

# APPENDIX FIVE

---

## **FUNDING AND ACTIVITY REVIEW WORKING PARTY: TERMS OF REFERENCE**

---

### **Purpose of the Working Party**

The working party's purpose is to:

- (a) Review the Revenue and Financing Policy at least annually as it applies to all activity components
- (b) Review the performance measurement framework as part of the long-term plan process
- (c) Review asset management plans as part of the long-term plan process
- (d) Provide a governance perspective and strategic overview of Council's revenue, funding and financing.

### **Membership**

Up to five elected members will be members of the working party. The Mayor is also an ex officio member.

### **Portfolio Leaders**

Portfolio Leaders are invited to participate in discussions with the working party on items directly related to their area of responsibility.

### **Chair**

The Chairperson shall be appointed by the Council.

### **Parent Committee**

The working party will report to the Strategy and Policy Committee.

### **Terms of Reference**

The working party has specific responsibilities to:

1. At least annually, (in conjunction with the draft LTCCP/Annual Plan processes), or on occasions when the Council is required to consider recommendations that are inconsistent with the Revenue and Financing Policy, present a report to the Strategy and Policy Committee that recommends any amendments to the Revenue and Financing Policy. The working party will have specific responsibility to:
  - a. review the Revenue and Financing Policy – and where amendments are recommended – be guided by the requirements of the Local Government Act 2002 to set funding sources for each activity component from the most appropriate source after considering:
    - i. the outcomes to which the activity contributes;
    - ii. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;

## APPENDIX FIVE

- iii. the period over which those benefits are expected to occur;
    - iv. the extent to which the action or inaction of particular individuals or a group contribute to the need to undertake the activity;
    - v. the costs and benefits, including importance for transparency and accountability, of funding the activity distinctly from other activities;
    - vi. the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.
  - b. recommend the appropriate level for the commercial/residential rates differential
  - c. recommend how capital funding should be reflected in the policy (including Development Contributions)
  - d. undertake an annual review of performance against current revenue and financing policy targets and recommend changes as appropriate
  - e. review and recommend any changes to the Council's financial policies as required under the Local Government Act 2002 (s102)
  - f. make recommendations on other factors that may impact on the Council's rate funding or Revenue and Financing Policy.
2. Review the performance measurement framework as part of the long-term plan process, and prepare a report to the Strategy and Policy Committee that recommends any amendments to the performance measurement framework.
  - a. For the avoidance of doubt, the purpose of the working party is to ensure the performance measurement framework allows actual levels of service provision to be meaningfully assessed – not to set performance targets.
3. Review asset management plans as part of the long-term plan process to ensure they:
  - a. identify the relevant levels of service and policies, together with associated demand forecasts, and confirm that the listed assets are suitable to deliver on these; and
  - b. provide for maintenance and renewal programmes that incorporate lifecycle asset management strategies that are cost effective, industry standard and optimise the use of the assets
  - c. for the avoidance of doubt, the Working Party does not have authority to review the policies or levels of service but may recommend that they be reviewed by the Strategy and Policy Committee where cost or other factors relating to asset management mean it is prudent to do so.

## APPENDIX FIVE

### **Delegation**

The working party has the authority to carry out its activities in line with its terms of reference.

### **Frequency of Meetings**

A schedule of meetings will be agreed by the working party with the chairperson having the discretion to call additional meetings as required.

### **Duration/Sunset**

The working party will cease at the end of the 2010/13 triennium.