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## Governing Body Workshop

# MINUTES

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Minutes of a workshop meeting held in the Meeting Room, Level 26, 135 Albert Street on Wednesday 13 September 2017 at 9.34am

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### PRESENT

Deputy Mayor Cr Bill Cashmore (Chair)  
Mayor Phil Goff  
Cr Cathy Casey  
Cr Efeso Collins From 10.29am  
Cr Chris Darby  
Cr Alf Filipaina  
Cr Richard Hills  
Cr Penny Hulse From 9.48am  
Cr Daniel Newman From 9.50 am  
Cr Desley Simpson  
Cr Sharon Stewart  
Cr John Walker From 9.46am  
Cr John Watson From 10.08am

### APOLOGIES

Cr Linda Cooper  
Cr Christine Fletcher  
Cr Denise Lee  
Cr Mike Lee  
Cr Dick Quax  
Cr Greg Sayers

### ALSO PRESENT

Shale Chambers Deputy Chair, Waitemata Local Board

Note: No decisions or resolutions may be made by a Workshop or Working Party, unless the Governing Body or Committee resolution establishing the working party, specifically instructs such action.

**Purpose of workshop:**

The workshop seeks governing body feedback on the draft positions of the Governance Framework Review Political Working Party.

**Apologies**

Apologies from Cr L Cooper, Cr M Lee and Cr D Quax for absence, Cr C Fletcher, Cr D Lee and Cr G Sayers for absence on council business, Cr E Collins for lateness, were noted.

**Declaration of Interest**

There were no declarations of interest.

**Workshop notes:**

*Linda Taylor and Phil Wilson*

A PowerPoint presentation was given. An updated copy of Attachment B was tabled. Copies have been attached to the workshop minutes as a minutes attachment.

*Cr J Walker joined the meeting at 9.46am.  
Cr P Hulse joined the meeting at 9.48am.  
Cr D Newman joined the meeting at 9.50am.  
Cr D Newman left the meeting at 9.52am.  
Cr D Newman returned the meeting at 10.02am.  
Cr J Watson joined the meeting at 10.08am.  
Cr E Collins joined the meeting at 10.29am.  
Cr P Hulse left the meeting at 10.56am.  
Cr P Hulse returned to the meeting at 11.29am.  
Cr C Darby left the meeting at 11.30am.  
Cr C Darby returned to the meeting at 11.35am.*

- The Governance Director began by thanking all the members of the Political Working Party for their involvement in the Governance Framework Review and their commitment to attending workshops. The proposals that have support from both the Political Working Party and local boards were briefly covered.

**Reserves Act 1977 decision-making**

- There was some discussion regarding the split recommendation of the Political Working Party about reserve land exchanges, and further questions from Cr Darby and Cr Hills regarding the alienation of land through long-term leases. Staff noted that this was outside of the scope of the Governance Framework Review, and that any additional work on this issue would need to be commissioned through the Environment and Community Committee.

**Governance and representation**

- There was some discussion about the naming conventions, and a number of issues were raised:
  - The important role that local board members play, the fact that there is shared governance between the governing body and local boards and consistent naming conventions.
  - Whether it would result in public confusion if there was a consistent naming convention, particularly in the period leading up to elections.

- That each local board has its own unique identity and referring to its members as 'councillors' would dilute that identity.
- That there is no use of the term 'councillor' anywhere in legislation and it is simply a convention, but it is a decision for the governing body to make about which convention is used.
- Shale Chambers, Deputy Chair of the Political Working Party, was invited to put forward the views of the local board members of the Political Working Party, and noted that:
  - the term 'councillor' has a level of mana and recognition attached to it
  - the term 'local board member' has been adopted from community boards and this has confused the community about the role of local boards
  - many local board members feel strongly about this issue
- There was some discussion about a future vehicle similar to the Political Working Party, and views about its size. The work of the Chair and Deputy Chair was commended. There was a general view that a fresh mandate would need to be sought, and that there needed to be equal representation of governing body and local board members.
- The Chair and the Governance Director thanked the Auckland Transport representatives in attendance: Mark Gilbert, Independent Director, Wally Thomas, Stakeholder Engagement Director and Jonathan Anyon, Manager Elected Member Liaison, for their contribution and collaboration.

#### Finance and funding

- The finance and funding workstream was introduced by staff. Mr Chambers was asked to comment on the draft resolutions for finance and funding. He noted that there was majority support of the Political Working Party for the preferred option for renewals, but that over time, as data improves there should be a move towards more autonomy for local boards in managing renewals budgets. It was noted that local boards had not been formally consulted on the refinement of the option.
- There was general support for the pathway towards increased discretion for local boards over operational funding, but recognition that work on service levels needed to be completed, and that this was a priority for the organisation to complete.
- There was some discussion about additional work being done on a pilot for local rates, and how to appropriately balance subsidiarity with the equity impacts. There was general agreement that it was preferable not to close off options until there was a clear case to do so, and support for more work by staff.
- The Programme Manager noted that a suite of reports would come to the governing body on the 28<sup>th</sup> of September.

The workshop closed at 11.39am.

# Governance Framework Review

Governing body workshop

13 September 2017

Governance Framework Review

# Update

- All local board meetings completed
- All local board resolutions collated and analysed
- First governing body workshop held on 17 August
- Final PWP meeting on 6 September agreed recommendations to the governing body
- Final recommendations to governing body for consideration on 28 September

# Mutually agreed recommendations

Recommendations across the following areas have wide support:

- Improved regional policy development process for local boards (recs 1-7)
- No call in right but requirement for regional impact statements (recs 8-10)
- Delegation of some Reserve Act decisions to local boards (recs 11-13)
- Improved accountability and monitoring regime under CCO accountability policy (recs 14-20)
- Recognition and empowerment of local board place shaping role by AT (recs 21-24)
- Increase to local transport capital fund to be considered through LTP (recs 25 -29)
- Support for three year Waiheke Pilot Project (recs 30-32)
- No changes to number of local boards at this stage (rec 42)
- No changes to electoral method for governing body members - stay with current 13 ward system (recs 43-47)

# Exchanges of Reserves Act land

# Reserves Act land exchanges

- Governing body position was to keep exchanges at regional level
- 14 local boards support decisions on local reserve exchanges being delegated to local boards, six support status quo
- Our advice remains that this should not be delegated:
  - Would create different decision-making rights for land held under LGA and Reserves Act
  - Decision-maker would differ depending on financial implications, creating uncertainty
  - Would provide effective veto right to local boards over RMA plan change and consent decisions (which are governing body decisions)
- Working party will make split recommendation

# Reserve alienation

- Issue of alienation of local reserve land through long leases raised at governing body workshop
- Reserves Act 1977 allows for leases up to 33 years
- Current review of community occupancy guidelines does not include commercial leases, so likely won't address this issue
- Any policy/legal advice on this matter should be sought through Environment and Community Committee

# Naming conventions

# Naming conventions

- The decision is allocated to the governing body but there is no legal impediment changing the convention
- Eighteen local boards support some form of ‘councillor’ naming convention for local board members
- “Local councillor” the most popular (15 local boards)
- Three boards had no position
- The working party will be making a split recommendation

# Naming conventions

Working party recommendation:

Either:

- ‘councillor’ for governing body members and ‘local board member’ for members of local board in accordance with the convention of referring to members of councils’ governing bodies as ‘councillors’

Or

- ‘local councillor’ used to refer to members of local boards, in line with Auckland Council’s unique two-tiered governance structure

# Future of the Working Party

# Future of political working party

- Working party asked for local board feedback on two options:
  - working party ends after governing body decisions, any future decisions or report backs go straight to governing body
  - an ongoing political working party, comprising governing body and local board members be established to consider governance matters impacting both arms of Auckland Council
- A new mandate is needed for a reformed working party
- Twenty local boards gave feedback
- All supported some form of ongoing joint governing body-local board working party continuing

# Future of political working party

- The working party will recommend that the governing body agrees to:
  - Establish a new joint governance focussed political working party near end of 2017
  - Reconsideration of terms of reference, size of group, frequency of meetings, secretariat support, appointment process for local board members
  - Report to governing body with options in November

# Funding and finance

# Options for consideration

Following local board feedback – options are now:

- No change (not supported)
- Option 1 – Enhanced status quo (original model) – majority support to lock in now at a minimum
- Option 2 – Local decision making/local rates (original model) – supported by 4 local boards, not by governing body
- Option 3 – Local decision making/funding envelope (new model) – supported by 13 local boards, tentative support from governing body

# Key decisions

Five areas of decision making:

1. Optimisation of service assets policy – delegate final decision to local boards, or not
2. Renewals – bulk funded, or not
3. Operational funding/service levels – degree of flexibility
4. Procurement – Project 17 approach or full flexibility
5. Funding – Local rates or general rates

Note: Points 2, 3 and 5 covered in rest of presentation

# Renewals

## Key issues:

- **Network approach**
  - application to lowest condition assets
  - management of over and under budget
  - emergency works
  - flexibility of work programming
- **Local decision making (within parameters)**
  - local knowledge
  - integrating asset condition with service requirements
  - potential for disposal and reinvestment decisions
  - greater staff support requirements

# Renewals

- Estimated staff costs
- Full budget /individual project scrutiny:
  - Approximately \$2.7 million additional cost ongoing
  - Considerable additional local board time
- Alternative recommendation
  - Annual decision on programmes
  - Fully flexible across all local assets
  - Staff delegated to manage projects
  - Funding (overs/unders) managed at regional level
  - Some staff costs (\$850K pa) for 12-18 months

# Operational funding/service levels

## Key issues:

- Current funding inequity
  - Need to improve information on different service levels
  - Develop options for equalising services over time
- Minimum levels of service
  - General rate funding – rationale for setting minimums
  - May not be in every activity
- Impact on organisational support
  - Loss of efficiency from network approach
  - Network approach doesn't support local decision making
  - Decision on minimum service levels/flexibility will impact support costs

# Funding

## Key issues:

- Local rates
  - more flexibility and accountability
  - impacts fall more on disadvantaged communities
- General rates
  - total quantum determined by governing body
  - all communities pay at same rate (based on property value)
- Pilot of local rates has implementation challenges
  - Either - separate cost of pilot boards – but they pay for other local boards in general rate
  - Or - separate all costs – all local boards have a local rate but only some make local decisions

# Recommendations and way forward

## Working party recommendations:

- Implement additional renewals decision making from 1 July 2018
  - Either: funding to be managed regionally with local flexibility
  - Or: funding to be managed entirely locally with some parameters
- Agree, in principle, to give local boards more flexibility of decision making over operational funding and service levels
- Further work (including a more detailed timeframe) on:
  - existing service levels
  - options for equalising service levels between local boards
  - options for minimum service levels and to which activities these may apply
  - the impacts on organisational support

# Recommendations and way forward

- Increase opportunities for the Project 17 approach to procurement be explored for major contracts
- Local activities continue to be funded through a general rate but that further work on local rates will:
  - review mitigation options in light of the 2017 revaluations
  - initiate further discussions with local boards explaining the opportunities and impacts of the local rate model
  - report back to the governing body with further advice on running an opt-in pilot for local rates for boards that are keen to take up this option
  - findings to be reported back next year

# Next steps

## Next steps

- Final report(s) to governing body on 28 September
- Some implementation from 1 October 2017
- Organisational support work stream underway
- Reports back to governing body on new working party in November
- Ongoing reports back on regional policy process, finance and funding, implementation of transport recommendations, Waiheke pilot outcomes