

TO THE CHAIRMAN AND MEMBERS OF THE POLICY COMMITTEE

GOVERNANCE STRUCTURE REVIEW

1 PROPOSAL

For the Policy Committee to make recommendations on a proposed governance structure to the new Council, to be formed after the Local Government 2010 Elections.

2 SUMMARY

Local Government Elections are being held on 9th October 2010. A new Council will be formed and this has provided an opportunity to review the current governance structure. The focus has been on the committee structure in light of the recent re-structure of the organisation. A key objective is to achieve greater synergy between the organisational structure and council committees and elected members.

A review project has been underway and the review, together with proposals, was discussed at a Council workshop in August 2010. The scope of the project at this stage has been a high-level review of the current governance structure, with a view to the current elected members putting forward a recommendation to the new incoming Council, which will then decide on its governance structure.

The result so far is a proposal to retain the current structure of the Regulatory Committee but to replace the current Strategic Planning and Development and Policy Committees with three standing committees appointed by Council to work alongside the Group Manager Planning and Community Relations, the Group Manager Service Delivery and the Group Manager Business Support. The review will also look at the other standing committees of and advisory committees to Council.

As part of the review the possible membership of the three proposed committees has been discussed, which is included in the recommendation. It is proposed that the Deputy Mayor chair one of the committees. There has been some discussion on the possible level of delegations to the committees and meeting frequencies and timing, and feedback on this is covered in

commentary in this report, but no recommendations on these are being put forward at this stage.

As mentioned, this report is therefore only high-level at this stage. A more detailed proposed governance structure which will suggest delegations to committees and include a review of standing and advisory committees will be presented to Council after the Local Government elections. Any decisions with regard to these matters will rest with the incoming Council.

3 RECOMMENDATION

That

- a) *The report of the Manager Legal and Corporate Support, Jennie McFarlane dated 31st August be received;*
- b) *The Policy Committee recommend to the incoming Council (after the 2010 Local Government Elections, a proposed Governance Structure as detailed below:*
 - i) *Council to continue to have a Regulatory Committee, but to replace the Strategic Planning and Development and Policy committees with a Planning and Community Relations Committee, a Service Delivery Committee and a Finance and Corporate Committee.*
 - ii) *The membership of the Regulatory Committee to remain unchanged; all councillors to be members of the Planning and Community Relations Committee; a range of between 6 to 12 councillors to be members of the two remaining committees; and the Mayor to sit on all committees and the Deputy Mayor to chair a committee.*

4 LEGAL

The Local Government Act 2002 enables a Council to delegate many of its powers and functions to committees. Certain functions such as setting a rate, making a bylaw or approving the Long Term Plan rest with Council, but committees can be delegated to handle much of the operational and policy matters.

5 COUNCIL POLICY

Council has a Procedural Policy Manual which is currently under review. The Governance section details the current governance structure for Council. If the governance structure is amended by the incoming Council, this section of the Procedural Policy Manual will be reviewed and updated to reflect the new governance structure. Current Council policy is to delegate to the lowest level possible.

6 BACKGROUND

Local Government Elections are being held on 9th October 2010. A new Council will be sworn in sometime in October 2010. The new Council will determine its governance structure and the delegations to and membership of its committees. In preparation for that, a review of the current governance structure has been carried out.

The governance structure of Council has changed in recent years to accommodate legislative requirements, an associated increasing workload and a growing Council agenda. The introduction of the Local Government Act 2002 triggered a great deal of change for local authorities. Council has had to develop Long Term Council Community Plans and engage in greater community consultation.

The Policy Committee was introduced with the role of policy development and review and for those matters being adopted through the Local Government Act 2002 special consultative procedure. The Strategic Planning and Development Committee was formed with the delegated authority to deal with the District Growth Strategy (Waipa 2050), and associated work such as FutureProof, the District Plan review up to the point of notification of a Plan and any Council promoted plan changes.

Changes to the Resource Management Act 1991 and the introduction of accredited commissioners saw a change to the structure and membership of the Regulatory Committee which has worked well.

Council has a number of other standing committees, some of which are established due to historical reasons and some of which have recently been established to meet a need, such as the Karapiro (Mighty River) Domain Committee. There are two Community Boards and a number of associated sub-committees. In addition there is Council representation on joint committees such as FutureProof and Civil Defence, as well as a large number of appointments to other committees and organisations.

Typically now an average month will involve all councillors attending meetings and/or workshops every week of the month. The workload has increased considerably not only for councillors but also for the staff managing the committees and the governance work.

In 2009, Council appointed a new Chief Executive, who has led a re-structure of the organisation. Part of this process involved developing good alignment between the organisational structure and Council's functions and services. As a result, there is a new organisational structure. This has highlighted some gaps with the current governance structure in relation to the service delivery area and Business Support/Finance area not being particularly associated with a particular Council committee. The policy and strategy work has tended to

dominate with the development of Waipa 2050, FutureProof and Town Concept Plans.

7 COMMENT

The Local Government Elections have provided a timely opportunity to review the current structure. The review has identified that there is an opportunity to streamline the Council agenda, as it is clear that there are matters currently on the Council agenda which could be dealt with through delegated authority to a committee.

In practice, until the introduction of the Strategic Planning and Development Committee, the Policy Committee's remit extended out beyond its original purpose. Some of that work has been able to be referred to the Strategic Planning and Development Committee, but there will soon be a reduction in the levels of work once the District Plan review moves in to the notification and hearings stages later in 2011.

The recent and on-going Treaty settlements have also created requirements for greater consultation and in some cases co-management. There is a changing landscape in this field, which may impact on some Council committees and the governance structure will require some flexibility in order to accommodate this.

As can be seen, a number of reasons have been identified for conducting a governance review. This includes reviewing the standing committees and considering recommendations from advisory committees. Council staff have also looked at the governance structure of other councils, and it is apparent that Waipa District Council has a large number of committees and sub-committees in comparison to some other councils.

Common themes that emerged are that there are monthly Council meetings, with usually only all councillors as members of Council and any Policy Committee. Meetings do not tend to be scheduled for every week.

Common committees are as follows:

- Policy/Strategy
- Regulatory
- Finance/Corporate
- Community (Services/Assets).

As a result of the review, and bearing in mind the key objective of the review, a proposed structure was presented to councillors at the August workshop.

The proposal suggested that Regulatory Committee is not in need of any review but that the current Strategic Planning and Development and Policy committees be replaced with three committees as follows:

1 PLANNING AND COMMUNITY COMMITTEE (GROUP MANAGER PLANNING AND COMMUNITY RELATIONS).

Role:

- Annual Plan and Long Term Plan
- Waipa 2050, Future Proof and Town Concept Plans
- District Plan Review
- Waikato Tainui/Joint Management Agreements
- Bylaws, Strategies, Policies and Plans
- District Promotions
- Monitoring (Community Outcomes/State of the District reporting).

This committee can have links with the Iwi Consultative Committee, Waikato Civil Defence Emergency Management and FutureProof Joint Committee.

2 SERVICE DELIVERY COMMITTEE (GROUP MANAGER SERVICE DELIVERY)

Role:

- Asset Management Plans
- Capex Programme
- Major Projects
- Intergrated Transport
- Road Corridor
- 4 waters
- Waste Management
- Key sites/facilities
- Leisure plan/Open Space Plan
- Reserve Management Plans

This committee will have links with the reserves committees, Biodiversity and Heritage Councils, and the Environment Waikato Land Transport and Passenger Committees.

3 FINANCE AND CORPORATE COMMITTEE (GROUP MANAGER BUSINESS SUPPORT)

Role:

- Financial reporting
- Annual report
- Non-financial reporting
- Financial policies
- Treasury matters
- Property management
- Shared services/Council Controlled Organisations

- Human Resource and Business Excellence matters as required.

This committee will work with the Karapiro (Mighty River) Domain Committee.

The feedback at the workshop generally supported the proposed structure. Although an increase in committee numbers may appear to add to current workloads and associated costs, there are opportunities to hold committees consecutively, depending on agenda content which in some cases, is likely to vary. There is also the possibility of having a smaller number of councillors on committees.

As mentioned above, the governance structure of nine councils was investigated which indicated that all councillors tend to only be members of Council and any Policy/Strategy committee. Around 6 to 8 councillors tend to be members of the infrastructure and finance committees (with usually a smaller number for regulatory committees and hearings).

In order to manage demanding workloads for elected members and to avoid increased costs, it is prudent to consider a smaller number of councillors being members of the proposed Service Delivery committee and the proposed Finance and Corporate Committee, depending on the interests of elected members. It is proposed that the Deputy Mayor chair a committee.

Feedback on the possible membership of the committees indicated some support to have all councillors on all 3 committees. Whilst this would certainly ensure appropriate ward representation, it is possible to have ward representations even with a smaller number of committee members. It can still reduce the volume of items on the Council agenda, as this can be managed by the level of delegated authority given to each committee which will determine which decisions will require to be referred through to Council and which can be made by the committee.

Feedback on the possible timing of meetings indicated that there was still a preference for meetings to be held during the day rather than evenings, due to other meeting commitments.

The governance structure review will also incorporate a review of other Council standing committees and advisory committees. Standing committees include the Iwi Consultative Committee, Maungatautari Reserve Committee, Karapiro (Mighty River) Domain Committee, Pirongia Ward Committee, Pirongia Reserves Committee, and the District Promotions Committee.

The Karapiro (Mighty River) Domain Committee has recommended to Council a change of name to Mighty River Domain Committee and that a review of the functions and roles of the Committee be undertaken so they can include the lake and issues with Lake Karapiro. Council has no statutory powers in relation to the lake and so cannot delegate any to a committee. However a review of the Committee will be part of the governance structure review so

there will be an opportunity to consider the committee's recommendations at that stage and investigate options.

The Heritage and Bio-diversity Committees are both advisory committees to Council. The Heritage Council has also recently recommended that it remain an advisory committee. Any recommendations from these committees will be incorporated in to the review and any proposals presented to the incoming Council.

8 FINANCIAL IMPLICATIONS

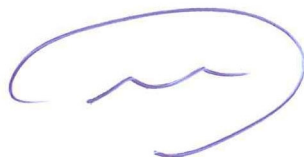
There are possible financial implications associated with the governance structure review. In relation to the committee structure, it is hoped that there may be some absorption of existing committees (such as District Promotions committee) in to one of the three proposed committees. The aim will be to ensure minimal cost impact (and possibly some savings) in relation to governance costs.

At the same time as the governance structure review, there has also been an elected members remuneration review, again with a view to recommendations being made to the incoming Council. Whilst the governance structure may impact on committee membership and chairs, the Remuneration Authority determines the total remuneration pool and the elected members will be able to make recommendations to the Authority as to how the pool is allocated. There will therefore be no overall financial impact on the governance budget.

9 PUBLIC RELATIONS/COMMUNICATION

The governance structure review has not been required to follow any formal process or public consultation. Any recommendation on remuneration has to be consulted on with the two community boards, and any changes to the governance structure will be advised to the community boards as well as to the community as soon as determined by the new Council.

Jennie McFarlane
MANAGER LEGAL & CORPORATE SUPPORT



Peer reviewed and approved
Ken Morris
GROUP MANAGER BUSINESS SUPPORT