

Memorandum

12 September 2019

To: Joint Governance Working Party

Subject: GFR Service Levels and Funding Update

From: Gary Pemberton, Programme Change Lead
Service Strategy and Integration, Customer and Community Services Division

Contact information: xxxx.xxxxxxxxxx@xxxxxxxxxxxxxxxxxx.xxxx.xx

Purpose

1. To update Joint Governance Working Party (JGWP) members on progress of the GFR – Service Levels and Funding project (Project) including proposals for minimum service levels.

Summary

2. The second phase of this Project, investigating possible minimum service levels, has resulted in eight proposals for minimum service levels which are presented here for feedback from the JGWP.
3. The third phase of this Project, investigating options for equity of service levels and funding, is underway based on five design principles, which are presented here for endorsement by the JGWP.
4. Should decisions from the next phases meet the significance criteria under Council's Significance and Engagement policy, public engagement on those decisions will be undertaken through the LTP process for 2021-31.
5. The planned Project completion date of August 2020 is unchanged.

Context

6. In September 2017 the Governing Body resolved that further work be undertaken that provides local boards more flexibility over decision-making over operational funding and service levels.

GB/2017/118 28 September 2017 - Operational funding and service levels

y) approve, in principle, that local boards will be given more flexibility of decision-making over operational funding and service levels and, that before final decisions on the degree of that flexibility are made, further work (including a more detailed timeframe) be reported back to the governing body on:

- i) existing service levels
- ii) options for equalising service levels between local boards
- iii) options for minimum service levels and to which activities these may apply
- iv) the impacts on organisational support.

7. The GFR – Service Levels and Funding project (Project) commenced in July 2018 under the Governance Framework Review programme of work and the JGWP was last updated on progress in July 2019.
8. The Stocktake of Existing Local Community Service Levels report has been finalised following feedback from local boards, completing phase one of the Project.
9. This report updates progress on the two remaining phases of this project:
 - options for ‘minimum service levels’ and to which activities these may apply
 - options for equity of service levels and funding between local boards and implications for organisational support.
10. The attachment provides further detail on key discussion points below.

Discussion

Minimum Service Levels – phase two

11. An initial list of 36 minimum service levels were proposed across local community services.
12. Testing against relevant legislation reduced this list substantially. Identification of a preferred approach to achieving regional outcomes from some local services reduced this list further, to eight minimum service level proposals.
13. These proposals and recommendations are presented here for feedback.
14. In the new term, updated recommendations will be presented to local boards and the relevant Governing Body committee for feedback and endorsement, along with the proposals from phase three.

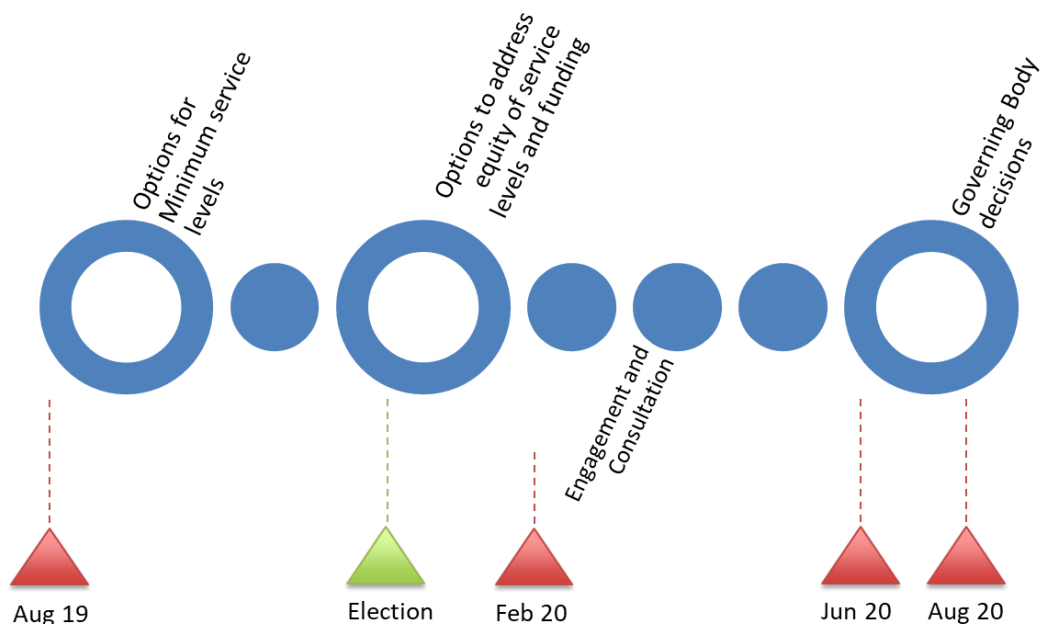
Equity of service levels and funding – phase three

15. The third phase of work, to develop options for equity of service levels and funding, is now underway. Five design principles will guide the next phase and have been drawn from the Local Government (Auckland Council) Act (2009) sections 17 (allocation of decision making responsibilities) and 19 (local boards funding policy).
16. These design principles are presented here for endorsement:
 - Local boards are empowered to make local service level decisions consistent with local priorities
 - Local decision making may result in service levels differing across local boards - this is acceptable and expected
 - Local boards might decide to remove some services from their communities entirely, subject to agreed minimum service levels
 - The priority for achieving equity in funding is for local boards to deliver local services to ‘enhance their community wellbeing’
 - Proposals will be fair, transparent, durable and responsive to growth and change within communities.
17. A discussion paper on findings and options will be circulated to local boards and the relevant Governing Body committee in Q3 of 2019/20.

Next steps

18. Incoming local boards and the relevant Governing Body committee will be provided an update on the Project findings to date and other discussion material.

19. In Q3 of 2019/20 local boards and the relevant Governing Body committee will workshop discussion documents on options for service level and funding, including the role of minimum service levels.
20. In Q4 of 2019/20 local boards and the relevant Governing Body committee will be consulted on both minimum service level and equity of service level and funding proposals prior to final decisions.
21. Should decisions from the next phases meet the significance criteria under Council’s Significance and Engagement policy, public engagement on those decisions will be undertaken through the LTP process for 2021-31.
22. Project milestones are unchanged.



Attachments

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B	Minimum Service Level Proposals - Table	22

Governance Framework Review

Service Levels and Funding

Joint Governance Working Party

18 September 2019

Agenda

- Minimum Service Levels – Findings
 - Principles of the LGACA guide minimum service level developments
 - Effectiveness of minimum service levels for different services
 - Proposals for minimum service levels
 - Requesting PWP feedback and endorsement of proposals
- Equity of Service Levels and Funding
 - Design principles approval
 - Requesting PWP feedback and endorsement of approach
- Timeline

Minimum Service Levels

Minimum Service Levels - Objectives

- Objective of GFR is to increase local board responsibility over local service level decisions
- Regional decisions on some local services might be required to support regional outcomes
- Minimum Service Levels are proposed to introduce these regional decisions but will limit some local board decision making flexibility
- Important to note: Minimum service levels are not intended to deliver all regional or local outcomes and they should not be interpreted as 'recommended adequate service levels'. The provision of quality advice will be critical to determining what increase from minimum will best enable local boards to deliver on LB outcomes

Minimum Service Levels - Approach

- Methodology for determining Minimum Service Levels starts from a default position of a 'nil service' minimum service level and increases from there on a substantive basis
- Most substantive basis for Minimum Service Levels above 'nil' is the requirements of LGACA s17(2) ("Principles")
- Possible Minimum Service Levels were tested against the Principles of LGACA s17(2) and, if justifiable, included as recommended or proposed Minimum Service Levels
- Proposals need to be specific and measurable – which lead to a focus on **outputs** versus **outcomes**

Decision Making Principles - Legislation

- Section 17(2) of the Local Government (Auckland Council) Act (LGACA) describes the approach to allocating decision-making responsibilities for non-regulatory activities.
- Broadly, this section requires that these decisions should be made by local boards unless communities across Auckland will benefit under one of the following **Principles**:
 - i. the impact of decisions will extend beyond a single local board area
 - ii. there needs to be alignment or integration with other decisions made by the governing body
 - iii. the benefits of a consistent or coordinated approach across Auckland outweighs the benefits of local decision-making.

Operational Categories from Legislation

Operational Category	Operational Description	Alignment with LGACA s17(2)		
		Decision impact beyond local board	Integration alignment with GB decisions	Co-ordination benefit vs local benefits
Network Expectations	Where there is a customer expectation of consistency in key service levels across a service network	✓		✓
Health and Safety	Where there is an agreed (legislative or sector standard) requirement of health and safety obligations to be met to deliver a service level			✓
Contractual obligations that apply regionally	Arrangements that are delivered locally but that have been entered into by the Governing Body		✓	✓
Regional Policy	Regional policies or work adopted by the Governing Body which relies on local channels for delivery		✓	
Maintain System Capability	Any core staff expertise or system capability required to ensure service can continue and advice can be provided to Elected Members	✓		✓

Minimum Service Level Proposals

- Number of minimum service levels proposed in total: **8**
- Breakdown by category and service line:

	Local Service Line						
Category	Libraries & Information	Active Recreation	Events	Parks Services	Arts & Culture	Community Places	Community Empow'ment
Network expectations	3	1	0	0	0	0	0
Health and Safety*	1	2	1	1	1	1	1
Commitments or contractual obligations and regional policy	0	1	1	0	0	0	0

* One health and safety proposal applies to all services

Proposed Minimum Service Levels

Network Expectations Category

	Intended outcome	Description	Service level mechanism and level	Pros	Cons	Recommendation
Libraries and Information	Meet community expectations on opening times of libraries	Aucklanders have consistent access to libraries by ensuring that users can access all staffed libraries for a minimum length of time each week	All permanently staffed community libraries are open at least 44 hours and 6 days per week * Community libraries excludes those with regional services	Users have reasonable access to library service	Libraries may be open longer than the community requires	Regional value of this outcome is unclear. Request feedback on proposal before final recommendations
	Maintain effective circulation of the regional collection across the network (Support Regional Collection Policy)	Aucklanders can access the 3 million+ physical collection items available across the regional in a timely way by ensuring libraries can receive (and return) items efficiently Note that short term staffing is addressed in 'all service activities'	Staffing to receive and dispatch regional collection items circulating around the network is sufficient to avoid backlogs of more than 7 days.	Collection circulation maintain the benefit of the regional collection to all libraries Maintains turnaround time for handling of items across region and avoids backlogs	Difficult to estimate additional resource required over short term minimum staffing Libraries with high volumes of turnover in collection items are likely to set service levels to avoid any backlogs	The constraint anticipated may occur too rarely to be justified. Request feedback on proposal before final recommendations

Proposed Minimum Service Levels Network Expectations Category (Cont.)

	Intended outcome	Description	Service level mechanism and level	Pros	Cons	Recommendation
Libraries and Information	Provide a professional library and information service	<p>Aucklanders benefit from skills of librarian professionals when seeking advice, information and research support</p> <p>LIANZA qualification criteria can also include undergraduate degrees and career experience</p>	A qualified librarian available in each local board cluster during opening hours	Customers can access professional librarian advice within their library (but not at all times)	Some libraries may offer services not needed by its customers	<p>Balancing service accessibility with local flexibility</p> <p>Request feedback on proposal before final recommendations</p>
Active Recreation	Pool price discount structure encourages usage by target groups	<p>Reduce barriers to use for those Aucklanders that have the most to gain from swimming and other activity</p> <p>Strategic assessment of operating model underway including admission pricing and structure. Monitor.</p>	Consistent discounts to pool admission pricing relative to std adult pricing for seniors, community card holders and students. Includes casual and multiple trip concessions.	<p>Provide target groups across the region with similar price support</p> <p>Discounts for regional memberships can be priced transparently (no change)</p>	<p>Constrains local board flexibility on pricing to target groups</p> <p>Users will face different price points across Auckland for similar services (no change)</p>	<p>Balancing regional pricing consistency with local flexibility on price levels</p> <p>Request feedback on proposal before final recommendations</p>

Proposed Minimum Service Levels

Health and Safety Category

	Intended outcome	Description	Service level mechanism and level	Pros	Cons	Recommendation
All Service Lines	Keep our customers safe and provide staff with a safe and healthy working environment	<p>Customers can enjoy our services in a safe environment provided by trained staff and the staff are kept safe in those workplaces by their colleagues and an appropriate working environment</p> <p>Common health and safety obligations across all service lines.</p>	Where a service is staffed a minimum level of staffing will be required for safe operation and will comply with key legislation and regulation	Council complies with key legislation, including Health and Safety at Work Act 2016, Vulnerable Children Act 2014 and Ministry of Social Development guidelines (e.g., OSCAR)	Some services may be provided unstaffed, e.g., if the local board sets a service level lower than staffing minimum service level	<p>Recognises reduction in local flexibility to ensure safety of customers and staff</p> <p>Approval</p>
Active recreation	Pool services comply with Poolsafe standards	<p>Auckland Council pool services deliver to high industry standards that ensure the health, safety and comfort of its users.</p> <p>Poolsafe includes requirements on accreditation, lifeguard staffing ratios, including caps), pool water quality & testing</p>	Maintain 'Poolsafe' standards for all opening hours	Services meet regionally adopted industry benchmarks	<p>Constraint on local board decisions on minimum service</p> <p>Increased cost of minimum operating service levels</p>	<p>Makes explicit the reduced local flexibility to meet a agreed higher industry standards</p> <p>Approval</p>

Proposed Minimum Service Levels - Commitments or Contractual Obligations and Regional Policy Category

	Intended outcome	Notes	Service level mechanism and level	Pros	Cons	Recommendation
Active recreation	Pool and water safety for children	Young Aucklanders can gain water confidence and improve their swimming skills without price being a barrier	All children under 17yo swim for free in Council pools. Initial approval through LTP 2012-2022, implemented Apr 2013	Service meets regionally adopted policy	Local board revenue reduced through free entry. Funding met from other services	Ensures delivery of previous regional decision Approval
Events	Citizenship ceremonies available to all new citizens	All Aucklanders becoming NZ citizens celebrate in a welcoming ceremony with a local focus	Citizenship ceremonies offered at least every quarter, by individual local board or in local board clusters	Service delivers obligations under agreement with Department of Internal Affairs (DIA) Citizens are welcomed in local ceremonies with a local flavour	Commits local board to ceremony costs (approximately 50% of Councils costs are covered by income from DIA)	Ensures compliance with current contractual obligations Approval

Minimum Service Levels vs Quality Advice

Minimum service levels are good for:

Setting Auckland-wide outcomes from local services that are:

- Delivered as a network of services through council owned facilities.
- Very similar in terms of approach, service offer, delivery

Proposals mainly relate to network service outputs

Minimum service levels are not good for:

Setting Auckland-wide outcomes for services that are:

- Delivered under a range of council- and community-led models (incl private providers)
- Delivered through a mix of council-owned and other facilities
- Designed to empower communities
- Are responsive and highly tailored to local needs
- Adaptable to change

Minimum Auckland-wide outcomes achieved through more holistic approach to quality advice and outcome-based service level decisions, supported by guiding documents such as:

- Toi Whītiki
- I am Auckland
- Thriving Communities
- Te Kauroa
- Auckland Sport and Rec Strategic Action Plan

Equity of Service Levels and Funding

Equity of Service Levels and Funding

- Current service funding:
 - reflects funding of legacy councils,
 - funding by local board not reflective of need
 - constrains local board service decisions and funding
- Local service levels and priorities are responsibility of local boards
- Provide local boards equitable capacity to deliver local community services
- Local boards determine service levels for their communities and allocate their funding to services based on their local priorities
- Decisions on service levels made by LBs within each LTP process

Equity of Service Levels and Funding Design Principles

- Local boards empowered to make local service level decisions consistent with local priorities
- Local decision making may result in service levels differing across local boards - this is acceptable and expected
- Local Boards might decide to remove some services from their communities entirely, subject to agreed minimum service levels
- Priority of achieving equity in funding of local boards to deliver local services to ‘enhance their community wellbeing’
- Proposals will be fair, transparent, durable and responsive to growth

Recommendations to Political Working Party

- Minimum service levels
 - Provide feedback on current proposals
 - Endorse finalising proposals and reporting
- Equity of Service Levels and Funding
 - Provide feedback on Equitable Capacity approach
 - Endorse design principles

Next Steps

- Minimum service levels
 - PWP feedback on proposals, recommendations 18 Sep 2019
 - Finalise report and recommendations Oct 2019
 - Local board consultation Apr 2020
- Equity of Service Levels
 - PWP endorsement of design principles 18 Sep 2019
 - Workstreams commence Sep 2019
 - Progress update and detailed timeline Dec 2019 (tbc)

Attachment B – Minimum Service Level Proposals Table

	Service Line	Intended outcome	Description	Service level mechanism and level	Pros	Cons	Recommendation
Network Expectations	Libraries	Meet community expectations on opening times of libraries	Aucklanders have consistent access to libraries by ensuring that users can access all staffed libraries for a minimum length of time each week	All permanently staffed community libraries are open at least 44 hours and 6 days per week * Community libraries excludes those with regional services	Users have reasonable access to library service	Libraries may be open longer than the community requires	Regional value of this outcome is unclear. Request feedback on proposal before final recommendations
	Libraries	Maintain effective circulation of the regional collection across the network (Supports Regional Collection Policy)	Aucklanders can access the 3 million+ physical collection items available across the regional in a timely way by ensuring libraries can receive (and return) items efficiently Note that short term staffing is addressed in 'all service activities'	Staffing to receive and dispatch regional collection items circulating around the network is sufficient to avoid backlogs of more than 7 days.	Collection circulation maintain the benefit of the regional collection to all libraries Maintains turnaround time for handling of items across region and avoids backlogs	Difficult to estimate additional resource required over short term minimum staffing Libraries with high volumes of turnover in collection items are likely to set service levels to avoid any backlogs	The constraint anticipated may occur too rarely to be justified. Request feedback on proposal before final recommendations
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	Active Recreation	Pool price discount structure encourages usage by target groups	Reduce barriers to use for those Aucklanders that have the most to gain from swimming and other activity Strategic assessment of operating model underway including admission pricing and structure. Monitor.	Consistent discounts to pool admission pricing relative to std adult pricing for seniors, community card holders and students. Includes casual and multiple trip concessions.	Provide target groups across the region with similar price support Discounts for regional memberships can be priced transparently (no change)	Constrains local board flexibility on pricing to target groups Users will face different price points across Auckland for similar services (no change)	Balancing regional pricing consistency with local flexibility on price levels Request feedback on proposal before final recommendations
Health and Safety	All Service Lines	Keep our customers safe and provide staff with a safe and healthy working environment	Customers can enjoy our services in a safe environment provided by trained staff and the staff are kept safe in those workplaces by their colleagues and an appropriate working environment Common health and safety obligations across all service lines.	Where a service is staffed a minimum level of staffing will be required for safe operation and will comply with key legislation and regulation	Council complies with key legislation, including Health and Safety at Work Act 2016 and Vulnerable Children Act 2014	Some services may be provided unstaffed, e.g., if the local board sets a service level lower than staffing minimum service level	Recognises reduction in local flexibility to ensure safety of customers and staff Approval
	Active Recreation	Pool services comply with Poolsafe standards	Auckland Council pool services deliver to high industry standards that ensure the health, safety and comfort of its users. Poolsafe includes requirements on accreditation, staffing ratios, including caps), pool water quality & testing	Maintain 'Poolsafe' standards for all opening hours (Poolsafe standards are maintained by New Zealand Recreation Association/ Recreation Aotearoa)	Services meet regionally adopted industry benchmarks	Constraint on local board decisions on minimum service Increased cost of minimum operating service levels	Makes explicit the reduced local flexibility to meet a agreed higher industry standards Approval
Contractual obligations and regional policy	Active Recreation	Pool and water safety for children	Young Aucklanders can gain water confidence and improve their swimming skills without price being a barrier	All children under 17yo swim for free in Council pools. approval through LTP 2012-2022, implemented April 2013	Service meets regionally adopted policy	Local board revenue reduced through free entry. Funding met from other services	Ensures delivery of previous regional decision Approval
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