



# Wellington Water Committee | Komiti Ngā Wai Hangarua

11 November 2021

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Report no: WWC2021/5/277 (4)

## Service Delivery Strategy Update

### Purpose of Report

1. To provide an overview to the Wellington Water Committee of Wellington Water Limited's (the company) new Service Delivery Strategy for the period of 2021-24.

### Recommendations

That the Committee:

- (1) receives the report;
- (2) notes that Wellington Water Limited has refreshed its Service Delivery Strategy;
- (3) notes that Wellington Water Limited is extending arrangements with its contractor and consultant panels to enable continuity of service through to 2026;
- (4) notes that the regional wastewater delivery model is under review; and
- (5) notes that we continue to focus on increasing the capability and capacity of workers in our sector to deliver our programmes of work.

## Key Messages

2. Our refreshed strategy continues to centre on the ongoing improvement of our current models and will improve the capability and capacity of our suppliers.
3. The strategy broadens our focus to encompass wider objectives, such as: training; enhancing our relationship with iwi Mana Whenua; and the environment.
4. The current model for wastewater treatment plants is being reviewed.
5. We intend to extend arrangements with our contractor and consultant panels to enable continuity of service through to 2026.

## Background

6. A refreshment of the current Service Delivery Strategy was required to respond to our changing environment and to provide assurance to our suppliers and councils that the service delivery models established in the previous strategy would continue.
7. An independent review was undertaken as part of this which pinpointed some areas for improvement.
8. The company took a collaborative approach to the revision of the refreshed strategy, which included a series of facilitated workshops with both internal and external stakeholders over the months of September and October 2021.
9. This activity revealed confidence in our models which continues to ensure that we have the capacity and capability to deliver services, but that we would benefit from broadening our focus to encompass wider objectives, such as: training; enhancing our relationship with iwi Mana Whenua; and the environment.
10. Insights from these sessions were used to finalise the final strategy and specific actions which can be taken over the next three years. The refreshed strategy was approved by the Wellington Water Board at its November 2021 meeting.

## Service Delivery Strategy 2021-24

11. The strategy is centred on the vision “Working together to ensure service delivery is in the best position to generate long-lasting benefits for our community”, providing the necessary focus and direction to improve upon our service delivery in the coming years.
12. A set of strategic foundations have been identified to achieve that vision, along with corresponding outcomes, outputs, and measures to ensure the necessary activities are undertaken to achieve the strategy.
13. Even though this strategy is for three years, the foundations that are established should endure beyond 2024.

14. The independent review considered value for money and highlighted the success and benefits of the consultant and contractor panels. To ensure capability and capacity are retained and able to be increased, the panel models will continue, and the company will seek to extend the current agreements through to at least 2026. The drivers behind the extension include enabling continuity of service for a growing programme of work, right sizing our contracts to take into account value for money, and to provide greater certainty in supplier forward planning.
15. We continue to focus on increasing the capability and capacity of workers in our sector to deliver our programmes of work. Training and empowering the next generation of workers will lead to an increased supply of skilled and talented staff and allow for sufficient succession planning. Capability and capacity will also be increased by the establishment of a regional training centre for frontline workers, subject to the provision of funding. The company will see this in action through developmental workforce strategies and continued support of apprenticeship programmes.
16. Concerns relating to the model and performance of the current wastewater treatment service delivery arrangements have been raised. As part of the refreshed Service Delivery Strategy, the regional wastewater delivery model is now under review. This review will be completed by the end of the calendar year.
17. The company will be working with Mana Whenua to establish direct contracting relationships, and we will improve upon it by developing a contracting and services model with Mana Whenua.
18. Broader environmental outcomes will be delivered with carbon reduction and recycling strategies required from suppliers. It is our expectation that all suppliers will have a carbon reduction strategy and a disposal strategy, which includes recycling, to reduce the environmental impact.
19. An overview of key components within the Service Delivery Strategy 2021-24 is attached as Appendix 1 to the report.





## Appendices

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# Service Delivery Strategy 2021-24 | Strategy Overview

“Working together to ensure service delivery is in the best position to generate long-lasting benefits for our community”

Strategic Foundation	Outcomes What are we working towards?	Outputs What steps do we need to take?
 <p><b>Social Procurement</b></p> <p>We will ensure that the purchase of goods and/or services that results in positive impacts beyond the contract itself (i.e. social, economic, cultural, and environmental benefits).</p>	<p>Social and economic outcomes have been improved by increased value going back into communities</p> <p>The environmental footprint of our activities is reduced</p> <p>Mana whenua have been engaged, consulted with, and are supportive of our work programmes</p>	<ul style="list-style-type: none"> <li>All contracts must demonstrate what broader outcomes they will be achieving (mana whenua, environmental remediation, training opportunities, etc.) and alignment to our values</li> <li>Principal contractors and service providers are encouraged to contract work to, or engage the services of locally-owned NZ based businesses (preferably from the local council constituency ie SWDC)</li> <li>All suppliers have a carbon reduction strategy</li> <li>All contracts have a disposal strategy, which includes recycling, to reduce the environmental impact</li> <li>Partnering with mana whenua on procurement strategies</li> </ul>
 <p><b>Value for Money</b></p> <p>We will strike the right balance between the overall cost and the benefit of the activity and will deliver the right infrastructure and services, to the right level.</p>	<p>Capital costs are reduced by utilising efficient and effective design models</p> <p>The Alliance is continuing to improve on delivery and effectiveness</p> <p>Our supply chain is robust and there are no delays to completing projects due to supply issues</p>	<ul style="list-style-type: none"> <li>Efficient designs have been developed that increase the amount of capital work that has a standard design (i.e. that reduces or removes the need for consultant design input)</li> <li>Undertake regular VFM reviews of the Alliance</li> <li>Looking more broadly at the supply chain (principally materials) to identify the best model to ensure quality, continuity of supply, and minimisation of cost fluctuations</li> </ul>
 <p><b>Best Fit</b></p> <p>We will apply the right model of service delivery for its activities taking into account VFM and risk while balancing social procurement with a commercial approach.</p>	<p>Risk is appropriately managed for major projects and water treatment and wastewater treatment plants</p> <p>WWL has best practice procurement for non infrastructure supplies and services</p> <p>Mana whenua are directly engaged in the delivery of services</p>	<ul style="list-style-type: none"> <li>To support our inhouse delivery model develop a procurement and contract management model and KPIs for our water treatment plants, and all support contracts and services are in place for a minimum of three years</li> <li>Under Major Projects, develop a procurement model</li> <li>Increase the amount of our non-infrastructure procurement through All of Government panels</li> <li>Review the waste water service delivery model and performance</li> <li>Develop a direct mana whenua contracting and services model</li> </ul>
 <p><b>Capability</b></p> <p>We will enable the delivery of a growing programme of work through the development of regional capability and capacity coupled with efficiency.</p>	<p>Increased supplier capability to deliver our increasing programme of work</p> <p>Succession planning, training and empowering the next generation of workers has resulted in increased supply of skilled and talented staff</p>	<ul style="list-style-type: none"> <li>Extend the existing contractor and consultant panel arrangements, so by the end of year 1 all panel arrangements have been reconfirmed for at least a further 3 years</li> <li>Capacity of Contractor and Consultancy panels are increased by additions to panel teams</li> <li>Support national apprenticeship schemes and contribute to regional and national workforce development strategies</li> <li>Intern, scholarship, and graduate partnership programmes between WWL and its suppliers are established</li> <li>A regional training centre is established to carry out a workforce development programme for frontline workers</li> </ul>