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Committee Finance, Risk and Assurance Committee  
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## **General Managers' report to the Finance, Risk and Assurance Committee, 24 November 2015**

### **1. Purpose**

To inform the Finance, Risk and Assurance Committee of Greater Wellington Regional Council (GWRC) activities relating to the Committee's areas of responsibility.

### **2. Corporate Services**

The period has been a busy one for the Group. In addition to the bedding down of the new structure and the associated recruitment, the main focus has been on the annual planning process, improving processes and procedures in our finance team, strengthening the ICT team, and shaping the Programme Management Office (PMO) and Legal and procurement functions.

The focus for the next period is leveraging further efficiencies from the newly centralised structure and forming policies and frameworks around the new functions, completing the draft annual plan, and assessing our core finance and reporting systems.

ICT effort will be centred on refreshing the strategy and technology roadmap post the decision not to proceed with shared ICT infrastructure services with other councils. Improving resilience will be a focus as well as progressing projects including Land Mobile Radio, SharePoint migration, Office 365 and implementing a Customer Relationship Management (CRM) system for PTOM. The way in which ICT projects are prioritised and managed will also be reviewed.

Additionally, Shed 39 will also be reconfigured to accommodate future requirements.

The final area of effort is to determine how best to represent GW with CCOs and other related entities.

## 2.1 Finance

### 2.1.1 Finance Summary

The last new member of the re-organised finance team started in early November, enabling focus to shift further to performance improvement.

In November, the entire Finance team had an all day workshop to review how the team is currently operating and to set the vision for how best to operate in the future. The focus of the day was on a quick month end, enabling reporting to be completed earlier. Such improvements are in line with the critical theme of continuous improvement with an emphasis on applying more time and energy on higher value work.

During the period, considerable effort has gone into the 2016/17 forecasting, budgeting and planning process. The Council workshop on 17 November presented the first draft of the 2016/17 budget.

Significant time is also being spent on the rail tender evaluation. This work will continue over the coming months as the preferred tender is selected and the new contract negotiated.

The Purchasing Cards project has started to issue of the first cards to the Parks department. The initiative has been well received and significant time savings for staff are expected as manual processes are replaced.

## 2.2 ICT

### 2.2.1 ICT Summary

The ICT effort is centred on refreshing the strategy and technology roadmap post the decision not to proceed with shared ICT infrastructure services with other councils.

Good progress has been made filling vacancies after the reorganisation with only a handful of vacant roles remaining.

Key areas of focus include enhancing resilience, mobility and business readiness for PTOM / PTPP:

- ▶ **Enhance Resilience**
  - Improve backup, restore and replication capability.
  - Provide ICT support for alternative BCP site.
  - Improve number of staff able to remotely connect to the network
- ▶ **Mobility**
  - Complete the migration to Office 365.
  - SAP Mobility Project.
  - Begin rollout of tablet PCs across the organisation.
- ▶ **Business Readiness for Reorganisation and PTOM / PTPP**
  - Contact Centre Phone System.
  - Contact Centre CRM System.
  - Improvements to Public Transport's ICT systems.

Since the last report to the Finance, Risk and Assurance Committee, a significant upgrade to HR systems has been completed, as well as a successful upgrade to Ozone (consents/incidents) and the networking of an office in the Statistics building used for the PTOM project.

The SPIEDO project continues on track with ICT, Governance (Democratic Services) and several other Corporate Management areas now live with OurSpace. The Environment Management Group is currently migrating their documents to the new system. The project remains expected to be completed early in 2016.

## **2.3 Treasury**

### **2.3.1 Treasury Update**

During the quarter the Reserve Bank of New Zealand reduced the cash rate to 2.75%. This will assist us with our floating rate debt; however, our deposits will show lower returns later in the year when they come off fixed rate.

We raised \$25 million for eleven years maturing in June 2026 at a margin of 0.52%.

We put in place a \$20 million interest rate swap out to June 2019 at 3.88% to increase our long term interest rate fixed cover.

### **2.3.2 WRC Holdings Update**

Samantha Sharif attended her first Board meeting in August as our new external director. The Board is setting aside some time to focus on strategy in early 2016.

### **2.3.3 Local Government Funding Agency**

Mike Timmer is up for nomination for a Directorship of the LGFA.

The LGFA listed its bonds on the NZX on 16 November, another milestone for the organisation. This allows easier access to the bonds by retail investors and will assist with their liquidity (ability to trade) and widen the investor base (both locally and internationally) of the bonds.

## **2.4 Legal and Procurement**

### **2.4.1 Legal and Procurement Summary**

Since the last report, the activity of the Legal and Procurement Department has focussed on providing high level legal and procurement advice as requested; contributing to the design of the new document management system so that it will be an enabler for consistency in procurement practice across GWRC; and continuing involvement in the PTOM rail and bus projects.

The role of Asset Management Advisor has been filled and the appointee has commenced, providing additional resource in the asset management and procurement areas.

Next steps are to develop policy and guidelines to drive consistent procurement practices across GWRC.

## 2.5 Programme Management Office

### 2.5.1 Programme Management Office Summary

Chris Maggs was appointed as programme manager responsible for the new Programme Management Office function mid-September.

Chris has carried out a portfolio/programme/project gap analysis and proposed a range of operational options that have been discussed with ELT. Further discussions with ELT are ongoing seeking a practical cost effective best fit model for a centralised PMO. A final structure and short to medium term deployment plan is likely to be agreed by end of November.

## 3. People and Customer

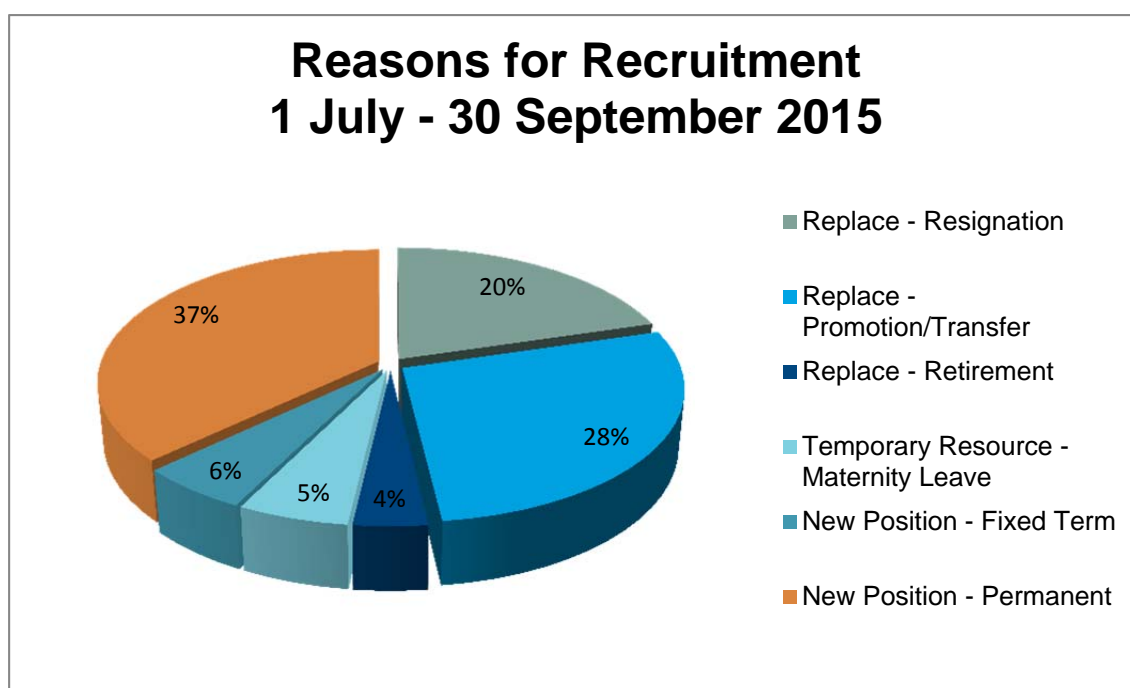
### 3.1 Human Resources

#### 3.1.1 Organisational change

The structural review of the organisation to centralise core corporate services functions into an integrated business model has been completed. The new organisational structure came into effect on 31 August with three newly formed groups – the Corporate Services Group, Strategy Group and People and Customer Group. The ‘go live’ date for two departments, the Customer Contact department and Programme Management Office, was delayed to align with the commencement dates of the new managers, who are heading these departments. There was an accommodation shift within Shed 39 to locate these teams together.

#### 3.1.2 Recruitment

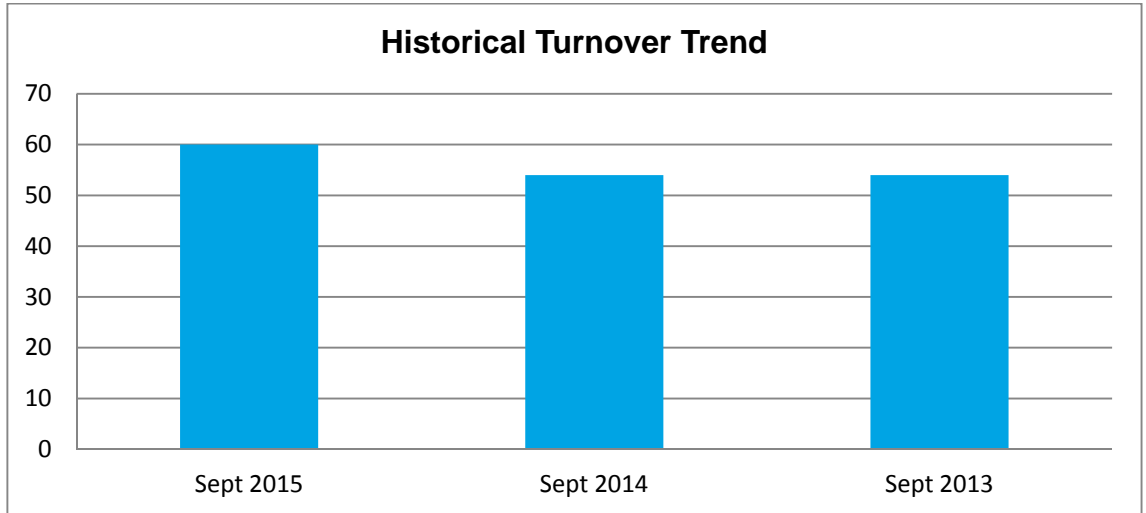
We have continued to see a high level of recruitment as we bed down our new organisational structure. We have completed the recruitment of staff for positions created in the new organisational structure and positions established for work programmes approved in the Long Term Plan (37%). The reasons for recruitment are outlined in the following graph:



There have been opportunities during this period for internal promotions and transfers, which contributed to 28% of the recruitment activity.

### 3.1.3 Staff turnover

During the last quarter period (1 June to 30 September), our turnover was 10.6%. This compares favourably with the same period last year, as illustrated in the following graph.



### 3.1.4 Gender diversity

There have been a number of new management positions established during the recent organisational change which have now been fully recruited. This has improved our gender diversity since our last general managers' report by increasing the number of team leaders from 44% (Sept) to 46% (Oct). The following graph also shows the comparison with June 2015.

	General Manager		Manager		Team Leader		Staff	
	M	F	M	F	M	F	M	F
<b>Oct Total</b>	6	1	21	7	19	16	215	145
Oct women % to men	14%		25%		46%		40%	
Ratio	6:1		3:1		1.19:1		1.5:1	

	M	F	M	F	M	F	M	F
<b>Sept Total</b>	6	1	21	7	20	16	208	146
Sept women % to men	14%		25%		44%		41%	
Ratio	6:1		3:1		1.25:1		1.4:1	

	M	F	M	F	M	F	M	F
<b>June Total</b>	5	2	22	5	20	12	199	138
June women to men	29%		19%		38%		41%	
Ratio	2.5:1		4.4:1		1.7:1		1.4:1	

### 3.1.5 Partnership for performance (P4P) review

The P4P system using logic mapping to connect team and individual outcomes has been highly successful. Over 70% of the organisation has gone through this process, ensuring their individual objectives tie into the outcomes for the team, and has useful measures that enable effective performance management and recognition to occur at the end of the review year.

The moderation of performance objectives has been completed with management teams across the organisation and the quality of objectives, measures and their alignment to team/group outcomes has improved significantly.

## 3.2 Health and Safety

### 3.2.1 Health and safety self-assessment

We recently completed our annual self-assessment audit, in preparation for the bi-annual ACC Work Safety Management Practices (WSMP) audit. The WSMP audit is scheduled for Tuesday 24 November and the site being audited is Shed 39.

The self-assessment audit identified a number of housekeeping issues which will ensure we are in a good position for the WSMP audit. Included amongst these issues were things like updating policies to reflect our new Chief Executive and organisational structure and updating our health and safety information for staff.

Actions from the self-assessment audit have been incorporated into our health and safety action plan.

### 3.2.2 Health and safety performance targets

The health and safety performance of the organisation continues to be monitored. The following table includes an assessment of progress towards the 2014 – 2015 Health and Safety performance targets as at 30 October. The performance measures are colour coded to indicate the trend across the quarter as follows:

Green – positive movement towards, achieved or exceeded the target

Orange – no significant progress towards achieving the target

Red – did not achieve the target and actually went backwards

Performance Measure	Performance Target	October month end result	Percentage Improvement from 1 July 2015	Comment
Lost time injury frequency rate (LTI/100,000 hours worked)	1.25	1.49	-22%	There were no LTI's or MTI's reported in the month of October.
Medical treatment frequency rate (MTI/100,000 hours worked )	1.25	1.49	-37%	
Total Recordable Rates (TRR) (MTI + LTI/100,000 hours worked)	2.50	2.98	-29%	
Injury Lost Days / Severity Rate (SR) (days lost due LTI's/100,000 hours worked)	7.5	9.7	-44%	There were 3.5 days lost recorded in October due to work related injury in a previous month <sup>1</sup> .
Occurrence reporting trends 12 month rolling monthly average of reported and recorded occurrences Figure 4	No target set	24	-4%	22 occurrences were recorded into SafeTsmart during October including: <ul style="list-style-type: none"> <li>• 7 First aid injury incidents –staff were injured but did not require medical attention</li> <li>• 2 Hazards</li> <li>• 4 Vehicle, equipment or property damage</li> <li>• 5 contractors audited</li> </ul> The monthly average has remained constant as at the end of October.
Proactive vs. Reactive Ratio	2.00	1.00	-18%	The Proactive vs. Reactive Ratio has continued to decline, although there were improvements in October as only 1/3 of

<sup>1</sup> This is a lag measure as the appropriate paperwork to process the lost time was completed in October, the actual injury however was declared 1 the month it took place.

				occurrences were reactive in nature.
Corrective Action Ratio	0.40	0.15	-21%	The Corrective Action ratio has remained constant as at the end of October.
Incident Reporting & Recording	95% of all incidents reported and recorded in the GWRC incident data base within 2 working days	60%	-4%	The 12 month rolling average number of incidents recorded into SafeTsmart within two working days, as per the policy requirement, improved over October with 77% of occurrences recorded within 2 working days.

### 3.2.3 Health and Safety Management Information System

We are continuing implementation of our new health and safety management information system. We are on target to roll out the first modules – incident management and training, to our superusers in December. Managers and staff will receive training on the new system once the new user interface is introduced, which is currently scheduled for February 2016. We will gradually implement the other modules during the new year, with all modules completed by June 2016.

### 3.3 Customer Contact

The Customer Contact department has introduced a new telephony system which provides a range of reporting tools. The following table shows the number of calls coming through to the contact centre and the average speed of answer.

Key Indicators	1st Quarter 15/16
Total calls presented	73434
Total calls handled	69690
Average Call Duration (mins)	1:05
average speed of answer	0:00:10

We have started to transition some of our other customer phone enquiries to the contact centre as we implement our plan to broaden the scope of the contact centre to be the first point of contact for customers for all Greater Wellington Regional Council phone enquiries. During the last two weeks, the Shed 39 receptionist was relocated to the contact centre and all calls were automatically redirected to the contact centre phone number.

We are in the process of upskilling and training our contact centre staff on all functions and activities of the organisation.



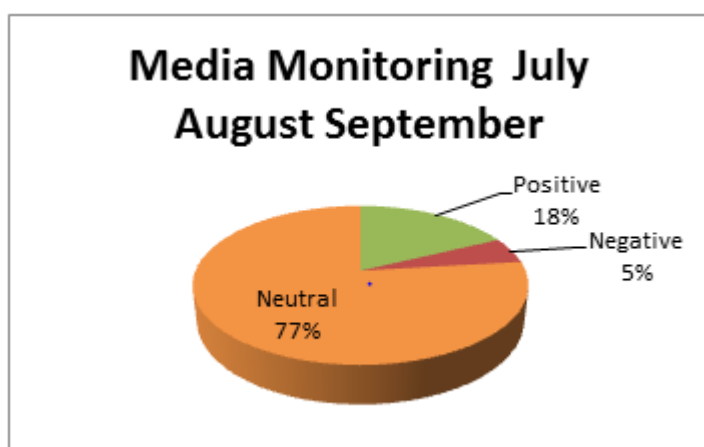
### 3.4 Communications and Marketing

One of the key deliverables of the new Communications and Marketing department is to integrate communications using a variety of channels including social media.

#### 3.4.1 Integrated communications

We have received very positive feedback from the introduction of the new Metlink website which was launched on Friday 9 October. We will continue to direct customers to the Metlink website so that they can personalise their travel requirements and receive relevant and timely messages.

Over the period 1 June to 30 September, media monitoring and analysis was carried out on 324 articles and the distribution of positive, neutral and negative stories are illustrated in the following graph:



#### 3.4.2 Communications

Major issues/activities managed by the communications team during the last three month period included:

- Hutt City Centre flood management options – public consultation was successfully completed, including extensive communications to all target groups and a 35,000 postcard mail out to Lower Hutt residents
- QEP cycleway – extensive liaison with the media to drive media cover for this initiative coupled with communications to stakeholders resulted in very positive cover and growing community support
- Te Arawa-o-Porirua Whaitua – second and third meetings were held, a communications plan was developed, presented and agreed
- Summer Check process – this was positively reviewed and planning for 2015-16 summer commenced
- Natural Resources Plan - a mail out was produced for the proposed Natural Resources Plan for the Wellington Region, and sent to all letterboxes in the Wellington region. The plan has also been supported using radio, media releases and public notices

- Flood management issues in Masterton – ongoing issue
- Wairarapa Moana signage
- Public transport – a presentation, including animation, was developed and has since been featured on the Stuff website
- Rapid bus system - the narrowing of two options for a new rapid bus system between Wellington Railway Station, Newtown and Kilbirnie

### 3.4.3 Community engagement and events

Planning is underway to understand the organisation-wide state of community engagement. We are currently in the process of developing a more comprehensive work programme.

The team has delivered communications and community engagement support for the Hutt River City Centre upgrade (flood protection), the Ruamahanga and Te Awarua-o-Porirua Whaitua Committees, and flood management plans in Wairarapa.

Support for community and corporate planting events has been a focus over the period. This has particularly been to support restoration efforts in Queen Elizabeth Park along the cycleway and has included drawing on a number of community groups in the area, and standing Friends groups. Turnout was upwards of 30 participants per event.

Corporate Planting days have been organised for businesses including NZ Post, Kiwibank, ANZ, AsureQuality, and COR Associates. These have been integrated into the overall planting schedule to build connections with the existing volunteer groups and communities.

### 3.4.4 Marketing

Radio advertising throughout the region has supported initiatives around Warm Wellington and Warm Wairarapa, carpooling, cycle lighting, pollution hotline, Ruamahanga whaitua, flood protection, dry winter timber and clean water.

Our Region has been replaced with more engaging communications, utilising the branding work developed by Local Government New Zealand.

The new Top 25 paper timetables for public transport have been printed and distributed to the new stands. The Johnsonville train line service change marketing and communications started on 5 October and informed the public of changes which occurred on 25 October. The Christmas timetables for the Metlink network have been written and implementation will start on 16 November.

## 4. The decision-making process and significance

No decision is being sought in this report.

### 4.1 Engagement

Engagement on this matter is unnecessary.

## **5. Recommendations**

*That the Committee:*

- 1. Receives the report.*
- 2. Notes the content of the report.*

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