



Regenerate Christchurch

Year One Organisational Health Check

July 2017



ACKNOWLEDGEMENT

I would like to acknowledge the thoughtful insights of the Board, Chief Executive (CE), senior team and staff. I also want to acknowledge a cross-section of external partners and stakeholders, including Christchurch City Council, Department of the Prime Minister and Cabinet, Development Christchurch Limited (DCL) and Ōtākaro Limited. I also want to thank my peer reviewer, Bruce Robertson, whose expertise and knowledge of local government, asset management and organisational assurance was first-rate.

The Terms of Reference are attached as Appendix A. Performance of the Board and statutory framework are out of scope. The Board is sufficiently experienced and skilled in private and public-sector governance, and has its own process for evaluating its performance. The performance of the statutory framework is being dealt with in a parallel report, which will be tabled in Parliament sometime in August 2017. This review was commissioned by the CE and senior team so they can see what has gone well over the past year, and where they need to improve. Therefore, the scope is limited to the responsibilities and work of the CE and senior team. And, in this respect, I am pleased to say there was open and robust engagement in the process, and I note, even as I undertook the assessment, the senior team began responding to issues under discussion. Their proactive response bodes well for the future.

I note that the company of which I am a Director, DTK and Associates has done work for Christchurch City Council. This interest was acknowledged and managed through the course of the review. Also, between 2011 and 2015 I worked at the State Services Commission as the principal advisor on the Performance Improvement Framework (PIF). In that role, I designed the PIF approach, methodology, method and model which was adapted for this review. While PIF is an open-source product, this interest was acknowledged at the start of the review by the Department of the Prime Minister and Cabinet, who also have a stake in the PIF programme.



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RESPONSE TO THE REVIEW

We want to thank the reviewer, Deb Te Kawa, for providing us with this health check. Generally speaking, reviews like this are difficult to do, as few like their work to be questioned. However, Deb went about developing the review with us in a way that allowed us to understand what we had done well over the past year, and where we need to improve over the next six to 12 months.

The review confirms we need to make some changes to how we operate. The review also confirms we have a good platform to work from. It says we are: establishing a reputation for authentic and credible leadership; diligently and positively engaged with affected communities and representative groups; using a systematic approach to establish the entity, which has resulted in no major mis-steps; recruited well and now have an empowered, energised and positive organisational culture.

We are proud and pleased with the progress we have made. However, the review also tells us that while we have made substantial and positive progress on the Residential Red Zone (RRZ) project and we are building a reputation for thought-provoking and interesting ideas, especially in the regeneration of the city centre, we need to accelerate the work programme.

To improve and speed up delivery we will be making changes in seven key areas:

- Better support for the Board – recognising the Board’s role, and matching their pace and rhythm.
- Greater clarity around organisational strategy, so what we are doing is visible to others.
- Implementing a delivery model that can ramp-up and ramp-down for projects, and enable better pipeline management and access to high quality commercial expertise.
- Stronger collective leadership underpinned by stronger work programme management.
- Improved and more purposeful relationships with other agencies.
- Culture, roles and performance measurements that are aligned with role and strategy.
- Well managed risk-taking and innovation, based on good financial and non-financial performance information, while ensuring the ‘hygiene’ functions are attended to.

We will make these shifts as a matter of priority. We will deliver these without taking our eye off our current promises.

Ivan Iafeta
Chief Executive

Katherine Snook
Chief Operating Officer

Jim Lunday
General Manager

Rob Kerr
General Manager

Chris Mene
General Manager

Jason Rivett
General Manager



SUMMARY

In making a judgement about the performance of Regenerate Christchurch, one must understand something of the challenges facing the entity in its first year:

- First, Regenerate Christchurch is one of the few joint ventures between a local authority and the Crown, as well as one of the smallest agencies in the public sector¹.
- Second, the entity has broad responsibilities and powers that potentially range across the public and private sector and can impact local communities, investors and households.
- Third, for the most part, the senior team must work with other agencies to achieve the outcomes sought for the regeneration of Christchurch, chiefly, Ōtākaro Limited and DCL².
- Fourth, in addition to its core functions, Regenerate Christchurch must also manage and enrol multiple stakeholders and a large and dispersed constituency, which all have high and different expectations.
- Finally, given the recent history, this public entity must build a license and permission to operate with the people of greater Christchurch.

Smaller entities have some advantage over larger entities: for example, they can be agile and flexible in responding to events. Equally, however, being small carries several problems:

- First, Regenerate Christchurch will always lack the depth and breadth of skills and experience found in larger departments. This is not a criticism. The CE has recruited well. However, the senior team will always have to cover a lot of ground.
- Second, Regenerate Christchurch will always be subject to many of the same compliance pressures as large departments of State – which means its corporate overheads will always be disproportionately large.
- Third, the second-tier managers will be expected to function at a strategic level, as members of the senior team, while also carrying a heavy load of operational and management responsibilities.

However, despite the contextual complexity and the small size of the agency, I am impressed by the commitment and determination of everyone at Regenerate Christchurch to play their part in regeneration. External stakeholders commented positively on the work done to date, including, the community engagement events and opportunities.

I am also impressed by the decision to spend the first year carefully and methodically building the entity, recruiting the right people and engaging with affected communities. I agree that a deliberate and more inclusive start was entirely appropriate given the responsibilities and powers vested in the institutional arrangement and the commentary by the Office of the Auditor-General, that the Canterbury Earthquake Recovery Authority struggled to manage expectations and build trust and confidence in the recovery process. The on-going legitimacy of the public-sector rests on the ability of agencies like Regenerate Christchurch to serve the public effectively and efficiently, and use the powers appropriately, carefully and transparently. This is especially important to the people of greater Christchurch.

¹ Unless mitigated the differing accountability arrangements between the Council and Crown can be a potential barrier to effective collaboration.

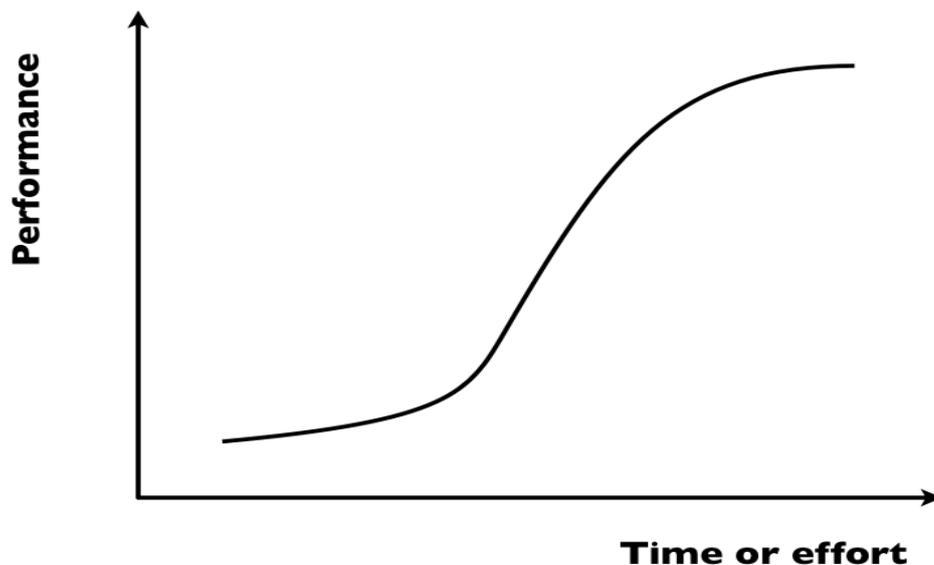
² A number of stakeholders commented on the need for entity to be something akin to the glue between the moving parts of the regeneration effort as well as the thought leader.



Therefore, I commend the Board, CE and senior team for the careful and diligent start.

But, the time is now, and the clock is ticking.

After a year of consolidation and with the key people now in place, the challenge is to make the shift in the 's-curve' (see diagram below).



In organisational performance theory, the key to making this shift is not so much what is done near the top of the curve but what has been done at the bottom of the curve in order to deliver the results. Regenerate Christchurch is well placed to make this shift - the 'start-up' phase has gone well. But, it is mission-critical for the CE and senior team to take a hyper-connected and hyper-vigilant focus on results and attend to the remaining areas for improvement described in this report. Attention to these areas should help accelerate delivery of regeneration plans.

First, the CE and senior team need a unifying, motivating and discriminating organisational strategy and explicit operating model.

Second, the CE and senior team need to assume responsibility for the entire work programme - not individual silos - and promote a sense of urgency both within the agency and with the major partners.

Third, high performing teams address issues immediately and respectfully and hold one another to account. The CE and senior team need to keep building a culture of accountability.

Fourth, engagement with the Board can be more efficient. The Board is skilled and experienced, and very capable. The senior team needs to match the Board's pace and rhythm.

Fifth, having attracted talented people, the CE and senior team now need to engage and develop these people by defining the behaviours that are required and aligning individual contribution with entity results, performance development and regular feedback.



Sixth, I still have questions about the community engagement function. While I agree everyone should be pleased with the work to engage with affected communities and groups co-operatively, the CE and senior team must be careful not to prioritise community engagement at the expense of tough decisions and positive outcomes for those same communities, or from purposefully engaging with public and private sector partners and investors.

Finally, I invite the senior team to pay more attention to decisions already taken as well as potential out-year fiscal implications for the Crown and Council.

I have discussed the issues identified above in some detail with the senior team. In some cases, the issues were already under consideration or action. In other cases, the team showed every sign of wanting to address and resolve them. The fact that the recommended areas for improvement have now been incorporated into their response augurs well for Regenerate Christchurch, and its ability to deliver on its promise.

Deb Te Kawa

Director

DTK and Associates



OPERATING CONTEXT

The creation of Regenerate Christchurch brings together the shared interests of the Council and Crown to secure the best chance of developing a clear and unifying planning approach to the regeneration of Christchurch.

If Regenerate Christchurch is to be successful, it will have laid the foundation for significant and sustainable regeneration of Christchurch while ensuring the social, environmental and economic benefits are shared. Laying this foundation is Regenerate Christchurch's challenge.

To address the challenge Regenerate Christchurch has been gifted a range of tools:

- Statutory recognition given to Regeneration Plans.
- A chance to increase levels of community engagement in, and subsequent ownership of the plans.
- Opportunity to create alignment between Council and the Crown in the development of publicly-owned land.
- Prospect of alignment between Council and the Crown in the design and delivery of public policy initiatives aimed at supporting regeneration, for example, new approaches to central government delivery of 'Better Public Services'³.
- The authority to monitor and report on progress toward regeneration outcomes.
- The organisational platform and investment to leverage an enhanced strategic capability in local, regional and national thought leadership and advocacy.

Regenerate Christchurch was established by the Greater Christchurch Act which received royal assent on 7 April 2016.

It has a full-time staff of around 28 people located in Christchurch. It also employs a small number of contract staff.

The overall appropriation is \$8 million a year until 2021.

³ See here for more information on Better Public Services (<http://www.ssc.govt.nz/bps-results-for-nzers>)



Part One: Delivery of Council and Crown Priorities

This section reviews Regenerate Christchurch's ability to deliver on its strategic priorities agreed with the Council and Crown in the Letter of Expectations dated 14 April 2016. The line of enquiry is ex-post and is thus a retrospective judgement about current performance.

I expected to find defined and identified priorities, defined at an intermediate outcome level, impact level and output level. I also expected to see appropriate resource and effort allocation and robust indicators of achievement. Finally, I expected to find the significant delivery risks being actively managed and mitigated.

Initial Priority 1 – Develop a more detailed five-year work programme for discussion with owners ⁴

Regenerate Christchurch has delivered work in several areas to support this priority, including:

- Establishing a reputation for authentic and credible leadership.
- Diligently and positively engaging with affected communities.
- Using a systematic approach to establishing the entity, which has resulted in an empowering, energised and positive organisational culture.
- Making substantial and positive progress on the Residential Red Zone (RRZ) project.

However, one theme in my conversations with stakeholders and partners was that not everyone understands what Regenerate Christchurch is already achieving. This suggests Regenerate Christchurch may need to lift its game in communicating its programme of work, both with partners and to communities that are not directly engaged in regeneration. I say this because Regenerate Christchurch is doing some good work, and has some interesting work in the pipeline, but it is not communicated well.

That said it is also possible that not enough time or resource is being allocated to thinking about the medium-term programme of work. For example, how the individual plans and projects fit together or the sequence of decision-making and delivery over the next four years. I suspect this reflects the 'start-up' nature of the entity. Therefore, I recommend the senior team do this thinking as it will highlight any specific capability requirements, for example, whether there is a need for financial modelling skills and commercial expertise, as distinct from community engagement capability; or what capability is core business, and what skills can be contracted for. This thinking would also clarify if the entity can afford to run two different methodologies for the RRZ and Central City projects. Finally, this thinking will also confirm if Regenerate Christchurch is right-sized.

⁴ The owners indicated that programme should prioritise: Evaluation progress and provide advice on what is required to increase momentum and support regeneration of the central city; and immediately beginning to identify a series of priority areas within the Christchurch district that are suitable for generation of the central city.



Part Two: Delivery of Core Business

This section reviews Regenerate Christchurch's ability to deliver on its core business agreed with the Council and Crown in the Letter of Expectations. The line of enquiry is ex-post and is thus a retrospective judgement about current performance.

I expected to find stated core functions, business and operational services, together with related outputs and measures. I also expected to see delivery happening for the right people at the right time and in the right way, with some evidence of review and consideration of alternative delivery options. I also expected to find efficiency indicators providing a balanced view of cost, quality and quantity.

Core business 1 – Proposing and Developing Regeneration Plans for Residential Red Zones, including Avon River Corridor and feasibility of water course for international water sports' events

This review is being done at a time when the creation of the new entity is still work-in-progress. Regenerate Christchurch is still coming out of its 'start-up' phase. That said the project proposing and developing plans for RRZ has made a very strong start. The core functions and methodology are well-defined. The inputs and outputs are clear. The project is tracking to plan. The owners and Board are starting to get visibility of the results. For now, the project team is not yet reviewing alternative delivery options, and there is no efficiency data. However, the project has followed a very intentional and thoughtful, step-by-step approach, adaptively adjusting as Regenerate Christchurch has learned from experience. The overall trajectory of this project is positive.

Core business 2 – Evaluate and Report on progress in the regeneration of the central city, in a way that maintains public confidence in the Blueprint and fundamental principles of the Recovery Plan

The project that is progressing the regeneration of the Central City is less well-defined. That said, there are many factors at play in determining the success of this project, some of which are outside the direct control of Regenerate Christchurch, or any single agency, for example, the CostSharing Agreement between the Council and Crown, work already underway as a result of the Blueprint and the future of the Cathedral. However, as noted above, the RRZ project has made judicious and careful choices around methodology, inputs, outputs and planning, and as a result, has positioned its work to take advantage of opportunities and minimise risks. The Central City project could borrow from the RRZ learnings. I accept, however, the Central City team has a different role from the RRZ team, for example, it has to influence key decision-makers and challenge them, it also has to facilitate innovation, partnerships and investment. The overall trajectory of this project is also positive.



Core business 3 – Work with Development Christchurch Limited to consider the measures in place for New Brighton and advise on possible initiatives

The review revealed that Regenerate Christchurch and DCL are alive to the challenges they both face and the responsibilities they share in New Brighton with the Council. As with other parts of its core business, Regenerate Christchurch needs to consider strategies and approaches for where it can work closely with others to ensure the full range of initiatives are considered and delivered. That said, this core business area needs attention. It will be important not to underestimate the difficulty and complexity of this challenge, as well as the time it will take to develop and deliver an appropriate and robust response for the local community.

Core business 4 – Monitor and Report on Regeneration

Not reviewed this time⁵.

Core business 5 – Facilitate Investment

Not reviewed as a separate core business activity. Dealt with in sector contribution, as it is agreed that for now, that Regenerate Christchurch's role is to facilitate investment through co-ordination.

Summary

Regenerate Christchurch has made a good, orderly and methodical start. This is appropriate given the powers vested in the institutional arrangement and the need to manage expectations and build a license to operate. However, the time is now, and the clock is ticking. The senior team need to take a hyper-connected and hyper-vigilant focus on results if Regenerate Christchurch is to deliver on its promise and make best use of the tools it has been gifted.

⁵ There is a function in statute and the organisational design for an evaluator, but I am advised this work is currently being delivered by DPMC, which seems appropriate in this point. Therefore, I have not reviewed this area of work, as DPMC has the skill and experience, and Regenerate Christchurch has other priorities.



ORGANISATIONAL MANAGEMENT SECTION

This section reviews Regenerate Christchurch's organisational management. While the line of enquiry is ex-ante, it also relies on past performance to make judgements about how the past will influence the future ability to get results.

Part Three: Leadership, Direction and Delivery

Purpose, Vision and Strategy

How well has Regenerate Christchurch defined and articulated its purpose, vision and strategy to its staff and stakeholders? How well does Regenerate Christchurch consider and plan for possible changes in its purpose or role in the foreseeable future?

The role, purpose and vision are well-defined in formal documentation, including the current and draft Statement of Intent. However, a range of views exist, between staff, partners and stakeholders, about the organisational strategy. To smooth out the misunderstandings, Regenerate Christchurch needs to ensure a focus on, and clearer articulation of, the direction of travel. A simple organisational strategy and delivery model are required. Also, the communication products need to be straightforward and easy to use. This means ensuring there is clear understanding of 'the why', 'the what' and 'the how' - and how these elements are linked.

The delivery model needs to be much more explicit. It looks like a professional service model that can ramp up and down and acknowledge the inter-and-multi-disciplinary nature of the work. A more explicit model will ensure teams can be quickly formed and reformed from people across the regeneration eco-system as well as from the private sector. To be successful this model entails explicit and systematic use of programme and project management tools, with formal planning and review, strong links between project economics and staff performance, and a much clearer role for the enabling functions. The passion and pride of staff provide a platform from which to build the systematic people-management practices and a more explicit approach to culture.

Leadership and Governance

How well does the senior team provide collective leadership and direction to Regenerate Christchurch? How well is the Board supported?

The CE has put much work into the recruitment of a senior team who can lead the technical elements of the work and give the agency the collective leadership and direction it needs. However, it is a difficult challenge for a small agency, where the second-tier managers are expected to be the leadership team and be project managers with heavy management and operational responsibilities. To address this challenge a more structured approach needs to be put around planning, delivery and review. The approach also needs to be a simple programme management tool that enables the senior team to raise themselves above their day-to-day line management and operational duties to provide collective leadership, accountability and ensure a coherent and a joined-up sense of purpose.



A possible factor in the absence of a structured tool is that the current senior team is still learning how to work together. Its dynamic is not yet sufficiently set or established for it to operate with high levels of challenge. I am confident this will come in time.

Mindful that this review is not about the Board, but the way in which the senior team supports the Board, I want to characterise support for the Board in a particular way. It is important for me to start with three obvious statements. First, the Board is not Cabinet. Second, the Board is not the Mayor or Minister. Both the Crown and Council have decided on an arms-length arrangement. Third, the Board delegation is clear. These statements are not a criticism. I am observing how sometimes (current and former) core public servants relate to boards as if they are ministers. They are not. Let me explain.

In the public-sector Ministers set out their priorities, and officials adapt and change their capability and delivery models to deliver the priorities. The approach has delivered good outcomes, most of the time. Public sector boards, however, are different.

First, public-sector boards have a 'shaping' role which enables them to take a much more active view of the organisational context, tone and culture. This is not the case in the core public service. Organisational and cultural shaping is done by the chief executive, senior team and various codes of conduct.

Second, public-sector boards are often made up of technical experts – people who have a thorough understanding of the entity's core business. You are lucky. Your owners have appointed a Board that is deeply skilled in all aspects of Regenerate Christchurch's business; from commercial expertise to planning to resource management to iwi interests to local and central government. This means your Board is naturally skilled and able to guide and steward elements of the work programme. This is not always the case in the core public service.

Third, the natural state of human decision-making is subject to errors and omissions. Board arrangements are designed to compensate for these limitations via a social dynamic created by the combination of the personalities, experience and circumstance which results in improved decision-making. High-performing boards will debate ideas and issues, and they will do it immediately and respectfully, often in front of senior teams. This is not always the case with Cabinet, its Committees or senior official groups, who prefer confidentiality. Finally, a public-sector board owns the employment relationship with the CE, whereas in the core public sector that relationship belongs to the State Services Commissioner.

My point is this. The Board are the primary decision-makers at Regenerate Christchurch. They are not a political executive to the senior team's administrative executive. Thus, it is for the CE and senior team to find the Board's 'sweet spot' – not the other way around. It is not enough to expect a chair or a board to adapt to the pace and rhythm of the senior team. Rather, it is for the CE and senior team to get into the world of the board, and move at their pace and rhythm, and support their deliberations.



Finally, it is also important for the senior team to ensure the public service's natural aversion to risk, which is appropriate for some activities, does not become the default setting for the entire business. The board has the primary role in opportunity and risk management.

Values, Behaviour and Culture

How well does Regenerate Christchurch develop and promote the organisational values, behaviours and culture it needs to support its strategic direction?

A set of behaviours has been launched. The behaviours are intended to provide clarity and depth of meaning and facilitate alignment and communication. The four behaviours are: dedicated, collaborative, resourceful, and self-aware.

In talking to staff, they revealed the culture to be aligned, collegial, committed, with people reportedly working at Regenerate Christchurch for the right reasons. This is positive. The senior team now needs to ensure these behaviours advance and accelerate the work programme, and that new staff and contractors are properly inducted into the culture of the organisation.

Structure, Roles and Responsibilities

How well does Regenerate Christchurch ensure that its organisational planning, systems, structures and practices support delivery of owner priorities and core business? How well does Regenerate Christchurch ensure that it has clear roles, responsibilities and accountabilities throughout the agency and sector?

The CE has taken careful steps to develop the structure of Regenerate Christchurch. He deserves much credit for the efforts made. It seems, however, with the on-boarding of the new Chief Operating Officer (COO) there is scope for improvement which can significantly enhance performance⁶. For example, I invite the COO (with the CE and senior team) to distinguish between what is front-office and what is back-office. Let me suggest that any activity involved in the development and delivery of a regeneration plan or on-board a plan in the pipeline is front office and core business. Everything else is back-office and therefore an enabler. All I am saying is, from here on in focus needs to be on the value drivers – not the back-office functions. Also, to improve performance, employee accountabilities need to be documented and understood. Those accountabilities need to be aligned to the work programme. The line of sight is important and easily achieved in a small organisation.

I also invite the senior team to consider whether the COO could also pick up accountability for organisational strategy⁷, governance and programme management. Some thought also needs to be given to clarifying where the external and internal corporate communications activities are located. This could be with the COO.

⁶ The Chief Operating Officer (COO) role is shaping up as pivotal to entity effectiveness. I see the COO as the corporate executive who oversees ongoing business operations within the entity, and acts as a single point of accountability for the owners and Board. I see the COO role reporting to the CEO and being the second-in-command within Regenerate Christchurch.

⁷ To avoid any doubt, the Board sets the broader strategy. The organisational strategy is how the CE and senior team go about simplifying the complex operating environment and competing demands using a compelling organising idea and implementing an operating model that unifies and coordinates the various programmes, services and activities.



It is also clear to me that financial modelling and commercial expertise is required. This should be located with the COO until its proper home is found. Finally, in the next quarter, someone needs to give some thought to pipeline management, i.e., regeneration plans over and above the ones that are promised.

Review

How well does Regenerate Christchurch monitor, measure, and review its policies, programmes and services to make sure that it is delivering intended results?

While Regenerate Christchurch has put time and thought into vision and purpose, it has some distance to go before it can be said it has a good understanding of how well it is contributing to the intended outcomes. This is mostly owing to the 'start-up' nature of the entity but also the difficulty it will have in establishing meaningful and workable performance indicators. Partly, this last point reflects the difficulties facing a small agency with limited resources which needs to put its effort into securing regeneration outcomes but also has to spend a lot of its scarce time measuring, explaining and demonstrating performance. This is also due to the fact that measurement is difficult for many public-sector agencies. Nevertheless, it is important for Regenerate Christchurch to establish meaningful qualitative and quantitative performance measures that will enable it to monitor its effort and progress against agreed goals, as well as monitor the outcomes being produced by its partners.

That said, the CE is already aware that he and his leadership team need to spend time on coordinating and prioritising the entire work programme. Also, staff uniformly reported that the CE is building a culture that rewards innovation, learning and review. Therefore, it is my judgement, that once the COO develops a clear view of what the entity is seeking to do, and has improved its programme management, Regenerate Christchurch should be able to implement an effective review of its work to establish a virtual cycle of continuous improvement.

Summary

Regenerate Christchurch is well-placed to make its next shift in performance, but it is mission-critical that this happens soon. This means attending to and demonstrably delivering the results the owners and the Board are looking for. In practice, this means the CE and senior team need to take a hyper-connected and hyper-vigilant focus on results. For the most part, to get the outcomes required the CE and his staff need to define a unifying, motivating and discriminating organisational strategy and further create a culture of accountability. The senior team also needs to assume responsibility for the whole organisation and its results, and keep promoting a sense of urgency.

Engagement with the Board can be more effective and efficient. This is about working with the Board at their pace and in a rhythm that suits them.

The COO role is a positive addition and needs to be scoped. I suggest it could include accountability for organisational strategy, governance and programme management. After the programme is up and running, thought then needs to be given to clarifying where the external and internal corporate communications activity is located, and how to source financial modelling and commercial expertise for the entire programme of work – not just the individual



projects. I would expect to see a more disciplined approach to pipeline management start happening in late October.

Finally, after one or two six-month cycles, the senior team should be in a position to consider the value and approach of the evaluation and review function.

Part Four: External Relationships

<p>Engagement with the Mayor and Minister</p> <p>How well does Regenerate Christchurch provide advice and services to the Mayor and Minister, and their offices?</p> <p>The entity submits fortnightly reports to the Mayor and Minister. There are monthly meetings between the Mayor, Minister and Chair of the Board. The Mayor and Minister have just started quarterly meetings with the Board. All of this is good governance practice.</p> <p>However, the way in which any public entity provides advice and supports its owners is of critical importance. This is, even more, the case for smaller agencies, who need their shareholders to be effective advocates when public policy debates are underway, and the direction of travel for larger public agencies and the economy are being considered.</p> <p>The team at Regenerate Christchurch are well regarded in some areas for the support they provide to both the Mayor and Minister, such as facilitating the interface and being a credible conduit with particular communities and representatives. Nevertheless, support for the Mayor and Minister can be strengthened in two important respects:</p> <ul style="list-style-type: none"> • First, I recommend the CE establishes clear lines of communication with staff in the Minister’s office. Simply said, give the shareholders a single point of accountability and contact. My only caveat to this is to also ensure the Board is enabled in its relationship with the shareholders. • Second, I also recommend the CE and senior team take a much more active and confident approach with the ownership advisors. These advisors are committed to a customised approach, proportional to the profile and size of Regenerate Christchurch. They are also committed to ensuring effective and efficient monitoring and accountability for the funds invested by taxpayers and ratepayers. It is up to Regenerate Christchurch to respond in kind.
<p>Sector Contribution</p> <p>How well does Regenerate Christchurch provide leadership to, and support the leadership of other agencies in the eco-system⁸?</p> <p>It is clear the other agencies value the role of Regenerate Christchurch. However, the CE and the senior team can improve how they work with DCL and Ōtākaro Ltd by regularly clarifying what is required; in particular, how Regenerate Christchurch can best leverage its distinctive role and tools on behalf of its sector partners, and reflect that in its work programme and performance expectations of its people.</p>

⁸ The focus of this section is on how well Regenerate Christchurch is contributing to the outcomes of DCL and Ōtākaro Limited, and to a lesser extent the planning function of the Council.



Collaboration and Partnerships with Stakeholders⁹

How well does Regenerate Christchurch generate common ownership and genuine collaboration on strategy and service delivery with key stakeholders?

To be effective, Regenerate Christchurch must have strong, stable and sustainable collaborative relationships and strategic partnerships with players as diverse as Tertiary Education Institutes, District Health Board, business interests, Ngāi Tāhu, Waimakariri and Selwyn District Councils and private landlords and households.

As a reviewer, I have not had the opportunity to attend an event and/or listen to the senior team speak to a strategic partner. However, a regular theme from the interviews was the credible and transparent way the Chair, the Board and the CE are delivering their messages in a number and range of forums.

The other regular theme from the stakeholders is the opportunity Regenerate Christchurch now has to step into its role as the 'glue' in the regeneration eco-system, and how it now needs to bond the various interests. The good news is that the various stakeholders want Regenerate Christchurch to step into this leadership role. As I have said earlier in this report - the time is now, and the clock is ticking.

Experiences of local community¹⁰

How well does Regenerate Christchurch meet the community expectations of service quality and trust?

Meeting community expectations has been an important area of focus for Regenerate Christchurch. Given the reported legacy of predecessor public sector agencies, this focus is entirely appropriate. A range of tools has been deployed, from co-design events to workshops and seminars to conferences to one-on-one conversations and evening events, to a deliberate on-line and social media strategy. In short, the CE and senior team should be very proud of the work to date – even if there are some hard yards ahead.

However, maintaining community expectations of service quality and trust will be contingent on a combination of these relationships as well as positive regeneration outcomes for those same communities. Therefore, I recommend the senior team ensures the strong practice it has developed in community engagement, does not prioritise consultation at the expense of tough regeneration decisions, or worse, bog the entity down in overly consensus-driven decision-making that fetters the Board's decision-making and the production of regeneration plans.

Summary

Regenerate Christchurch has obvious strength in managing external relationships. It has earned its right to lead – it must now step into that leadership role. I do have a question about the extent to which the entity should be carrying out community engagement.

⁹ The focus of this section how well Regenerate Christchurch is using collaboration and partnerships tools to deliver results through the public and private sector to the people of Christchurch.

¹⁰ The focus of this section relates more to how well Regenerate Christchurch is meeting the community expectations of service quality and trust.



While there is no blanket answer, and this is not a binary issue, the CE and senior team need to find a right balance between consultation and inclusion and tangible regeneration outcomes. These issues are not mutually exclusive – the answer will come back to how the programme of work is elevated, how priorities are determined, resources allocated and the results accelerated.

Part Five: People Development

Leadership and Workforce Development

How well does Regenerate Christchurch develop its workforce (including its leadership)? How well does Regenerate Christchurch anticipate and respond to future capability requirements?

Regenerate Christchurch is a small and multi-disciplinary organisation. Its core competence is based around maintaining a critical mass of skills in design and planning, as well as community engagement and communication. Thus, given its small size, and life-cycle limits, internal career progression is not an option. Therefore, talent management must be viewed on a multi-agency and multi-sector basis.

The suggested move to a more explicit programme and multi-disciplined team operating model, where staff are organised by professional or technical expertise but assigned as appropriate to roles, will assist to develop the workforce and anticipate future demand. I was pleased to discover the Corporate Services General Manager and new People Capability Manager are already aware that they need to spend time developing the workforce and anticipating future demand, and this work is underway. This work will be successful when workforce supply and demand are discussed and debated by the senior team.

Management of People Performance

How well does Regenerate Christchurch encourage high performance and continuous improvement among its workforce? How well does Regenerate Christchurch deal with poor or inadequate performance?

Regenerate Christchurch's most important asset (together with its local license to operate) is its capable, committed and motivated staff, who have enabled the entity to establish itself and proficiently deliver some community events, deliver the Cranford Regeneration Plan with Council and stand up and start delivering the RRZ project.

However, at the time of this review, the processes to support high performance and address poor and inadequate performance are insufficient. The new People Capability Manager is aware of this. As I am undertaking this review, she is preparing a performance management and development tool aligning behaviour and values to work and projects.

When the tool is delivered the senior team then need to make sure the process is uniformly applied and that every staff member is provided regular feedback and coaching. May I also suggest, given the small size of the agency, and the likely ramp-up/ramp-down delivery model that individual performance is judged on a team basis, for example, with an emphasis on two or three clear results and behaviour.



Engagement with Staff

How well does Regenerate Christchurch develop and maintain a diverse, highly committed and engaged workforce?

In my interviews with a range of individuals and focus groups across the agency, including management and staff, I found a consistent positive sentiment about Regenerate Christchurch. For example, four out of five people are clear about the expectations of their role with over 75% saying they are getting regular feedback. Compared to other public and private sector organisations these are positive results. The new People Capability Manager has already provided a plan for lifting these numbers to 100%.

Summary

Having attracted good talent the CE and his team now need to engage and develop these people by supporting the new People Capability Manager to implement her plan, while also ensuring the plan is aligned with the organisational strategy.

Part Six: Financial and Resource Management

Asset Management

How does Regenerate Christchurch manage agency as well as Council and Crown assets, and the related potential forward impact on the Council and Crown balance sheets, to support delivery and drive performance improvement over time?

For now, Regenerate Christchurch has no significant Council or Crown assets to manage and has only a small capital expenditure appropriation. For the time being, it does not record its intellectual property as an asset. One of the themes from the external interviews, however, was a reminder that thought must be given to investment decisions already taken and the forward impact of the work programme on the Council and Crown balance sheets.

Information Management

How well does Regenerate Christchurch utilise information and communications technologies to improve service delivery?

Regenerate Christchurch actively uses a shared services arrangement to plan for and meet its ICT needs. Additionally, the channel strategy is actively managed, and the website is user-friendly and suitably linked to cross-government services. Privacy and confidentiality policies are also in place.

Improving Efficiency and Effectiveness

How robust are the processes in place to identify and make efficiency improvements? How well does Regenerate Christchurch evaluate service delivery options?

Regenerate Christchurch has a broad framework that shows a progression from inputs to outputs and then to impacts on desired outcomes. It is hard to assess from this – in the absence of a core strategy and operating model - how the agency has assessed efficiency, or



whether it has appropriate systems in place. This is in part because the agency has a limited lifetime, so does not consider medium- and long-term financial scenarios. While I understand that this may not be a necessary task, it makes it hard to judge whether the agency is making the best choices available to it by harnessing and understanding the cost of all the delivery choices, digital platforms, for example. This may be a conversation for the year two review.

Financial Management

How well does the Regenerate Christchurch plan, direct and control financial resources to drive efficient and effective output delivery?

The inaugural audit report gave the agency credit for the work it had done and marked areas for improvement. The identified areas of improvement need urgent attention. The macro challenge is to take financial and resource management to a new level by integrating it more closely with work programme and resource allocation.

Risk Management

How well does Regenerate Christchurch manage its risks and risks to the Council and Crown?

The management team can articulate the main risks it faces; outline its mitigation strategies and demonstrate improvement derived from lessons-learned. It also has good processes, including documentation and active risk oversight. A core strategy and operating model will help the senior team to distinguish between activity, project, programme and enterprise level risks.

Summary

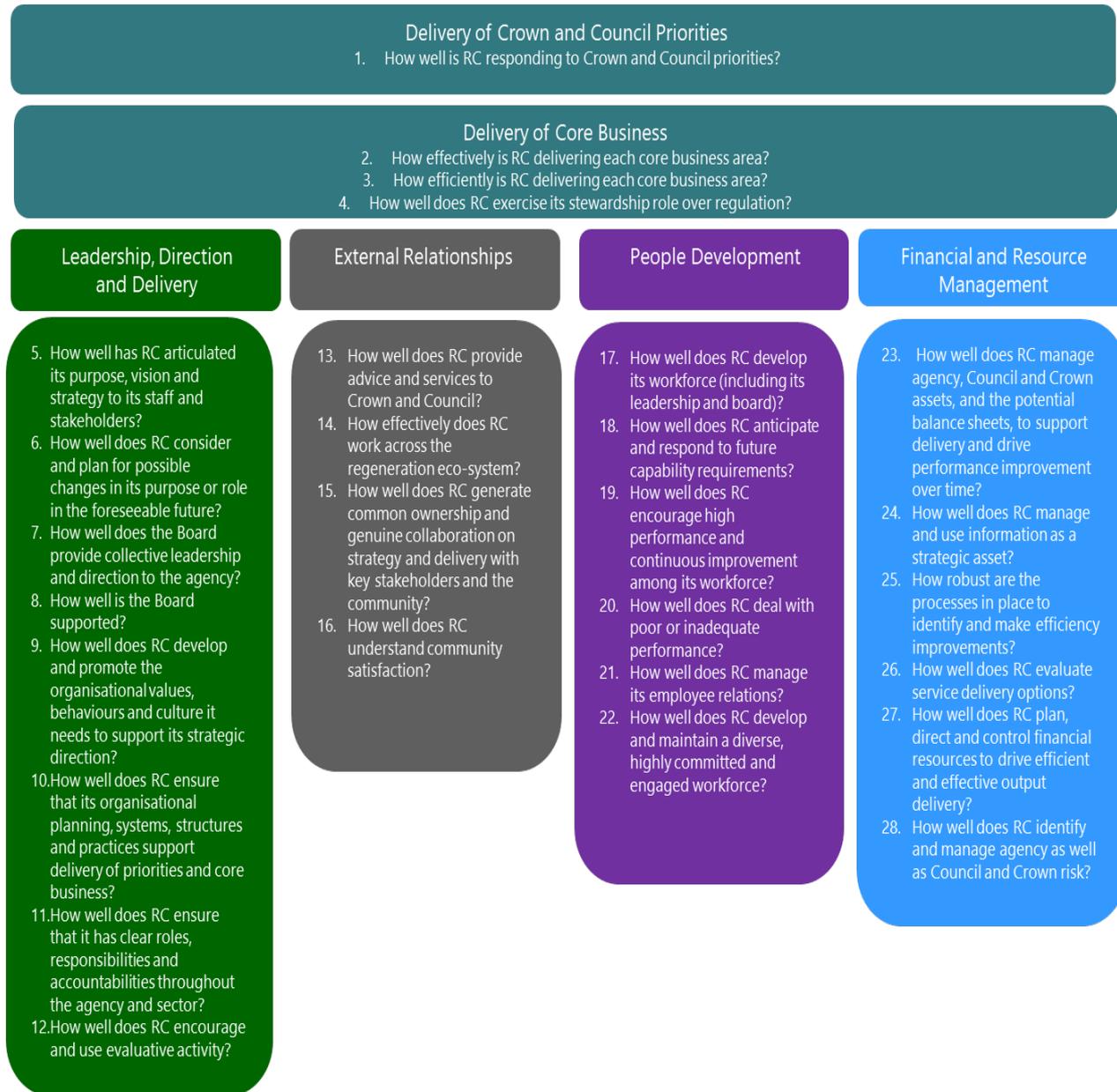
Pay more attention to investment decisions already taken as well as potential out-year fiscal implications for the Crown and Council. Once the core strategy and operating model has landed, the senior team can move towards designing the various efficiency and effectiveness measures. Finally, the findings from the first Audit Office report need to be attended to.



APPENDIX A: TERMS OF REFERENCE



APPENDIX B: OVERVIEW OF THE MODEL





APPENDIX C: LIST OF INTERVIEWS

This review was informed by input from staff (one-on-one interviews and focus groups) and representatives from the following businesses, organisations and agencies.

Business, Organisations and Agencies
Christchurch City Council
Department of the Prime Minister and Cabinet
Development Christchurch Limited
Ōtākaro Limited
Regenerate Christchurch