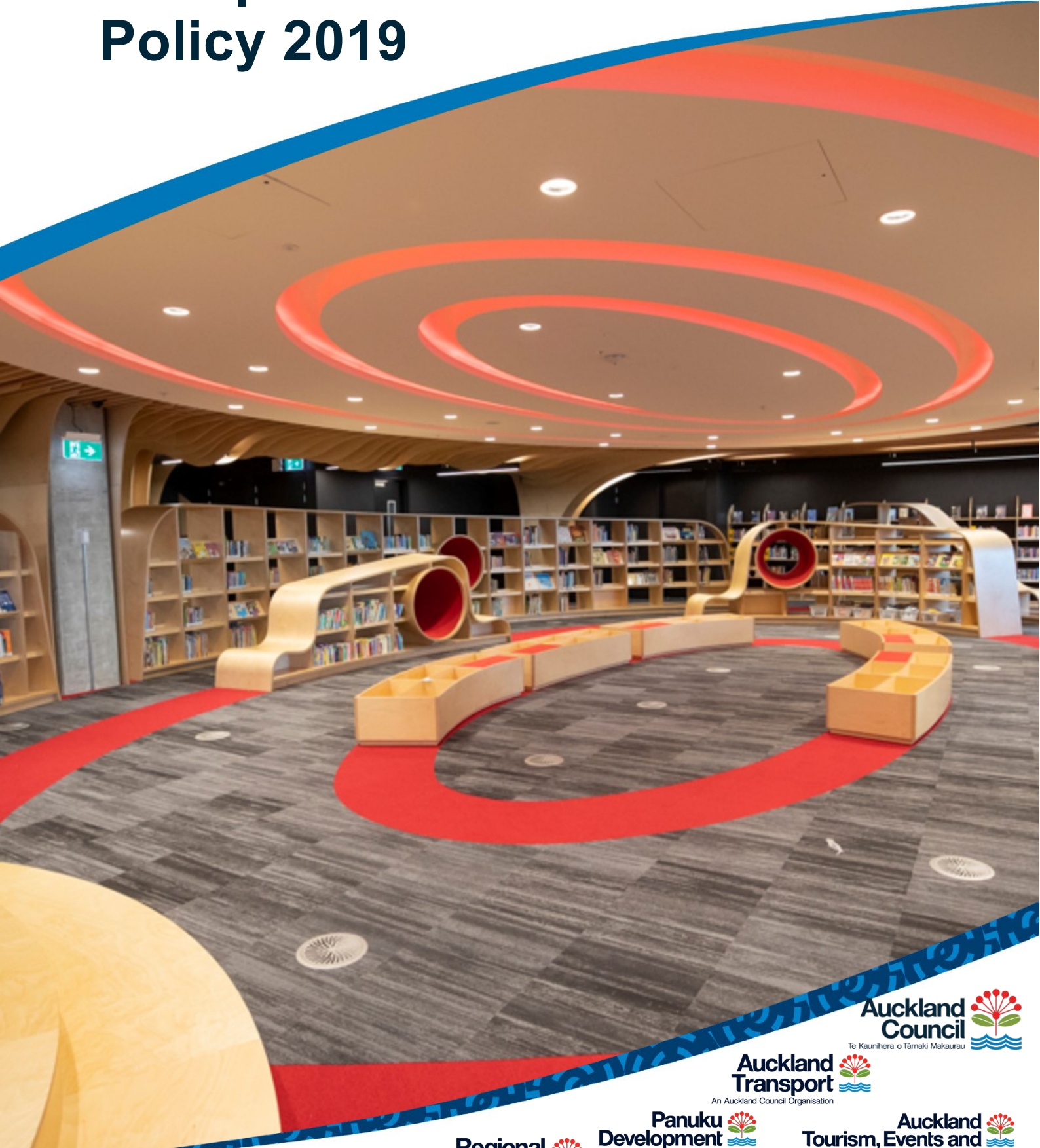


Auckland Council Group Business Case Policy 2019



1. Purpose

The purpose of this policy is to ensure consistent business case practice and governance is applied to achieve best value for money in alignment with Auckland Council 'Better Business Case' standards, 10-year Budget and Auckland Plan outcomes.

2. Scope

This policy applies to all investments delivered through programmes and projects undertaken by, or on behalf of, Auckland Council group including all Council Controlled Organisations (CCOs) with the exception of Ports of Auckland Limited.

3. Context

The 10-year and Annual Budget¹ processes set budgetary provisions for major investment of public funds. Many investments have direct implications for the level of rates required to be charged to Aucklanders. Other major investments have non-rates funding sources but still involve significant implications, risks or opportunity costs for our community.

4. Principles

This policy will be achieved under the direction of the following principles:

Principle 1: Commitment to best practice project and programme management as a means to achieve desired outcomes, promote value for money, and ensure effective stewardship of public funds and resources.

Principle 2: Being transparent - acknowledging that it is not enough to just make good decisions with public money, but that it is also important to be transparent about how those decisions were made, what alternative options were considered, and the key risks associated with those decisions.

Principle 3: Promoting effective governance – ensuring that investment decisions are made at the right level, including at a CCO board and management level where appropriate.

Principle 4: Efficient and effective processes that are fit-for-purpose – processes should be value-adding, support better informed decision making and not add unnecessary cost or time to project delivery.

Principle 5: Good record keeping – processes should ensure that business case documentation is readily available and supports effective review by audit and other stakeholders whilst managing confidentiality and commercial sensitivity.

¹ Auckland Council uses the terms "10-year Budget" and "Annual Budget" to refer to the council group's Long-term Plan and Annual Plan respectively.

5. Minimum standards

The 10-year and Annual Budget processes set budgetary provision. In order to progress, capital and operating investments delivered through programmes and projects are required to have an approved business case that aligns with Auckland Council's 'Better Business Cases' standards and Investment Delivery Framework (IDF) or equivalent. It is acknowledged that certain transport projects will need to meet the specific requirements of the New Zealand Transport Agency's (NZTA) Business Case Approach.

The business case is a document containing information to justify an initiative is (and remains) desirable, achievable and viable and therefore worthwhile investing in. A business case typically demonstrates strategic alignment, makes a case for change, and provides a range of options including scope, quality, and timelines to inform a preferred solution that optimises costs, benefits and risks.

The business case will vary depending on the value, complexity and risks involved. It should be fit for purpose, minimise compliance costs and provide value to Auckland.

6. Effective governance

The 'Better Business Cases' standards require quality information and staged decision-making, by appropriate levels of authority, to ensure quality investment advice, assurance and decision-making.

Within the Auckland Council Group, some decisions are the responsibility the Governing Body or one of its committees. For example, including a funding provision in the 10-year or Annual Budget in respect of a major investment or giving shareholder approval in respect of a major transaction. In these circumstances, effective governance is best supported by the provision of quality information and advice.

For those decisions, the Governing Body or any of its duly appointed committees may require (acting through the chair) that relevant business case information is provided prior to exercising its decision-making responsibilities. In determining what information is relevant, consideration will be given to:

- the significance of the investment decision under the council's Significance and Engagement Policy
- the degree of public interest in the investment decision
- the quantum of public funding proposed and the extent of risk to ratepayers.

7. Amendments

The Chair of the Finance and Performance Committee and the Group CFO may approve amendments to this policy, which do not change its intent, scope and purpose.

8. Relevant policies and documents

- [CCO accountability policy](#)
- Committee terms of reference (multiple)
- Access to information by elected members policy (draft)
- Investment Delivery Framework (IDF)
- Auckland Council's Better Business Cases Standards (BBC) (Internationally recognised best practice standard, as interpreted by Auckland Council in alignment with New Zealand Treasury standards)
- [NZTA Business Case Approach \(BCA\)](#)
- Quality advice standards
- Our Charter
- [Governance Manual](#)
- [Significance and Engagement Policy](#)
- [Auckland Council Local Governance Statement](#)



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