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Draft Statement of Intent 2016/17 - 2018/19

Recommendations

That the Board:

- i. Receives the report; and
- ii. Approves the draft Statement of Intent 2016/17 - 2018/19.

Executive summary

- This report presents the draft 2016/17 – 2018/19 Statement of Intent (SOI) for the Board’s approval.
- The annual SOI forms the basis for the accountability of Directors to Auckland Council (AC).
- The draft SOI has been reported to the Customer Focus Committee (CFC) in December 2015 and February 2016 for its consideration.
- The draft SOI (provided as Attachment 1) reflects subject matter expert and CFC feedback received to date.
- The draft SOI must be delivered to AC for comment no later than 1 March. Upon receipt of shareholder comments from AC (due by 1 May), the SOI will be reported back to the Board for any amendments and final approval in June.

Background

As a CCO, AT is required by the Local Government Act 2002 to prepare an annual SOI. The SOI forms the basis for the accountability of the Directors of AT to the shareholder, AC. It sets out the organisation’s strategic objectives, the work programme to be undertaken over the three-year term of the SOI, and the performance targets by which AT will be measured.

This SOI relates to the next financial year (2016/17), and the subsequent two years (2017/18 and 2018/19).

The Board’s strategic themes form the foundation of the draft SOI - with the three-year work plan and performance measures centred on the themes.

The draft SOI is provided as Attachment 1.

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The draft SOI has also been informed by the Mayor’s Letter of Expectation (LOE), which is provided at Attachment 2. The LOE sets out issues of importance to AC in the preparation of this year’s SOI, and AC’s key strategic priorities for the SOI.

Key changes from the previous SOI

The draft SOI is based on the current year’s document, with refreshed content so that it reflects the 2016/17 to 2018/19 period. Key changes made to the document are:

- Review by subject matter experts across AT with minor wording changes throughout (e.g. updated three year workplan)
- Inclusion of a new section directly addressing the items raised in the 2016/17 LOE
- Updated SOI performance measures and targets as discussed in the table below. Grey boxes show how measures have changed from the current SOI. White boxes illustrate no change.

SOI Measure	New measure	Proposed removal from the 2018 LTP and SOI	Change to 2016/17 or 2017/18 target (existing measure)	2018/19 target established (existing measure)	Description
Total public transport boardings (millions)					2016/17 and 2017/18 SOI targets updated to match most recent forecasts from AT Metro. This reflects current YTD patronage results to December 2015 and results in a slight reduction in future years. Added 2018/19 target.
Boardings on rapid or frequent network (rail, busway, FTN bus)					Added 2018/19 target.
PT punctuality (weighted average across all modes)					Added 2018/19 target.
Customer satisfaction index: PT, road quality, footpath quality, road safety					Added 2018/19 target.
Local road deaths and serious injuries per 100 million vehicle kilometres travelled					New measure designed to estimate the exposure to crash-risk on the local road network. Targets based on ongoing gradual improvement from 2015 results.

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SOI Measure	New measure	Proposed removal from the 2018 LTP and SOI	Change to 2016/17 or 2017/18 target (existing measure)	2018/19 target established (existing measure)	Description
Percentage of local board members satisfied with AT engagement					New measure with results sourced from the Auckland Council Elected Members Survey. Please note that results are not available every year as the survey is only undertaken every 18 months. Targets based on maintaining results from the 2014 survey.
Arterial road productivity					Added 2018/19 target.
Travel times on key freight routes					Added 2018/19 target.
New cycleways added to regional cycle network (km)					Added 2018/19 target. The lower level of delivery in 2018/19 reflects the available capital envelope once council's Accelerated Transport Programme ends in 2017/18.
Annual number of cycling trips in designated areas in Auckland (all day)					It is recommended that this measure be discontinued in the next LTP (2018-28) and replaced with the item below. In the meantime both measures will be reported against. 2017/18 SOI target reduced to reflect the effects of the three-year cycleway programme (significant network rollout planned in 2017/18).
Annual cycle movements in the Auckland city centre					New measure related to the total annual number of cycle movements recorded using 13 counters situated around the Auckland city centre. Targets based on estimated 2015 performance, with total growth of 10%, 20% and 30% in 2016/17, 2017/18 and 2018/19 respectively.
PT farebox recovery					Added 2018/19 target.
Delivering value for money					New measure under development. To be finalised before final SOI approved in mid-2016.
Parking occupancy rates (peak 4-hour, on street)					Added 2018/19 target.

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SOI Measure	New measure	Proposed removal from the 2018 LTP and SOI	Change to 2016/17 or 2017/18 target (existing measure)	2018/19 target established (existing measure)	Description
No. of car trips avoided through travel planning initiatives					It is recommended that this measure be discontinued in the next LTP (2018-28) and replaced with the two items below. In the meantime all three measures will be reported against. To add a footnote (wording to be finalised) to explain the calculation of the target.
Active and sustainable transport mode share at schools where the Travelwise programme is implemented					New measure that better reflects AT's Travelwise and Safer Communities programmes. Targets based on maintaining a 40% mode share overtime in the context of Auckland's population growth and a continually changing student and parent customer base.
Active and sustainable transport mode share for morning peak commuters where the Commute programme is implemented					New measure that better reflects AT's Commute programme. Targets based on maintaining a 40% mode share overtime.

- Updated mandatory performance measures and targets as discussed in the table below.

Mandatory Performance Measure	New measure	Proposed removal from the 2018 LTP and SOI	Change to 2016/17 or 2017/18 target (existing measure)	2018/19 target established (existing measure)	Description
Change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number		Reported against using AT's Monthly Indicators Report and Annual Report			2016/17 and 2017/18 targets amended. It is recommended that this item be removed from the 2018 SOI, and instead be reported on via the Monthly Indicators Report and Annual Report. The target associated with AT's recommended safety measure is provided on page 19 of the SOI (local road deaths and serious injuries per 100 million vehicle kilometres travelled). Supporting explanatory note currently being drafted which will be submitted to AC with the draft SOI.

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Mandatory Performance Measure	New measure	Proposed removal from the 2018 LTP and SOI	Change to 2016/17 or 2017/18 target (existing measure)	2018/19 target established (existing measure)	Description
Percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames					Added 2018/19 target.
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban and rural roads (two separate measures)					Added 2018/19 target.
Percentage of the sealed local road network that is resurfaced					Added 2018/19 target.
Percentage of footpaths in acceptable condition (as defined in AT's AMP)					Added 2018/19 target.

Items to be finalised post Board review

The items highlighted in yellow in the draft SOI will be finalised following the Board's review of the document but prior to its submission to AC. These include the:

- Statement of Imagination
- Chair's Foreword
- Tables in the Financials section.

Next steps





Following receipt of feedback from the Board, the draft SOI will be finalised and provided to AC no later than 1 March. AC is required to provide its shareholder comments on the draft SOI by 1 May. The Board is required by statute to meet in open session to consider those comments. The final SOI must be provided to AC no later than 30 June.

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Attachments

Attachment Number	Description
1	Draft Statement of Intent 2016/17 to 2018/19 (Feb 2016 for AT Board approval)
2	Mayor of Auckland's 2016/17 Letter of Expectation

Document ownership

Submitted by	Jesse Colquhoun ITP Manager	
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Recommended by	Peter Clark Chief Strategy Officer	
Approved for submission	David Warburton Chief Executive	

Glossary

Acronym	Description
AC	Auckland Council
AMP	Asset Management Plan
AT	Auckland Transport

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CCO	Council Controlled Organisation
CFC	Customer Focus Committee
FTN	Frequent Transit Network
LOE	The Mayor of Auckland's Letter of Expectation
LTP	Auckland Council's Long-term Plan
SOI	Statement of Intent
STE	Smooth Travel Exposure