

Report 12.209
Date 17 May 2012
File PS/06/01/01

Committee Council
Author Fran Wilde, Chair

Independent Review Panel on Local Government in the Wellington Region Terms of Reference

1. Purpose

For the Council to approve the terms of reference for the Wellington Local Government Review Panel to be appointed to consider future local government arrangements for the Wellington region.

2. The decision-making process and significance

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

2.1 Significance of the decision

Officers have considered the significance of the matter, taking into account the Council's significance policy and decision-making guidelines. Due to the procedural nature of this decision officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

3. Background

On 27 March 2012 the Council received a report (Report 12.118) proposing the establishment of an Independent Review Panel to consider future local government arrangements for the Wellington region. This followed the release of the Government's *Better Local Government* reform programme.

At the March meeting the Council agreed to the establishment of the Panel and to invite participation from other councils in the region as well as other regionally representative organisations. The Council also agreed that the participating organisations would agree the membership of the Panel and the final terms of reference. The Council resolved that Greater Wellington's

agreement of the terms of reference and panel membership will be subject to Council formal approval.

Following the Council meeting on 27 March 2012 the Chair wrote to all councils in the region to invite their participation in the process to set up the Panel. Consideration was also given to which regionally representative organisations would be invited to participate. No organisations could be identified that met the criteria for regional representation and so no invitations were extended.

3.1 Responses from other councils in the region

3.1.1 Carterton, South Wairarapa and Masterton District Councils

All three Wairarapa councils discussed the invitation from Greater Wellington and resolved not to be involved in the process at that time. They noted that they are currently carrying out a review of governance options through the Morrison Lowe study on future options for Wairarapa governance. They agreed to share with the Panel all information gathered by their governance review.

3.1.2 Upper Hutt City Council

Upper Hutt City Council formally declined the invitation from Greater Wellington at an Extraordinary Council meeting on 30 April 2012. The Council will formally consult with its community but is yet to decide what that will entail.

3.1.3 Hutt City Council

On 29 March 2012 the Mayor wrote to Greater Wellington informing that it was Hutt City Council's collective view that it needed to engage with its community directly rather than commit to the process proposed by Greater Wellington.

3.1.4 Kapiti Coast District Council

At its 12 April 2012 meeting the Kapiti Coast District Council rejected the invitation to join the panel process. The Council signalled its intention to engage the Kapiti community on alternative local government arrangements.

3.1.5 Porirua City Council

Porirua City Council held a Council meeting on 2 May 2012 and accepted the invitation from Greater Wellington to participate in the establishment of the Panel. It delegated to the Mayor the power to prepare a list of candidates to recommend for membership of the proposed Panel.

Porirua City Council has an extraordinary Council meeting scheduled for 23 May 2012 to consider the terms of reference for the Panel and the appointment of Panel members. This is further discussed below.

3.1.6 Wellington City Council

On 10 May 2012 the Strategy and Policy Committee of the Council considered the invitation to join the panel process. The Committee agreed to decline the invitation and instead will engage with its community and the wider region on four possible governance options to ascertain the public mood for reform.

3.2 Mayoral Forum

The Mayoral Forum has been discussing and investigating local government reform issues for some time. Following the release of the Government's *Better Local Government* proposal the Mayoral Forum discussed the issue of local government reform in the Wellington region. The Forum noted that each council would separately consider any process for investigating potential changes, and would share the outcome of any process with each other. There was no decision taken to undertake a Mayoral Forum-led process.

4. Terms of Reference for the Panel

The Terms of Reference for the Panel are to be agreed by Porirua City Council and Greater Wellington, as the two partner councils to the review panel process. Draft Terms of Reference have been developed by the two councils.

The recommended Terms of Reference are in **Attachment 1**. They ask the Panel to investigate options for governance models for the Wellington Region and deliver to Porirua City Council and Greater Wellington a report that could be used as the basis of a submission to the Local Government Commission. The report will be expected to be delivered by the end of October 2012.

The Terms of Reference outline the matters that the report is to include, what the Panel will need to consider when coming to its conclusion and some process issues. The Panel will be expected to engage with the communities in the region, and provide opportunities for individuals and groups to express their views.

5. Process to approve the Terms of Reference

Porirua City Council and Greater Wellington Regional Council are each meeting on 23 May 2012 to consider the adoption of the Terms of Reference. The same meetings will also make decisions on the appointments to the Panel. The Porirua City Council meeting is scheduled to start at 1pm, which follows Greater Wellington's meeting which starts at 11am.

It is proposed that the decisions made by Greater Wellington are communicated to Porirua City Council immediately following the meeting in case any there are any changes agreed by Council to the recommended Terms of Reference (and proposed Panel members – see **Report PE12.170**).

To allow for the situation that Porirua City Council makes a decision that differs from this Council's resolutions, it is recommended that the Council, following the making of its resolutions on the matters contained in this report, adjourn its meeting, and reconvene once Porirua City Council has made its decision. If the Porirua City Council decision aligns with Council's decisions

the reconvened meeting can simply note that fact and conclude; if the Porirua City Council's decision differs from the Council decision the Council could consider whether it wishes to amend its resolution.

6. Budget for the Panel process

Following the Council meeting on 26 March 2012 officers have carried out more analysis of the cost of the Panel process. The original budget estimate was \$150,000. This assumed a three-person panel and the majority of support for the panel being provided by Council staff.

The original budget has been adjusted to recognise the recommended additional panellist and the use of external resources to support the Panel, in response to the Councillors' previous discussions. The total budget is \$241,000, which includes a contingency of \$10,000. Porirua City Council has committed to a cash contribution of \$15,000 in addition to its in-kind contribution. This means the budgeted cost to Greater Wellington of \$226,000 (including contingency).

As previously discussed with Councillors, it is proposed to meet the cost of the Panel from Treasury Investment gains in 2011/12. This funding will be placed in a reserve to meet the costs incurred in 2012/13.

7. Communication

The draft Terms of Reference have been provided to the Mayors in the Region, and to the media.

8. Recommendations

That the Council:

- 1. **Receives** the report.*
- 2. **Notes** the content of the report.*
- 3. **Agrees** to adopt the terms of reference for the Wellington Region Local Government Review Panel, as set out in Attachment 1.*
- 4. **Agrees** to immediately notify Porirua City Council of the resolutions agreed at this meeting.*
- 5. **Notes** that resolution 3, in order to be put into effect, will also need to be agreed by Porirua City Council, and in the event that Porirua City Council makes a decision that is different to Greater Wellington that resolution will need to be reconsidered.*
- 6. **Agrees** to adjust the budget to \$241,000 for costs associated with the Panel, and **notes** that Porirua City Council will make a cash contribution of \$15,000 towards the cost.*

Report prepared by:

Fran Wilde
Chair

Attachment 1: Draft Terms of Reference for the Independent Review Panel