

Interim Chief Executive appointed to Auckland Council



As existing local government staff are aware, Doug McKay (pictured) has been appointed Interim Chief Executive of the Auckland Council.

Auckland Transition Agency (ATA) Executive Chairman Mark Ford said: “Doug’s background in customer service, driving results-focused organisations, managing performance and leading staff through periods of change will be invaluable as the new council begins and develops.”

Doug, 54, has an extensive background in leading large organisations in both New Zealand and Australia. This includes senior roles with Carter Holt Harvey, Lion Nathan and Goodman Fielder. Most recently he served as Chief Executive Officer at Sealord and CEO and Executive Chairman of Independent Liquor.

He will take his new role on August 1 2010 for a fixed term through to 29 June, 2012. Prior to that Doug will work closely with the ATA as it develops the structure and resources needed for the new council.

Doug answered some questions immediately after his appointment was announced.

Q: What attracted you to this job?

A: Without wanting to sound trite, I see it as a challenge. Seeking a challenge and the opportunity to make a positive difference have motivated me throughout my career. This is a major transformation the like of which has never been seen before in New Zealand. It’s big, it’s exciting and it’s important to the future of our city and our country. Who wouldn’t be attracted to a role like that?

Q: How much do you know about the region, and local government?

A: I’m an Aucklander, through and through. I grew up in Waitakere, worked in Manukau and live in Auckland City. My wife, Trish, and I raised our sons here and I spent many, many hours commuting by plane because I didn’t want to live anywhere else. Auckland is a fantastic city with huge potential – and that’s also part of what also attracted me to the job.

In terms of local government, like most Aucklanders I guess my primary experience is as a customer and ratepayer. I know it is a large, complex and diverse sector. And my background is in delivering results for large, complex organisations.

I'm not an expert in local government but I'm looking forward to working with lots of people who are experts in that field. When I went to Sealord I didn't know anything about fishing – but I enjoyed working with people who did, and together we achieved some great results. And I'm a good listener.

My background is in leading change, developing teams and getting results. Instead of a board of directors, I will report to the Mayor and the Auckland Council. And instead of shareholders the ultimate accountability will be to the people of Auckland.

Q: What will your first priorities be?

A: Within the council I want to build a culture that is inclusive, accountable and flexible to the changing needs of Aucklanders as our city grows and thrives. At an operational level there has to be a focus on customer service and exceeding expectations.

Q; There has been a lot of public debate on the role of CCOs (council-controlled organisations).

How do you view them?

A: Councils are big business. The Auckland Council will have an asset base of around \$29 billion and an annual operational budget of \$2 billion. On top of that the annual capital spend is around \$1 billion. So using a parallel from the business world is apt. In essence, the council is the parent company and the CCOs are its subsidiaries. As a chief executive I have a proven track record of getting results from business units and subsidiaries. And that's what CCOs are – subsidiaries. The council will set the strategies, set the key performance indicators, and measure and monitor the performance. The subsidiaries will be required to deliver results.

Q: What will success look like for you after, say, 12 months in the job?

A: In the end the proof will be in a motivated, skilled, workforce that is delivering on the expectations of the Mayor, the councillors, and the community. And out of that will flow the positive experiences and interactions that residents, visitors and other stakeholders have with the new council from day one and beyond.

Service delivery model – Auckland Council

The Board of the Auckland Transition Agency (ATA) has signed off a service delivery model for the Auckland Council. The following working assumptions are being made by the ATA on the Day One service delivery model for the Auckland Council and will be used within the ATA's work streams to inform the next stage of the organisational design process.

This service delivery model is guided by the following principles:

- No interruption to existing customer and community services.
- Local service delivery will be maintained or enhanced.

- Recognition of the key role of Local Boards.
- Legacy systems including call centres remain in current locations.
- Sufficient change to address priorities for consistency and integration of operational requirements on day one.
- Clarity of service access for all citizens.
- Improved access to accountable decision makers.
- Transformation in the operational structure is visible in the recommended changes.

The design of the day one service delivery model assumes:

- Each Local Board will have a physical presence in its area.
- Existing service centres will continue to provide the same level of service, except where specified.
In practice this means some Local Board areas may have more than one service centre or service point.
- There will be some geographic delivery of operational services from the Full Service Centres.
- The Head Office of the Auckland Council will be located in the Auckland CBD.

There will be four types of service centre for the use of the public. These are: full, local, neighbourhood and specialist.

Full Service Centres

Full Service Centres will deliver all Auckland Council services and some Council-Controlled Organisation (CCO) services. The four full service centres will be located in:

- North (Takapuna)
- West (Henderson)
- Central/East (Central Auckland)
- South (Manukau)

Local Service Centres

These will be located at:

- Orewa
- Waiheke
- Papakura
- Pukekohe

These offices will generally provide the services that are currently delivered out of them.

Neighbourhood Service Centres

These will be at the existing locations of Warkworth, Huapai, Helensville, Great Barrier and Waiuku.

The services currently provided at these locations will continue.

Where a local board area includes an existing service centre(s) the most appropriate one will be utilised by the local board for meetings, constituent appointments etc.

Work is underway identifying suitable locations and premises for the balance of the Local Board areas that do not currently have a service centre presence:

- Orakei (covering the Eastern Bays, Meadowbank and St Johns),
- Maungakiekie-Tamaki (Glen Innes, Pt England, Onehunga)
- Mangere-Otahuhu
- Manurewa (including Weymouth and Wattle Downs)
- Whau (includes New Lynn, Blockhouse Bay and Avondale),
- Albert-Eden (areas such as Pt Chevalier, Balmoral, Mt Albert, Mt Eden and Epsom)
- Upper Harbour (which includes Albany, Greenhithe, Hobsonville and Whenuapai)
- Kaipatiki (Beach Haven, Birkenhead, Northcote and Glenfield)
- Waitakere Ranges (includes Titirangi, Huia and Piha)
- Te Irirangi (Howick, Bucklands Beach, Pakuranga and Botany)
- Puketapapa (Hillsborough, Lynfield and Three Kings)

Note: the suburbs mentioned above are not an exhaustive list of those within each Local Board area. The intention is simply to provide some geographical reference points as working assumptions for development of the service delivery model.

Services provided may include appointments with specialist staff, service requests (e.g. abandoned vehicles, graffiti etc) and rate rebate applications.

Specialist Service Centres

Additional Specialist Service Centres will operate as required. These include locations including the Auckland CBD (resource and building consents), Botany (building consents), Newmarket (Watercare) and an as-yet unconfirmed location for Auckland Transport.

Transactions

In addition, the ATA is presently considering responses to a request for proposal (RFP) process for banking services and it is intended that Auckland Council customers will be able to undertake certain transactions such as bill payments at local bank branches.

Workforce transition update

Local government staff will receive one of three letters from their current employers after Easter.

These letters will advise them whether or not the work they do is subject to a continuing change process led by the Auckland Transition Agency (ATA).

The three letters will contain the following content:

Letter 1: We already know enough about the future to say there will be no changes or only minor change(s) to the person's role or the work location for 1 November. Staff who are in this group will not be involved in any ATA change process before 1 November (unless they choose to apply for new roles that are made available).

Letter 2: Where there is still work to be done on the detailed design of a work area and/or the location plan then staff whose work maps to these areas will be advised that they remain in the change process at this stage. Once the ATA has completed proposed design for each of these work areas and the overall location plan more information will be available to this group about the change process in their work area.

Letter 3: Some or all of the person's current accountabilities are incorporated into a new role at Tiers 1 to 3 of the new organisational structure. This group of staff are the more senior managers. The process for this group will depend on whether their current role matches to a role below Tier 3 in the new structure, and/or whether they apply for alternative roles.

Meanwhile, the detailed design processes for Auckland Council and Auckland Transport are well under way.

Day One Organisational Structures and Workforce Impact Assessment below Tier 3

The design of the structure below Tier 3 is guided by the following principles:

- The level of change recommended takes into account the constraints on information, resources and time available to the ATA.
- The intention is to retain staff below management tier, with changes generally limited to location, roles and reporting lines. However, where there is a duplication of roles and suitable alternatives are not available for affected staff a reduction in staff numbers may occur. In these cases the least disruptive means will be used to manage any staffing reduction.
- Operational areas not subject to change will have the existing team structure transferred to the new organisational structure at an appropriate management level.
- The number of levels in structures should be minimised where possible to support effective decision making and communication.
- The span of control for each manager will be as broad as possible without compromising efficient management or blurring accountabilities. This reduces the number of managers at each tier.
- Most support and region wide functions will be centralised except where there are legacy systems or a need for decentralised service delivery e.g. HR and finance advisory, Local Board planning.

- Business improvement is embedded in some functions.
- No review of the current mix of in-house and out-sourced services, except where a function has to be re-designed.

Organisation Structures

Each of the ATA work streams has undertaken further work on the detailed organisation structure for the new Auckland Council and the Transport Agency recognising the principles set out above. The structures for each business area are attached as an Appendix to this report. The key points to note are as follows:

Auckland Council:

a) Office of the Chief Executive/Establishment Director

- HR – reorganised to reflect the requirements of the new Auckland Council. Combined requirements of Auckland Council and Transport mean that impact below management level is likely to be limited to relocation, role and reporting line changes. Limited duplication is anticipated. Staffing impact is dependent on future decisions regarding HRIS and payroll systems. At day one some of the OD function may reside with the Establishment Director. Security services will report through the health, safety and welfare function.
- Legal Services – new organisation structure established around the three core areas of Local Government Law (Commercial, Regulatory and Public). Below management level, current staff have been generally retained but role, location and reporting lines have been changed to meet the requirements of a regional function. Non-core and variable work will be outsourced. Weathertightness legal function and staff will transfer to Regulatory. Current external supply relationships will be maintained.
- Communications and Public Affairs – web and online services will be managed within this function during the transition. Currently there is duplication of roles, and therefore rationalisation is likely. This area will also include an advisory team dedicated to consultation and engagement processes. Requirements of the Local Boards and CCOs are yet to be addressed.
- Establishment Director – The structure for this role has not yet been finalised.

b) Chief Operating Officer

- Customer Services – largely unchanged below management levels except centralised functions where there will be changes to locations, roles and reporting lines but not staff numbers. The Auckland Council will provide customer services to Auckland Transport in the interim through commercial shared service arrangements.
- Community Development, Arts and Culture – largely unchanged below management levels. Some specialist technical and planning functions are to be centralised.
- Parks, Sport and Recreation – largely unchanged below management levels with geographic management aligned to the four full service centres for local and sport parks and recreation. City Park Services business unit reports into this function (Local and Sports Parks Manager).

- Libraries and Information – largely unchanged below management levels with geographic management aligned to the four full service centres for local libraries.
- Maori Relations – largely unchanged below management levels where there will be changes to locations, roles and reporting lines but not staff numbers. Centralised under three functions (Pou Whaingā (Policy and Strategy), Pou Hononga (Relationships) and Pou Tikanga (Protocols)). Limited duplication is anticipated.
- Consenting and Building Control – largely unchanged below management levels with geographic management aligned to centres in the North, West, South and the specialised Auckland CBD centre. Building control in the South will be located at current locations at Botany Town Centre and Manukau. Overall, staff remain in current locations except for some specialised staff and the regional resource consenting team which will be merged with the central consenting teams.
- Licensing and Compliance – largely unchanged below management levels with geographic management aligned to the three full service centre in the North, West and South and the specialised Auckland CBD centre.
- Infrastructure and Environmental Services – largely unchanged below management levels. Consideration being given to consolidation of regional Solid Waste services into a centralised business unit operation.

c) Chief Planning Officer

- Aggregated into the full service centres to support existing legacy systems. Centralisation of regional and strategic planning. Reorganisation of staff has potential for significant changes to roles, location and reporting lines. Total non-management staff numbers not expected to change on day one.
- PMO role previously at Tier three has moved to Tier four based on a review of the scale of the function. Full activities are yet to be finalised.

d) Chief Finance Officer

- Local Board Services – New function being established. Draws on Council functional experts. Level of support is significantly higher than the average support provided to Community Boards across the region. Will include support from full service centres and Local Board Offices.
- Democracy Services – Duplication of roles, therefore rationalisation likely. Impact on roles, locations and numbers of staff below management level will depend on the requirements of Local Boards. Catering and print rooms remain intact at day one.
- CCO Monitoring – Centralised function. Final staff numbers subject to confirmation of the CCO structure.
- Finance – Centralised accounting services subject to system constraints. Financial advisory services will report through to Finance rather than operational functions. Significant legacy requirements.
- Treasury – Centralised service.
- Property – Management of operational activities including facilities management aligned to full service centres. Delivery of services will be local. Project management, strategy and planning functions will be centralised. Function is largely unchanged below management levels.

- Information Services – Centralised management of IS function. Existing teams will remain in place pending systems integration over time. Significant requirement for IS resources to support transition programme before and after Day one which will require additional permanent or contract staff. No changes are proposed in the current mix of in house and outsourced services.

Auckland Transport

- This function will be largely centralised subject to location availability with decentralisation applying to parking services and a limited presence at the full service centres. Non management staff will transfer subject to role, reporting and location changes.

Accommodation Changes Prior to Day One

The full implementation of the Organisation Structure, particularly where activities are being centralised or aligned geographically to the full service centres, will require the relocation of affected staff. The magnitude and logistics of the staff change together with the requirement for existing councils to continue to provide services to 31 October 2010 means it will not be possible to fully implement the required accommodation changes by 1 November 2010.

The accommodation changes anticipated prior to Day One are:

- i. Establishment of the new Neighbourhood Service Centres (and any associated Local Board Offices).
- ii. Staff in priority functions supporting democratic governance, senior management and transition priorities e.g. Strategic HR and Communications staff and Democracy Services.
- iii. Staff transferring to Watercare, and subject to a suitable location being found, Auckland Transport.
- iv. Any teams required to facilitate the overall accommodation change process.

It is noted that any changes prior to 1 November 2010 will require the co-operation of existing council chief executives. The Governing body and the Interim Chief Executive will be based in the Auckland CBD.