

Governance Framework Review Attachment C: Governance and representation

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Purpose

1. This paper covers the following issues relating to governance and representation:
 - consideration of whether there should be a change in the number of auckland council's local boards
 - consideration of whether there needs to be a change to the election method for members of the governing body
 - a proposal for an ongoing joint political working party to consider future governance issues.

Comments

Background

2. The Governance Framework Review found that having twenty-one local boards contributed to a complex governance structure and logistical inefficiencies, noting that servicing 21 local boards is costly and creates a large administrative burden. It recommended that the council should form a view on the optimum number of local boards, noting that 'getting the right number of local boards is about striking a balance between getting genuine local engagement, while maintaining a decision-making structure that is able to be effectively serviced'.
3. Changing the number of local boards requires a reorganisation proposal, a statutory process that is currently a reasonably lengthy and costly exercise. Determining the optimum number of local boards to inform such a proposal would also be a significant undertaking.
4. There are several other ongoing processes which may influence the desirability of a reorganisation proposal, regardless of the merits of changing the number of local boards.
 - Legislative changes to simplify the reorganisation process are being considered by Parliament¹, but the timeframe for their enactment is not known.
 - The Local Government Commission is considering reorganisation proposals for North Rodney and Waiheke Island, which could result in change to Auckland's governance structure (for example through the creation of another local board). The Local Government Commission is set to announce its preferred option by the end of the 2017 calendar year.
 - Auckland Council must complete a formal representation review by September 2018.
 - The Governance Framework Review is intended to provide greater local board empowerment and to address some of the shortcomings that may be a key driver for reducing the number of local boards.
5. Within this context, three potential high level scenarios for change were developed and considered by the political working party.
 - **Scenario 1** - a reduction to fourteen local boards, largely based on amalgamation of existing local board areas and subdivisions.

¹ The Local Government Act Amendment Bill No. 2 has had its second reading and was at the committee stage in Parliament at the end of the last parliamentary term.

- **Scenario 2** - a reduction to nine local boards, largely based on amalgamation of existing local board areas and subdivisions.
 - **Scenario 3** - an increase in the number of local boards.
6. These scenarios were designed to give the political working party an idea of what issues would need to be considered and the level of further work that would need to be undertaken if the council were to consider changing the number of local boards. They were not presented as specific options for change.
7. Two options for how to proceed were presented:
- **Option 1 (recommended)**: no further work to be undertaken until after changes arising from this review to empower local boards have been implemented and evaluated, and the other processes noted above (enactment of legislation simplifying reorganisation proposal processes, completion of the North Rodney and Waiheke Island reorganisation proposals and undertaking the 2018 representation review) have concluded.
 - **Option 2**: continue to develop and refine high level scenarios into specific options for changing the number of local boards. This would require significantly more detailed work to identify communities of interest, proposed boundaries and numbers of elected members.
8. Option 1 was recommended on the basis that the outcomes of those other processes had the potential to significantly affect the outcome of any work that would be undertaken now.
9. The political working party agreed to recommend Option 1. The rationale for this was that the 2010 reforms are still 'bedding in', with the outcome of the Governance Framework Review likely to contribute to better delivering the intent of the reforms. It was therefore considered too early for the council to consider initiating any change to the number of local boards.
10. Local boards unanimously supported the position that no steps should be taken to continue reviewing the number of local boards at this point. Some boards considered that there is no overwhelming need for change or that the current number of local boards is justified by Auckland's population and projected growth.

Methods of electing governing body members

11. The Governance Framework Review identified that there is an in-built tension between governing body members' regional strategic responsibilities, and their local electoral accountabilities to ward constituents who elect them. There may be times when it is a challenge for governing body members to vote against local preferences in the interests of the region.
12. Governing body members are also inevitably approached about local issues, including constituent queries or complaints that relate to local board activities. This can lead to them being drawn into issues that are local board responsibilities. It may also make it harder for the public to understand the respective roles of governing body members and local board members.
13. The review recommended that council consider amending the number and size of wards, such as moving to a mix of ward and at-large councillors, and/or reducing the number of wards from which councillors are elected, to address the misalignment of accountabilities and responsibilities.
14. Four options were developed and presented to the working party:
- **Option 1**: governing body members continue to be elected from the current ward structure (status quo).
 - **Option 2**: all governing body members would be elected at-large across the Auckland region.

- **Option 3:** governing body members would be elected from a mixture of at-large and ward-based representation.
 - **Option 4:** governing body members would be elected from a ward-based system, but the number of wards would be reduced (and hence the size of wards increased).
15. The political working party also considered some other governing body representation issues. These included developing protocols or role statements around governing body members' and local board members' roles to clarify responsibilities, the possibility of introducing a Māori ward for the governing body, and changing the voting system to single transferable vote.
16. The political working party reached the position that the issues raised in the review are not sufficient to change electoral arrangements for governing body members. Moving to an at-large or combination of larger ward-based and at-large wards would, in its view, make representing Aucklanders at a regional level significantly more difficult. The working party also noted that a full statutory review of representation arrangements will be carried out in 2018.
17. The council has a current advocacy position for legislative change that would allow the council to review the number of governing body members. Reasons for doing this could include adding additional members for population growth or Māori wards. It also has a position to seek legislative change for a streamlined process for aligning ward and local board boundaries where alignment is affected by a review of representation arrangements.

Implementation and next steps

18. There are no specific next steps for implementation if this recommendation is accepted. The council will continue to advocate for the changes outlined above where appropriate. The process for conducting the review of representation arrangements is being reported separately.

Naming conventions of elected members

19. The Governance Framework Review found that one of the contributing factors to role overlap and role confusion between governing body members and local board members is Auckland Council's naming conventions, where governing body members are generally referred to as 'councillors' and members of local boards are referred to as 'local board members'.
20. It recommended that the council consider these naming conventions and, either confirm and reinforce the naming conventions, or make them consistent i.e. all elected members would be accorded the title of either 'councillor' or 'member' (with the use of the prefix 'local' or 'regional'). This would reinforce and clarify the complementary and specific nature of the roles, making it easier for staff and the public to understand. A key aspect of the use of the title 'councillor' is its meaning to members of the community.
21. The titles currently in use at Auckland Council are conventions; they are not formal legal titles that are bestowed or required to be used under any statute, nor are they legally protected in a way that restricts their use. This is also true for other potential titles that were identified as options.
22. If a decision is to be made on naming conventions then this would be made by the governing body. No decision-making responsibility for naming conventions has been allocated to local boards under the allocation table. Such a decision would fall under the catch-all 'All other non-regulatory activities of Auckland Council' that is allocated to the governing body. In making such a decision the governing body is required to consider the views of local boards under section 15(2)(c) of the Local Government (Auckland Council) Act 2009 (LGACA).
23. Three options were assessed and presented to the political working party:
- **Option 1:** a member of the governing body is generally referred to as 'councillor' and a member of a local board as 'local board member' (status quo).

- **Option 2:** change the naming conventions so that all elected members have some permutation of the title 'councillor' e.g. 'governing body councillor', 'local councillor'.
 - **Option 3:** change the naming conventions so that all elected members have some permutation of the title 'member' e.g. 'governing body member', 'local board member'.
24. Some current conventions and statutory provisions to consider when making this decision include:
- Section 41 of the Local Government Act 2002 (LGA) sets out the governance arrangements of local authorities, requiring that territorial authorities must have a governing body comprising members and a mayor. The usual convention throughout New Zealand is to refer to the governing body members of councils as 'councillors'.
 - Section 7 of the LGACA states that, despite section 41 of the LGA, Auckland Council has a two-tier governance structure comprising the governing body and local boards.

Local board feedback and analysis

25. Eighteen local boards indicated a preference for the title of councillor, with fifteen of those proposing the use of 'local councillor'. The other three boards stated no preference. With respect to governing body members, the majority of local boards preferred the title of councillor, with some suggesting 'regional councillor' or 'Auckland councillor'.
26. Following the consideration of feedback from local boards on this issue, there were mixed views in the political working party and its final position was that a split (either/or) recommendation be made to the governing body on this issue.

Implementation and next steps

27. If conventions are changed, it would need to be communicated to staff. It would affect all council publications and materials e.g. printed business cards and Auckland Council's style guide. Printed collateral could be updated to reflect the new conventions as it is replaced (in line with normal business practice) to ensure that costs associated with any change are minimal.
28. If a decision is made to keep the status quo, staff would be required to use the current conventions in council publications (including local board agendas).

The future of the political working party

29. The Governance Framework Review political working party was established in December 2016, with membership finalised in early 2017. Its terms of reference were agreed on 15 February 2017. The purpose of the working party is to:
- receive and consider the recommendations of the Governance Framework Review
 - provide oversight and direction for the Governance Framework Review implementation project
 - consider the implications of implementing particular options, and develop recommendations for consideration by the governing body and local boards where required; and
 - report back to local boards and to the governing body for decisions on final recommendations.
30. The political working party has provided a model of how both arms of governance can work together to grapple with issues of mutual interest. There has been discussion at previous working party meetings about the desirability and usefulness of continuing the working party or establishing a similar group, with broader terms of reference and comprising both governing body and local board members.
31. The political working party concluded its work on 6 September 2017 after local board members signalled that they would need a fresh mandate to continue being on such a group.

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32. Twenty local boards gave feedback on this issue. All supported some form of ongoing joint working party continuing.
33. The broad role of such a group could be to consider governance issues that impact on both local boards and the governing body, e.g. the upcoming representation review, the ongoing oversight of the implementation of the governance framework review and any ongoing policy work arising from the review.
34. The political working party has recommended that the governing body agrees that an ongoing working party, comprising governing body and local board members, would provide a valuable vehicle for considering matters that impact on both governance arms and making recommendations to the governing body on these matters.
35. If the governing body approves this more detailed recommendations on the size and selection of membership, scope and support requirements of such a working party will be reported back to the governing body in November.