
REPORT 1
(1215/11/IM)

GOVERNANCE ARRANGEMENTS FOR THE 2010/13 TRIENNIUM

1. Purpose of Report

The purpose of this report is to seek Council's approval of the governance arrangements for the 2010/13 triennium.

2. Executive Summary

Elected members, acting as the Council, are responsible for governance, including:

- setting strategic direction, through the development and adoption of council strategies and policies
- monitoring the performance of management in implementing Council strategies and policies
- prudent stewardship of council resources.

The goal of a governance structure is to convert the governance roles of Council, informed by best practice governance principles, into a structure that enables the achievement of Council's strategic vision and priorities. Given the breadth of Council's activities, this inevitably entails some separation and categorisation of the governance framework.

There are three key factors which underpin the proposed governance structure contained in this report: the strategic, financial and democratic process imperatives.

The "one committee" model, based around the Strategy and Policy Committee, avoids governance silos from developing, promotes integrated decision-making, enables a faster response to issues and opportunities and provides officers with an improved ability to keep elected members informed and involved in key issues. It also allows elected members to develop and hold a consolidated financial view of the organisation, to optimise funding across Council activities, and be prudent stewards of Council resources. Finally, the structure provides Councillors with an increased opportunity to make decisions, balances workloads among elected members, creates greater certainty in terms of formal meeting commitments, and facilitates effective policy leadership and governance.

The key features of the proposed structure are as follows:

- Council meets once a month, in the evening of the last week of the month, to approve all matters that cannot be, or have not been, delegated to its Committees and Subcommittees.
- A committee made up of all elected members (a “committee of the whole”) called the Strategy and Policy Committee meets twice a week during the day (once for a pre-meeting briefing and once for a meeting) for the first three weeks of the month. This Committee will have broad functions, and will consider most of the Council’s business, referring matters to Council where required.
- Appointment of sixteen Portfolio Leaders to provide political policy leadership, external representation and communication, and liaison with officers working on projects and policies in that area.
- Separate Committees, meeting as required during the day, for the specialist business the Council must do in terms of regulatory processes (Regulatory Processes Committee) and the employment and management of the Chief Executive (Performance Review Committee).
- Specialist Subcommittees, meeting as required during the day, focused on particular areas of Council business (Grants, Audit and Risk Management, Council Controlled Organisation Performance, Development Contributions).

The proposed governance structure has been designed to ensure that decision making and the conduct of business is inclusive and democratic in its approach. It also maintains the strengths of the governance structure used during the 2007/10 triennium, and ensures the Council is well placed for the challenges and opportunities of the 2010/13 triennium.

3. Recommendations

It is recommended that Council:

1. *Receive the information.*
2. *Agree the committee structure and associated terms of reference and delegations attached as Appendix one.*
3. *Agree the Portfolios listed below, and areas of responsibility included in Appendix one:*
 - (a) *Climate Change*
 - (b) *ICT*
 - (c) *Biodiversity*
 - (d) *Three Waters and Waste*
 - (e) *Transport (public transport and roading)*
 - (f) *Walking, cycling, motorcycling and safety*
 - (g) *Built Environment*

- (h) Social*
- (i) Community Facilities*
- (j) Emergency Management*
- (k) Economy*
- (l) Governance*
- (m) Community Engagement*
- (n) Finance*
- (o) Sports and Events*
- (p) Arts and Culture*

- 4. Agree to establish an Appointments Group, with the membership and functions as set out in Appendix one.*
- 5. Agree under the delegation provisions of the Resource Management Act 1991 (RMA) to delegate to those persons who are from time to time on the Council's schedule of approved hearings commissioners, the necessary functions, powers and duties to conduct RMA hearings on resource consent applications, designations, heritage orders, objections to additional charges and plan changes; and*
 - (a) in the case of matters requiring a decision under clause 10 or 29(4) First Schedule RMA, to make a recommendation to Council;*
 - (b) in the case of designations (except where the Council is the Requiring Authority where (c) applies), to make a recommendation;*
 - (c) for all other matters, to make a decision.*
- 6. Agree under the delegation provisions of the RMA to delegate to those independent commissioners who are from time to time on the Council's schedule of approved hearings commissioners and the Chief Executive, the necessary functions, powers and duties to make a decision on notification under the notification provisions of the RMA.*
- 7. Agree that the delegations in recommendations 5 and 6 above shall only be exercised by a hearings commissioner following the appointment of the particular hearings commissioner to a matter requiring a decision or recommendation (i.e., for recommendation 5, the appointment will be made by the Chair of the Regulatory Processes Committee, in accordance with the Terms of Reference for the Regulatory Processes Committee and for recommendation 6, the appointment will be made by the Chief Executive or the Director responsible for resource consents).*
- 8. Note that the Chief Executive holds the delegations set out in section 5.9 of this report.*
- 9. Agree that the Governance structure, portfolios and delegations will be reviewed by June 2011.*
- 10. Agree the delegations for Tawa Community Board and Makara-Ohariu Community Board as set out in Appendix one.*

4. Background

At the beginning of each triennium Council is required to agree on a governance structure to perform its business and duties throughout the triennium. The aim is to convert the governance roles of elected members into a structure that enables the achievement of Council's vision and strategic goals through democratic, effective and efficient decision making.

5. Discussion

5.1 The Legal Framework: Governance

Like all Councils, Wellington City Council is a "creature of statute" and carries out its roles and functions within a legislative framework.

Purpose of Local Government

The Local Government Act 2002 (the Act) promotes a coherent overall strategy for local government. Section 10 of the Act contributes to that goal by providing a concise statement of the purpose of local government (that is the underlying purpose of, and reasons for having a system of local government) that underpins the Act as a whole. Section 10 states that the purpose of local government is:

"to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social well-being of communities, in the present and for the future".

Role of Local Authority

Section 11 of the Act states that the role of any local authority is to "give effect", in relation to its district or region, to the purpose of local government and to:

"perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment".

This provision deals with the role of each individual local authority rather than the reasons for the system of local government as a whole. It acknowledges that local authorities have a range of specific statutory roles and responsibilities that have been legislated and exist separately from the general purpose of local government. This provision is also the key link to the general power stated in section 12 of the Act.

Status and Powers of Local Authorities

Section 12 of the Act states that, for the purposes of performing its role, a local authority has:

- a) *"full capacity to carry on or undertake any activity or business, do any act, or enter into any transaction; and*
- b) *for the purposes of paragraph (a), full rights, powers and privileges."*

Governance Principles

Under section 39 of the Act, in exercising its powers a local authority must act in accordance with the following principles in relation to its governance:

- a) *“a local authority should ensure that the role of democratic governance of the community, and the expected conduct of elected members, is clear and understood by elected members and the community; and*
- b) *a local authority should ensure that the governance structures and processes are effective, open, and transparent; and*
- c) *a local authority should ensure that, so far as is practicable, responsibility and processes for decision-making in relation to regulatory responsibilities is separated from responsibility and processes for decision-making for non-regulatory responsibilities; and*
- d) *a local authority should be a good employer; and*
- e) *a local authority should ensure that the relationship between elected members and management of the local authority is effective and understood”.*

5.2 The Legal Framework: Management

Under the Local Government Act 2002 the Chief Executive is responsible for implementing and managing Council's policies and objectives within budgetary constraints established by the Council. Under section 42 of the Act a Chief Executive is responsible for:

- a) *“implementing the decisions of the local authority; and*
- b) *providing advice to members of the local authority and to its community boards, if any; and*
- c) *ensuring that all responsibilities, duties, and powers delegated to him or her or to any person employed by the local authority, or imposed or conferred by an Act, regulation, or bylaw, are properly performed or exercised; and*
- d) *ensuring the effective and efficient management of the activities of the local authority; and*
- e) *maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the local authority; and*
- f) *providing leadership for the staff of the local authority; and*
- g) *employing, on behalf of the local authority, the staff of the local authority; and*

h) negotiating the terms of employment of the staff of the local authority.”

5.3 The Legal Framework: Delegation

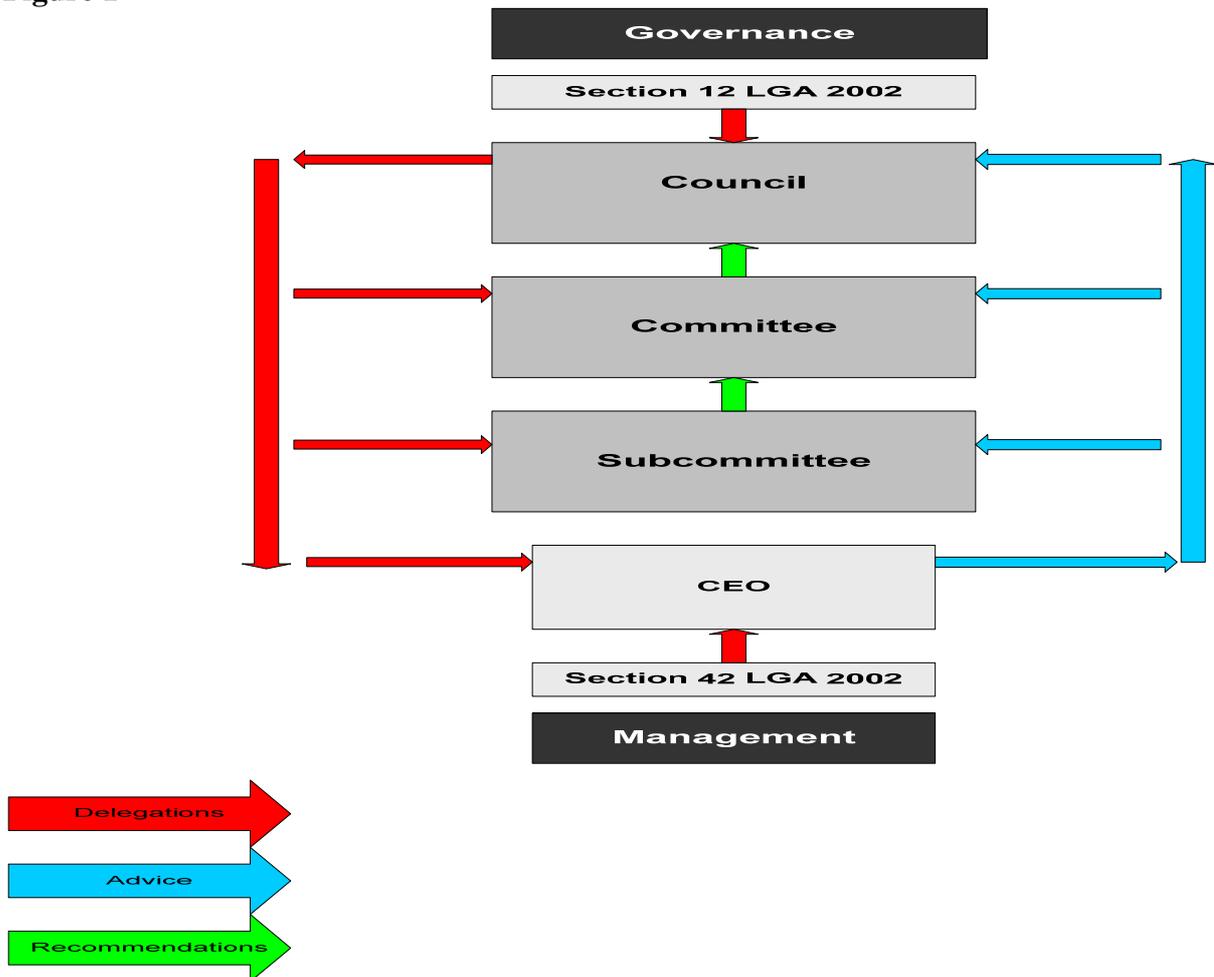
The Local Government Act 2002 and other legislation affecting local authorities provides a local authority with the power to delegate all of its responsibilities, duties or powers, except for a number of fundamental decisions that the legislation specifies can not be delegated. Clause 32 of Schedule 7 states:

- 1) “Unless expressly provided otherwise in this Act, or in any other Act, for the purposes of efficiency and effectiveness in the conduct of a local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except:
 - a) the power to make a rate; or*
 - b) the power to make a bylaw; or*
 - c) the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term council community plan; or*
 - d) the power to adopt a long-term council community plan, annual plan, or annual report; or*
 - e) the power to appoint a chief executive; or*
 - f) the power to adopt policies required to be adopted and consulted on under this Act in association with the long-term council community plan or developed for the purpose of the local governance statement**
- 4) A committee, subcommittee, other subordinate decision-making body, community board, or member or officer of the local authority to which or to whom any responsibilities, powers, or duties are delegated may, without confirmation by the local authority or committee or body or person that made the delegation, exercise or perform them in the like manner and with the same effect as the local authority could itself have exercised or performed them.”*

In addition, there are a range of other responsibilities, such as adopting changes to Standing Orders or the adoption of a Code of Conduct, which, although they are not on the list in clause 32(1) above, the Council must exercise, and cannot delegate.

Figure 1 outlines the governance and management framework contained in the Local Government Act 2002 and highlights reporting lines for delegation, advice and recommendations.

Figure 1



5.4 Principles for an Effective Governance Structure

The following principles should be present in an effective governance structure. The governance structure must:

General:

- provide effective governance of the city
- establish separate regulatory and policy roles
- promote effective and efficient decision making
- ensure decisions are made at the most appropriate level
- provide clarity on the different roles of 'governance' and 'management'.

For the Elected Member:

- allow elected members to maintain an overview of the activities of the organisation.
- provide a balanced workload
- provide a workable meeting schedule with additional meetings kept to a minimum
- ensure elected members are not required to make low level decisions
- promote integration between key activity areas

- provide clear segregation of the roles and responsibilities of decision making bodies to prevent duplication or confusion.

For the Citizen:

- be democratic, open, transparent and easy to understand to ensure accountability
- provide checks and balances.

For the Organisation:

- allow the council to meet its strategic objectives and determine appropriate policy direction
- ensure clear entry points for decision making
- ensure clarity of delegations and reporting lines.

5.5 Proposed Governance Structure for Wellington City Council

Elected members, acting as the Council, are responsible for governance, including:

- setting strategic direction, through the development and adoption of council strategies and policies
- monitoring the performance of management in implementing Council strategies and policies
- prudent stewardship of council resources.

The goal of the proposed governance structure is to convert the governance role of Council, informed by the best practice governance principles, into a structure that enables the achievement of Council's vision and strategic goals. Given the breadth of Council's activities this inevitably entails some separation and categorisation of the governance framework.

The proposed governance structure detailed below has been designed to ensure that decision making and the conduct of business is inclusive, democratic, and efficient. It also ensures all elected members take part in decision-making on strategic and policy matters.

The Rationale for the “One Committee” Governance Structure

The governance structure used during the 2007/10 triennium, broadly based at committee level on the seven Strategy areas contained in the 2006/07 Long Term Council Community Plan (LTCCP) was developed with the aim of ensuring the governors of Wellington City were well placed for the challenges and opportunities of that triennium. It was designed to ensure inclusive, democratic, effective, and efficient governance by delivering against three factors:

- the strategic imperative
- the financial imperative, and
- the democratic process imperative.

The Strategic Imperative

One of the key functions of those responsible for governance in any organisation is to take a 'helicopter' view of the organisation, to develop a complete understanding of the environment (statutory, economic, environmental, social and cultural) within which it operates, seek community views and feedback, and on the basis of all that, to make strategy. It is harder for those exercising governance to take such a helicopter view, and to develop such a complete understanding, if they are operating in governance silos. It is easier to do that when everyone is sitting around the table at the same time, hearing the same information and feedback, and taking part in the same discussion. The adoption of a "committee of the whole" governance structure, based around a Strategy and Policy Committee with wide-ranging powers and functions, allows all elected members to take a helicopter view.

The regular work coming before Council will also be shaped and informed by the Council's key strategies. In many ways they are a framework for that advice – whether it be on parking policy, or support for the arts, or waterfront development, or housing or playgrounds policy. There will be a need for those preparing advice on these matters, and also for those considering and making decisions on that advice, to be able to place that advice within its strategic context, to see the interrelationships with other policies or projects, and to do that within a medium to long term horizon. Governance arrangements which allocate specific functions and responsibilities out to a range of subject or theme committees make doing this that much harder. It is much easier for elected members to develop and apply an integrated understanding of the business of council if that business is, as a matter of course, presented to them all, as a group, at the same time.

The Financial Imperative

In order to deliver on the vision of positioning Wellington as a vibrant, internationally competitive and affordable city, a number of initiatives have been implemented or are planned, as articulated in the Council's Long Term Council Community Plan. At the same time, the City is committed to maintaining and improving its network and community infrastructure, and protecting and enhancing our "sense of place". This all has to be done within an environment where the ratepayers rightfully expect a strong justification for every significant spending decision, and where they observe equity in funding across all the activities of council.

In the 2007/10 triennium, the annual (and long term) planning and budgeting process was very much enhanced by the operation of the Strategy and Policy Committee model. The Committee enabled all elected members as a group to look across all new initiatives, asset management plans, service level proposals and such like, and make informed strategic decisions. Comparisons across Strategy areas were able to be made, and trade-offs identified. Everyone worked off a shared understanding in terms of the strategic context, the information supplied by officers, and the importance given to different new initiatives within the context of agreed strategic priorities.

In the new triennium, the Council is facing significant funding challenges, as it seeks to maintain quality network and community infrastructure and deliver on the strategic vision. A committee structure which allows all elected members to make key budget decisions as a group, based on a shared platform of information and understanding, will assist in the City successfully managing that challenge. It will also ensure individual elected members are able to exercise an informed budget allocation decision-making role in all areas of the council's operations.

The Democratic Process Imperative

One of the drivers for the adoption of the Strategy and Policy Committee model in 2004 was concern over the way the committee structure operated towards the end of the 2001/04 triennium. Due to the amount of work to be dealt with, and the required pace of decision-making, a significant number of additional meetings had to be scheduled. Elected members expressed frustration at the large number of additional and extraordinary meetings, as it compromised their ability to plan their lives outside Council, and attend to other commitments.

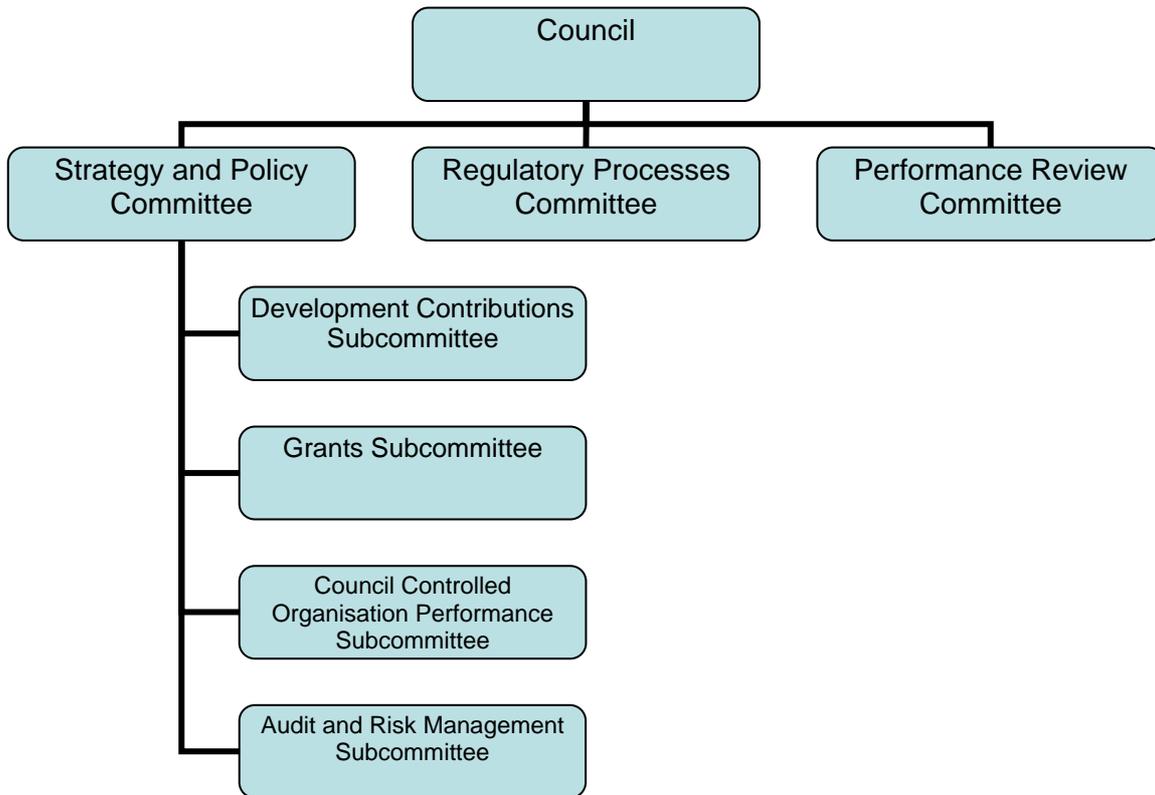
At the beginning of the 2004/07 triennium it was agreed that a structure based on regular, weekly, meetings of the main governance body would, in the vast majority of cases, negate the need for holding additional and extraordinary meetings. This structure was carried forward into the 2007/10 triennium with SPC meeting twice a week, for the first three weeks of the month. Accordingly, officers were able to schedule additional ordinary or extraordinary meetings for other committees and subcommittees (e.g., Regulatory Processes Committee) at the same time as regularly scheduled SPC meetings, avoiding the need to unnecessarily disrupt elected members' diaries.

The operation of the Strategy and Policy Committee model has also allowed all elected members to be involved in debate and decision-making on a significant amount of the business that comes before the Council.

The Proposed Governance Structure:

Figure 2 outlines the proposed governance structure for the 2010/13 triennium. It is proposed that under Council, three committees and four subcommittees be established. The full terms of reference/delegations are set out in Appendix one. The structure – in particular through the re-establishment of the Strategy and Policy Committee - is designed to meet the strategic, financial and democratic process imperatives outlined above.

Figure 2



Council

Council is the paramount governing body which includes all elected members. It retains all powers that cannot be delegated plus those judged to be of such significance that they should continue to be exercised by Council. Council also provides a check and balance on decisions made by committees.

Powers that cannot be delegated include the power to:

- make a rate
- make a bylaw
- borrow money or purchase or dispose of assets, other than in accordance with the Long Term Council Community Plan (LTCCP)
- adopt a LTCCP, annual plan, or annual report
- appoint a Chief Executive
- adopt policies required to be adopted and consulted on under the Local Government Act 2002.

Under statute, Council also cannot delegate other responsibilities, such as approving changes to Standing Orders, and making decisions on representation arrangements. Finally, it is proposed that Council retain powers in relation to the establishment and terms of reference of subordinate governance bodies, making decisions on some appointment and remuneration matters, and approving Council strategy and policy.

Strategy and Policy Committee (SPC)

The Strategy and Policy Committee (SPC), which would be a “committee of the whole”, is the forum where draft policies and strategies, and proposed projects and initiatives, are discussed and, in many cases, decisions made. The Strategy and Policy Committee will have the authority to decide on **all** matters, apart from those:

- specifically retained by Council
- delegated to the Regulatory Processes Committee, the Performance Review Committee, the Grants Subcommittee, the Council Controlled Organisation Performance Subcommittee, the Audit and Risk Management Subcommittee, and the Development Contributions Subcommittee
- delegated to any other committee/subcommittee/board that Council may establish from time to time
- delegated to the Chief Executive.

The Strategy and Policy Committee has the authority and role to make recommendations to Council on any matters before Council for which Council retains the power to act. While it is proposed that Council retain the power to agree strategy and policy, it is proposed that the SPC be the place where that strategy and policy is developed for consultation, where the community can have its say on the draft strategy and policy (e.g. through written and oral submissions), and where draft strategy and policy is finalised prior to being referred to Council for formal sign-off.

The Strategy and Policy Committee can delegate to an ad hoc subcommittee the power to conduct hearings on its behalf and report back any recommendations.

Regulatory Processes Committee (REGS)

The Regulatory Processes Committee has responsibility for overseeing Council’s regulatory functions. The Committee has primary responsibility for:

- approving the list of hearings commissioners
- supervising the conduct of statutory hearings on regulatory matters, and undertaking those hearings when they are not undertaken by hearings commissioners
- supervising and making decisions and recommendations on the resolution of appeals on District Plan changes
- making decisions on temporary road closures
- making decisions on proposed leases to community and recreation groups
- making recommendations on road stopping applications
- accepting, adopting or rejecting private plan change applications.

Performance Review Committee (PRC)

The Performance Review Committee has primary responsibility for matters relating to the performance management and remuneration of the Chief Executive Officer.

Audit and Risk Management Subcommittee (ARMS)

The Audit and Risk Management Subcommittee monitors the Council's financial management and reporting and reviews the audit and risk function, ensuring the existence of sound external and internal programmes.

Consideration was given to the establishment of a specialist Finance Committee, or alternatively to delegate to the Audit and Risk Management Subcommittee, a broader finance function. Both options were considered and dismissed. Governance principles do not support mixing the monitoring and risk management functions of ARMS with the decisions explicit in a Finance function. In addition, it recommended that issues regarding Finance are the role for the whole of Council.

Accordingly, it is recommended that a Finance portfolio is established with the Mayor as portfolio leader, which is consistent with the Mayor's responsibility for the LTCCP and Annual Plan.

Council Controlled Organisation (CCO) Performance Subcommittee (CCOPS)

The CCO Performance Subcommittee has overall responsibility to advise and make recommendations on Council Controlled Organisation (CCO) business plans and statements of corporate intent, and monitor the performance of CCOs against those plans.

Grants Subcommittee (Grants)

The Grants Subcommittee has primary responsibility for the allocation and effective monitoring of council's grants.

Development Contributions Subcommittee (DevCon)

The Development Contributions Subcommittee makes decisions on applications for remission and/or postponement under the Development Contributions Policy.

Appointments Group

It is proposed that the process of interviewing and selecting candidates for recommendation to Council for CCO's and external roles on subcommittees continue to be done through a separate delegation from Council to an Appointments Group. This group would consist of the Mayor, the Chair of the Council Controlled Organisation Performance Subcommittee, the Governance Portfolio Leader, and the Chief Executive.

Use of Ad Hoc Bodies

Under this governance structure, Council would still have the ability to set up ad hoc committees and subcommittees, or other subordinate decision-making

bodies, if it wished. This provision can be used in relation to particularly high profile, or time-intensive, issues (e.g., hearings on a particular matter such as the LTCCP or Annual Plan).

Use of Workshops, Working Parties and Briefings

Council can also make use of workshops and working parties, and briefings, to progress matters outside of the formal structure of a committee meeting. Working parties are a particularly useful way for officers and elected members to work together on complex policy matters, or projects, and ensure initiatives and proposals are well-developed and tested before they are formally presented to elected members for discussion and decision-making. Under our arrangements, working parties do not usually have decision-making authority, so they are required to report back on their work and proposals for action to a committee or Council. Through briefings, elected members can be informed about topical issues, or matters that will at some stage in the future be the subject of a formal report to a committee.

5.6 Meeting Schedule and Workload

It is proposed that meetings of the Strategy and Policy Committee would occur on the first, second and third Thursdays of every month and convene for a full day. It is proposed that on the Thursday, meetings run from 9.15pm – 4.00pm, with a lunch break of one hour from around 12.30pm – 1.30pm. In addition, again unless urgently required, there would be no meetings in late-December/early January and in the period immediately following the completion of the LTCCP or Annual Plan. As is the case now, from time to time longer meeting periods will be required to deal with particular processes (e.g. consideration of, hearings on and approval of the Long Term Council Community Plan/Annual Plan).

As occurred in the last triennium, it is proposed to split the briefing and questions of officers on reports, from the actual debating and decision-making on them. It is recommended that pre-meeting briefing sessions be held on Tuesday mornings, where officers will give presentations on the more complex or significant reports, and all report authors will be available to answer any questions on the matters covered in all their reports. The actual meeting will be held all day on the Thursday, where councillors will debate and vote on the recommendations contained in the reports. The split over two days – with a gap in between – allows elected members to follow-up with officers any issues that they wish to resolve prior to debate and decision-making on the Thursday, and enables them to hold further discussions with colleagues on the reports and associated recommendations. This Tuesday/Thursday approach was well-received by elected members last triennium, and it is proposed that it is continued with it for the 2010/13 triennium. Members of the public are able to attend the pre-meeting briefing.

In terms of frequency, meetings of the other committees and subcommittees (i.e., Regulatory Processes Committee, Performance Review Committee, Council Controlled Organisation Performance Subcommittee, Development Contributions Subcommittee, Audit and Risk Management Subcommittee, and

Grants Subcommittee) would be scheduled less frequently. For example, last triennium some subcommittees met once a quarter, while the Regulatory Processes Committee met no more than once a month. However, as noted above, the aim would be, as much as possible, to schedule them on a Tuesday or Wednesday, keeping Monday and Friday free of formal meetings.

Council would meet monthly, on the evening of the last Wednesday of every month. In addition to any general business, it would deal with matters referred to it from three previous rounds of SPC meetings, and any matters referred to it from the Regulatory Processes Committee.

When workshops and briefings need to be scheduled, officers propose that, if possible, these be booked for Wednesday, or at some time in that Tuesday to Thursday block of time.

5.7 Portfolio Leaders

It is proposed that for the 2010/2013 triennium, that Council appoint sixteen Portfolio Leaders with responsibilities relating to strategy and policy in the following areas:

- Climate Change
- ICT
- Biodiversity
- Three Waters and Waste
- Transport (public transport and roading)
- Walking, cycling, motorcycling and safety
- Built Environment
- Social
- Community Facilities
- Emergency Management
- Economy
- Governance
- Community Engagement
- Finance
- Sports and Events
- Arts and Culture.

It is proposed that the Mayor would be responsible for the LTCCP/Annual Plan and Annual Report process, and all relevant policies required under the LTCCP. This responsibility includes chairing SPC for all LTCCP and Annual Plan meetings. The Mayor will also have responsibility for all other matters not the responsibility of one of the other Portfolio Leaders or the Chairs of other Committee and Subcommittees.

The main responsibilities of the Portfolio Leaders would be:

- *Policy Leadership*: to provide guidance to colleagues on issues and reports from within a particular portfolio. Portfolio Leaders will move reports from

their area of responsibility, advocate for them, explain and clarify matters to colleagues and, where necessary, introduce reports at Council. Portfolio Leaders will also facilitate informal policy discussions between elected members, and elected members and officers, on matters within their area of responsibility.

- *External Representation and Relationships*: to represent the Council at meetings of pan-Council working groups, and other external organisations and groups, and contribute to the work carried out by such organisations and groups. Attend official functions within their area of responsibility, and represent the Mayor on those occasions when the Mayor and Deputy Mayor are unable to attend.
- *Communication*: to act as the Committee's principal spokesperson in communicating to the media and public the official policy of the Council (or in the absence of official policy, commenting in a manner consistent with the Council's strategic direction) on items relating to their respective area of activity (noting that the Mayor has the right of first refusal as Council's principal spokesperson, including representing Council at Select Committees).
- *Officer Liaison*: to advise Chief Executive and/or Management team officers of issues, provide feedback from councillors and the community, and to act as the point of contact for officers in supporting the work programme in their area of activity.
- *Meeting Preparation and Follow-Up*: to ensure satisfactory presentations are under preparation, ensure media issues have been addressed, and following a meeting make sure key issues and decisions are clearly communicated to the media and public.

The Portfolio Leader's additional responsibilities would be recognised through the proposed remuneration schedule.

5.8 Remuneration

From the day after the formal declaration of results, remuneration for elected members has been as follows:

- Mayor: \$159,100
- Councillor: \$55,400

This will continue until the Remuneration Authority approves any new remuneration structure proposed by Council, at which point the new remuneration levels will be backdated to the date the Governance structure is agreed. It is intended that a separate report on a proposed remuneration structure be considered at the 18 November 2010 Council meeting.

5.9 Chief Executive Delegations

The primary delegation to the Chief Executive is included in the existing Council delegation, which provides that all powers and authorities (other than those retained by Council, or contained within the delegations to committees or other subordinate decision-making bodies or community boards) are delegated to the Chief Executive, subject to any legal limits on the Council's ability to do so, provided that the Chief Executive acts within the law, Council policy (as approved from time to time) and the Annual Plan.

This delegation affirms that the Long Term Council Community Plan and Annual Plan provide the basis for the implementation of Council decisions by the Chief Executive. Through and under the LTCCP and Annual Plan, operational and capital expenditure budgets, fees and charges, service levels, specific projects, and other significant requirements are approved by the Council. The Chief Executive and management are then authorised to proceed to make all arrangements in line with those decisions.

The Chief Executive delegations authorise the following tolerance levels, in order to ensure effective and efficient delivery of the LTCCP and Annual Plan:

- if the budget for a Strategy area will be exceeded by an amount no greater than 5% for that year, but the overall Annual Plan budget level can be maintained, the Chief Executive will have the authority to approve budget transfers between Strategy areas;
- if an individual CAPEX project in the Annual Plan will be exceeded by an amount no greater than 10% for that year, the Chief Executive will have the authority to approve that expenditure, as long as the overall CAPEX budget for the year is not exceeded;
- the Chief Executive will have the authority to approve unbudgeted CAPEX where the incurring of the expenditure relates to purchases required for health and safety or other essential legislative compliance reasons.

5.10 Resource Management Act 1991 Matters

Council has many functions under the Resource Management Act 1991 (RMA). To ensure the efficient and effective discharge of these statutory functions, the RMA provides for them to be exercised by Council itself, officers, or hearing commissioners. The core resource management decisions that arise when considering appropriate governance arrangements and delegations are:

- the process for making decisions on plans and plan changes
- the process for hearing and making decisions on resource consent applications, designations, heritage orders and the process for appointing hearings commissioners
- the delegation of all other RMA functions to the Chief Executive, to enable the efficient administration of the Council's RMA functions, duties and powers (in particular having regard to statutory timeframes and the Council's duty to avoid delay).

It is proposed to continue with the process adopted in the last triennium, in relation to plan changes, that SPC has the authority to notify plan changes, and

that Council retain the power to approve the hearings commissioners decision on plan changes. Persons sitting as hearings commissioners will have the necessary functions, duties and powers to conduct hearings and, in the case of plan changes, make a recommendation to Council, and in the case of resource consents, designations and the like, make a decision.

It is also proposed to again delegate to the Chair of the Regulatory Processes Committee, in consultation with the Mayor, the authority to appoint hearings commissioners from the Council list of approved persons. This is reflected in the terms of reference for the Regulatory Processes Committee. Provision has also been made to enable independent hearings commissioners to be used to make notification decisions, in the event that circumstances arise where the Chief Executive believes that it is necessary and appropriate to do so.

5.11 *Review of Governance structure*

It is proposed that the operation of the adopted governance structure outlined and proposed in this report (including the sixteen portfolios) be reviewed by June 2011.

6. Conclusion

The proposed governance structure contained in this report has been designed to ensure that decision making and the conduct of business is done in a democratic, effective and efficient manner. It ensures all elected members take part in decision-making on strategic and policy matters. It also maintains the strengths of the governance structure used during the 2007/10 triennium, and ensures the Council is well placed for the challenges and opportunities of the 2010/13 triennium.

Contact Officer: *Svea Cunliffe-Steel, City Secretary.*

Supporting Information

1) Strategic Fit / Strategic Outcome

This project supports Outcome 7.2.B – More actively engaged: Wellington will operate an open and honest decision making process that generates confidence and trust in the democratic system.

2) LTCCP/Annual Plan reference and long term financial impact

The project relates to C534: Elections, Governance and Democratic Process.

3) Treaty of Waitangi considerations

Not applicable

4) Decision-Making

This is not a significant decision.

5) Consultation

a) General Consultation

Not applicable

b) Consultation with Maori

Not applicable

6) Legal Implications

The advice in this report has been discussed with the General Counsel.

7) Consistency with existing policy

This report is consistent with existing policy.