / Developer's Relationship Team

The management of the One Stop Shop involves the facilitation (by the Developers Relationship Manager) of any issues that arise from the Council's elected members and from developers.

It also involves initiating improvements to business processes so as to mitigate the escalation of complaints from developers.

Since its inception, in November 2003, the One Stop Shop team has achieved the following:

- The embedding of the One Stop Shop, including the provision of specialised services at the main counter, the introduction of a separate main help desk, and the establishment of separate booths for the more lengthy, complex service transactions;
- The establishment of a One Stop Shop Operational Group, which is a multi-functional team made up of managers from cross-council work groups, who make decisions on the day to day running of the One Stop Shop operations;
- The introduction of a booking system which has provided another customer friendly option for customers in carrying out their business with the Council;
- The transfer of customer representatives from asset management teams, based at Moselle Ave and EcoWater, to the Civic Centre to eliminate the need for customers to also visit those outlying offices;
- The formation of the Developers Action Group which provides a forum through which developers, consultants and architects can ask questions that challenge the Councils current practices in an open and honest partnership.

Establishment of Position of Group Manager: Customer Services

The role of Group Manager: Customer Services evolved out of the former Manager: Customer Services position midway through 2004 to provide the organisation with a senior role dedicated to not only focussing on quality customer service but to provide a champion to maintain the momentum necessary to ensure customer service enhancements. In recognising that the development of customer services initiatives are encouraged across all parts of the organisation, the position was seen as playing a key role in ensuring co-ordination and synergies and in providing a focal point for both initiatives and issues.

In addition to some of the key initiatives outlined in this report, the Group Manager: Customer Services has also been working with a number of teams within the organisation who are driving initiatives such as:

- providing a focus on the need to ensure that all new recruitments possess high customer service skills;
- ensuring that an on-going awareness of customer service qualities is maintained through learning and development programmes;
- promoting and fostering the concept of “customer services champions” from within the various teams across the organisation;
- reviewing customer service processes and systems to ensure that all customer interactions have a strong supporting base;
- developing organisational capacity to record and analyse data on a systematic basis. This will give the ability to identify trends and root-causes of issues and system faults, rather than the current focus primarily on case by case problem solving.

Customer Services Charter and Consolidated Complaints Processes / Systems

An update report to Council’s informal Communication and Facilitation Group, in August 2004, highlighted that there was widespread recognition across Council of inconsistency and lack of congruence leading to intra and inter-departmental conflicts and lost opportunities for excellence.

The report also acknowledged that there was growing recognition in Council that customer service is not just about those staff who are customer-facing, but as importantly, about how the whole organisation identifies with its respective customers and works together to ensure a high and responsive standard of delivery.

In terms of changing the customer service culture across the organisation, the report also highlighted how those actions, attitudes and processes that are applicable to every one of us, no matter where we sat in the organisation, had been drawn together and captured to form part of a Customer Services Charter. It was further highlighted that the aim of the charter was to provide a clear message of those measures that are applicable to all staff, and to also give customers clarification of what they could expect in their interactions with the Council.

The report also advised that the draft Customer Services Charter was being circulated to all Council Units for comment and feedback, with this invitation also extended to elected members.

Considerable feedback was received in the latter stages of last year, resulting in a number of revisions to the charter. Subsequent rounds of consultation were then undertaken earlier this year leading to a refined Customer Services Charter which has a general endorsement from both staff and the PSA.

A16-A34

Attached at pages A16 to A34 is the Customer Services Charter for consideration and adoption by the Finance and Operational Performance Committee.

Two key features of the charter are:

- A statement of Commitment in which staff undertake to meet a range of customer service attributes and standards;
- The introduction of detailed processes for any member of the public who wishes to submit a complaint, compliment or any suggestion.

The proper management of complaints is seen as a critical step in meeting our charter obligations and a central database is being developed to allow all complaints to be captured, responses monitored, complaints analysed and full management reporting to be provided. This information will allow us to identify key enhancement opportunities and to focus our improvement efforts accordingly.

Our complaints processes are also designed around an acknowledgement that the real ownership of complaints lies at the operational level - this is imperative to gain the full buy-in of staff.

An implementation programme has been developed with the aim of publicly releasing the Customer Services Charter in the latter stages of July 2005. Key steps in this programme include:

- The finalisation and introduction of revised complaints processes and systems;
- The design and undertaking of workshops for both staff and Councillors aimed at ensuring a full understanding of the intent of the Customer Services Charter and also embedding the new processes, accountabilities and expectations relating to customer complaints management;
- The development of an on-going internal awareness programme to foster a continuous buy-in from staff, including recognition and acknowledgement of excellent customer service contributions;
- An official launch; and
- A publicity campaign aimed at widely promoting the Customer Services Charter.

It is recommended that the Chairperson of the Finance and Operational Performance Committee be appointed to be Council's spokesperson for promotion of the Customer Services Charter.

Enhanced Customer Service Waitakere Central

The relocation of Council to Waitakere Central in July 2006 is providing a further opportunity to enhance customer service delivery, particularly in terms of the public who visit our new offices. The design of our main customer interaction areas is aimed at reducing the need for queues; particularly through the provision of a dedicated property bag viewing area and, in comparison to the current Civic Centre amenities, an increased number of interview booths and a more expansive waiting area.

Queue management system options are also under consideration. These would allow us to much better manage visits and to enhance the experience of those visiting our premises.

RESOURCES

The progressing of these initiatives has primarily been carried out by staff across the organisation with this approach aimed at gaining ownership and buy-in from as many staff as possible. Funding has been provided in both the Annual Plan 2004/2005 and the draft Annual Plan 2005/2006 for any implementation issues.

CONCLUSION

The Chief Executive Officer has initiated a number of customer service improvements that are aimed at enhancing the quality of customer service provided by Council. A fundamental part of these initiatives is the Customer Services Charter to provide a consistent framework for the delivery of customer services. It is recommended that the Customer Services Charter be adopted to confirm Council's commitment.

RECOMMENDATIONS

1. That the Customer Services Improvements and Customer Services Charter report be received.
2. That the Customer Services Charter be adopted.
3. That a workshop be held with Councillor's and Community Board Members to provide guidance and feedback on the implementation of the Customer Services Charter, and that feedback should also be sought from Te Taumata Runanga, the Pacific Islands Advisory Board, Youth Council and the Waitakere Ethnic Board.
4. That the Chairperson of the Finance and Operational Performance Committee be appointed to be Council's spokesperson for the Customers Services Charter.

Report prepared by: Paul Tate, Group Manager: Customer Services.



12 THE WAITAKERE REGIONAL SPORTS TRUST GOVERNANCE REVIEW

PURPOSE OF THE REPORT

The purpose of this report is to update the Finance and Operational Performance Committee on the findings of a governance review of the Waitakere Regional Sports Trust, and to seek endorsement for the review's principal recommendation that the stadium business of Waitakere Regional Sports Trust be placed into a separate structure outside the present Trust, and that an Electoral College be established to select members of the new entity Board.

BACKGROUND

The Trusts Stadium is a state of the art sports and events venue situated on Council's leisure precinct on Central Park Drive built to provide Waitakere City residents with sport, recreation and leisure opportunities.

Waitakere Regional Sports Trust is the owner of the stadium, however in partnership with Waitakere Regional Sports Trust, Council has made a significant investment into The Trusts Stadium with total contributions of \$12,470,000 capital investment and an operating assistance grant of \$250,000 in 2004/2005. The operating grant has been increased to \$475,000 in the draft Annual Plan for 2005/2006. Council leases the land on which the stadium sits to Waitakere Regional Sports Trust for a nominal rent.

To ensure the investment Council has made is secure and value for stakeholders' money, the Waitakere City Leisure Precinct Sports Complex Charter (the Charter) document was produced and agreed by the following parties:

- Waitakere City Council;
- Waitakere Regional Sports Trust;
- Waitakere City Rugby and Athletic Sports Trust (RA Trust);
- Waitakere City Rugby Football and Sports Club Inc;
- Waitakere City Athletic Club Inc.

The Charter contains a number of legal agreements around leases, sub-leases, licences, and also sets out management and governance agreements and community objectives.

Waitakere Regional Sports Trust has experienced a number of governance challenges over the past few years as it has grappled with delivering sport and wellbeing outcomes to the community, as well as delivering a \$28 million capital project at the same time.

By way of a Memorandum of Understanding signed at the Council meeting on 29 September 2004, both Council and Waitakere Regional Sports Trust agreed that a comprehensive governance review of the activities of the Trust should be undertaken, and that pending completion of that governance review there should be an interim restructuring of the Executive Committee of the Trust.

To enable the Trust to focus on delivering successful outcomes for the different areas of the Trust's business, Council at its meeting on 29 September 2004 approved a variation to the Charter allowing the creation of two separate committees to oversee the Trust's business, and the disbanding of the Waitakere Sports Complex Development Board (Development Board) originally established under the Charter to oversee the stadium development and subsequent operations.

The two new committees (Trust Stadium Committee and Sport Waitakere Committee) continue to be effective until such time as there is a conclusion of the governance review process and its agreed implementation. In the event of failure to reach agreement on a preferred governance model, the governance structure of the activities of the Trust shall revert to that set out in the Charter dated 31 July 2002. At the Council meeting, 29 September 2004 it was resolved:

- “2. That the proposed Waitakere Regional Sports Trust “The Trusts Stadium Committee”, and its proposed memberships and fields of activity be endorsed to be effective from 1 October 2004 until such time as there is a conclusion of the review process, and implementation of the agreed option or alternatively implementation of the default option.
3. That the current Development Board be disbanded from 1 October 2004 and its members thanked for their valuable and outstanding contribution to the delivery of the Stadium Project.
4. That the proposed “Waitakere Regional Sports Trust Committee”, the “Sport Waitakere Committee” and “The Trusts Stadium Committee”, and the Memorandum of Understanding be approved as variations to the Waitakere City Leisure Precinct Sports Complex Charter and that the Chief Executive be authorised to sign the Memorandum of Understanding on behalf of Council.”

1828/2004

A35-A63

The independent governance review was undertaken by BoardWorks International (Graeme Nahkies, Director, and Tony Hassed, Associate) and facilitated by the Director: Quality Assurance. The governance report which has been prepared for both Council and Waitakere Regional Sports Trust as attached at pages A35 to A63. A copy of this report has also been given to the Board of Waitakere Regional Sports Trust for discussion on the preferred option.

STRATEGIC CONTEXT

Council's investment in The Trusts Stadium is a reflection of the key strategic platforms and priorities, namely Urban and Rural Villages, Strong Communities and First Call for Children. In particular it reflects the Council's leisure strategy, which is aimed at:

- Promoting a regional centre for leisure and major sporting competitions;
- building on the strength and variety of existing cultural and recreational facilities;
- developing a city identity;
- expanding development and promotion of programmes for youth in the community, and;
- developing facilities which cater for casual users and which provide a range of activities in one place.

ISSUES

Report Context

The scope of the governance review is set out in the attached report, and was approved by both Council and Waitakere Regional Sports Trust by way of a Memorandum of Understanding signed at the Council meeting on 29 September 2004. The review entailed a six step process starting with the identification of the main issues of concern. Interviewees from Council, the current Waitakere Regional Sports Trust and its two Executive Committees, and the former Development Board were encouraged to comment openly and frankly on what did and did not work well under the previous governance structure to enable the reviewers to clearly identify the most preferred option. Accordingly, the report necessarily focuses on the key issues of governance and some of the main reasons why changes are needed.

The report does not deal with any logistical or cost issues that may exist in respect of implementing the preferred option.

Preferred Option

The review has identified four principal alternative options namely:

1 Status Quo

This is the current transitional arrangement which was seen as a pragmatic response to separating the stadium activities from core Waitakere Regional Sports Trust sports development activities. The original Waitakere Regional Sports Trust provides a legal framework, but in reality does little more than that with the two transitional executive committees in many ways operating as distinct governing bodies and arguably making the role of the Board of Waitakere Regional Sports Trust almost meaningless.

2 Default Option

This is the structure identified in the Charter which saw the creation of a Development Board to manage the stadium project, and following completion to oversee the operations of the stadium albeit with a change in skill and experience on that Board. While this is the default option in the event that Council and Waitakere Regional Sports Trust are unable to successfully implement the most preferred option, the report identifies weaknesses with this option. In particular, the governance structures are not as clear as possible and there is the danger that neither the sport function nor the stadium function will be free to focus on their respective programmes and responsibilities.

3 Unitary Option

The Waitakere Regional Sports Trust would have the unequivocal and unfettered governance of all component parts of the present organisation. There would be a single chief executive responsible for all aspects of the operation of both business activities. One of the main drawbacks of this option is the difficulty in fundamentally and transparently managing both business activities without bias at a Board and management level. Further, it ignores what many staff in both operations have said in respect of the different nature of the operations.

4 Separation Option

This entails the complete separation of the stadium business from the current Waitakere Regional Sports Trust into a stand-alone entity with its own Board and management structure.

Option four, the Separation Option is identified in the governance review as the preferred option. Specifically, the review concludes that the stadium and sports businesses are sufficiently different that a separate dedicated governance and management focus is required for each. To this extent the review recommends a separate structure outside the present Waitakere Regional Sports Trust. In addition to a new stadium entity the review also recommends:

- Board membership and Board leadership tailored specifically to its particular responsibilities and to stakeholder expectations;
- An Electoral College representing Council, sporting and community interests responsible for the selection and oversight of the performance of members of the Board. (The review also recommends similar arrangements should apply to the current Waitakere Regional Sports Trust);
- A relationship with key stakeholders such as Council conducted on an 'arms length' basis through transparent contractual processes.

The Director: Quality Assurance supports the principal conclusion and recommendation of the review, namely implementation of the Separation Option, however while the review implies that it should be a relatively straightforward exercise putting the legal structure into place, there are important issues that need to be worked through in implementing the preferred option. In particular the following key issues have been identified:

- It is important to structure any new entity in a tax efficient way (retaining charitable status);
- The relevant constitutional documentation is in need of substantial update;
- The Charter similarly requires significant update;
- Any contractual processes between the new entity and Council will require legal input from both organisations;
- The possible synergies referred to in the report in respect of property ownership and management require further investigation;

- An Electoral College acceptable to both Council and Waitakere Regional Sports Trust needs to be established;
- A Chair for the new entity will need to be appointed;
- There will be costs involved implementing the preferred option;
- The Electoral College will need to comment on the appropriate balance of the Sports Trust entity following a favourable audit from Sport and Recreation New Zealand (SPARC).

The scope of the review was to focus on the preferred structural and governance option and not the legal and other issues that may exist implementing the preferred option. Further work will be required by officers of Council and Waitakere Regional Sports Trust to identify the most efficient means of implementing the preferred option.

Leadership

The review has identified the critical issue of leadership. The first paragraph of Section 2.6 of the review states “the appointment of the Chairs of the Boards of the two businesses is a critical decision, both in terms of their competence to lead their respective Boards, and their ability to set the tone for the type of relationship which is needed with key stakeholders”. It is clear from both the review and recognised best practice that the skills required to deliver a major project such as the Stadium are different to those required for operation. The Charter identified the necessary change in skill set from construction to operation.

The sheer presence and quality of the Stadium means it is not just seen as a local asset and is expected to continue to attract events and functions of national and international importance. Leadership of the new entity recommended in the preferred option will be critical to the Stadium's success and the skill set and experience required to lead the Board of the new entity necessitates looking wider than the local community.

While the governance review recognises that in the long term both the new Board and Waitakere Regional Sports Trust should appoint their own Chairs, the review states there would be value in appointing the chairmen of the two businesses ahead of other Board members in order for the respective Chairs experience to benefit the selection process.

Waitakere Regional Sports Trust

A copy of the governance review report was sent to the Board of Waitakere Regional Sports Trust to enable that Board to consider the report and provide comment to Council on the report's principal conclusion and recommendations. The Trust's Board meeting is set for 7 June 2005 and at the time of finalising this report that Board's views are not known.

RESOURCES

Council staff time will be required to implement the preferred option, and there may be legal costs associated with any update of the Charter and creation of possible contracts with the new entity. Budget provision will be discussed during the final 2005/2006 Annual Plan deliberations.

CONCLUSION

The independent governance review has been completed in accordance with the terms of reference agreed by Council and Waitakere Regional Sports Trust. In particular, the terms of reference required the reviewers to identify the preferred structural and governance option for the activities of Waitakere Regional Sports Trust. The principal conclusion of the review is that the stadium and sports businesses of Waitakere Regional Sports Trust are sufficiently different that a separate dedicated governance and management focus is required for each. This preferred option, the Separation Option, entails the complete separation of the stadium business into a stand-alone entity with its own Board and management structure. The review also recommends that Board membership and Board leadership be tailored specifically to its particular responsibilities and to stakeholder expectations, and be selected through an Electoral College representing Council, sporting and community interests. It is important that representation on the Electoral College be based on best practice criteria including among other things avoidance of conflict of interest.

There is also a lot of detail to be worked through between officers of Council and Waitakere Regional Sports Trust should the decision be made to endorse the preferred option. It is possible that there may be some practical issues implementing the preferred option, and which may require further consideration by both Council and Waitakere Regional Sports Trust before the preferred option is fully implemented. Should the preferred option be chosen, there will be a need to identify and appoint suitable Chairs for the respective Boards of the new entity and Waitakere Regional Sports Trust.

RECOMMENDATIONS

1. That the Waitakere Regional Sports Trust Governance Review report be received.
2. That subject to any practical issues regarding implementation the principal recommendation of the review be endorsed namely; that the stadium business be placed into a separate structure outside the present Waitakere Regional Sports Trust, and that an Electoral College (representing Council, sporting and community interests) be established for the selection of members of the new entity Board and for review of the existing Trust Board.
3. That representation on the Electoral College be based on best practice criteria including avoidance of conflict of interest.
4. That the Chief Executive Officer establish an officer working group comprising the Director: Quality Assurance, Director: City Services and the Manager Legal Services to work with the Waitakere Regional Sports Trust to identify any issues and recommended actions required to successfully implement recommendation 2.
5. That the Board of Waitakere Regional Sports Trust be advised of the Finance and Operational Performance Committee's endorsement of the preferred recommendation acknowledging that there may be practical issues regarding implementation of the preferred option.
6. That a report be brought back to the Finance and Operational Performance Committee on any issues identified that may prevent full implementation of recommendation 2, and the criteria and nominations for representation on the Electoral College to be established for recommending appointments to the Board of the new entity.

Report prepared by: Robert Rudd, Director: Quality Assurance.



PART F - REPORTS FROM THE SUBCOMMITTEES

13 CREATIVE COMMUNITIES SCHEME ALLOCATION SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS RECONVENED MEETING HELD ON TUESDAY, 17 MAY 2005.

CREATIVE COMMUNITIES SCHEME ALLOCATION - MAY 2005

The Subcommittee Recommends:

That the Creative Communities Scheme Allocation as set out be approved.

No.	Group Name	Funding Requested	Funding Allocated
1.	Frances Anne Pearce	Application Ineligible	\$0.00
2.	Tanya Milne	Application Withdrawn	\$0.00
3.	The Living Art Company	Application Ineligible	\$0.00
4.	Auckland Conductive Education Foundation	\$2,387.00	\$1,700.00
5.	Stage Challenge Foundation	\$1,650.00	\$1,500.00
6.	Sunnyvale School	\$4,916.25	\$2,500.00
7.	Te Atatu Cluster Music Festival	\$3,000.00	\$2,000.00
8.	Te Ukaipo Mercy Initiatives for Neighbourhood	\$4,500.00	\$2,500.00
9.	Titirangi Community House	\$1,514.00	\$1,000.00
10.	Torotoro Trust	\$5,000.00	\$3,400.00
11.	833 Records	\$3,100.00	\$3,000.00
12.	Angela Main	\$5,000.00	\$3,000.00
13.	Ann Jeannette Mclver	\$4,250.00	\$3,000.00
14.	Briar March	\$5,000.00	\$3,000.00
15.	Chinese New Settlers Services Trust	\$1,500.00	\$0.00
16.	Class Act Opera Trust	\$2,600.00	\$2,000.00
17.	Cornelia Van der Hulst	\$963.14	\$0.00
18.	Free Spirit Peace Productions	\$5,000.00	\$3,500.00
19.	Pacific Culture & Art Exchange Centre	\$1,000.00	\$0.00
20.	Show West Society Inc	\$5,000.00	\$3,000.00
21.	Starjam Charitable Trust	\$5,000.00	\$0.00
22.	Waitakere City Orchestra	\$5,000.00	\$4,000.00
23.	Auckland Theatre Company	\$2,500.00	\$0.00
24.	Ellen Christine Kerssens	\$5,000.00	\$0.00

No.	Group Name	Funding Requested	Funding Allocated
25.	Joy Puppets	\$2,105.00	\$0.00
26.	Kotuku Trust	\$1,899.00	\$1,650.00
27.	Liberty Trust - "Pacific Spirit"	\$5,000.00	\$0.00
28.	NZ Ethnic Social Services Trust	\$3,440.00	\$1,700.00
29.	Pacific Island Advisory Board	\$5,000.00	\$4,800.00
30.	Pandemonium Theatre Company	\$2,000.00	\$0.00
31.	Rachelle Mere Forbes	\$5,000.00	\$0.00
32.	Rewi Spraggon	\$833.30	\$833.00
33.	Somali Concern Refugee & Migrant Organisation	\$5,000.00	\$0.00
34.	Te Airihi Anita Mitchell	\$1,565.00	\$1,000.00
	Total	\$105,722.69	\$49,083.00

JP Lawley
CHAIRPERSON



14 **TENDERS SUBCOMMITTEE**

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETINGS HELD ON FRIDAY, 13 MAY 2005 AND FRIDAY, 27 MAY 2005.

MATTERS CONSIDERED

A64-A71

The Subcommittee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meeting is attached at pages A64 to A71.

The Subcommittee Recommends:

That the Meeting reports of the Tenders Subcommittee held on Friday, 13 May 2005 and Friday, 27 May 2005 be received.

JM Clews, QSO, JP
CHAIRPERSON

