

Governance Models	Pros	Cons	Mitigation Strategies
Council-controlled organisation (CCO)			
1. Status quo: Joint appointment rights between Mayor, Chair of Trust, Chair of Counties Manukau Sport Foundation (CMSF); Mayor is designated as Chair of the Appointments Panel;	<ul style="list-style-type: none"> - Influence of strategic direction and outcomes (Statement of Intent); - Appointments process can follow council's appointment policy (Mayor is the Chair of the appointments panel); 	<ul style="list-style-type: none"> - Principle of subsidiarity not reflected in the power of appointment allocated at the Mayoral level – no formal decision-making role of Franklin Local Board (FLB) - Onerous CCO monitoring and accountability requirements for the Trust and Council; - Ongoing performance monitoring costs incurred by council and the trust can increase overall cost of service delivery; - Challenging to manage non-compliance with Statement of Intent; - Challenge to find volunteer trustees with right mix of motivation+skills; 	<ul style="list-style-type: none"> - Mayor can delegate power of appointment to Chair of Local Board (more appropriate level of governance) or relevant committee (current convention); - Exemption from CCO requirements; - Influence strategic direction and outcomes via funding agreement; - Governance training as a requirement of the funding agreement;
2. Enhanced status quo: Mayor delegates power of appointment to Franklin Local Board (e.g., Chair or full board)	<ul style="list-style-type: none"> - Decision-making at the appropriate level, i.e., local board; - Temporary delegation allows this model to be tested before committing council and the trust to a more permanent decision; <p>+ the above:</p> <ul style="list-style-type: none"> - Influence of strategic direction and outcomes (Statement of Intent); - Appointments process can follow council's appointment policy (FLB Chair is the Chair of the appointments panel); 	<ul style="list-style-type: none"> - Decision-making allocation temporary – it would have to be renewed every political term; <p>+ the above:</p> <ul style="list-style-type: none"> - Onerous CCO monitoring and accountability requirements for the Trust and Council; - Ongoing performance monitoring costs incurred by council and the trust can increase overall cost of service delivery; - Challenge to find volunteer trustees with right mix of motivation+skills; 	<ul style="list-style-type: none"> - Exemption from CCO requirements - Influence strategic direction and outcomes via funding agreement; - Governance training as a requirement of the funding agreement;
3. Franklin Local Board replaces Mayor as joint appointor in deed (via amendment to trust deed)	<ul style="list-style-type: none"> - Permanent change: no need to request delegation every term; <p>+ the above:</p> <ul style="list-style-type: none"> - Decision-making at the appropriate level, i.e., local board; - Influence of strategic direction and outcomes (Statement of Intent); - Appointments process can follow council's appointment policy (FLB Chair is the Chair of the appointments panel); 	<ul style="list-style-type: none"> - Agreement from other appointors required; - Trust would need to execute deed amendment (small cost involved) <p>+ the above:</p> <ul style="list-style-type: none"> - Onerous CCO monitoring and accountability requirements for the Trust and Council; - Ongoing performance monitoring costs incurred by council and the trust can increase overall cost of service delivery; - Challenge to find volunteer trustees with right mix of motivation+skills; 	<ul style="list-style-type: none"> - Exemption from CCO requirements - Influence strategic direction and outcomes via funding agreement; - Governance training as a requirement of the funding agreement;
Council Organisation (CO) – Right of appointment with Franklin Local Board			
4a. Composition of the board changed via amendment to trust deed – 2 trustees appointed by council (Franklin Local Board), 2 by CMSF; 2 by Trust	<ul style="list-style-type: none"> - Council retains governance influence via appointment of trustees; - Governance decision-making at the appropriate level – Franklin Local Board - Governance accountability requirements less onerous on the Trust and Council; - Stronger contribution to Community empowerment model – devolution of power of appointment to the community; - Each appointor can follow its own appointment policy; - Flexibility to move towards an independent model of governance at a later date; 	<ul style="list-style-type: none"> - Even no. of trustees makes managing contentious decisions more challenging for the trust board; - Not possible to use Statement of Intent to set strategic direction; - Council is still required to monitor COs; - Challenge to recruit volunteer trustees remains; - Only informal influence over other processes of appointment; - Agreement required from all partners to change board composition; 	<ul style="list-style-type: none"> - Trust Chair to have casting vote powers and FLB appoints two trustees, one of which is the Chair; - Influence strategic direction and outcomes via funding agreement; - Governance training as a requirement of the funding agreement; - Relationship agreement / Memorandum of Understanding can add clarity of roles, responsibilities and expectations of the partnership;
4b. Similar configuration of above where	Same as above +	- Same as above	- Same as above;

<p>council appoints less than half but board has odd number of trustees and council appoints the Chair (e.g., FLB 2 – one is Chair – CMSF 2, Trust 3)</p>	<ul style="list-style-type: none"> - Odd number of trustees makes it easier to achieve a decision when there's disagreement; - Council retains power over the appointment of the Chair; 		
Independent Entity (Non CCO/CO)			
<p>5. Mayor resigns as appointor</p>	<ul style="list-style-type: none"> - Can be quickly executed; - No governance monitoring or accountability requirements for both council and the Trust; - Community empowerment – devolving power of appointment fully to the community; - No requirement for council to be involved in trustee recruitment; - Better reflects current practice of trustee appointments and nature of the relationship between trust and council; - Relationship can be implemented at the local decision-making level (i.e., Franklin Local Board); 	<ul style="list-style-type: none"> - Unilateral decision which may not contribute positively to the continued relationship with the other partners; - No input into trustee recruitment process (e.g., no influence over governance capability of the trust); - Costs of amendment of deed (incurred by the Trust) 	<ul style="list-style-type: none"> - Should be discussed with other trustee appointors prior to execution; - Requirement for governance training and other mechanisms to maintain trust in governance capacity under the funding agreement; - Relationship agreement / Memorandum of Understanding can add clarity of roles, responsibilities and expectations of the partnership;

1. The CCO model of governance relates to the level of control or influence the local authority wishes to have over (i.e., being ultimately in charge for):
 - Strategic direction and outcomes (via a Statement of Intent);
 - Purpose and objectives;
 - Scope of activities;

2. Control is exercised via power of appointment of 50% or more of the board of trustees/directors. In Te Puru's case, council does not have sole power of appointments as this is shared equally with two other partners. Nevertheless, council can influence the strategic direction, clarify purpose, define scope of activities and deliver key outcomes by establishing an effective working relationship with Te Puru based on mutual respect and trust. To achieve this, it is important that the purpose of the relationship, as well as roles and responsibilities of all parties are clearly defined.

3. Formal and informal mechanism that can help:
 - Funding agreement;
 - Lease agreement;
 - Overarching relationship agreement (i.e., Memorandum of Understanding) that encapsulates how partners work together, and clarifies roles and responsibilities;
 - Accountability Framework;
 - Opportunities for governance discussions about performance and future direction (e.g., governance to governance workshops).

4. Other considerations:
 - Council has ultimate ownership of the asset via the lease; however, council should require a Trust Board Approved Asset Management Plan (including budget for maintenance);
 - Empower community by devolving power of appointment to the trust - trust to have sole responsibility and control over some of the appointments;
 - Council's clarity on reasons for partnering (i.e., it's an asset of strategic relevance as it fills a gap in the network);
 - Monitoring and accountability framework need to accompany the funding agreement and be implemented if necessary (i.e., accountability for non-performance needs to be enforced where relevant).