

Statement of Expectations

For decision:

For noting:

Ngā tūtohunga / Recommendations

That the Auckland Transport Board (board):

- a) Review and provide any feedback on the Statement of Expectations (SOE) of substantive council controlled organisations (CCOs), prepared by Auckland Council and provided in Attachment 1.

Te whakarāpopototanga matua / Executive summary

1. Auckland Council staff, in consultation with CCO colleagues, have prepared a SOE for CCOs to deliver to recommendation 22 of the Review of Auckland Council's CCOs (CCO Review).
2. This is now in a form for review and feedback by CCO Boards, prior to being presented for Governing Body approval on 27 May 2021.

Ngā tuhinga ō mua / Previous deliberations

3. Nil.

Te horopaki me te tīaroaro rautaki / Context and strategic alignment

4. Recommendation 22 of the CCO Review states "*The council prepares a statement of expectation setting out its expectations of each CCO and of CCOs generally*".
5. To date, the SOE has been an unused mechanism provided for in the Local Government Act 2002 Amendment Act 2019. It allows the Council to spell out, among other things, how CCOs should conduct their relationships with the council, stakeholders and others in the community, including iwi, hapū and Māori organisations.

6. To deliver to the recommendation, Council staff have prepared the attached SOE which incorporates feedback and commentary from across the CCO group, including Auckland Transport (AT).
7. The document has been arranged to align closely to the legislative provisions in section 64B of the Local Government Act 2002.
8. AT staff have advocated for the SOE, once approved, to replace the unpopular (as highlighted by the CCO Review) Governance Manual for CCOs. This perspective has been supported by the other CCOs and it is expected that the Governance Manual will be removed.

Ngā matapakinga me ngā tātaritanga / Discussion and analysis

9. The additional context for recommendation 22 provided in the CCO Review states that the SOE should outline:
 - how each CCO should conduct relations with the governing body, local boards, Māori entities and the public;
 - the council's expectations of individual CCOs as well as of CCOs generally;
 - the extent to which the council expects CCOs to consult it when developing significant plans or strategies; and
 - the council's expectations about CCO chief executives' salaries and tenure.
10. The SOE has been split into three sections in order to address the structure suggested by the CCO Review:
 - conduct of relationships, including that with Auckland Council but also with communities and specified stakeholders;
 - shareholder obligations with which CCOs must act consistently, including statutory obligations; and
 - other expectations, such as ensuring value for money.
11. The expectations articulated for the CCOs are very similar to those set in the past in other documents, but have been brought together in a single and more useful document.
12. AT feedback on the draft has focussed on ensuring AT's decision making and strategy role, which is often independent of Council, has been reflected.

Ngā tūraru matua / Key risks and mitigations

Key risk	Mitigation
The SOE does not deliver to the CCO Review recommendations or is not fit for purpose.	Council has indicated the SOE will be an iterative document, subject to review, feedback and updates in the future.

Ngā ritenga-ā-pūtea me ngā rauemi / Financial and resource impacts

13. N/A.

Ngā whaiwhakaaro o te taiao me te panonitanga o te āhuarangi / Environment and climate change considerations

14. N/A.

Ngā reo o mana whenua rātou ko ngā mema pooti, ko ngā roopu kei raro i te maru o te Kaunihera, ko ngā hāpori katoa / Voice of mana whenua, elected members, Council Controlled Organisations, customer and community

15. The Independent Māori Statutory Board and Local Boards have been engaged by Council staff throughout the preparation process and their feedback has been incorporated in the SOE.

Ngā whaiwhakaaro haumaruru me ngā whaiwhakaaro hauora / Health, safety and wellbeing considerations

16. N/A.

Ā muri ake nei / Next steps

17. Subject to feedback from the CCO Boards, the SOE will be presented for approval by the Governing Body at their 27 May 2021 meeting.

Te whakapiringa / Attachment

Attachment number	Description
1	SOE

Te pou whenua tuhinga / Document ownership

Submitted by	Andrew Downie Governance Lead	
Approved for submission	Shane Ellison Chief Executive	