

ASSESSMENT CRITERIA			OPTION 1 - REGIONAL MODEL (HBY WO)		OPTION 2 - NCC WO		OPTION 3 - INTERNAL BUSINESS UNIT	
			Establishment of a joint WO across the 4 HB Councils		Establishment of an NCC owned WO		Ongoing management and delivery of water services remains in-house with financial ringfencing and other changes to meet legislation.	
	Principles	Weighting	Score (1-5)	Comment	Score (1-5)	Comment	Score (1-5)	Comment
1	Value for Money	25%	5	Fully meets this principle. This model provides the lowest cost to ratepayers over the long-term. Strongest position to meet financial sustainability.	3	Meets the expectation of this principle. However, modelling indicates the highest costs to ratepayers due to the requirements of an external board for its operation.	4	Strongly meets this principle with marginal cost-savings over the Napier owned WO. Financial sustainability in question and would require tradeoffs to achieve.
2	Enhanced Delivery and Capability	20%	5	The only model that displays economies of scale and offers employees stronger professional development opportunities because of size.	4	Some enhancement expected over Internal Business Unit based on the external governance of a board of competence. Still limited professional development as limited scale of the WO	3	Meets the expectation of this criteria. No economies of scale to be realised and growth opportunities of staff limited.
3	Increased Resilience	20%	4	Offers the highest level of available debt in the event of recovery work. However, risk that a larger organisation and personnel may be 'stretched' responding to a significant event.	4	Staffing response the same as Internal Business Unit, however, NCC WO would have greater debt capacity to borrow against if recovery work was needed.	3	Debt for 3 Waters Activities linked to full council debt and current covenants limiting funding available for recovery work.
4	Community and mana whenua engagement	20%	3	As this is a regional organisation there is risk that the level of engagement with local community and mana whenua is not as strong as desired.	4	As council is the only shareholder, strong connections would remain. However, there could be one degree of separation between community/partners and the WO.	5	Council has strong and direct connections with mana whenua and community, therefore, fully delivers against this criteria.
5	Ease of Implementation	7.5%	2	The most complex of options to implement with the largest work programme and timeline. Presents the highest risks.	3	Slightly higher risk and complexity than the internal business unit but not to the scale of the regional model.	4	Lowest of risk of the options, but still a moderate work programme to fully meet the requirements of legislation.
6	Minimises Impact to Community	7.5%	3	Most foreseen impact to community, however, can be managed with adequate planning and resource.	4	Minimal impact to community as only a small, step change from the internal business unit.	5	Foresee there would be no change and, therefore, no disruption to community.
Total			100%	81%	74%		78%	

## KEY

1 - Little/No Alignment

2

3 - Moderate Alignment

4

5 - Strong Alignment